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 Datacenters and Cloud
Our Mission: Securing The Digital User Experience

For every business model

Through continued innovation

With a comprehensive offering
What We Do

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

RADWARE ATTACK MITIGATION SOLUTION
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 Footprint
   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

Application and data are changing locations, data generated outside datacenter, becomes decentralized

Complexity, IoT, infra. and app. agility require agile security solutions, cloud-native attacks

Infrastructure is shifting

From monolithic/3-tier to Kubernetes and microservices, containers

Application Infrastructure is shifting

Cyber attacks reach a tipping point
Cloud & Security – Infrastructure Protection/ TAM & Solutions

YOU MANAGE  MANAGE TOGETHER  WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS
ON-PREM  HYBRID/ON-DEMAND  ALWAYS-ON

SAAS DELIVERED SECURITY FLEXIBLE DEPLOYMENTS

5G/EDGE-CLOUD  PRIVATE CLOUD  PUBLIC CLOUD

ON/OFF PREMISE
Cloud & Security – Infrastructure Protection/ TAM & Solutions

YOU MANAGE

MANAGE TOGETHER

WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS

ON-PREM

HYBRID/ON-DEMAND

ALWAYS-ON

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

EMERGING EDGE-NATIVE APPS

5G/EDGE-CLOUD

APPs

PRIVATE CLOUD

ON/OFF PREMISE

CLOUD-NATIVE APPS

PUBLIC CLOUD

WORKLOADS ANYWHERE
YOU MANAGE

MANAGE TOGETHER

WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS

ON-PREM

HYBRID/ON-DEMAND

ALWAYS-ON

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

INFRASTRUCTURE PROTECTION STACKS

EMERGING EDGE-NATIVE APPS

APPS

CLOUD-NATIVE APPS

5G/EDGE-CLOUD

PRIVATE CLOUD

PUBLIC CLOUD

ON/OFF PREMISE

PROTECTING WORKLOADS ANYWHERE
YOU MANAGE
YOU MANAGE
WE MANAGE

MANAGE TOGETHER
MANAGE TOGETHER
WE MANAGE

5Tbps SCRUBBING CLOUD/ 11 LOCATIONS
5Tbps SCRUBBING CLOUD/ 11 LOCATIONS
WE MANAGE

ON-PREM
ON-PREM
ALWAYS-ON

HYBRID/ON-DEMAND
HYBRID/ON-DEMAND
ALWAYS-ON

5G/EDGE RISKS
DATA-CENTER/DARK-DATA RISKS
CLOUD-NATIVE RISKS

INFRASTRUCTURE PROTECTION STACKS

NET/EDGE-CLOUD
DATA-CENTER PERIMETER
CLOUD-NATIVE CONTROLS

5G/EDGE-CLOUD
PRIVATE CLOUD
PUBLIC CLOUD

5G/EDGE-CLOUD
PRIVATE CLOUD
PUBLIC CLOUD

PROTECTING WORKLOADS ANYWHERE
PROTECTING WORKLOADS ANYWHERE

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

BORN-IN-THE-CLOUD FOR-THE-CLOUD
BORN-IN-THE-CLOUD FOR-THE-CLOUD
Cloud & Security – Application Protection/ TAM & Solutions

YOU MANAGE
MANAGE TOGETHER
WE MANAGE

25 CLOUD COMPUTE LOCATIONS
ON-PREM
HYBRID/ON-DEMAND
ALWAYS-ON

SAAS DELIVERED SECURITY
FLEXIBLE DEPLOYMENTS

RISKS 4 KUBERNETES
WEB, API RISKS
AUTOMATED THREATS RISKS
MICRO-SERVICES/SERVICE-MESH
PUBLIC-FACING APPLICATIONS

PROTECTING WORKLOADS ANYWHERE AND APPLICATIONS

5G/EDGE-CLOUD
PRIVATE CLOUD
PUBLIC CLOUD

ON/OFF PREMISE
PREMISE & CLOUD DELIVERED
AT CLOUD SCALE
"E" Bot Manager
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 Q3 2019
Q3 19 Business Indicators

+7% Revenue growth

$165M Total Deferred Revenues* Up 9%
* As defined by the Company

+67% EPS From $0.15 to $0.25

15% Operating Margin

$49M 9Mos Operating Cash Flow
Operating Leverage

- **Operating Income**
- **Operating Expenses**

### 2016
- **$197M**
  - Operating Income: 158
  - Operating Expenses: 4.2
  - Operating Leverage: 82.4%

### 2017
- **$211M**
  - Operating Income: 170
  - Operating Expenses: 3.8
  - Operating Leverage: 82.2%

### 2018
- **$234M**
  - Operating Income: 172
  - Operating Expenses: 21.6
  - Operating Leverage: 82.7%

### Q3 2018
- **$59M**
  - Operating Income: 42
  - Operating Expenses: 6.3
  - Operating Leverage: 83.0%

### Q3 2019
- **$63M**
  - Operating Income: 43
  - Operating Expenses: 9.2
  - Operating Leverage: 83.3%
Shift to Subscriptions

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

Radware’s recurring revenue includes support, cloud services and product subscriptions.

Recurring revenue as % of total revenue
Subscription bookings as % of total bookings
Shift to Subscriptions on Track to Secure Our Performance

Provides us with visibility & confidence

Total Deferred Revenues ($M)

- Dec-14: 85 (18) 67
- Dec-15: 101 (30) 71
- Dec-16: 121 (37) 84
- Dec-17: 148 (35) 113
- Dec-18: 167 (39) 128
- Sep-18: 151 (33) 118
- Sep-19: 165 (28) 137

Q4 18 - Q3 19: 92
Q4 19 - Q3 20: 100

2x in 4 years

60-65% of total deferred revenues is scheduled to be recognized as revenues within 12 months.

Balance Sheet
Uncollected billed amounts offset vs. accounts receivables (off balance sheet)
Continuous Strong Cash Generation

Cash and Equivalents Balance ($M)

- Technology Driven Acquisitions
- Business Driven Acquisitions

Latest Examples

- Q1 2017: Seculert
  - Cloud Malware Protection
  - Workload Protection

- Q1 2019: Shield Square
  - Bit Manager
Thank You