



**Investor Kit First Quarter 2018**



**Radware Ltd. Condensed and Consolidated - Balance Sheets**  
(U.S. Dollars in thousands - unaudited)

**ASSETS**

**Current Assets**

	FY'15				FY'16				FY'17				FY'18	
	Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended 31-Mar
	31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep		31-Mar	
Cash and cash equivalents	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	\$ 79,639	\$ 47,129	\$ 50,086	\$ 53,530	\$ 65,237	\$ 61,987				
Available-for-sale marketable securities	16,003	17,305	16,341	20,016	20,452	20,922	21,350	25,145	42,573	45,769				
Short-term bank deposits	80,922	150,844	183,465	148,122	125,995	101,471	84,830	87,114	93,151	87,662				
Trade receivables, net	26,410	27,905	26,057	21,346	19,407	20,990	17,638	12,314	16,150	16,034				
Other receivables and prepaid expenses	5,042	5,346	4,382	4,297	4,159	3,250	3,447	3,905	12,252	6,401				
Inventories	16,322	16,576	16,181	16,812	17,114	18,392	19,455	18,724	18,772	18,920				
	<b>178,443</b>	<b>249,809</b>	<b>268,354</b>	<b>249,451</b>	<b>266,766</b>	<b>212,154</b>	<b>196,806</b>	<b>200,732</b>	<b>248,135</b>	<b>236,773</b>				

**Long-term Investments**

Available-for-sale marketable securities	87,814	83,186	83,904	75,692	74,967	70,307	75,478	70,717	54,427	51,193			
Long-term bank deposits	96,643	31,818	9,143	28,187	19,092	76,141	93,851	94,361	88,911	111,465			
Severance pay funds	2,724	2,747	2,699	2,812	2,597	2,597	2,830	2,830	3,251	3,251			
	<b>187,181</b>	<b>117,751</b>	<b>95,746</b>	<b>106,691</b>	<b>96,656</b>	<b>149,045</b>	<b>172,159</b>	<b>167,908</b>	<b>146,589</b>	<b>165,909</b>			

Property and equipment, net	26,203	26,577	27,177	27,404	26,354	25,751	25,711	24,487	23,642	23,477			
Intangible assets, net	3,518	3,239	2,959	2,679	2,399	8,870	10,922	10,525	10,415	10,164			
Other long-term assets	5,473	5,559	6,677	6,739	8,092	8,030	8,072	8,084	8,133	17,687			
Goodwill	30,069	30,069	30,069	30,069	30,069	34,392	32,174	32,174	32,174	32,174			
	<b>\$ 430,887</b>	<b>\$ 433,004</b>	<b>\$ 430,982</b>	<b>\$ 423,033</b>	<b>\$ 430,336</b>	<b>\$ 438,242</b>	<b>\$ 445,844</b>	<b>\$ 443,910</b>	<b>\$ 469,088</b>	<b>\$ 486,184</b>			

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current Liabilities**

Trade payables	\$ 9,255	\$ 5,077	\$ 6,087	\$ 5,051	\$ 5,971	\$ 4,393	\$ 5,967	\$ 4,552	\$ 5,367	\$ 4,320			
Deferred revenues (*)	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829	76,831			
Other payables and accrued expenses	22,098	21,849	22,547	22,201	26,232	28,227	25,187	25,107	32,174	24,248			
	<b>77,414</b>	<b>79,955</b>	<b>81,164</b>	<b>75,870</b>	<b>85,264</b>	<b>92,161</b>	<b>94,337</b>	<b>93,193</b>	<b>107,370</b>	<b>105,399</b>			

**Long-term Liabilities**

Deferred revenues (*)	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482	45,346			
Other long-term liabilities	9,214	14,060	14,088	14,075	14,209	14,258	14,490	9,130	2,880	5,733			
	<b>34,350</b>	<b>40,895</b>	<b>41,349</b>	<b>38,475</b>	<b>45,309</b>	<b>46,045</b>	<b>50,786</b>	<b>47,788</b>	<b>46,362</b>	<b>51,079</b>			

**Shareholders' Equity**

Share capital	661	661	661	662	663	664	665	666	673	677			
Additional paid-in capital	312,784	315,661	318,331	321,338	325,338	329,644	334,418	338,539	349,250	357,496			
Accumulated other comprehensive income (loss), net of tax	1,257	943	847	505	(20)	24	(7)	(31)	(443)	(1,172)			
Treasury stock, at cost	(94,049)	(100,829)	(105,761)	(105,761)	(116,029)	(116,029)	(116,029)	(116,442)	(116,442)	(116,442)			
Retained earnings	98,470	95,718	94,391	91,944	89,811	85,733	81,674	80,197	82,318	89,147			
	<b>319,123</b>	<b>312,154</b>	<b>308,469</b>	<b>308,688</b>	<b>299,763</b>	<b>300,036</b>	<b>300,721</b>	<b>302,929</b>	<b>315,356</b>	<b>329,706</b>			

<b>Total liabilities and shareholder's equity</b>	<b>\$ 430,887</b>	<b>\$ 433,004</b>	<b>\$ 430,982</b>	<b>\$ 423,033</b>	<b>\$ 430,336</b>	<b>\$ 438,242</b>	<b>\$ 445,844</b>	<b>\$ 443,910</b>	<b>\$ 469,088</b>	<b>\$ 486,184</b>			
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**\* Deferred Revenues**

Short Term	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829	76,831			
Long Term	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482	45,346			
<b>Balance Sheet Deferred Revenues</b>	<b>71,197</b>	<b>79,864</b>	<b>79,791</b>	<b>73,018</b>	<b>84,161</b>	<b>91,328</b>	<b>99,479</b>	<b>102,192</b>	<b>113,311</b>	<b>122,177</b>			

Add: Uncollected billed amounts offset against trade receivables balance.

(representing unpaid invoices not yet recognized as revenue)	29,976	18,349	19,119	36,824	37,000	37,014	33,997	37,056	34,374	25,968			
<b>Total Deferred Revenues</b>	<b>101,173</b>	<b>98,213</b>	<b>98,910</b>	<b>109,842</b>	<b>121,161</b>	<b>128,342</b>	<b>133,476</b>	<b>139,248</b>	<b>147,685</b>	<b>148,145</b>			

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated -  
US GAAP Income Statements

(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'15	FY'16					FY'17					FY'18
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended 31-Mar
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>Revenues</b>	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536
Cost of revenues	38,200	8,654	8,887	8,558	9,596	35,695	8,994	9,634	9,928	11,060	39,616	9,940
<b>Gross profit</b>	<b>178,366</b>	<b>39,771</b>	<b>40,698</b>	<b>38,305</b>	<b>42,116</b>	<b>160,890</b>	<b>39,918</b>	<b>41,322</b>	<b>43,119</b>	<b>47,394</b>	<b>171,753</b>	<b>44,596</b>
Operating expenses:												
Research and development, net	49,987	13,424	13,001	13,072	12,235	51,732	14,240	15,013	14,678	15,072	59,003	14,662
Selling and marketing	93,347	24,912	25,865	24,853	28,144	103,774	25,979	26,410	27,189	29,166	108,744	28,183
General and administrative	17,033	5,769	3,893	4,245	4,226	18,133	4,780	4,380	4,152	4,265	17,577	4,055
Other income	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-
<b>Total operating expenses</b>	<b>160,367</b>	<b>44,105</b>	<b>42,759</b>	<b>42,170</b>	<b>44,605</b>	<b>173,639</b>	<b>44,999</b>	<b>45,803</b>	<b>46,019</b>	<b>41,603</b>	<b>178,424</b>	<b>46,900</b>
<b>Operating income (loss)</b>	<b>17,999</b>	<b>(4,334)</b>	<b>(2,061)</b>	<b>(3,865)</b>	<b>(2,489)</b>	<b>(12,749)</b>	<b>(5,081)</b>	<b>(4,481)</b>	<b>(2,900)</b>	<b>5,791</b>	<b>(6,671)</b>	<b>(2,304)</b>
Financial Income, net	5,867	1,940	1,232	1,706	863	5,741	1,107	640	2,148	935	4,830	1,689
<b>Income (loss) before taxes on income</b>	<b>23,866</b>	<b>(2,394)</b>	<b>(829)</b>	<b>(2,159)</b>	<b>(1,626)</b>	<b>(7,008)</b>	<b>(3,974)</b>	<b>(3,841)</b>	<b>(752)</b>	<b>6,726</b>	<b>(1,841)</b>	<b>(615)</b>
Taxes on income	5,297	358	498	288	507	1,651	104	218	725	4,605	5,652	380
<b>Net income (loss)</b>	<b>\$ 18,569</b>	<b>\$ (2,752)</b>	<b>\$ (1,327)</b>	<b>\$ (2,447)</b>	<b>\$ (2,133)</b>	<b>\$ (8,659)</b>	<b>\$ (4,078)</b>	<b>\$ (4,059)</b>	<b>\$ (1,477)</b>	<b>\$ 2,121</b>	<b>\$ (7,493)</b>	<b>\$ (995)</b>
Diluted net earnings (loss) per share	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)	\$ (0.02)
Weighted average number of shares used to compute diluted net earnings (loss) per share	46,738,604	44,468,827	43,944,924	43,752,220	43,313,644	43,868,221	43,225,062	43,821,006	43,951,325	45,728,792	43,475,844	46,424,462
Gross margin	82.4%	82.1%	82.1%	81.7%	81.4%	81.8%	81.6%	81.1%	81.3%	81.1%	81.3%	81.8%
R&D % of total revenue	23.1%	27.7%	26.2%	27.9%	23.7%	26.3%	29.1%	29.5%	27.7%	25.8%	27.9%	26.9%
S&M % of total revenue	43.1%	51.4%	52.2%	53.0%	54.4%	52.8%	53.1%	51.8%	51.3%	49.9%	51.4%	51.7%
G&A % of total revenue	7.9%	11.9%	7.9%	9.1%	8.2%	9.2%	9.8%	8.6%	7.8%	7.3%	8.3%	7.4%
Total operating expenses % of total revenues	74.0%	91.1%	86.2%	90.0%	86.3%	88.3%	92.0%	89.9%	86.8%	71.2%	84.4%	86.0%
Operating margin	8.3%	-8.9%	-4.2%	-8.2%	-4.8%	-6.5%	-10.4%	-8.8%	-5.5%	9.9%	-3.2%	-4.2%
Net margin	8.6%	-5.7%	-2.7%	-5.2%	-4.1%	-4.4%	-8.3%	-8.0%	-2.8%	3.6%	-3.5%	-1.8%

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated -

Non-GAAP Income Statements

(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'15	FY'16					FY'17					FY'18
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended 31-Mar
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>Revenues</b>	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536
Cost of revenues	36,945	8,359	8,594	8,258	9,290	34,501	8,686	9,154	9,484	10,364	37,688	9,652
<b>Gross profit</b>	<b>179,621</b>	<b>40,066</b>	<b>40,991</b>	<b>38,605</b>	<b>42,422</b>	<b>162,084</b>	<b>40,226</b>	<b>41,802</b>	<b>43,563</b>	<b>48,090</b>	<b>173,681</b>	<b>44,884</b>
Operating expenses:												
Research and development, net	47,531	12,641	12,334	12,131	11,287	48,393	13,342	13,985	13,721	13,884	54,932	13,731
Selling and marketing	89,125	23,618	24,445	23,570	26,375	98,008	24,332	24,511	25,488	27,425	101,756	26,259
General and administrative	11,017	2,821	2,816	2,922	2,964	11,523	3,001	3,197	3,225	3,733	13,156	3,378
<b>Total operating expenses</b>	<b>147,673</b>	<b>39,080</b>	<b>39,595</b>	<b>38,623</b>	<b>40,626</b>	<b>157,924</b>	<b>40,675</b>	<b>41,693</b>	<b>42,434</b>	<b>45,042</b>	<b>169,844</b>	<b>43,368</b>
<b>Operating income (loss)</b>	<b>31,948</b>	<b>986</b>	<b>1,396</b>	<b>(18)</b>	<b>1,796</b>	<b>4,160</b>	<b>(449)</b>	<b>109</b>	<b>1,129</b>	<b>3,048</b>	<b>3,837</b>	<b>1,516</b>
Financial income, net	7,013	1,637	1,692	1,882	1,204	6,415	1,254	1,299	1,419	1,493	5,465	1,486
<b>Income before taxes on income</b>	<b>38,961</b>	<b>2,623</b>	<b>3,088</b>	<b>1,864</b>	<b>3,000</b>	<b>10,575</b>	<b>805</b>	<b>1,408</b>	<b>2,548</b>	<b>4,541</b>	<b>9,302</b>	<b>3,002</b>
Taxes on income	5,297	358	498	288	507	1,651	104	218	725	632	1,679	380
<b>Net income</b>	<b>\$ 33,664</b>	<b>\$ 2,265</b>	<b>\$ 2,590</b>	<b>\$ 1,576</b>	<b>\$ 2,493</b>	<b>\$ 8,924</b>	<b>\$ 701</b>	<b>\$ 1,190</b>	<b>\$ 1,823</b>	<b>\$ 3,909</b>	<b>\$ 7,623</b>	<b>\$ 2,622</b>
Diluted net earnings per share	\$ 0.72	\$ 0.05	\$ 0.06	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.17	\$ 0.06
Weighted average number of shares used to compute diluted net earnings per share	46,738,604	44,608,119	44,101,539	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732	46,424,462
Gross margin	82.9%	82.7%	82.7%	82.4%	82.0%	82.4%	82.2%	82.0%	82.1%	82.3%	82.2%	82.3%
R&D % of total revenue	21.9%	26.1%	24.9%	25.9%	21.8%	24.6%	27.3%	27.4%	25.9%	23.8%	26.0%	25.2%
S&M % of total revenue	41.2%	48.8%	49.3%	50.3%	51.0%	49.9%	49.7%	48.1%	48.0%	46.9%	48.1%	48.1%
G&A % of total revenue	5.1%	5.8%	5.7%	6.2%	5.7%	5.9%	6.1%	6.3%	6.1%	6.4%	6.2%	6.2%
Total operating expenses % of total revenues	68.2%	80.7%	79.9%	82.4%	78.6%	80.3%	83.2%	81.8%	80.0%	77.1%	80.4%	79.5%
Operating margin	14.8%	2.0%	2.8%	0.0%	3.5%	2.1%	-0.9%	0.2%	2.1%	5.2%	1.8%	2.8%
Tax rate	13.6%	13.6%	16.1%	15.5%	16.9%	15.6%	12.9%	15.5%	28.5%	13.9%	18.0%	12.7%
Net margin	15.5%	4.7%	5.2%	3.4%	4.8%	4.5%	1.4%	2.3%	3.4%	6.7%	3.6%	4.8%

Note: This document should be read in conjunction with the Company's SEC Filings.



**GAAP to Non-GAAP Reconciliations**

(U.S. Dollars in thousands, except share and per share data - unaudited)

**GAAP gross profit**

Stock-based compensation	141
Amortization of intangible assets	1,114
Acquisition related costs	-

**Non-GAAP gross profit**

**GAAP research and development, net**

Stock-based compensation	2,456
Acquisition related costs	-

**Non-GAAP Research and development, net**

**GAAP selling and marketing**

Stock-based compensation	4,098
Amortization of intangible assets	124

**Non-GAAP selling and marketing**

**GAAP general and administrative**

Stock-based compensation	2,634
Acquisition related costs	-
Litigation related charges	3,383

**Non-GAAP general and administrative**

**GAAP other income**

Court verdict	-
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**Non-GAAP other income**

**GAAP total operating expenses**

Stock-based compensation	9,188
Acquisition related costs	-
Amortization of intangible assets	124
Litigation related charges	3,383
Court verdict	-

**Non-GAAP total operating expenses**

**GAAP operating income (loss)**

Stock-based compensation	9,329
Acquisition related costs	-
Amortization of intangible assets	1,238
Litigation related charges	3,383
Court verdict	-

**Non-GAAP operating income (loss)**

	FY'15	FY'16				FY'16	FY'17				FY'18	
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended 31-Mar
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>GAAP gross profit</b>	\$ 178,366	\$ 39,771	\$ 40,698	\$ 38,305	\$ 42,116	\$ 160,890	\$ 39,918	\$ 41,322	\$ 43,119	\$ 47,394	\$ 171,753	\$ 44,596
Stock-based compensation	141	42	39	47	52	180	55	61	65	60	241	58
Amortization of intangible assets	1,114	253	254	253	254	1,014	253	419	379	86	1,137	230
Acquisition related costs	-	-	-	-	-	-	-	-	-	550	550	-
<b>Non-GAAP gross profit</b>	<b>\$ 179,621</b>	<b>\$ 40,066</b>	<b>\$ 40,991</b>	<b>\$ 38,605</b>	<b>\$ 42,422</b>	<b>\$ 162,084</b>	<b>\$ 40,226</b>	<b>\$ 41,802</b>	<b>\$ 43,563</b>	<b>\$ 48,090</b>	<b>\$ 173,681</b>	<b>\$ 44,884</b>
<b>GAAP research and development, net</b>	\$ 49,987	\$ 13,424	\$ 13,001	\$ 13,072	\$ 12,235	\$ 51,732	\$ 14,240	\$ 15,013	\$ 14,678	\$ 15,072	\$ 59,003	\$ 14,662
Stock-based compensation	2,456	783	667	941	948	3,339	898	1,028	957	984	3,867	931
Acquisition related costs	-	-	-	-	-	-	-	-	-	204	204	-
<b>Non-GAAP Research and development, net</b>	<b>\$ 47,531</b>	<b>\$ 12,641</b>	<b>\$ 12,334</b>	<b>\$ 12,131</b>	<b>\$ 11,287</b>	<b>\$ 48,393</b>	<b>\$ 13,342</b>	<b>\$ 13,985</b>	<b>\$ 13,721</b>	<b>\$ 13,884</b>	<b>\$ 54,932</b>	<b>\$ 13,731</b>
<b>GAAP selling and marketing</b>	\$ 93,347	\$ 24,912	\$ 25,865	\$ 24,853	\$ 28,144	\$ 103,774	\$ 25,979	\$ 26,410	\$ 27,189	\$ 29,166	\$ 108,744	\$ 28,183
Stock-based compensation	4,098	1,268	1,394	1,256	1,743	5,661	1,624	1,875	1,678	1,717	6,894	1,904
Amortization of intangible assets	124	26	26	27	26	105	23	24	23	24	94	20
<b>Non-GAAP selling and marketing</b>	<b>\$ 89,125</b>	<b>\$ 23,618</b>	<b>\$ 24,445</b>	<b>\$ 23,570</b>	<b>\$ 26,375</b>	<b>\$ 98,008</b>	<b>\$ 24,332</b>	<b>\$ 24,511</b>	<b>\$ 25,488</b>	<b>\$ 27,425</b>	<b>\$ 101,756</b>	<b>\$ 26,259</b>
<b>GAAP general and administrative</b>	\$ 17,033	\$ 5,769	\$ 3,893	\$ 4,245	\$ 4,226	\$ 18,133	\$ 4,780	\$ 4,380	\$ 4,152	\$ 4,265	\$ 17,577	\$ 4,055
Stock-based compensation	2,634	784	644	434	478	2,340	420	583	570	456	2,029	407
Acquisition related costs	-	-	-	-	-	-	340	-	-	-	340	-
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270
<b>Non-GAAP general and administrative</b>	<b>\$ 11,016</b>	<b>\$ 2,821</b>	<b>\$ 2,816</b>	<b>\$ 2,922</b>	<b>\$ 2,964</b>	<b>\$ 11,523</b>	<b>\$ 3,001</b>	<b>\$ 3,197</b>	<b>\$ 3,225</b>	<b>\$ 3,733</b>	<b>\$ 13,156</b>	<b>\$ 3,378</b>
<b>GAAP other income</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,900)	\$ (6,900)	\$ -
Court verdict	-	-	-	-	-	-	-	-	-	6,900	6,900	-
<b>Non-GAAP other income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GAAP total operating expenses</b>	\$ 160,367	\$ 44,105	\$ 42,759	\$ 42,170	\$ 44,605	\$ 173,639	\$ 44,999	\$ 45,803	\$ 46,019	\$ 41,603	\$ 178,424	\$ 46,900
Stock-based compensation	9,188	2,835	2,705	2,631	3,169	11,340	2,942	3,486	3,205	3,157	12,790	3,242
Acquisition related costs	-	-	-	-	-	-	340	-	-	204	544	-
Amortization of intangible assets	124	26	26	27	26	105	23	24	23	24	94	20
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-
<b>Non-GAAP total operating expenses</b>	<b>\$ 147,672</b>	<b>\$ 39,080</b>	<b>\$ 39,595</b>	<b>\$ 38,623</b>	<b>\$ 40,626</b>	<b>\$ 157,924</b>	<b>\$ 40,675</b>	<b>\$ 41,693</b>	<b>\$ 42,434</b>	<b>\$ 45,042</b>	<b>\$ 169,844</b>	<b>\$ 43,368</b>
<b>GAAP operating income (loss)</b>	\$ 17,999	\$ (4,334)	\$ (2,061)	\$ (3,865)	\$ (2,489)	\$ (12,749)	\$ (5,081)	\$ (4,481)	\$ (2,900)	\$ 5,791	\$ (6,671)	\$ (2,304)
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-
<b>Non-GAAP operating income (loss)</b>	<b>\$ 31,949</b>	<b>\$ 986</b>	<b>\$ 1,396</b>	<b>\$ (18)</b>	<b>\$ 1,796</b>	<b>\$ 4,160</b>	<b>\$ (449)</b>	<b>\$ 109</b>	<b>\$ 1,129</b>	<b>\$ 3,048</b>	<b>\$ 3,837</b>	<b>\$ 1,516</b>

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**GAAP to Non-GAAP Reconciliations - continues from previous page**  
(U.S. Dollars in thousands, except share and per share data - unaudited)

**GAAP finance income**  
Exchange rate differences, net on balance sheet items included in financial income

**Non-GAAP finance income**

**GAAP income (loss) before taxes on income**

Stock-based compensation  
Acquisition related costs  
Amortization of intangible assets  
Litigation related charges  
Court verdict  
Exchange rate differences, net on balance sheet items included in financial income

**Non-GAAP income before taxes on income**

**GAAP taxes on income**

Court verdict  
Change in the federal rate

**Non-GAAP taxes on income**

**GAAP net income (loss)**

Stock-based compensation  
Acquisition related costs  
Amortization of intangible assets  
Litigation related charges  
Court verdict  
Exchange rate differences, net on balance sheet items included in financial income  
Change in the federal rate

**Non-GAAP net income**

**GAAP diluted net earnings (loss) per share**

Stock-based compensation  
Acquisition related costs  
Amortization of intangible assets  
Litigation related charges  
Court verdict  
Exchange rate differences, net on balance sheet items included in financial income  
Change in the federal rate

**Non-GAAP diluted net earnings per share**

GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share

	FY'15	FY'16				FY'16	FY'17				FY'18	
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended 31-Mar
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>GAAP finance income</b>	\$ 5,867	\$ 1,940	\$ 1,232	\$ 1,706	\$ 863	\$ 5,741	\$ 1,107	\$ 640	\$ 2,148	\$ 935	\$ 4,830	\$ 1,689
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)
<b>Non-GAAP finance income</b>	<b>\$ 7,014</b>	<b>\$ 1,637</b>	<b>\$ 1,692</b>	<b>\$ 1,882</b>	<b>\$ 1,204</b>	<b>\$ 6,415</b>	<b>\$ 1,254</b>	<b>\$ 1,299</b>	<b>\$ 1,419</b>	<b>\$ 1,493</b>	<b>\$ 5,465</b>	<b>\$ 1,486</b>
<b>GAAP income (loss) before taxes on income</b>	\$ 23,866	\$ (2,394)	\$ (829)	\$ (2,159)	\$ (1,626)	\$ (7,008)	\$ (3,974)	\$ (3,841)	\$ (752)	\$ 6,726	\$ (1,841)	\$ (615)
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)
<b>Non-GAAP income before taxes on income</b>	<b>\$ 38,962</b>	<b>\$ 2,623</b>	<b>\$ 3,088</b>	<b>\$ 1,864</b>	<b>\$ 3,000</b>	<b>\$ 10,575</b>	<b>\$ 805</b>	<b>\$ 1,408</b>	<b>\$ 2,548</b>	<b>\$ 4,541</b>	<b>\$ 9,302</b>	<b>\$ 3,002</b>
<b>GAAP taxes on income</b>	\$ 5,297	\$ 358	\$ 498	\$ 288	\$ 507	\$ 1,651	\$ 104	\$ 218	\$ 725	\$ 4,605	\$ 5,652	\$ 380
Court verdict	-	-	-	-	-	-	-	-	-	(724)	(724)	-
Change in the federal rate	-	-	-	-	-	-	-	-	-	(3,249)	(3,249)	-
<b>Non-GAAP taxes on income</b>	<b>\$ 5,297</b>	<b>\$ 358</b>	<b>\$ 498</b>	<b>\$ 288</b>	<b>\$ 507</b>	<b>\$ 1,651</b>	<b>\$ 104</b>	<b>\$ 218</b>	<b>\$ 725</b>	<b>\$ 632</b>	<b>\$ 1,679</b>	<b>\$ 380</b>
<b>GAAP net income (loss)</b>	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)	\$ (995)
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270
Court verdict	-	-	-	-	-	-	-	-	-	(6,176)	(6,176)	-
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)
Change in the federal rate	-	-	-	-	-	-	-	-	-	3,249	3,249	-
<b>Non-GAAP net income</b>	<b>\$ 33,665</b>	<b>\$ 2,265</b>	<b>\$ 2,590</b>	<b>\$ 1,576</b>	<b>\$ 2,493</b>	<b>\$ 8,924</b>	<b>\$ 701</b>	<b>\$ 1,190</b>	<b>\$ 1,823</b>	<b>\$ 3,909</b>	<b>\$ 7,623</b>	<b>\$ 2,622</b>
<b>GAAP diluted net earnings (loss) per share</b>	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)	\$ (0.02)
Stock-based compensation	0.20	0.06	0.06	0.06	0.07	0.26	0.07	0.08	0.07	0.07	0.30	0.07
Acquisition related costs	-	-	-	-	-	-	0.01	-	-	0.02	0.02	-
Amortization of intangible assets	0.03	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	-	0.03	0.01
Litigation related charges	0.07	0.05	0.01	0.02	0.02	0.10	0.02	0.01	0.01	-	0.05	0.01
Court verdict	-	-	-	-	-	-	-	-	-	(0.14)	(0.14)	-
Exchange rate differences, net on balance sheet items included in financial income	0.02	(0.01)	0.01	0.01	0.01	0.01	-	0.02	(0.02)	0.01	0.01	(0.00)
Change in the federal rate	-	-	-	-	-	-	-	-	-	0.08	0.07	-
<b>Non-GAAP diluted net earnings per share</b>	<b>\$ 0.72</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.04</b>	<b>\$ 0.06</b>	<b>\$ 0.20</b>	<b>\$ 0.02</b>	<b>\$ 0.03</b>	<b>\$ 0.04</b>	<b>\$ 0.09</b>	<b>\$ 0.17</b>	<b>\$ 0.06</b>
GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share	46,738,604	44,468,827	43,944,924	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732	46,424,462

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated -  
US GAAP Cash Flows  
(U.S. Dollars in thousands - unaudited)

	FY'15	FY'16				Yr Ended 31-Dec	FY'17				Yr Ended 31-Dec	FY'18
	Yr Ended 31-Dec	Quarter Ended					Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>Cash flows from operating activities:</b>												
<b>Net income (loss)</b>	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)	\$ (995)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:												
Depreciation and amortization	9,401	2,534	2,561	2,614	2,663	10,372	2,819	2,987	2,861	2,567	11,234	2,504
Stock based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300
Gain from sale of available-for-sale marketable securities	(2,438)	(577)	(549)	(651)	6	(1,771)	-	-	-	(18)	(18)	-
Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net	3,208	378	514	385	672	1,949	361	270	450	465	1,546	276
Accrued interest on bank deposits	(1,998)	(661)	6	201	1,633	1,179	1,382	150	(720)	(586)	226	(66)
Increase (decrease) in accrued severance pay, net	125	322	19	(51)	111	401	135	41	44	(430)	(210)	239
Decrease (increase) in trade receivables, net	(773)	(1,495)	1,848	4,711	1,939	7,003	(1,450)	3,352	5,324	(3,836)	3,390	(37)
Decrease (increase) in other receivables and prepaid expenses and other long term assets	112	(304)	(106)	149	(1,542)	(1,803)	1,034	(196)	(459)	(8,258)	(7,879)	7,199
Decrease (increase) in inventories	522	(254)	395	(631)	(302)	(792)	(1,278)	(1,063)	731	(48)	(1,658)	(148)
Increase (decrease) in trade payables	(562)	(4,178)	1,010	(1,036)	920	(3,284)	(1,710)	1,574	(1,415)	817	(734)	(1,047)
Increase (decrease) in other payables, deferred revenues and accrued expenses	4,273	12,919	606	(7,194)	15,487	21,818	6,092	4,761	(2,770)	11,945	20,028	939
Excess tax benefit from stock-based compensation	(632)	-	74	-	473	547	-	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>39,136</b>	<b>8,809</b>	<b>7,795</b>	<b>(1,272)</b>	<b>23,148</b>	<b>38,480</b>	<b>6,304</b>	<b>11,364</b>	<b>5,839</b>	<b>7,956</b>	<b>31,463</b>	<b>12,164</b>
<b>Cash flows from investing activities:</b>												
Purchase of property and equipment	(13,774)	(2,629)	(2,881)	(2,561)	(1,333)	(9,404)	(1,882)	(2,475)	(1,240)	(1,613)	(7,210)	(2,089)
proceeds from (investment in) other long-term assets	(100)	19	(16)	(3)	(53)	(53)	47	(31)	(4)	(18)	(6)	(91)
Proceeds from (investment in) bank deposits, net	(33,824)	(4,436)	(9,952)	16,097	29,586	31,295	(33,907)	(1,219)	(2,074)	-	(37,200)	(17,000)
Proceeds from (investment in) available-for-sale marketable securities	40,845	3,106	155	4,339	(1,079)	6,521	3,887	(5,910)	485	(2,119)	(3,657)	(1,186)
Payment for the acquisition of subsidiary, net of cash acquired	-	-	-	-	-	-	(8,269)	-	-	-	(8,269)	-
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(6,853)</b>	<b>(3,940)</b>	<b>(12,694)</b>	<b>17,872</b>	<b>27,121</b>	<b>28,359</b>	<b>(40,124)</b>	<b>(9,635)</b>	<b>(2,833)</b>	<b>(3,750)</b>	<b>(56,342)</b>	<b>(20,366)</b>
<b>Cash flows from financing activities:</b>												
Proceeds from exercise of stock options	8,746	-	-	330	1,253	1,583	1,310	1,228	851	7,501	10,890	4,952
Excess tax benefit from stock-based compensation	632	-	(74)	-	(473)	(547)	-	-	-	-	-	-
Repurchase of shares	(52,896)	(6,780)	(4,932)	-	(10,268)	(21,980)	-	-	(413)	-	(413)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(43,518)</b>	<b>(6,780)</b>	<b>(5,006)</b>	<b>330</b>	<b>(9,488)</b>	<b>(20,944)</b>	<b>1,310</b>	<b>1,228</b>	<b>438</b>	<b>7,501</b>	<b>10,477</b>	<b>4,952</b>
Increase (decrease) in cash and cash equivalents	(11,235)	(1,911)	(9,905)	16,930	40,781	45,895	(32,510)	2,957	3,444	11,707	(14,402)	(3,250)
Cash and cash equivalents at the beginning of the period	44,979	33,744	31,833	21,928	38,858	33,744	79,639	47,129	50,086	53,530	79,639	65,237
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 33,744</b>	<b>\$ 31,833</b>	<b>\$ 21,928</b>	<b>\$ 38,858</b>	<b>\$ 79,639</b>	<b>\$ 79,639</b>	<b>\$ 47,129</b>	<b>\$ 50,086</b>	<b>\$ 53,530</b>	<b>\$ 65,237</b>	<b>\$ 65,237</b>	<b>\$ 61,987</b>

Note: This document should be read in conjunction with the Company's SEC Filings.



	FY'15	FY'16				FY'16	FY'17				FY'17	FY'18
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended 31-Mar
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		
<b>Radware Ltd. - Revenues mix</b> (U.S. Dollars in thousands - unaudited)												
<b>Revenue by geography:</b>												
Americas	\$ 88,685	\$ 20,007	\$ 22,069	\$ 19,967	\$ 22,690	\$ 84,733	\$ 18,300	\$ 24,263	\$ 26,601	\$ 28,737	\$ 97,901	\$ 24,177
EMEA	62,689	12,567	14,035	12,217	14,905	53,724	14,590	13,121	13,788	15,090	56,589	15,129
APAC	65,192	15,851	13,481	14,679	14,117	58,128	16,022	13,572	12,658	14,627	56,879	15,230
Total revenue	<b>\$ 216,566</b>	<b>\$ 48,425</b>	<b>\$ 49,585</b>	<b>\$ 46,863</b>	<b>\$ 51,712</b>	<b>\$ 196,585</b>	<b>\$ 48,912</b>	<b>\$ 50,956</b>	<b>\$ 53,047</b>	<b>\$ 58,454</b>	<b>\$ 211,369</b>	<b>\$ 54,536</b>
<b>Revenue % of total:</b>												
Americas	41.0%	41.3%	44.5%	42.6%	43.9%	43.1%	37.4%	47.6%	50.1%	49.2%	46.3%	44.3%
EMEA	28.9%	26.0%	28.3%	26.1%	28.8%	27.3%	29.8%	25.7%	26.0%	25.8%	26.8%	27.7%
APAC	30.1%	32.7%	27.2%	31.3%	27.3%	29.6%	32.8%	26.6%	23.9%	25.0%	26.9%	27.9%
Total revenue	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue by vertical:</b>												
Enterprise	\$ 152,824	\$ 34,482	\$ 34,380	\$ 33,284	\$ 34,104	\$ 136,251	\$ 33,750	\$ 33,321	\$ 31,876	\$ 39,692	\$ 138,639	\$ 39,802
Carrier	63,742	13,943	15,205	13,579	17,607	60,334	15,162	17,635	21,171	18,762	72,730	14,734
Total revenue	<b>\$ 216,566</b>	<b>\$ 48,425</b>	<b>\$ 49,585</b>	<b>\$ 46,863</b>	<b>\$ 51,712</b>	<b>\$ 196,585</b>	<b>\$ 48,912</b>	<b>\$ 50,956</b>	<b>\$ 53,047</b>	<b>\$ 58,454</b>	<b>\$ 211,369</b>	<b>\$ 54,536</b>
<b>Revenue % of total:</b>												
Enterprise	70.6%	71.2%	69.3%	71.0%	66.0%	69.3%	69.0%	65.4%	60.1%	67.9%	65.6%	73.0%
Carrier	29.4%	28.8%	30.7%	29.0%	34.0%	30.7%	31.0%	34.6%	39.9%	32.1%	34.4%	27.0%
Total revenue	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: This document should be read in conjunction with the Company's SEC Filings.