



**Investor Kit Fourth Quarter 2021**



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

**ASSETS**

**Current Assets**

|  | FY'18           |                |                |                | FY'19           |                |                |                | FY'20           |                |                |                | FY'21           |               |        |  |
|--|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|---------------|--------|--|
|  | 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          | 30-Jun         | 30-Sep         |                | 31-Mar          | 30-Jun         | 30-Sep         |                | 31-Mar          | 30-Jun         | 30-Sep         |                | 31-Mar          | 30-Jun        | 30-Sep |  |
| Cash and cash equivalents                | \$ 45,203       | \$ 52,361      | \$ 34,191      | \$ 39,955      | \$ 40,751       | \$ 40,207      | \$ 48,650      | \$ 48,429      | \$ 54,771       | \$ 38,979      | \$ 61,057      | \$ 63,205      | \$ 92,513       |               |        |  |
| Available-for-sale marketable securities | 15,742          | 9,996          | 25,923         | 28,177         | 36,924          | 52,259         | 63,568         | 62,930         | 64,684          | 70,215         | 56,509         | 51,234         | 39,497          |               |        |  |
| Short-term bank deposits                 | 255,454         | 250,354        | 193,944        | 153,812        | 100,276         | 76,823         | 114,137        | 179,675        | 191,038         | 205,554        | 195,010        | 159,208        | 155,879         |               |        |  |
| Trade receivables, net                   | 17,166          | 14,346         | 14,987         | 12,366         | 22,610          | 26,639         | 17,195         | 14,330         | 16,848          | 9,908          | 18,499         | 11,476         | 13,191          |               |        |  |
| Other receivables and prepaid expenses   | 7,071           | 8,632          | 10,182         | 9,390          | 7,469           | 7,342          | 8,444          | 8,100          | 6,526           | 10,190         | 12,726         | 11,798         | 7,541           |               |        |  |
| Inventories                              | 18,401          | 17,185         | 15,964         | 15,083         | 13,940          | 14,854         | 14,106         | 13,290         | 13,935          | 13,411         | 13,200         | 12,403         | 11,580          |               |        |  |
|  | <b>359,037</b>  | <b>352,874</b> | <b>295,191</b> | <b>258,783</b> | <b>221,970</b>  | <b>218,124</b> | <b>266,100</b> | <b>326,754</b> | <b>347,802</b>  | <b>348,257</b> | <b>357,001</b> | <b>309,324</b> | <b>320,201</b>  |               |        |  |

**Long-term Investments**

|  |               |                |                |                |                |                |                |                |                |                |                |                |                |  |  |  |
|--|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|
| Available-for-sale marketable securities | 84,669        | 101,346        | 120,174        | 120,326        | 112,696        | 92,711         | 83,647         | 75,912         | 66,836         | 62,690         | 64,531         | 84,741         | 98,224         |  |  |  |
| Long-term bank deposits                  | -             | 6,011          | 39,732         | 86,342         | 137,095        | 165,250        | 132,765        | 70,491         | 71,421         | 57,829         | 63,097         | 97,550         | 79,708         |  |  |  |
| Severance pay funds                      | 2,973         | 2,187          | 2,267          | 2,313          | 2,300          | 2,091          | 2,191          | 2,252          | 2,453          | 2,312          | 2,338          | 2,391          | 2,454          |  |  |  |
|  | <b>87,642</b> | <b>109,544</b> | <b>162,173</b> | <b>208,981</b> | <b>252,091</b> | <b>260,052</b> | <b>218,603</b> | <b>148,655</b> | <b>140,710</b> | <b>122,831</b> | <b>129,966</b> | <b>184,682</b> | <b>180,386</b> |  |  |  |

Property and equipment, net

|                                     |        |        |        |        |        |        |        |        |        |        |        |        |        |  |  |  |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--|--|
| Property and equipment, net         | 23,677 | 23,430 | 23,538 | 23,256 | 22,971 | 23,291 | 23,663 | 23,141 | 22,976 | 22,124 | 21,212 | 20,606 | 20,240 |  |  |  |
| Other long-term assets              | 20,724 | 21,221 | 21,425 | 21,495 | 24,398 | 25,914 | 25,358 | 25,959 | 30,222 | 31,139 | 34,227 | 35,879 | 37,334 |  |  |  |
| Operating lease right-of-use assets | -      | 20,539 | 19,868 | 18,849 | 18,144 | 25,169 | 24,117 | 28,185 | 27,823 | 26,892 | 26,143 | 25,131 | 24,829 |  |  |  |
| Goodwill and intangible assets, net | 41,641 | 54,913 | 54,838 | 56,127 | 55,625 | 55,127 | 54,663 | 54,198 | 53,732 | 53,269 | 52,803 | 52,340 | 51,875 |  |  |  |

**Total assets**

|  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |  |  |  |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|
|  | <b>\$ 532,721</b> | <b>\$ 582,521</b> | <b>\$ 577,033</b> | <b>\$ 587,491</b> | <b>\$ 595,199</b> | <b>\$ 607,677</b> | <b>\$ 612,504</b> | <b>\$ 606,892</b> | <b>\$ 623,265</b> | <b>\$ 604,512</b> | <b>\$ 621,352</b> | <b>\$ 627,962</b> | <b>\$ 634,865</b> |  |  |  |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current Liabilities**

|                                     |                |                |                |                |                |                |                |                |                |                |                |                |                |  |  |  |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|
| Trade payables                      | \$ 4,483       | \$ 3,830       | \$ 3,802       | \$ 4,005       | \$ 6,315       | \$ 4,899       | \$ 4,896       | \$ 3,818       | \$ 3,882       | \$ 4,126       | \$ 5,548       | \$ 2,994       | \$ 3,805       |  |  |  |
| Deferred revenues (*)               | 83,955         | 89,068         | 86,207         | 81,987         | 79,239         | 90,415         | 97,703         | 90,813         | 92,127         | 99,595         | 102,266        | 93,542         | 99,922         |  |  |  |
| Operating lease liabilities         | -              | 5,197          | 5,495          | 5,183          | 5,193          | 4,854          | 4,573          | 4,903          | 5,224          | 5,165          | 4,649          | 4,503          | 5,090          |  |  |  |
| Other payables and accrued expenses | 29,596         | 29,628         | 29,729         | 28,089         | 34,794         | 34,173         | 33,672         | 36,128         | 42,514         | 36,520         | 43,144         | 44,424         | 56,565         |  |  |  |
|                                     | <b>118,034</b> | <b>127,723</b> | <b>125,233</b> | <b>119,264</b> | <b>125,541</b> | <b>134,341</b> | <b>140,844</b> | <b>135,662</b> | <b>143,747</b> | <b>145,406</b> | <b>155,607</b> | <b>145,463</b> | <b>165,382</b> |  |  |  |

**Long-term Liabilities**

|                             |               |               |               |               |               |               |               |               |               |               |               |               |               |  |  |  |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|--|
| Deferred revenues (*)       | 43,796        | 50,122        | 45,446        | 54,556        | 50,888        | 59,742        | 54,091        | 53,333        | 54,797        | 56,251        | 56,048        | 62,455        | 67,065        |  |  |  |
| Operating lease liabilities | -             | 15,717        | 15,033        | 14,520        | 13,914        | 20,440        | 20,469        | 24,181        | 24,851        | 23,197        | 23,322        | 22,617        | 22,360        |  |  |  |
| Other long-term liabilities | 6,934         | 8,733         | 10,171        | 12,343        | 9,525         | 9,532         | 10,004        | 10,113        | 11,409        | 11,494        | 11,701        | 11,841        | 10,065        |  |  |  |
|                             | <b>50,730</b> | <b>74,572</b> | <b>70,650</b> | <b>81,419</b> | <b>74,327</b> | <b>89,714</b> | <b>84,564</b> | <b>87,627</b> | <b>91,057</b> | <b>90,942</b> | <b>91,071</b> | <b>96,913</b> | <b>99,490</b> |  |  |  |

**Shareholders' Equity**

|   |                |                |                |                |                |                |                |                |                |                |                |                |                |  |  |  |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|
| Share capital   | 693            | 701            | 704            | 707            | 710            | 712            | 713            | 718            | 721            | 723            | 726            | 728            | 730            |  |  |  |
| Additional paid-in capital                                | 383,536        | 394,361        | 400,756        | 407,897        | 414,581        | 419,804        | 425,466        | 434,815        | 443,018        | 449,542        | 456,469        | 462,976        | 471,173        |  |  |  |
| Accumulated other comprehensive income (loss), net of tax | (1,110)        | 6              | 791            | 1,026          | 1,145          | 306            | 2,444          | 1,917          | 1,517          | 978            | 664            | 298            | (455)          |  |  |  |
| Treasury stock, at cost                                   | (120,717)      | (120,765)      | (130,770)      | (139,612)      | (145,226)      | (163,895)      | (168,895)      | (184,802)      | (190,552)      | (220,741)      | (225,379)      | (225,575)      | (243,023)      |  |  |  |
| Retained earnings   | 101,555        | 105,923        | 109,669        | 116,790        | 124,121        | 126,695        | 127,368        | 130,955        | 133,757        | 137,662        | 142,194        | 147,159        | 141,568        |  |  |  |
|   | <b>363,957</b> | <b>380,226</b> | <b>381,150</b> | <b>386,808</b> | <b>395,331</b> | <b>383,622</b> | <b>387,096</b> | <b>383,603</b> | <b>388,461</b> | <b>368,164</b> | <b>374,674</b> | <b>385,586</b> | <b>369,993</b> |  |  |  |

**Total liabilities and shareholder's equity**

|  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |  |  |  |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|
|  | <b>\$ 532,721</b> | <b>\$ 582,521</b> | <b>\$ 577,033</b> | <b>\$ 587,491</b> | <b>\$ 595,199</b> | <b>\$ 607,677</b> | <b>\$ 612,504</b> | <b>\$ 606,892</b> | <b>\$ 623,265</b> | <b>\$ 604,512</b> | <b>\$ 621,352</b> | <b>\$ 627,962</b> | <b>\$ 634,865</b> |  |  |  |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|--|--|

**\* Deferred Revenues**

|  |                |                |                |                |                |                |                |                |                |                |                |                |                |  |  |  |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|
| Short Term                             | 83,955         | 89,068         | 86,207         | 81,987         | 79,239         | 90,415         | 97,703         | 90,813         | 92,127         | 99,595         | 102,266        | 93,542         | 99,922         |  |  |  |
| Long Term                              | 43,796         | 50,122         | 45,446         | 54,556         | 50,888         | 59,742         | 54,091         | 53,333         | 54,797         | 56,251         | 56,048         | 62,455         | 67,065         |  |  |  |
| <b>Balance Sheet Deferred Revenues</b> | <b>127,751</b> | <b>139,190</b> | <b>131,653</b> | <b>136,543</b> | <b>130,127</b> | <b>150,157</b> | <b>151,794</b> | <b>144,146</b> | <b>146,924</b> | <b>155,846</b> | <b>158,314</b> | <b>155,997</b> | <b>166,987</b> |  |  |  |

Add: Uncollected billed amounts offset against trade receivables balance.  
(representing unpaid invoices not yet recognized as revenue)

|                                |                |                |                |                |                |                |                |                |                |                |                |                |                |  |  |  |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|
|                                | 39,499         | 20,272         | 39,884         | 28,205         | 54,512         | 30,975         | 21,403         | 27,503         | 41,961         | 32,434         | 30,830         | 30,662         | 46,783         |  |  |  |
| <b>Total Deferred Revenues</b> | <b>167,250</b> | <b>159,462</b> | <b>171,537</b> | <b>164,748</b> | <b>184,639</b> | <b>181,132</b> | <b>173,197</b> | <b>171,649</b> | <b>188,885</b> | <b>188,280</b> | <b>189,144</b> | <b>186,659</b> | <b>213,770</b> |  |  |  |



Radware Ltd. Condensed and Consolidated -  
US GAAP Income Statements

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

|   | FY'18              | FY'19            |                  |                  |                  | Yr Ended<br>31-Dec | FY'20            |                  |                  |                  | Yr Ended<br>31-Dec | FY'21            |                  |                  |                   | Yr Ended<br>31-Dec |
|---|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|-------------------|--------------------|
|   | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  |                    | Quarter Ended    |                  |                  |                  |                    | Quarter Ended    |                  |                  |                   |                    |
|   |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec            |                    |
| <b>Revenues</b>   | <b>\$ 234,404</b>  | <b>\$ 61,397</b> | <b>\$ 60,454</b> | <b>\$ 62,859</b> | <b>\$ 67,362</b> | <b>\$ 252,072</b>  | <b>\$ 60,012</b> | <b>\$ 58,445</b> | <b>\$ 62,524</b> | <b>\$ 69,046</b> | <b>\$ 250,027</b>  | <b>\$ 66,769</b> | <b>\$ 69,667</b> | <b>\$ 73,418</b> | <b>\$ 76,642</b>  | <b>\$ 286,496</b>  |
| Cost of revenues  | 41,675             | 11,009           | 10,644           | 11,527           | 11,994           | 45,174             | 10,689           | 10,558           | 11,646           | 12,191           | 45,084             | 12,266           | 12,838           | 13,294           | 14,048            | 52,446             |
| <b>Gross profit</b>   | <b>192,729</b>     | <b>50,388</b>    | <b>49,810</b>    | <b>51,332</b>    | <b>55,368</b>    | <b>206,898</b>     | <b>49,323</b>    | <b>47,887</b>    | <b>50,878</b>    | <b>56,855</b>    | <b>204,943</b>     | <b>54,503</b>    | <b>56,829</b>    | <b>60,124</b>    | <b>62,594</b>     | <b>234,050</b>     |
| Operating expenses:   |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |                  |                  |                  |                   |                    |
| Research and development, net   | 57,674             | 15,230           | 15,400           | 15,108           | 16,103           | 61,841             | 15,832           | 16,509           | 16,747           | 17,748           | 66,836             | 17,735           | 18,127           | 18,639           | 19,597            | 74,098             |
| Selling and marketing   | 111,386            | 26,661           | 26,680           | 27,094           | 29,121           | 109,556            | 28,202           | 26,755           | 27,659           | 30,399           | 113,015            | 28,991           | 29,248           | 29,588           | 32,015            | 119,842            |
| General and administrative  | 16,145             | 4,764            | 5,042            | 4,403            | 4,375            | 18,584             | 4,712            | 4,889            | 4,513            | 4,810            | 18,924             | 5,196            | 4,551            | 6,024            | 6,114             | 21,885             |
| Other income  | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                 | -                  |
| <b>Total operating expenses</b>   | <b>185,205</b>     | <b>46,655</b>    | <b>47,122</b>    | <b>46,605</b>    | <b>49,599</b>    | <b>189,981</b>     | <b>48,746</b>    | <b>48,153</b>    | <b>48,919</b>    | <b>52,957</b>    | <b>198,775</b>     | <b>51,922</b>    | <b>51,926</b>    | <b>54,251</b>    | <b>57,726</b>     | <b>215,825</b>     |
| <b>Operating income (loss)</b>  | <b>7,524</b>       | <b>3,733</b>     | <b>2,688</b>     | <b>4,727</b>     | <b>5,769</b>     | <b>16,917</b>      | <b>577</b>       | <b>(266)</b>     | <b>1,959</b>     | <b>3,898</b>     | <b>6,168</b>       | <b>2,581</b>     | <b>4,903</b>     | <b>5,873</b>     | <b>4,868</b>      | <b>18,225</b>      |
| Financial income (expense), net   | 7,274              | 1,791            | 2,119            | 2,137            | 2,745            | 8,792              | 2,724            | 1,783            | 2,897            | 392              | 7,796              | 2,670            | 1,187            | 1,013            | (463)             | 4,407              |
| <b>Income before taxes on income (tax benefit)</b>                                      | <b>14,798</b>      | <b>5,524</b>     | <b>4,807</b>     | <b>6,864</b>     | <b>8,514</b>     | <b>25,709</b>      | <b>3,301</b>     | <b>1,517</b>     | <b>4,856</b>     | <b>4,290</b>     | <b>13,964</b>      | <b>5,251</b>     | <b>6,090</b>     | <b>6,886</b>     | <b>4,405</b>      | <b>22,632</b>      |
| Taxes on income (tax benefit)   | 3,063              | 1,156            | 1,061            | (257)            | 1,183            | 3,143              | 727              | 844              | 1,269            | 1,488            | 4,328              | 1,346            | 1,558            | 1,921            | 9,996             | 14,821             |
| <b>Net income (loss)</b>  | <b>\$ 11,735</b>   | <b>\$ 4,368</b>  | <b>\$ 3,746</b>  | <b>\$ 7,121</b>  | <b>\$ 7,331</b>  | <b>\$ 22,566</b>   | <b>\$ 2,574</b>  | <b>\$ 673</b>    | <b>\$ 3,587</b>  | <b>\$ 2,802</b>  | <b>\$ 9,636</b>    | <b>\$ 3,905</b>  | <b>\$ 4,532</b>  | <b>\$ 4,965</b>  | <b>\$ (5,591)</b> | <b>\$ 7,811</b>    |
| Diluted net earnings (loss) per share   | \$ 0.25            | \$ 0.09          | \$ 0.08          | \$ 0.15          | \$ 0.15          | \$ 0.47            | \$ 0.05          | \$ 0.01          | \$ 0.08          | \$ 0.06          | \$ 0.20            | \$ 0.08          | \$ 0.10          | \$ 0.10          | \$ (0.12)         | \$ 0.16            |
| Weighted average number of shares used to compute diluted net earnings (loss) per share | 47,691,868         | 48,572,366       | 48,722,684       | 48,488,313       | 48,304,507       | 48,523,120         | 48,225,688       | 47,632,309       | 47,673,698       | 47,440,556       | 47,739,540         | 47,607,518       | 47,138,142       | 47,620,254       | 46,004,419        | 47,503,091         |
| Gross margin  | 82.2%              | 82.1%            | 82.4%            | 81.7%            | 82.2%            | 82.1%              | 82.2%            | 81.9%            | 81.4%            | 82.3%            | 82.0%              | 81.6%            | 81.6%            | 81.9%            | 81.7%             | 81.7%              |
| R&D % of total revenue  | 24.6%              | 24.8%            | 25.5%            | 24.0%            | 23.9%            | 24.5%              | 26.4%            | 28.2%            | 26.8%            | 25.7%            | 26.7%              | 26.6%            | 26.0%            | 25.4%            | 25.6%             | 25.9%              |
| S&M % of total revenue  | 47.5%              | 43.4%            | 44.1%            | 43.1%            | 43.2%            | 43.5%              | 47.0%            | 45.8%            | 44.2%            | 44.0%            | 45.2%              | 43.4%            | 42.0%            | 40.3%            | 41.8%             | 41.8%              |
| G&A % of total revenue  | 6.9%               | 7.8%             | 8.3%             | 7.0%             | 6.5%             | 7.4%               | 7.9%             | 8.4%             | 7.2%             | 7.0%             | 7.6%               | 7.8%             | 6.5%             | 8.2%             | 8.0%              | 7.6%               |
| Total operating expenses % of total revenues  | 79.0%              | 76.0%            | 77.9%            | 74.1%            | 73.6%            | 75.4%              | 81.2%            | 82.4%            | 78.2%            | 76.7%            | 79.5%              | 77.8%            | 74.5%            | 73.9%            | 75.3%             | 75.3%              |
| Operating margin  | 3.2%               | 6.1%             | 4.4%             | 7.5%             | 8.6%             | 6.7%               | 1.0%             | -0.5%            | 3.1%             | 5.6%             | 2.5%               | 3.9%             | 7.0%             | 8.0%             | 6.4%              | 6.4%               |
| Net margin  | 5.0%               | 7.1%             | 6.2%             | 11.3%            | 10.9%            | 9.0%               | 4.3%             | 1.2%             | 5.7%             | 4.1%             | 3.9%               | 5.8%             | 6.5%             | 6.8%             | -7.3%             | 2.7%               |

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'18              | FY'19            |                  |                  |                  | Yr Ended<br>31-Dec | FY'20            |                  |                  |                  | Yr Ended<br>31-Dec | FY'21              |                  |                  |                  | Yr Ended<br>31-Dec |
|--|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|--------------------|
|  | Yr Ended<br>31-Dec | 31-Mar           | Quarter Ended    |                  | 31-Dec           |                    | 31-Mar           | Quarter Ended    |                  | 31-Dec           |                    | Yr Ended<br>31-Dec | 31-Mar           | Quarter Ended    |                  |                    |
| <b>Revenues</b>  | <b>\$ 234,404</b>  | <b>\$ 61,397</b> | <b>\$ 60,454</b> | <b>\$ 62,859</b> | <b>\$ 67,362</b> | <b>\$ 252,072</b>  | <b>\$ 60,012</b> | <b>\$ 58,445</b> | <b>\$ 62,524</b> | <b>\$ 69,046</b> | <b>\$ 250,027</b>  | <b>\$ 66,769</b>   | <b>\$ 69,667</b> | <b>\$ 73,418</b> | <b>\$ 76,642</b> | <b>\$ 286,496</b>  |
| Cost of revenues   | 40,588             | 10,543           | 10,175           | 10,473           | 11,455           | 42,646             | 10,153           | 10,045           | 11,133           | 11,674           | 43,005             | 11,755             | 12,322           | 12,779           | 13,496           | 50,352             |
| <b>Gross profit</b>  | <b>193,816</b>     | <b>50,854</b>    | <b>50,279</b>    | <b>52,386</b>    | <b>55,907</b>    | <b>209,426</b>     | <b>49,859</b>    | <b>48,400</b>    | <b>51,391</b>    | <b>57,372</b>    | <b>207,022</b>     | <b>55,014</b>      | <b>57,345</b>    | <b>60,639</b>    | <b>63,146</b>    | <b>236,144</b>     |
| Operating expenses:  |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |                    |                  |                  |                  |                    |
| Research and development, net  | 54,531             | 14,520           | 14,686           | 14,468           | 15,312           | 58,986             | 15,023           | 15,420           | 15,446           | 16,538           | 62,427             | 16,396             | 17,114           | 17,205           | 17,971           | 68,686             |
| Selling and marketing  | 104,233            | 25,075           | 24,927           | 25,123           | 27,408           | 102,533            | 26,316           | 24,910           | 25,576           | 27,898           | 104,700            | 26,939             | 27,218           | 27,376           | 29,498           | 111,031            |
| General and administrative   | 13,451             | 3,651            | 3,483            | 3,638            | 3,651            | 14,423             | 3,690            | 3,818            | 3,494            | 3,841            | 14,843             | 4,197              | 4,250            | 4,434            | 4,676            | 17,557             |
| <b>Total operating expenses</b>  | <b>172,215</b>     | <b>43,246</b>    | <b>43,096</b>    | <b>43,229</b>    | <b>46,371</b>    | <b>175,942</b>     | <b>45,029</b>    | <b>44,148</b>    | <b>44,516</b>    | <b>48,277</b>    | <b>181,970</b>     | <b>47,532</b>      | <b>48,582</b>    | <b>49,015</b>    | <b>52,145</b>    | <b>197,274</b>     |
| <b>Operating income</b>  | <b>21,601</b>      | <b>7,608</b>     | <b>7,183</b>     | <b>9,157</b>     | <b>9,536</b>     | <b>33,484</b>      | <b>4,830</b>     | <b>4,252</b>     | <b>6,875</b>     | <b>9,095</b>     | <b>25,052</b>      | <b>7,482</b>       | <b>8,763</b>     | <b>11,624</b>    | <b>11,001</b>    | <b>38,870</b>      |
| Financial Income, net  | 7,470              | 2,422            | 2,718            | 2,762            | 2,597            | 10,499             | 2,664            | 2,642            | 2,825            | 2,218            | 10,349             | 1,946              | 1,742            | 1,401            | 1,129            | 6,218              |
| <b>Income before taxes on income</b>   | <b>29,071</b>      | <b>10,030</b>    | <b>9,901</b>     | <b>11,919</b>    | <b>12,133</b>    | <b>43,983</b>      | <b>7,494</b>     | <b>6,894</b>     | <b>9,700</b>     | <b>11,313</b>    | <b>35,401</b>      | <b>9,428</b>       | <b>10,505</b>    | <b>13,025</b>    | <b>12,130</b>    | <b>45,088</b>      |
| Taxes on income  | 3,063              | 1,156            | 990              | 9                | 1,222            | 3,377              | 849              | 905              | 1,331            | 1,549            | 4,634              | 1,408              | 1,619            | 1,983            | 1,810            | 6,820              |
| <b>Net income</b>  | <b>\$ 26,008</b>   | <b>\$ 8,874</b>  | <b>\$ 8,911</b>  | <b>\$ 11,910</b> | <b>\$ 10,911</b> | <b>\$ 40,606</b>   | <b>\$ 6,645</b>  | <b>\$ 5,989</b>  | <b>\$ 8,369</b>  | <b>\$ 9,764</b>  | <b>\$ 30,767</b>   | <b>\$ 8,020</b>    | <b>\$ 8,886</b>  | <b>\$ 11,042</b> | <b>\$ 10,320</b> | <b>\$ 38,268</b>   |
| Diluted net earnings per share   | \$ 0.55            | \$ 0.18          | \$ 0.18          | \$ 0.25          | \$ 0.23          | \$ 0.84            | \$ 0.14          | \$ 0.13          | \$ 0.18          | \$ 0.21          | \$ 0.64            | \$ 0.17            | \$ 0.19          | \$ 0.23          | \$ 0.22          | \$ 0.81            |
| Weighted average number of shares used to compute diluted net earnings per share | 47,691,868         | 48,572,366       | 48,722,684       | 48,488,313       | 48,304,507       | 48,523,120         | 48,225,688       | 47,632,309       | 47,673,698       | 47,440,556       | 47,739,540         | 47,607,518         | 47,138,142       | 47,620,254       | 47,655,351       | 47,503,091         |
| Gross margin   | 82.7%              | 82.8%            | 83.2%            | 83.3%            | 83.0%            | 83.1%              | 83.1%            | 82.8%            | 82.2%            | 83.1%            | 82.8%              | 82.4%              | 82.3%            | 82.6%            | 82.4%            | 82.4%              |
| R&D % of total revenue   | 23.3%              | 23.6%            | 24.3%            | 23.0%            | 22.7%            | 23.4%              | 25.0%            | 26.4%            | 24.7%            | 24.0%            | 25.0%              | 24.6%              | 24.6%            | 23.4%            | 23.4%            | 24.0%              |
| S&M % of total revenue   | 44.5%              | 40.8%            | 41.2%            | 40.0%            | 40.7%            | 40.7%              | 43.9%            | 42.6%            | 40.9%            | 40.4%            | 41.9%              | 40.3%              | 39.1%            | 37.3%            | 38.5%            | 38.8%              |
| G&A % of total revenue   | 5.7%               | 5.9%             | 5.8%             | 5.8%             | 5.4%             | 5.7%               | 6.1%             | 6.5%             | 5.6%             | 5.6%             | 5.9%               | 6.3%               | 6.1%             | 6.0%             | 6.1%             | 6.1%               |
| Total operating expenses % of total revenues                                     | 73.5%              | 70.4%            | 71.3%            | 68.8%            | 68.8%            | 69.8%              | 75.0%            | 75.5%            | 71.2%            | 69.9%            | 72.8%              | 71.2%              | 69.7%            | 66.8%            | 68.0%            | 68.9%              |
| Operating margin   | 9.2%               | 12.4%            | 11.9%            | 14.6%            | 14.2%            | 13.3%              | 8.0%             | 7.3%             | 11.0%            | 13.2%            | 10.0%              | 11.2%              | 12.6%            | 15.8%            | 14.4%            | 13.6%              |
| Tax rate   | 10.5%              | 11.5%            | 10.0%            | 0.1%             | 10.1%            | 7.7%               | 11.3%            | 13.1%            | 13.7%            | 13.7%            | 13.1%              | 14.9%              | 15.4%            | 15.2%            | 14.9%            | 15.1%              |
| Net margin   | 11.1%              | 14.5%            | 14.7%            | 18.9%            | 16.2%            | 16.1%              | 11.1%            | 10.2%            | 13.4%            | 14.1%            | 12.3%              | 12.0%              | 12.8%            | 15.0%            | 13.5%            | 13.4%              |

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)

|   | FY'18              |                  |                  |                  |                  | FY'19              |                  |                  |                  |                  | FY'20              |                  |                  |                  |                  | FY'21              |               |        |        |        |                    |
|---|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|---------------|--------|--------|--------|--------------------|
|   | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec | Quarter Ended |        |        |        | Yr Ended<br>31-Dec |
|   |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    |                  |                  |                  |                  |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    | 31-Mar        | 30-Jun | 30-Sep | 31-Dec |                    |
| <b>GAAP gross profit</b>                      | \$ 192,729         | \$ 50,388        | \$ 49,810        | \$ 51,332        | \$ 55,368        | \$ 206,898         | \$ 49,323        | \$ 47,887        | \$ 50,878        | \$ 56,855        | \$ 204,943         | \$ 54,503        | \$ 56,829        | \$ 60,124        | \$ 62,594        | \$ 234,050         |               |        |        |        |                    |
| Stock-based compensation                      | 221                | 55               | 59               | 57               | 53               | 224                | 38               | 49               | 48               | 53               | 188                | 47               | 51               | 51               | 87               | 236                |               |        |        |        |                    |
| Amortization of intangible assets             | 866                | 411              | 410              | 997              | 486              | 2,304              | 498              | 464              | 465              | 464              | 1,891              | 464              | 465              | 464              | 465              | 1,858              |               |        |        |        |                    |
| Acquisition related costs                     | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <b>Non-GAAP gross profit</b>                  | <b>\$ 193,816</b>  | <b>\$ 50,854</b> | <b>\$ 50,279</b> | <b>\$ 52,386</b> | <b>\$ 55,907</b> | <b>\$ 209,426</b>  | <b>\$ 49,859</b> | <b>\$ 48,400</b> | <b>\$ 51,391</b> | <b>\$ 57,372</b> | <b>\$ 207,022</b>  | <b>\$ 55,014</b> | <b>\$ 57,345</b> | <b>\$ 60,639</b> | <b>\$ 63,146</b> | <b>\$ 236,144</b>  |               |        |        |        |                    |
| <b>GAAP research and development, net</b>     | \$ 57,674          | \$ 15,230        | \$ 15,400        | \$ 15,108        | \$ 16,103        | \$ 61,841          | \$ 15,832        | \$ 16,509        | \$ 16,747        | \$ 17,748        | \$ 66,836          | \$ 17,735        | \$ 18,127        | \$ 18,639        | \$ 19,597        | \$ 74,098          |               |        |        |        |                    |
| Stock-based compensation                      | 3,123              | 710              | 714              | 640              | 791              | 2,855              | 809              | 1,089            | 1,301            | 1,210            | 4,409              | 1,339            | 1,013            | 1,434            | 1,626            | 5,412              |               |        |        |        |                    |
| Acquisition related costs                     | 20                 | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <b>Non-GAAP Research and development, net</b> | <b>\$ 54,531</b>   | <b>\$ 14,520</b> | <b>\$ 14,686</b> | <b>\$ 14,468</b> | <b>\$ 15,312</b> | <b>\$ 58,986</b>   | <b>\$ 15,023</b> | <b>\$ 15,420</b> | <b>\$ 15,446</b> | <b>\$ 16,538</b> | <b>\$ 62,427</b>   | <b>\$ 16,396</b> | <b>\$ 17,114</b> | <b>\$ 17,205</b> | <b>\$ 17,971</b> | <b>\$ 68,686</b>   |               |        |        |        |                    |
| <b>GAAP selling and marketing</b>             | \$ 111,386         | \$ 26,661        | \$ 26,680        | \$ 27,094        | \$ 29,121        | \$ 109,556         | \$ 28,202        | \$ 26,755        | \$ 27,659        | \$ 30,399        | \$ 113,015         | \$ 28,991        | \$ 29,248        | \$ 29,588        | \$ 32,015        | \$ 119,842         |               |        |        |        |                    |
| Stock-based compensation                      | 7,071              | 1,569            | 1,735            | 1,954            | 1,696            | 6,954              | 1,886            | 1,845            | 2,083            | 2,501            | 8,315              | 2,052            | 2,030            | 2,212            | 2,517            | 8,811              |               |        |        |        |                    |
| Amortization of intangible assets             | 82                 | 17               | 18               | 17               | 17               | 69                 | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <b>Non-GAAP selling and marketing</b>         | <b>\$ 104,233</b>  | <b>\$ 25,075</b> | <b>\$ 24,927</b> | <b>\$ 25,123</b> | <b>\$ 27,408</b> | <b>\$ 102,533</b>  | <b>\$ 26,316</b> | <b>\$ 24,910</b> | <b>\$ 25,576</b> | <b>\$ 27,898</b> | <b>\$ 104,700</b>  | <b>\$ 26,939</b> | <b>\$ 27,218</b> | <b>\$ 27,376</b> | <b>\$ 29,498</b> | <b>\$ 111,031</b>  |               |        |        |        |                    |
| <b>GAAP general and administrative</b>        | \$ 16,145          | \$ 4,764         | \$ 5,042         | \$ 4,403         | \$ 4,375         | \$ 18,584          | \$ 4,712         | \$ 4,889         | \$ 4,513         | \$ 4,810         | \$ 18,924          | \$ 5,196         | \$ 4,551         | \$ 6,024         | \$ 6,114         | \$ 21,885          |               |        |        |        |                    |
| Stock-based compensation                      | 2,087              | 767              | 782              | 741              | 742              | 3,032              | 903              | 931              | 975              | 824              | 3,633              | 936              | 143              | 894              | 1,142            | 3,115              |               |        |        |        |                    |
| Acquisition related costs                     | (222)              | 264              | -                | -                | (18)             | 246                | -                | -                | -                | -                | -                  | -                | -                | 629              | -                | 629                |               |        |        |        |                    |
| Litigation related charges                    | 829                | 82               | 777              | 24               | -                | 883                | 119              | 140              | 44               | 145              | 448                | 63               | 158              | 67               | 296              | 584                |               |        |        |        |                    |
| <b>Non-GAAP general and administrative</b>    | <b>\$ 13,451</b>   | <b>\$ 3,651</b>  | <b>\$ 3,483</b>  | <b>\$ 3,638</b>  | <b>\$ 3,651</b>  | <b>\$ 14,423</b>   | <b>\$ 3,690</b>  | <b>\$ 3,818</b>  | <b>\$ 3,494</b>  | <b>\$ 3,841</b>  | <b>\$ 14,843</b>   | <b>\$ 4,197</b>  | <b>\$ 4,250</b>  | <b>\$ 4,434</b>  | <b>\$ 4,676</b>  | <b>\$ 17,557</b>   |               |        |        |        |                    |
| <b>GAAP other income</b>                      | \$ -               | \$ -             | \$ -             | \$ -             | \$ -             | \$ -               | \$ -             | \$ -             | \$ -             | \$ -             | \$ -               | \$ -             | \$ -             | \$ -             | \$ -             | \$ -               |               |        |        |        |                    |
| Court verdict                                 | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <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>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>        |               |        |        |        |                    |
| <b>GAAP total operating expenses</b>          | \$ 185,205         | \$ 46,655        | \$ 47,122        | \$ 46,605        | \$ 49,599        | \$ 189,981         | \$ 48,746        | \$ 48,153        | \$ 48,919        | \$ 52,957        | \$ 198,775         | \$ 51,922        | \$ 51,926        | \$ 54,251        | \$ 57,726        | \$ 215,825         |               |        |        |        |                    |
| Stock-based compensation                      | 12,281             | 3,046            | 3,231            | 3,335            | 3,229            | 12,841             | 3,598            | 3,865            | 4,359            | 4,535            | 16,357             | 4,327            | 3,186            | 4,540            | 5,285            | 17,338             |               |        |        |        |                    |
| Acquisition related costs                     | (202)              | 264              | -                | -                | (18)             | 246                | -                | -                | -                | -                | -                  | -                | -                | 629              | 296              | 925                |               |        |        |        |                    |
| Amortization of intangible assets             | 82                 | 17               | 18               | 17               | 17               | 69                 | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| Litigation related charges                    | 829                | 82               | 777              | 24               | -                | 883                | 119              | 140              | 44               | 145              | 448                | 63               | 158              | 67               | 288              | 584                |               |        |        |        |                    |
| Court verdict                                 | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <b>Non-GAAP total operating expenses</b>      | <b>\$ 172,215</b>  | <b>\$ 43,246</b> | <b>\$ 43,096</b> | <b>\$ 43,229</b> | <b>\$ 46,371</b> | <b>\$ 175,942</b>  | <b>\$ 45,029</b> | <b>\$ 44,148</b> | <b>\$ 44,516</b> | <b>\$ 48,277</b> | <b>\$ 181,970</b>  | <b>\$ 47,532</b> | <b>\$ 48,582</b> | <b>\$ 49,015</b> | <b>\$ 52,145</b> | <b>\$ 197,274</b>  |               |        |        |        |                    |
| <b>GAAP operating income (loss)</b>           | \$ 7,524           | \$ 3,733         | \$ 2,688         | \$ 4,727         | \$ 5,769         | \$ 16,917          | \$ 577           | \$ (266)         | \$ 1,959         | \$ 3,898         | \$ 6,168           | \$ 2,581         | \$ 4,903         | \$ 5,873         | \$ 4,868         | \$ 18,225          |               |        |        |        |                    |
| Stock-based compensation                      | 12,502             | 3,101            | 3,290            | 3,392            | 3,282            | 13,065             | 3,636            | 3,914            | 4,407            | 4,588            | 16,545             | 4,374            | 3,237            | 4,591            | 5,372            | 17,574             |               |        |        |        |                    |
| Acquisition related costs                     | (202)              | 264              | -                | -                | (18)             | 246                | -                | -                | -                | -                | -                  | -                | -                | 629              | 296              | 925                |               |        |        |        |                    |
| Amortization of intangible assets             | 948                | 428              | 428              | 1,014            | 503              | 2,373              | 498              | 464              | 465              | 464              | 1,891              | 464              | 465              | 464              | 465              | 1,858              |               |        |        |        |                    |
| Litigation related charges                    | 829                | 82               | 777              | 24               | -                | 883                | 119              | 140              | 44               | 145              | 448                | 63               | 158              | 67               | 288              | 584                |               |        |        |        |                    |
| Court verdict                                 | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |               |        |        |        |                    |
| <b>Non-GAAP operating income</b>              | <b>\$ 21,601</b>   | <b>\$ 7,608</b>  | <b>\$ 7,183</b>  | <b>\$ 9,157</b>  | <b>\$ 9,536</b>  | <b>\$ 33,484</b>   | <b>\$ 4,830</b>  | <b>\$ 4,252</b>  | <b>\$ 6,875</b>  | <b>\$ 9,095</b>  | <b>\$ 25,052</b>   | <b>\$ 7,482</b>  | <b>\$ 8,763</b>  | <b>\$ 11,624</b> | <b>\$ 11,001</b> | <b>\$ 38,870</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)

|   | FY'18              |                   |                   |                   |                   | FY'19              |                   |                   |                   |                   | FY'20              |                   |                   |                   |                   | FY'21              |        |        |        |   |                   |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------|--------|--------|---|-------------------|
|   | Yr Ended<br>31-Dec | Quarter Ended     |                   |                   |                   | Yr Ended<br>31-Dec | Quarter Ended     |                   |                   |                   | Yr Ended<br>31-Dec | Quarter Ended     |                   |                   |                   | Yr Ended<br>31-Dec |        |        |        |   |                   |
|   | 31-Mar             | 30-Jun            | 30-Sep            | 31-Dec            |                   | 31-Mar             | 30-Jun            | 30-Sep            | 31-Dec            |                   | 31-Mar             | 30-Jun            | 30-Sep            | 31-Dec            |                   | 31-Mar             | 30-Jun | 30-Sep | 31-Dec |   |                   |
| <b>GAAP finance income</b>  | \$ 7,274           | \$ 1,791          | \$ 2,119          | \$ 2,137          | \$ 2,745          | \$ 8,792           | \$ 2,724          | \$ 1,783          | \$ 2,897          | \$ 392            | \$ 7,796           | \$ 2,670          | \$ 1,187          | \$ 1,013          | \$ (463)          | \$ 4,407           |        |        |        |   | \$ 4,407          |
| Other loss (gain) adjustment  | -                  | -                 | (310)             | (253)             | -                 | (563)              | 247               | -                 | -                 | 247               | -                  | -                 | -                 | -                 | -                 | -                  | -      | -      | -      | - | -                 |
| Exchange rate differences, net on balance sheet items included in financial income                    | 196                | 631               | 909               | 878               | (148)             | 2,270              | (307)             | 859               | (72)              | 1,826             | 2,306              | (724)             | 555               | 388               | 1,592             | -                  | -      | -      | -      | - | 1,811             |
| <b>Non-GAAP finance income</b>  | <b>\$ 7,470</b>    | <b>\$ 2,422</b>   | <b>\$ 2,718</b>   | <b>\$ 2,762</b>   | <b>\$ 2,597</b>   | <b>\$ 10,499</b>   | <b>\$ 2,664</b>   | <b>\$ 2,642</b>   | <b>\$ 2,825</b>   | <b>\$ 2,218</b>   | <b>\$ 10,349</b>   | <b>\$ 1,946</b>   | <b>\$ 1,742</b>   | <b>\$ 1,401</b>   | <b>\$ 1,129</b>   | <b>\$ 6,218</b>    |        |        |        |   | <b>\$ 6,218</b>   |
| <b>GAAP income before taxes on income (tax benefit)</b>   | \$ 14,798          | \$ 5,524          | \$ 4,807          | \$ 6,864          | \$ 8,514          | \$ 25,709          | \$ 3,301          | \$ 1,517          | \$ 4,856          | \$ 4,290          | \$ 13,964          | \$ 5,251          | \$ 6,090          | \$ 6,886          | \$ 4,405          | \$ 22,632          |        |        |        |   | \$ 22,632         |
| Stock-based compensation  | 12,502             | 3,101             | 3,290             | 3,392             | 3,282             | 13,065             | 3,636             | 3,914             | 4,407             | 4,588             | 16,545             | 4,374             | 3,237             | 4,591             | 5,372             | 17,574             |        |        |        |   | 17,574            |
| Acquisition related costs   | (202)              | 264               | -                 | -                 | (18)              | 246                | -                 | -                 | -                 | -                 | -                  | -                 | -                 | 629               | 296               | 925                |        |        |        |   | 925               |
| Amortization of intangible assets   | 948                | 428               | 428               | 1,014             | 503               | 2,373              | 498               | 464               | 465               | 464               | 1,891              | 464               | 465               | 464               | 465               | 1,858              |        |        |        |   | 1,858             |
| Litigation related charges  | 829                | 82                | 777               | 24                | -                 | 883                | 119               | 140               | 44                | 145               | 448                | 63                | 158               | 67                | -                 | 288                |        |        |        |   | 288               |
| Court verdict   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Other loss (gain) adjustment  | -                  | -                 | (310)             | (253)             | -                 | (563)              | 247               | -                 | -                 | 247               | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Exchange rate differences, net on balance sheet items included in financial income                    | 196                | 631               | 909               | 878               | (148)             | 2,270              | (307)             | 859               | (72)              | 1,826             | 2,306              | (724)             | 555               | 388               | 1,592             | -                  | -      | -      | -      | - | 1,811             |
| <b>Non-GAAP income before taxes on income</b>   | <b>\$ 29,071</b>   | <b>\$ 10,030</b>  | <b>\$ 9,901</b>   | <b>\$ 11,919</b>  | <b>\$ 12,133</b>  | <b>\$ 43,983</b>   | <b>\$ 7,494</b>   | <b>\$ 6,894</b>   | <b>\$ 9,700</b>   | <b>\$ 11,313</b>  | <b>\$ 35,401</b>   | <b>\$ 9,428</b>   | <b>\$ 10,505</b>  | <b>\$ 13,025</b>  | <b>\$ 12,130</b>  | <b>\$ 45,088</b>   |        |        |        |   | <b>\$ 45,088</b>  |
| <b>GAAP taxes on income (tax benefit)</b>   | \$ 3,063           | \$ 1,156          | \$ 1,061          | \$ (257)          | \$ 1,183          | \$ 3,143           | \$ 727            | \$ 844            | \$ 1,269          | \$ 1,488          | \$ 4,328           | \$ 1,346          | \$ 1,558          | \$ 1,921          | \$ 9,996          | \$ 14,821          |        |        |        |   | \$ 14,821         |
| Court verdict   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Change in the federal rate  | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Tax settlements   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | (8,247)           | (8,247)            |        |        |        |   | (8,247)           |
| Tax related adjustment  | -                  | -                 | (71)              | 266               | 39                | 234                | 122               | 61                | 62                | 61                | 306                | 62                | 61                | 62                | 61                | 246                |        |        |        |   | 246               |
| <b>Non-GAAP taxes on income</b>   | <b>\$ 3,063</b>    | <b>\$ 1,156</b>   | <b>\$ 990</b>     | <b>\$ 9</b>       | <b>\$ 1,222</b>   | <b>\$ 3,377</b>    | <b>\$ 849</b>     | <b>\$ 905</b>     | <b>\$ 1,331</b>   | <b>\$ 1,549</b>   | <b>\$ 4,634</b>    | <b>\$ 1,408</b>   | <b>\$ 1,619</b>   | <b>\$ 1,983</b>   | <b>\$ 1,810</b>   | <b>\$ 6,820</b>    |        |        |        |   | <b>\$ 6,820</b>   |
| <b>GAAP net income (loss)</b>   | \$ 11,735          | \$ 4,368          | \$ 3,746          | \$ 7,121          | \$ 7,331          | \$ 22,566          | \$ 2,574          | \$ 673            | \$ 3,587          | \$ 2,802          | \$ 9,636           | \$ 3,905          | \$ 4,532          | \$ 4,965          | \$ (5,591)        | \$ 7,811           |        |        |        |   | \$ 7,811          |
| Stock-based compensation  | 12,502             | 3,101             | 3,290             | 3,392             | 3,282             | 13,065             | 3,636             | 3,914             | 4,407             | 4,588             | 16,545             | 4,374             | 3,237             | 4,591             | 5,372             | 17,574             |        |        |        |   | 17,574            |
| Acquisition related costs   | (202)              | 264               | -                 | -                 | (18)              | 246                | -                 | -                 | -                 | -                 | -                  | -                 | -                 | 629               | 296               | 925                |        |        |        |   | 925               |
| Amortization of intangible assets   | 948                | 428               | 428               | 1,014             | 503               | 2,373              | 498               | 464               | 465               | 464               | 1,891              | 464               | 465               | 464               | 465               | 1,858              |        |        |        |   | 1,858             |
| Litigation related charges  | 829                | 82                | 777               | 24                | -                 | 883                | 119               | 140               | 44                | 145               | 448                | 63                | 158               | 67                | -                 | 288                |        |        |        |   | 288               |
| Court verdict   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Other loss (gain) adjustment  | -                  | -                 | (310)             | (253)             | -                 | (563)              | 247               | -                 | -                 | 247               | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Exchange rate differences, net on balance sheet items included in financial income                    | 196                | 631               | 909               | 878               | (148)             | 2,270              | (307)             | 859               | (72)              | 1,826             | 2,306              | (724)             | 555               | 388               | 1,592             | -                  | -      | -      | -      | - | 1,811             |
| Change in the federal rate  | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Tax settlements   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | 8,247             | 8,247              |        |        |        |   | 8,247             |
| Tax related adjustment  | -                  | -                 | 71                | (266)             | (39)              | (234)              | (122)             | (61)              | (62)              | (61)              | (306)              | (62)              | (61)              | (62)              | (61)              | (246)              |        |        |        |   | (246)             |
| <b>Non-GAAP net income</b>  | <b>\$ 26,008</b>   | <b>\$ 8,874</b>   | <b>\$ 8,911</b>   | <b>\$ 11,910</b>  | <b>\$ 10,911</b>  | <b>\$ 40,606</b>   | <b>\$ 6,645</b>   | <b>\$ 5,989</b>   | <b>\$ 8,369</b>   | <b>\$ 9,764</b>   | <b>\$ 30,767</b>   | <b>\$ 8,020</b>   | <b>\$ 8,886</b>   | <b>\$ 11,042</b>  | <b>\$ 10,320</b>  | <b>\$ 38,268</b>   |        |        |        |   | <b>\$ 38,268</b>  |
| <b>GAAP diluted net earnings (loss) per share</b>   | 0.25               | \$ 0.09           | \$ 0.08           | \$ 0.15           | \$ 0.15           | 0.47               | \$ 0.05           | \$ 0.01           | \$ 0.08           | \$ 0.06           | 0.20               | \$ 0.08           | \$ 0.10           | \$ 0.10           | \$ (0.12)         | 0.16               |        |        |        |   | 0.16              |
| Stock-based compensation  | 0.26               | 0.06              | 0.07              | 0.07              | 0.07              | 0.27               | 0.08              | 0.08              | 0.09              | 0.10              | 0.35               | 0.09              | 0.07              | 0.10              | 0.11              | 0.37               |        |        |        |   | 0.37              |
| Acquisition related costs   | (0.00)             | 0.01              | -                 | -                 | (0.00)            | 0.01               | -                 | -                 | -                 | -                 | -                  | -                 | -                 | 0.01              | 0.01              | 0.02               |        |        |        |   | 0.02              |
| Amortization of intangible assets   | 0.02               | 0.01              | 0.01              | 0.02              | 0.01              | 0.05               | 0.01              | 0.01              | 0.01              | 0.01              | 0.04               | 0.01              | 0.01              | 0.01              | 0.01              | 0.04               |        |        |        |   | 0.04              |
| Litigation related charges  | 0.02               | 0.00              | 0.02              | 0.00              | -                 | 0.02               | 0.00              | 0.00              | 0.00              | 0.00              | 0.01               | 0.00              | 0.00              | 0.00              | -                 | 0.01               |        |        |        |   | 0.01              |
| Court verdict   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Other loss (gain) adjustment  | -                  | -                 | (0.01)            | (0.01)            | -                 | (0.01)             | 0.01              | -                 | -                 | 0.01              | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Exchange rate differences, net on balance sheet items included in financial income                    | 0.00               | 0.01              | 0.02              | 0.02              | (0.00)            | 0.05               | (0.01)            | 0.02              | (0.00)            | 0.04              | 0.05               | (0.02)            | 0.01              | 0.01              | 0.03              | 0.04               |        |        |        |   | 0.04              |
| Change in the federal rate  | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  |        |        |        |   | -                 |
| Tax settlements   | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 | -                  | -                 | -                 | -                 | 0.17              | 0.17               |        |        |        |   | 0.17              |
| Tax related adjustment  | -                  | -                 | 0.00              | (0.01)            | (0.00)            | (0.00)             | (0.00)            | (0.00)            | (0.00)            | (0.00)            | (0.01)             | (0.00)            | (0.00)            | (0.00)            | (0.00)            | (0.01)             |        |        |        |   | (0.01)            |
| <b>Non-GAAP diluted net earnings per share</b>  | <b>\$ 0.55</b>     | <b>\$ 0.18</b>    | <b>\$ 0.18</b>    | <b>\$ 0.25</b>    | <b>\$ 0.23</b>    | <b>\$ 0.84</b>     | <b>\$ 0.14</b>    | <b>\$ 0.13</b>    | <b>\$ 0.18</b>    | <b>\$ 0.21</b>    | <b>\$ 0.64</b>     | <b>\$ 0.17</b>    | <b>\$ 0.19</b>    | <b>\$ 0.23</b>    | <b>\$ 0.22</b>    | <b>\$ 0.81</b>     |        |        |        |   | <b>\$ 0.81</b>    |
| <b>GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share</b> | <b>47,691,868</b>  | <b>48,572,366</b> | <b>48,722,684</b> | <b>48,488,313</b> | <b>48,304,507</b> | <b>48,523,120</b>  | <b>48,225,688</b> | <b>47,632,309</b> | <b>47,673,698</b> | <b>47,440,556</b> | <b>47,739,540</b>  | <b>47,607,518</b> | <b>47,138,142</b> | <b>47,620,254</b> | <b>47,655,351</b> | <b>47,503,091</b>  |        |        |        |   | <b>47,503,091</b> |

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'18              |                  |                  |                  |                  | FY'19              |                  |                  |                  |                  | FY'20              |                  |                  |                  |                  | FY'21              |        |        |        |  |  |
|--|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|--------|--------|--------|--|--|
|  | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec |        |        |        |  |  |
|  | 31-Mar             | 30-Jun           | 30-Sep           | 31-Dec           |                  | 31-Mar             | 30-Jun           | 30-Sep           | 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>   | \$ 11,735          | \$ 4,368         | \$ 3,746         | \$ 7,121         | \$ 7,331         | \$ 22,566          | \$ 2,574         | \$ 673           | \$ 3,587         | \$ 2,802         | \$ 9,636           | \$ 3,905         | \$ 4,532         | \$ 4,965         | \$ (5,591)       | \$ 7,811           |        |        |        |  |  |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities:                               |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |        |        |        |  |  |
| Depreciation and amortization  | 9,782              | 2,687            | 2,701            | 3,106            | 2,789            | 11,283             | 2,630            | 2,637            | 2,616            | 2,676            | 10,559             | 2,648            | 2,537            | 2,527            | 2,484            | 10,196             |        |        |        |  |  |
| Stock based compensation   | 12,503             | 3,101            | 3,290            | 3,392            | 3,282            | 13,065             | 3,636            | 3,914            | 4,407            | 4,588            | 16,545             | 4,374            | 3,237            | 4,591            | 5,372            | 17,574             |        |        |        |  |  |
| Other loss (gain)  | -                  | -                | (310)            | (253)            | 26               | (537)              | 246              | (224)            | (140)            | -                | (118)              | -                | -                | -                | -                | -                  |        |        |        |  |  |
| Gain from sale of available-for-sale marketable securities   | -                  | -                | -                | -                | -                | -                  | (83)             | (2)              | (377)            | (59)             | (521)              | (2)              | (95)             | (327)            | (14)             | (438)              |        |        |        |  |  |
| Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net | 1,395              | 178              | 149              | 141              | 150              | 618                | 196              | 114              | 337              | 284              | 931                | 408              | 727              | 768              | 817              | 2,720              |        |        |        |  |  |
| Accrued interest on bank deposits  | (2,391)            | (829)            | 3,160            | (804)            | 596              | 2,123              | (195)            | (178)            | (598)            | (239)            | (1,210)            | (781)            | 698              | 1,504            | 1,003            | 2,424              |        |        |        |  |  |
| Increase (decrease) in accrued severance pay, net  | 323                | 868              | 65               | (109)            | 64               | 888                | 216              | (29)             | 48               | (33)             | 202                | 225              | 140              | 88               | 15               | 468                |        |        |        |  |  |
| Decrease (increase) in trade receivables, net  | (1,169)            | 3,170            | (641)            | 2,621            | (7,557)          | (2,407)            | (4,029)          | 9,444            | 2,865            | (2,518)          | 5,762              | 6,940            | (8,591)          | 7,023            | 4,524            | 9,896              |        |        |        |  |  |
| Decrease (increase) in other receivables and prepaid expenses and other long term assets                               | 2,727              | (1,965)          | (1,721)          | (1,163)          | (2,599)          | (7,448)            | (459)            | (1,471)          | (465)            | (2,489)          | (4,884)            | (4,460)          | (5,519)          | (627)            | 3,020            | (7,586)            |        |        |        |  |  |
| Decrease (increase) in inventories   | 371                | 1,216            | 1,221            | 881              | 1,143            | 4,461              | (914)            | 748              | 816              | (645)            | 5                  | 524              | 211              | 797              | 823              | 2,355              |        |        |        |  |  |
| Increase (decrease) in trade payables  | (884)              | (710)            | (28)             | 203              | 2,873            | 2,338              | (1,416)          | (3)              | (1,078)          | 64               | (2,433)            | 244              | 1,422            | (2,554)          | 811              | (77)               |        |        |        |  |  |
| Increase (decrease) in other payables, deferred revenues and accrued expenses  | 14,859             | 11,029           | (6,774)          | 4,932            | (4,248)          | 4,939              | 19,409           | 1,537            | (5,192)          | 12,348           | 28,102             | 2,929            | 9,132            | (1,037)          | 15,038           | 26,062             |        |        |        |  |  |
| Operating lease liabilities, net   | -                  | 375              | 285              | 194              | 109              | 963                | (838)            | 800              | (26)             | 1,353            | 1,289              | (782)            | 358              | 161              | 632              | 369                |        |        |        |  |  |
| Excess tax benefit from stock-based compensation   | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |        |        |        |  |  |
| <b>Net cash provided by operating activities</b>   | <b>49,251</b>      | <b>23,488</b>    | <b>5,143</b>     | <b>20,262</b>    | <b>3,959</b>     | <b>52,852</b>      | <b>20,973</b>    | <b>17,960</b>    | <b>6,800</b>     | <b>18,132</b>    | <b>63,865</b>      | <b>16,172</b>    | <b>8,789</b>     | <b>17,879</b>    | <b>28,934</b>    | <b>71,774</b>      |        |        |        |  |  |
| <b>Cash flows from investing activities:</b>   |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |        |        |        |  |  |
| Purchase of property and equipment   | (8,869)            | (1,961)          | (2,382)          | (1,810)          | (2,002)          | (8,155)            | (2,452)          | (2,545)          | (1,629)          | (2,045)          | (8,671)            | (1,333)          | (1,159)          | (1,458)          | (1,653)          | (5,603)            |        |        |        |  |  |
| Proceeds from (investment in) other long-term assets   | 40                 | (29)             | (33)             | 73               | (7)              | 4                  | (2)              | (9)              | (15)             | (84)             | (110)              | 42               | (11)             | 11               | 7                | 49                 |        |        |        |  |  |
| Proceeds from (investment in) bank deposits, net   | (71,002)           | (82)             | 19,529           | (5,674)          | 2,187            | 15,960             | (4,506)          | (4,652)          | (2,666)          | (12,054)         | (23,878)           | (143)            | 4,577            | (154)            | 20,168           | 24,448             |        |        |        |  |  |
| Proceeds from (investment in) available-for-sale marketable securities   | (5,672)            | (9,661)          | (33,574)         | (1,997)          | (1,131)          | (46,363)           | 2,523            | 940              | 8,249            | 6,579            | 18,291             | (2,491)          | 10,825           | (15,852)         | (3,527)          | (11,045)           |        |        |        |  |  |
| Payment for the acquisition of subsidiary, net of cash acquired  | -                  | (12,282)         | 43               | -                | -                | (12,239)           | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |        |        |        |  |  |
| Purchase of intangible assets  | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |        |        |        |  |  |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(85,503)</b>    | <b>(24,015)</b>  | <b>(16,417)</b>  | <b>(9,408)</b>   | <b>(953)</b>     | <b>(50,793)</b>    | <b>(4,437)</b>   | <b>(6,266)</b>   | <b>3,939</b>     | <b>(7,604)</b>   | <b>(14,368)</b>    | <b>(3,925)</b>   | <b>14,232</b>    | <b>(17,453)</b>  | <b>14,995</b>    | <b>7,849</b>       |        |        |        |  |  |
| <b>Cash flows from financing activities:</b>   |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |        |        |        |  |  |
| Proceeds from exercise of stock options  | 21,803             | 7,733            | 3,109            | 3,751            | 3,406            | 17,999             | 1,589            | 1,749            | 4,947            | 3,618            | 11,903             | 2,150            | 3,695            | 1,917            | 2,828            | 10,590             |        |        |        |  |  |
| Excess tax benefit from stock-based compensation   | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |        |        |        |  |  |
| Payment of deferred consideration related to acquisition   | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | (2,054)          | (2,054)            | -                | -                | -                | -                | -                  |        |        |        |  |  |
| Repayment of contingent consideration  | (1,310)            | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  | -                | -                | -                | -                | -                  |        |        |        |  |  |
| Repurchase of shares   | (4,275)            | (48)             | (10,005)         | (8,841)          | (5,616)          | (24,510)           | (18,669)         | (5,000)          | (15,907)         | (5,750)          | (45,326)           | (30,189)         | (4,638)          | (195)            | (17,449)         | (52,471)           |        |        |        |  |  |
| <b>Net cash provided by (used in) financing activities</b>   | <b>16,218</b>      | <b>7,685</b>     | <b>(6,896)</b>   | <b>(5,090)</b>   | <b>(2,210)</b>   | <b>(6,511)</b>     | <b>(17,080)</b>  | <b>(3,251)</b>   | <b>(10,960)</b>  | <b>(4,186)</b>   | <b>(35,477)</b>    | <b>(28,039)</b>  | <b>(943)</b>     | <b>1,722</b>     | <b>(14,621)</b>  | <b>(41,881)</b>    |        |        |        |  |  |
| Increase (decrease) in cash and cash equivalents   | (20,034)           | 7,158            | (18,170)         | 5,764            | 796              | (4,452)            | (544)            | 8,443            | (221)            | 6,342            | 14,020             | (15,792)         | 22,078           | 2,148            | 29,308           | 37,742             |        |        |        |  |  |
| Cash and cash equivalents at the beginning of the period   | 65,237             | 45,203           | 52,361           | 34,191           | 39,955           | 45,203             | 40,751           | 40,207           | 48,650           | 48,429           | 40,751             | 54,771           | 38,979           | 61,057           | 63,205           | 54,771             |        |        |        |  |  |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>\$ 45,203</b>   | <b>\$ 52,361</b> | <b>\$ 34,191</b> | <b>\$ 39,955</b> | <b>\$ 40,751</b> | <b>\$ 40,751</b>   | <b>\$ 40,207</b> | <b>\$ 48,650</b> | <b>\$ 48,429</b> | <b>\$ 54,771</b> | <b>\$ 54,771</b>   | <b>\$ 38,979</b> | <b>\$ 61,057</b> | <b>\$ 63,205</b> | <b>\$ 92,513</b> | <b>\$ 92,513</b>   |        |        |        |  |  |
| <b>Free cash flow</b>  | <b>40,382</b>      | <b>21,527</b>    | <b>2,761</b>     | <b>18,452</b>    | <b>1,957</b>     | <b>44,697</b>      | <b>18,521</b>    | <b>15,415</b>    | <b>5,171</b>     | <b>16,087</b>    | <b>55,194</b>      | <b>14,839</b>    | <b>7,630</b>     | <b>16,421</b>    | <b>27,281</b>    | <b>66,171</b>      |        |        |        |  |  |

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|  | FY'18              | FY'19              | FY'20            |                  |                  |                  | FY'20              | FY'21            |                  |                  |                  | FY'21              |
|--|--------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|
| Radware Ltd. - Revenues mix<br>(U.S. Dollars in thousands - unaudited) | Yr Ended<br>31-Dec | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec | Quarter Ended    |                  |                  |                  | Yr Ended<br>31-Dec |
|  |                    |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    | 31-Mar           | 30-Jun           | 30-Sep           | 31-Dec           |                    |
| <b>Revenue by geography:</b>   |                    |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |
| Americas   | \$ 102,491         | \$ 106,431         | \$ 29,238        | \$ 27,476        | \$ 30,213        | \$ 27,486        | \$ 114,413         | \$ 33,716        | \$ 28,106        | \$ 35,729        | \$ 31,220        | \$ 128,771         |
| EMEA   | 75,750             | 75,274             | 18,176           | 17,680           | 18,348           | 24,158           | 78,362             | 21,060           | 24,011           | 23,608           | 29,709           | 98,388             |
| APAC   | 56,163             | 70,367             | 12,598           | 13,289           | 13,963           | 17,402           | 57,252             | 11,993           | 17,551           | 14,081           | 15,713           | 59,338             |
| Total revenue  | <b>\$ 234,404</b>  | <b>\$ 252,072</b>  | <b>\$ 60,012</b> | <b>\$ 58,445</b> | <b>\$ 62,524</b> | <b>\$ 69,046</b> | <b>\$ 250,027</b>  | <b>\$ 66,769</b> | <b>\$ 69,667</b> | <b>\$ 73,418</b> | <b>\$ 76,642</b> | <b>\$ 286,496</b>  |
| <b>Revenue % of total:</b>   |                    |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |
| Americas   | 43.7%              | 42.2%              | 48.7%            | 47.0%            | 48.3%            | 39.8%            | 45.8%              | 50.5%            | 40.3%            | 48.7%            | 40.7%            | 44.9%              |
| EMEA   | 32.3%              | 29.9%              | 30.3%            | 30.3%            | 29.3%            | 35.0%            | 31.3%              | 31.5%            | 34.5%            | 32.2%            | 38.8%            | 34.3%              |
| APAC   | 24.0%              | 27.9%              | 21.0%            | 22.7%            | 22.3%            | 25.2%            | 22.9%              | 18.0%            | 25.2%            | 19.2%            | 20.5%            | 20.7%              |
| 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   | \$ 161,945         | \$ 172,578         | \$ 42,618        | \$ 41,171        | \$ 41,329        | \$ 51,773        | \$ 176,891         | \$ 51,037        | \$ 47,759        | \$ 54,049        | \$ 55,393        | \$ 208,238         |
| Carrier  | 72,459             | 79,494             | 17,394           | 17,274           | 21,195           | 17,273           | 73,136             | 15,732           | 21,908           | 19,369           | 21,249           | 78,258             |
| Total revenue  | <b>\$ 234,404</b>  | <b>\$ 252,072</b>  | <b>\$ 60,012</b> | <b>\$ 58,445</b> | <b>\$ 62,524</b> | <b>\$ 69,046</b> | <b>\$ 250,027</b>  | <b>\$ 66,769</b> | <b>\$ 69,667</b> | <b>\$ 73,418</b> | <b>\$ 76,642</b> | <b>\$ 286,496</b>  |
| <b>Revenue % of total:</b>   |                    |                    |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |
| Enterprise   | 69.1%              | 68.5%              | 71.0%            | 70.4%            | 66.1%            | 75.0%            | 70.7%              | 76.4%            | 68.6%            | 73.6%            | 72.3%            | 72.7%              |
| Carrier  | 30.9%              | 31.5%              | 29.0%            | 29.6%            | 33.9%            | 25.0%            | 29.3%              | 23.6%            | 31.4%            | 26.4%            | 27.7%            | 27.3%              |
| 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>      |

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