Investor Presentation

May 2020
SAFE HARBOR

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INVESTMENT HIGHLIGHTS

- Major Market Opportunity
- Leading Data Center Cybersecurity Portfolio
- Strong Market Footprint
- Successful Transition to Subscription
OUR MARKET
APPLICATIONS AND DATA CHANGING LOCATIONS

BALANCE SHIFTING TO PUBLIC CLOUDS

2 in 5 are using multiple cloud environments

3+ Public cloud environments for large organizations

- Heterogeneous environment with many entry points which is hard to secure
- Workloads move in different directions creating attack opportunities
- Public cloud standardized environments make navigation easy for hackers

APPLICATION INFRASTRUCTURE IS SHIFTING

FROM MONOLITHIC TO MICRO SERVICES

60% of organizations run Microservices/Containers/ Serverless

✓ Multiple elements with no physical location to placed security infrastructure
✓ Intense machine-to-machine communication adds exposure

GROWING TAMs

**DDoS PROTECTION**
- **Market Size:** $1.5B
- **CAGR:** 18%

**ADC**
- **Market Size:** $2.9B
- **CAGR:** 8% Total
  - 6% Appliance
  - 19% Virtual

**WAF**
- **Market Size:** $900M
- **CAGR:** 10%

**BOT RISK MANAGEMENT**
- **Market Size:** $300M
- **CAGR:** 25%

*Market size as of 2019, CAGR to 2022
OUR PORTFOLIO
EXPANDING OUR SOLUTIONS FOR GROWTH

EXPANDING FROM EXTERNAL THREATS PROTECTION TO INTERNAL APPLICATION PROTECTION

EXPANDING THE TRADITIONAL PORTFOLIO FROM ON PREMISE TO CLOUD SECURITY SERVICES

✓ Expanding the traditional portfolio from on premise to cloud security services
✓ Expanding from external threats protection to internal application protection
COMPREHENSIVE INTEGRATED SECURITY PORTFOLIO

PROTECTION IN THE CLOUD

EDGE-CLOUD

PRIVATE CLOUD

PUBLIC CLOUD

PROTECTION AT THE PERIMETER

PORTFOLIO RELEVANCY FOR 3 DIFFERENT ENVIRONMENTS

✓ Each environment protected from the outside and for the inside
WHY RARWARE - SOLUTIONS

WE HAVE THE BROADEST AND DEEPEST DATA CENTER & APPLICATION SECURITY FOR PRIVATE, HYBRID & PUBLIC CLOUD
OUR GO-TO-MARKET
GO TO MARKET PRIORITIES FOR 2020 AND BEYOND

SALES ORGANIZATION

✓ We have the right sales structure to support and focus on growth
✓ Continue hiring sales talent
✓ Investing in people – Training, Onboarding

MARKET ACCESS

✓ Investing in partnerships: Cisco, OEMS, GSIs
✓ Bringing innovative technology & solutions to the market: BotManager, CWP, 5G, Public Cloud

CUSTOMERS

✓ Focus on delivering world class customer experience
✓ Introducing our customers - existing & new - to the extensive Radware portfolio
✓ Investment in major account coverage
Increasing number of global opportunities in CRM
✓ Participation in multiple Cisco “sales plays”
✓ Participation in strategic Cisco projects
✓ All Radware regions are active – driven by Cisco senior management
✓ Expand our offering
✓ ON TRACK TO REACH TARGET SET IN EARLY 2018

“Don’t miss this opportunity to win big and deliver best in class security offerings to your customers”

Internal email by John Maynard, Vice President, Global Security Sales at Cisco
GSI - GO TO MARKET

INDIRECT SALES

WIDER
MARKET COVERAGE

LEVERAGE
THE OUTSOURCE TREND

FASTER
& CHEAPER GROWTH

MORE
SCALABLE
& PREDICTABLE BUSINESS

OPPORTUNITIES:

- Opportunity to support Global System Integrator as they engage deeper in security
- Opportunity to support Global System Integrator comprehensive offering vs. cloud offerings
OUR CUSTOMERS

12,500 Customers

30% of 2019 cloud business comes from new logos

32 Deals of >$1M in 2019

450 Cloud Customers

- 15-20%
- 25-30%
- 30-35%
- Other
WHY RADWARE - MARKET ACCESS

WE CAN ACCESS ANY GLOBAL 2000 CUSTOMER THROUGH STRATEGIC PARTNERS AND GSIs AND WIN >$1M OF BUSINESS
SUMMARY: OUR STRATEGY

1. Data Center
2. Aggressive Investment in Portfolio & Market Share
3. OEM Partner Alliances, Global SIs, Cloud Providers
4. Market Footprint
5. M&A
6. Expand our Business
FINANCIALS
FINANCIAL PROFILE – Q1 20 HIGHLIGHTS

- $60 million revenues
- 14% total deferred revenue growth to $181 million
- $21 million operating cash flow

- COVID-19 affecting mostly APAC in Q1, rest of world late in quarter
- Some delivery disruptions due to airport lockdowns
- Internal operations impact contained, hiring for long term continues

- CONSISTENT EXECUTION IN LINE WITH LONG TERM STRATEGY
REVENUE TRENDS

QUARTERLY REVENUE ($M)

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>2018</td>
<td>48.9</td>
<td>51.0</td>
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<td>60.5</td>
<td>62.9</td>
<td>63.8</td>
</tr>
<tr>
<td>2020</td>
<td>61.4</td>
<td>60.5</td>
<td>62.9</td>
<td>63.8</td>
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REVENUE BY REGION ($M)

<table>
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<tr>
<th></th>
<th>Americas</th>
<th>EMEA</th>
<th>APAC</th>
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<tbody>
<tr>
<td>2017</td>
<td>98</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>2018</td>
<td>102</td>
<td>76</td>
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<tr>
<td>2019</td>
<td>106</td>
<td>75</td>
<td>70</td>
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CONTINUOUS STRONG CASH GENERATION ($M)

IN PAST 5 YEARS, RETURNED 47% OF OCF TO SHAREHOLDERS AND INVESTED 31% IN CAPEX AND ACQUISITIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>OCF</th>
<th>Capex</th>
<th>Buyback</th>
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<tr>
<td>2015</td>
<td>39.1</td>
<td>13.8</td>
<td>52.9</td>
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<tr>
<td>2016</td>
<td>38.5</td>
<td>9.4</td>
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<tr>
<td>2017</td>
<td>31.5</td>
<td>7.2</td>
<td>0.4</td>
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<tr>
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<td>4.3</td>
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<tr>
<td>2019</td>
<td>52.9</td>
<td>8.2</td>
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<td>Q1 20</td>
<td>21</td>
<td>2.5</td>
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RECURRING REVENUE DRIVEN BY SUBSCRIPTIONS

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

RADWARE’S RECURRING REVENUE INCLUDE SUPPORT, CLOUD SERVICES AND PRODUCT SUBSCRIPTION

Recurring revenue as % of total revenue
Subscription bookings as % of total bookings
SUCCESSFUL TRANSITION TO SUBSCRIPTIONS

Subscription revenue as % of total revenue
Subscription bookings as % of total bookings
SHIFT TO SUBSCRIPTIONS ON TRACK TO SECURE PERFORMANCE

TOTAL DEFERRED REVENUE A KEY INDICATOR OF FUTURE GROWTH

<table>
<thead>
<tr>
<th></th>
<th>Balance Sheet</th>
<th>Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)</th>
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<tbody>
<tr>
<td>Dec-15</td>
<td>101</td>
<td>30</td>
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<tr>
<td>Dec-16</td>
<td>121</td>
<td>37</td>
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<tr>
<td>Dec-17</td>
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<tr>
<td>Dec-18</td>
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</tr>
<tr>
<td>Dec-19</td>
<td>185</td>
<td>55</td>
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<tr>
<td>Mar-19</td>
<td>159</td>
<td>20</td>
</tr>
<tr>
<td>Mar-20</td>
<td>181</td>
<td>31</td>
</tr>
</tbody>
</table>

60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months (60% in 19 / 63% in 18)
WHY RADWARE - FINANCIALS

WE HAVE A STRONG BALANCE SHEET, A FLEXIBLE COST STRUCTURE, AND A HIGH PROPORTION OF RECURRING REVENUE.

WELL-PREPARED FOR ANY SHORT-TERM SCENARIO, AND CAN AFFORD CONTINUE INVESTING FOR THE LONG-TERM.
THANK YOU!