Safe Harbour

DISCLAIMER

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

Our Mission: Securing The Digital User Experience

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

REVENUES BY REGION
(LTM to Jun-19)

- Americas: 44%
- EMEA: 31%
- APAC: 25%

VERTICAL EXPOSURE

- Carriers & Service Providers: 35-40%
- Banking, Finance & Government: 30-35%
- Other: 25-30%

$234M FY18 Revenues
~1,100 Employees
35 Offices
12,500 Customers
What We Do

RADWARE ATTACK MITIGATION SOLUTION
Dimensions of Evolution

Physical Appliances on Perpetual License ➔ Physical or Virtual Appliances, on premise, cloud and Hybrid

Hardware sales organization ➔ To Managed Security Services organization

Technology Savvy large mid to large organization with Physical datacenter ➔ All sizes Enterprise and Service Providers, and cloud-native companies

Low visibility, end-of-quarter driven ➔ High visibility, ~60% recurring revenue driven
Our Business Strategy for Growth

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

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

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

4. M&A
   - Expand our business
Datacenter Dynamics Create Opportunities

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

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

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

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

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

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

4. M&A
   Expand our business

Environment is changing, creating opportunities in our domain of expertise.
Cloud and Security are the Growth Drivers
Cloud and Security are the Growth Drivers
A Growing Global Cloud Service Infrastructure

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

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

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

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

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

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

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

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

- **Cloud DDoS Protection Service**
- **Cloud WAF Service**
- **Bot Manager**
- **Cloud Workload Protection**
- **Cloud Malware Protection Service**
- **Infrastructure Protection**
- **Application and Workload Protection**
- **IT Network Protection**
Main Strategic Focus for 2019: Market

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

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

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

4. M&A
   - Expand our business

Environment is changing, creating opportunities in our domain of expertise.
Increasing Market Footprint through 3rd Parties

1. Deeper and broader relationships with strategic partners, adding Radware solutions to their price lists
2. System Integrators growing role in developing cyber-security strategies
3. 3rd party relationships are a force multiplier and lead to new logos

Strategic Partners, System Integrators, Service Providers to increase to > 20% of bookings
Main Driver of 3rd Parties Growth Plan

Virtual DDoS for Firepower

Virtual WAF & SSL

Cloud DDoS & WAF

DDoS Appliances

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

- The cloud transition and cyber security opportunity are immense.
- Our offering is broad, innovative and highly competitive.
- The organization is ready and tuned to customer needs.
- Our strategy is clear.
Financials
Updated for Q2 2019
Q2 19 Business Indicators

- Revenue growth: +6%
- Total Deferred Revenues*: $172M, up 12%
  * As defined by the Company
- EPS: +80%, from $0.10 to $0.18
- Operating Margin: 12%
- H1 Operating Cash Flow: $29M, almost 2x from H1 18
## Operating Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>Operating Expenses</th>
<th>Operating Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$197M</td>
<td>82.4%</td>
<td>$197M</td>
</tr>
<tr>
<td>2017</td>
<td>$211M</td>
<td>82.2%</td>
<td>$211M</td>
</tr>
<tr>
<td>2018</td>
<td>$234M</td>
<td>82.7%</td>
<td>$234M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating Income</th>
<th>Operating Expenses</th>
<th>Operating Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>$57M</td>
<td>82.4%</td>
<td>$57M</td>
</tr>
<tr>
<td>Q2 19</td>
<td>$60M</td>
<td>83.2%</td>
<td>$60M</td>
</tr>
</tbody>
</table>

### Notes:
- Operating Leverage is calculated as (Operating Income / Operating Expenses) * 100.
- The table and chart illustrate the operating income and expenses for the years 2016, 2017, and 2018, as well as quarters Q2 18 and Q2 19.
Shift to Subscriptions

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

Radware’s Recurring Revenues include support, cloud services and product Subscription

H1 2015
>5%

H1 2016
>10%

H1 2017
>15%

H1 2018
>20%

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

PROVIDES US WITH VISIBILITY & CONFIDENCE

60-65% of Total Deferred Revenues is scheduled to be recognized as revenues within 12 months
Continuous Strong Cash Generation

Cash and Equivalents Balance ($M)

Q1 2019

Technology Driven Acquisitions

Business Driven Acquisitions

Acquisitions to Expand Offering and Presence
Latest Examples

January 2017


331  315  320  344  401  414
2020 Model

Subscriptions
>30% of Bookings

Well positioned for sustainable organic growth in Bookings

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

Continued strong cash generation

Operational margins leverage

Operating Cash Flow
>$60M
Thank You