Safe Harbor

Disclaimer

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Is a worldwide leader in APPLICATION SECURITY & DELIVERY Across Datacenter and Cloud
Impact of digital transformation

CLOUD MIGRATION
New delivery models require new capabilities

DATACENTER COMPLEXITY
Virtualization, private/hybrid cloud, multiple vendors
Rapid changes require agility

USER EXPERIENCE FOCUS
Expectations for flawless availability
Anytime, Everywhere
Current state of cyber attacks

**INTENSIFYING THREATS**
Attackers sophistication + Attack tools availability + platforms variety
Increasing attack complexity and size

**SKILL SHORTAGE**
Scarce security expertise
Need for automation and fully managed services

**WIDENING THREATS**
Attack motivation variety + Attacked industry diversity
Increasing attack frequency and abundance
Current state of cyber attacks

INTENSIFYING THREATS

24% of organizations report being under cyber attacks daily or weekly

SKILL SHORTAGE

Only 33% of security officers feel confident they can mitigate application-layer DDoS attacks.

50% feel confident they can protect against network-layer DDoS attacks

WIDENING THREATS

45% of organizations experienced a data breach over the past year

Source: Radware ERT Report and Web Application Security Report
Our Mission: Securing The Digital User Experience

For every business model. Through continued innovation. With a comprehensive offering.
EVERYWHERE
To meet every business model
ARCHITECTURE
Solutions Architecture

Wherever it is located

On premise
Private cloud
Hyper cloud
Public cloud
Hybrid

Will protect it

From Physical Appliances on Perpetual License

To Physical or Virtual Appliances, on premise, cloud and Hybrid
EFFECTIVE
Continued Innovation
TECHNOLOGY
Comprehensive Secured Delivery

**Behavioral-based detection**
Using big data analytics and machine learning

**Synchronized messaging**
To improve detection and mitigation response and accuracy.

**High performance**
Device mitigation capacity of up to 400Gbps; SSL throughput of up to 40G

**Advanced automation**
For attack life-cycle management and mitigation of unknown attacks
Comprehensive Secured Delivery

**Solution management**
Fully managed cloud services catalog and cyber threat intelligence services

**Cloud migration**
Multi-cloud migration, hybrid deployments across data-centers, public and hyper-scale clouds
EASY
Comprehensive offering
SOLUTIONS
Deep and Integrated Solution Portfolio

Big Data
Machine Learning

Management & Visibility

Control Plane

Data Plane

RealTime Analytic Feed
Cloud Portal
Vision Reporting Module
vDirect Orchestration
DefenseFlow Automation
DefensePro
AppWall
Alteon
3.5Tbps DDoS/WAFaaS
SUCCESS FACTORS
What makes it work
Supporting Assets Leading Technology

Market RECOGNITION

Strategic BUSINESS PARTNERS

Industry leading TECHNOLOGY PARTNERS
Supporting Assets **Over 12,500 Customers**

- **8 Of Top 12** World’s Stock Exchanges
- **11 Of Top 20** World’s Banks
- **10 Of Top 10** World Telecom Companies
- **3 Of Top 8** N. American Application Software Companies

- **35-40%** Carriers & Service Providers
- **30-35%** Banking, Finance & Government
- **25-30%** Other
Supporting Assets **Global Presence**

**OVER 3.5Tbps** Of Global Mitigation Capacity

**LTM June-18 Revenues**
- Americas: 25%
- EMEA: 29%
- APAC: 46%

**Balanced Geographic Exposure**

- ~1,000 Employees
- 35 Offices

Radware Cloud Security PoP
Regional Cloud Scrubbing Center
Our Business Strategy **For Growth**

**ORGANIC GROWTH**

1. **Data center**
   - ADC and AMS Solutions

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

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

4. **Expand our business THROUGH ACQUISITIONS**
FINANCIALS

Updated for Q2 2018
Revenues of $57.3M up 12%

Total Deferred Revenues of $153M up 14%

Cloud and Subscriptions a Material part of the Business Model

Book to bill significantly larger than 1

Strong Cash Position
Back to Growth Post Business Model Transition

Annual Revenues ($M)

CAGR 13.3%

2006: 81
2007: 89
2008: 95
2009: 109
2010: 144
2011: 167
2012: 189
2013: 193
2014: 222
2015: 217
2016: 197
2017: 211

H1 17: 100
H1 18: 112

12%
Shift to Subscriptions (1)

**Business Mix**
Provides Us With Visibility & Confidence For Future Financial Performance

Radware’s Recurring Revenues include support, cloud services and product Subscription
Shift to Subscriptions (2)

Total Deferred Revenues ($M)

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

**Cash Balance ($M)**

- 275 (31.12.12)
- 286 (31.12.13)
- 331 (31.12.14)
- 315 (31.12.15)
- 320 (31.12.16)
- 344 (31.12.17)
- 367 (30.06.18)

Readiness to **Put Cash** Balance to Work and Expand our business **THROUGH ACQUISITIONS**
2020 Goals

- Revenues of > $270
- Revenues CAGR > 9%
- Gross margins > 83%
- Operating margins > 15% (from 2% in ’17)
- Subscriptions >30% of Bookings
- Well positioned for sustainable organic growth in Bookings
- Operational margins leverage
- Continued strong cash generation
- Total Deferred Revenues CAGR Higher than revenue
- Operating Cash Flow > $60M
Why Radware

• Fast growing, critical market
• Clear Vision and Strategy
• Leading attack mitigation technology, customers, partners
• Fast expanding subscription and cloud business
• Excellent visibility into 2018 and beyond
• Well positioned for continued long term growth
Radware’s innovations track record

- 1997: Patented Global ADC
- 1998: Patented Link Load Balancing
- 1999: Patented Security Behavioral signature
- 2000: Integrated Security & QoS
- 2001: ADC Virtualization
- 2002: Patented Site-Wide ADC Management
- 2003: Patented Business Smart Network
- 2004: Integrated Security & QoS
- 2005: Patented Link Load Balancing
- 2006: SSL Inspection Patent
- 2007: Patented Global ADC
- 2008: Patented Security Behavioral signature
- 2009: Iot Protection
- 2010: Zero day Malware detection
- 2011: Operator Automation
- 2012: ADC, DDoS, SDN Applications
- 2013: Patented Site-Wide ADC Management
- 2014: Patented Business Smart Network
- 2015: Operator Automation
- 2016: Zero day Malware detection
- 2017: Iot Protection
Integrated secured delivery solution: incoming traffic

**DDOS & WAF**
Behavioral big-data analytics and machine learning

**SSL Defense**
Mitigate encrypted threats

**Delivery Control**
Load balancing and performance optimization
Integrated secured delivery solution: **outgoing** traffic

**SSL Inspect** removes blind spots by enabling protection systems visibility into encrypted traffic.

**Cloud Malware Protection** detect and block malware channels by using AI and Machine Learning.

**Blocked Traffic**
Outgoing traffic is blocked if it is found to be suspicious.