SAFE HARBOR

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INVESTMENT HIGHLIGHTS

MAJOR MARKET OPPORTUNITY
LEADING DATA CENTER CYBERSECURITY PORTFOLIO
STRONG MARKET FOOTPRINT
SUCCESSFUL TRANSITION TO SUBSCRIPTION
APPLIED SOUNTS 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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Size (B)</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDoS Protection</td>
<td>$1.5B</td>
<td>18%</td>
</tr>
<tr>
<td>ADC</td>
<td>$2.9B</td>
<td></td>
</tr>
<tr>
<td>WAF</td>
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</tr>
<tr>
<td>Bot Risk Management</td>
<td>$300M</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Details:

- **DDoS Protection**
  - **Market Size:** $1.5B
  - **CAGR:** 18%
  - **Segments:**
    - Total: 8%
    - Appliance: -6%
    - Virtual: 19%

- **ADC**
  - **Market Size:** $2.9B
  - **CAGR:**

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

- **Bot Risk Management**
  - **Market Size:** $300M
  - **CAGR:** 25%

*Market size as of 2019, CAGR to 2022

Sources:
- IDC Worldwide Application Delivery Controller Forecast, Dec-18;
- IDC: Worldwide DDoS Prevention Products and Services Forecast, Jul-18;
- Gartner: Information Security and Risk Management, Dec-18;
- F&S: Global Bot Risk Management (BRM) Market Analysis, Jan-18;
OUR PORTFOLIO
EXPANDING OUR SOLUTIONS FOR GROWTH

SOLUTIONS

PROTECTION AT THE PERIMETER
- BOTM
- WAF
- DDOS

HYBRID
- BOTM
- CWAF
- CDDOS

PROTECTION IN THE CLOUD
- KWAF
- CLOUD WORKLOAD PROTECTION

DELIVERY

PRIVATE CLOUD
RADWARE SAAS
KUBERNETES
PUBLIC CLOUD

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

GSI EXAMPLES:

✓ 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

32 Deals of >$1M in 2019

30% of 2019 cloud business comes from new logos

450 Cloud Customers
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
   - Aggressive Investment in Portfolio & Market Share

2. Cloud & Security

3. OEM Partner Alliances
   - Global SIs
   - Cloud Providers

4. M&A
   - Expand our Business
FINANCIALS
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)

REVENUE BY REGION ($M)
CONTINUOUS STRONG CASH GENERATION ($M)

IN PAST 5 YEARS, RETURNED 47% OF OCF TO SHAREHOLDERS AND INVESTED 31% IN CAPEX AND ACQUISITIONS
RECURRING REVENUE DRIVEN BY SUBSCRIPTIONS

SUBSCRIPTIONS ARE THE MAIN GROWTH DRIVER

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

![Bar chart showing recurring revenue and subscription bookings as % of total revenue and bookings over time.](chart.png)
SUCCEFUL 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

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

Dec-15  Dec-16  Dec-17  Dec-18  Dec-19  Mar-19  Mar-20
101     121    148    167    185    159    181

Dec-16  Dec-17  Dec-18  Dec-19  Mar-19  Mar-20
30      37     35     39     55     20     31
121     148    167    185    159    181

Balance Sheet
Uncollected billed amounts offset vs. Accounts Receivables (off balance sheet)
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!