



Investor Kit Fourth Quarter 2020

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

ASSETS

Current Assets

	Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec
		31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep	
Cash and cash equivalents	\$ 65,237	\$ 61,987	\$ 61,676	\$ 59,565	\$ 45,203	\$ 52,361	\$ 34,191	\$ 39,955	\$ 40,751	\$ 40,207	\$ 48,650	\$ 48,429	\$ 54,771
Available-for-sale marketable securities	42,573	45,769	41,234	37,004	15,742	9,996	25,923	28,177	36,924	52,259	63,568	62,930	64,684
Short-term bank deposits	93,151	87,662	149,622	203,299	255,454	250,354	193,944	153,812	100,276	76,823	114,137	179,675	191,038
Trade receivables, net	16,150	16,034	18,598	18,491	17,166	14,346	14,987	12,366	22,610	26,639	17,195	14,330	16,848
Other receivables and prepaid expenses	12,252	6,401	7,687	6,308	7,071	8,632	10,182	9,390	7,469	7,342	8,444	8,100	6,705
Inventories	18,772	18,920	18,443	20,463	18,401	17,185	15,964	15,083	13,940	14,854	14,106	13,290	13,935
	248,135	236,773	297,260	345,130	359,037	352,874	295,191	258,783	221,970	218,124	266,100	326,754	347,981

Long-term Investments

Available-for-sale marketable securities	54,427	51,193	55,948	61,078	84,669	101,346	120,174	120,326	112,696	92,711	83,647	75,912	66,836
Long-term bank deposits	88,911	111,465	58,718	21,258	-	6,011	39,732	86,342	137,095	165,250	132,765	70,491	71,421
Severance pay funds	3,251	3,251	3,039	3,105	2,973	2,187	2,267	2,313	2,300	2,091	2,191	2,252	2,453
	146,589	165,909	117,705	85,441	87,642	109,544	162,173	208,981	252,091	260,052	218,603	148,655	140,710

Property and equipment, net	23,642	23,477	22,453	21,848	23,677	23,430	23,538	23,256	22,971	23,291	23,663	23,141	22,976
Other long-term assets	8,133	17,687	18,492	20,064	20,724	21,221	21,425	21,495	24,398	25,914	25,358	25,959	30,222
Operating lease right-of-use assets	-	-	-	-	-	20,539	19,868	18,849	18,144	25,169	24,117	28,185	27,823
Goodwill and intangible assets, net	42,589	42,338	42,106	41,873	41,641	54,913	54,838	56,127	55,625	55,127	54,663	54,198	53,732

Total assets	\$ 469,088	\$ 486,184	\$ 498,016	\$ 514,356	\$ 532,721	\$ 582,521	\$ 577,033	\$ 587,491	\$ 595,199	\$ 607,677	\$ 612,504	\$ 606,892	\$ 623,444
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Trade payables	\$ 5,367	\$ 4,320	\$ 4,744	\$ 5,424	\$ 4,483	\$ 3,830	\$ 3,802	\$ 4,005	\$ 6,315	\$ 4,899	\$ 4,896	\$ 3,818	\$ 4,620
Deferred revenues (*)	69,829	76,831	76,758	76,663	83,955	89,068	86,207	81,987	79,239	90,415	97,703	90,813	92,127
Operating lease liabilities	-	-	-	-	-	5,197	5,495	5,183	5,193	4,854	4,573	4,903	5,224
Other payables and accrued expenses	32,174	24,248	25,212	30,663	29,596	29,628	29,729	28,089	34,794	34,173	33,672	36,128	41,955
	107,370	105,399	106,714	112,750	118,034	127,723	125,233	119,264	125,541	134,341	140,844	135,662	143,926

Long-term Liabilities

Deferred revenues (*)	43,482	45,346	43,719	41,040	43,796	50,122	45,446	54,556	50,888	59,742	54,091	53,333	54,797
Operating lease liabilities	-	-	-	-	-	15,717	15,033	14,520	13,914	20,440	20,469	24,181	24,851
Other long-term liabilities	2,880	5,733	5,413	5,484	6,934	8,733	10,171	12,343	9,525	9,532	10,004	10,113	11,409
	46,362	51,079	49,132	46,524	50,730	74,572	70,650	81,419	74,327	89,714	84,564	87,627	91,057

Shareholders' Equity

Share capital	673	677	685	691	693	701	704	707	710	712	713	718	721
Additional paid-in capital	349,250	357,496	368,318	378,067	383,536	394,361	400,756	407,897	414,581	419,804	425,466	434,815	443,018
Accumulated other comprehensive income (loss), net of tax	(443)	(1,172)	(1,212)	(1,168)	(1,110)	6	791	1,026	1,145	306	2,444	1,917	1,517
Treasury stock, at cost	(116,442)	(116,442)	(116,442)	(116,442)	(120,717)	(120,765)	(130,770)	(139,612)	(145,226)	(163,895)	(168,895)	(184,802)	(190,552)
Retained earnings	82,318	89,147	90,821	93,934	101,555	105,923	109,669	116,790	124,121	126,695	127,368	130,955	133,757
	315,356	329,706	342,170	355,082	363,957	380,226	381,150	386,808	395,331	383,622	387,096	383,603	388,461

Total liabilities and shareholder's equity	\$ 469,088	\$ 486,184	\$ 498,016	\$ 514,356	\$ 532,721	\$ 582,521	\$ 577,033	\$ 587,491	\$ 595,199	\$ 607,677	\$ 612,504	\$ 606,892	\$ 623,444
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*** Deferred Revenues**

Short Term	69,829	76,831	76,758	76,663	83,955	89,068	86,207	81,987	79,239	90,415	97,703	90,813	92,127
Long Term	43,482	45,346	43,719	41,040	43,796	50,122	45,446	54,556	50,888	59,742	54,091	53,333	54,797

Balance Sheet Deferred Revenues

	113,311	122,177	120,477	117,703	127,751	139,190	131,653	136,543	130,127	150,157	151,794	144,146	146,924
Add: Uncollected billed amounts offset against trade receivables balance. (representing unpaid invoices not yet recognized as revenue)	34,374	25,968	32,114	32,972	39,499	20,272	39,884	28,205	54,512	30,975	21,403	27,503	41,961
Total Deferred Revenues	147,685	148,145	152,591	150,675	167,250	159,462	171,537	164,748	184,639	181,132	173,197	171,649	188,885

Note: This document should be read in conjunction with the Company's SEC Filings.

Radware Ltd. Condensed and Consolidated -
US GAAP Income Statements

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

	FY'17	FY'18				FY'19	FY'19				FY'20	FY'20				FY'20
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 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	
Revenues	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764	\$ 63,817	\$ 234,404	\$ 61,397	\$ 60,454	\$ 62,859	\$ 67,362	\$ 252,072	\$ 60,012	\$ 58,445	\$ 62,524	\$ 69,046	\$ 250,027
Cost of revenues	39,616	9,940	10,340	10,278	11,117	41,675	11,009	10,644	11,527	11,994	45,174	10,689	10,558	11,646	12,191	45,084
Gross profit	171,753	44,596	46,947	48,486	52,700	192,729	50,388	49,810	51,332	55,368	206,898	49,323	47,887	50,878	56,855	204,943
Operating expenses:																
Research and development, net	59,003	14,662	14,633	14,434	13,945	57,674	15,230	15,400	15,108	16,103	61,841	15,832	16,509	16,747	17,748	66,836
Selling and marketing	108,744	28,183	27,803	27,263	28,137	111,386	26,661	26,680	27,094	29,121	109,556	28,202	26,755	27,659	30,399	113,015
General and administrative	17,577	4,055	3,811	3,985	4,294	16,145	4,764	5,042	4,403	4,375	18,584	4,712	4,889	4,513	4,810	18,924
Other income	(6,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	178,424	46,900	46,247	45,682	46,376	185,205	46,655	47,122	46,605	49,599	189,981	48,746	48,153	48,919	52,957	198,775
Operating income (loss)	(6,671)	(2,304)	700	2,804	6,324	7,524	3,733	2,688	4,727	5,769	16,917	577	(266)	1,959	3,898	6,168
Financial Income, net	4,830	1,689	1,701	1,487	2,397	7,274	1,791	2,119	2,137	2,745	8,792	2,724	1,783	2,897	392	7,796
Income (loss) before taxes on income (tax benefit)	(1,841)	(615)	2,401	4,291	8,721	14,798	5,524	4,807	6,864	8,514	25,709	3,301	1,517	4,856	4,290	13,964
Taxes on income (tax benefit)	5,652	380	727	1,178	778	3,063	1,156	1,061	(257)	1,183	3,143	727	844	1,269	1,488	4,328
Net income (loss)	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113	\$ 7,943	\$ 11,735	\$ 4,368	\$ 3,746	\$ 7,121	\$ 7,331	\$ 22,566	\$ 2,574	\$ 673	\$ 3,587	\$ 2,802	\$ 9,636
Diluted net earnings (loss) per share	\$ (0.17)	\$ (0.02)	\$ 0.04	\$ 0.06	\$ 0.16	\$ 0.25	\$ 0.09	\$ 0.08	\$ 0.15	\$ 0.15	\$ 0.47	\$ 0.05	\$ 0.01	\$ 0.08	\$ 0.06	\$ 0.20
Weighted average number of shares used to compute diluted net earnings (loss) per share	43,475,844	46,424,462	47,396,099	48,519,880	48,279,751	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
Gross margin	81.3%	81.8%	82.0%	82.5%	82.6%	82.2%	82.1%	82.4%	81.7%	82.2%	82.1%	82.2%	81.9%	81.4%	82.3%	82.0%
R&D % of total revenue	27.9%	26.9%	25.5%	24.6%	21.9%	24.6%	24.8%	25.5%	24.0%	23.9%	24.5%	26.4%	28.2%	26.8%	25.7%	26.7%
S&M % of total revenue	51.4%	51.7%	48.5%	46.4%	44.1%	47.5%	43.4%	44.1%	43.1%	43.2%	43.5%	47.0%	45.8%	44.2%	44.0%	45.2%
G&A % of total revenue	8.3%	7.4%	6.7%	6.8%	6.7%	6.9%	7.8%	8.3%	7.0%	6.5%	7.4%	7.9%	8.4%	7.2%	7.0%	7.6%
Total operating expenses % of total revenues	84.4%	86.0%	80.7%	77.7%	72.7%	79.0%	76.0%	77.9%	74.1%	73.6%	75.4%	81.2%	82.4%	78.2%	76.7%	79.5%
Operating margin	-3.2%	-4.2%	1.2%	4.8%	9.9%	3.2%	6.1%	4.4%	7.5%	8.6%	6.7%	1.0%	-0.5%	3.1%	5.6%	2.5%
Net margin	-3.5%	-1.8%	2.9%	5.3%	12.4%	5.0%	7.1%	6.2%	11.3%	10.9%	9.0%	4.3%	1.2%	5.7%	4.1%	3.9%

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'17	FY'18				Yr Ended 31-Dec	FY'19				Yr Ended 31-Dec	FY'20				Yr Ended 31-Dec
	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-Dec		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
Revenues	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764	\$ 63,817	\$ 234,404	\$ 61,397	\$ 60,454	\$ 62,859	\$ 67,362	\$ 252,072	\$ 60,012	\$ 58,445	\$ 62,524	\$ 69,046	\$ 250,027
Cost of revenues	37,688	9,652	10,069	10,012	10,855	40,588	10,543	10,175	10,473	11,455	42,646	10,153	10,045	11,133	11,674	43,005
Gross profit	173,681	44,884	47,218	48,752	52,962	193,816	50,854	50,279	52,386	55,907	209,426	49,859	48,400	51,391	57,372	207,022
Operating expenses:																
Research and development, net	54,932	13,731	13,954	13,615	13,231	54,531	14,520	14,686	14,468	15,312	58,986	15,023	15,420	15,446	16,538	62,427
Selling and marketing	101,756	26,259	26,008	25,577	26,389	104,233	25,075	24,927	25,123	27,408	102,533	26,316	24,910	25,576	27,898	104,700
General and administrative	13,156	3,378	3,290	3,244	3,539	13,451	3,651	3,483	3,638	3,651	14,423	3,690	3,818	3,494	3,841	14,843
Total operating expenses	169,844	43,368	43,252	42,436	43,159	172,215	43,246	43,096	43,229	46,371	175,942	45,029	44,148	44,516	48,277	181,970
Operating income (loss)	3,837	1,516	3,966	6,316	9,803	21,601	7,608	7,183	9,157	9,536	33,484	4,830	4,252	6,875	9,095	25,052
Financial Income, net	5,465	1,486	1,727	1,919	2,338	7,470	2,422	2,718	2,762	2,597	10,499	2,664	2,642	2,825	2,218	10,349
Income before taxes on income	9,302	3,002	5,693	8,235	12,141	29,071	10,030	9,901	11,919	12,133	43,983	7,494	6,894	9,700	11,313	35,401
Taxes on income	1,679	380	727	1,178	778	3,063	1,156	990	9	1,222	3,377	849	905	1,331	1,549	4,634
Net income	\$ 7,623	\$ 2,622	\$ 4,966	\$ 7,057	\$ 11,363	\$ 26,008	\$ 8,874	\$ 8,911	\$ 11,910	\$ 10,911	\$ 40,606	\$ 6,645	\$ 5,989	\$ 8,369	\$ 9,764	\$ 30,767
Diluted net earnings per share	\$ 0.17	\$ 0.06	\$ 0.10	\$ 0.15	\$ 0.24	\$ 0.55	\$ 0.18	\$ 0.18	\$ 0.25	\$ 0.23	\$ 0.84	\$ 0.14	\$ 0.13	\$ 0.18	\$ 0.21	\$ 0.64
Weighted average number of shares used to compute diluted net earnings per share	44,756,732	46,424,462	47,396,099	48,519,880	48,279,751	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
Gross margin	82.2%	82.3%	82.4%	83.0%	83.0%	82.7%	82.8%	83.2%	83.3%	83.0%	83.1%	83.1%	82.8%	82.2%	83.1%	82.8%
R&D % of total revenue	26.0%	25.2%	24.4%	23.2%	20.7%	23.3%	23.6%	24.3%	23.0%	22.7%	23.4%	25.0%	26.4%	24.7%	24.0%	25.0%
S&M % of total revenue	48.1%	48.1%	45.4%	43.5%	41.4%	44.5%	40.8%	41.2%	40.0%	40.7%	40.7%	43.9%	42.6%	40.9%	40.4%	41.9%
G&A % of total revenue	6.2%	6.2%	5.7%	5.5%	5.5%	5.7%	5.9%	5.8%	5.8%	5.4%	5.7%	6.1%	6.5%	5.6%	5.6%	5.9%
Total operating expenses % of total revenues	80.4%	79.5%	75.5%	72.2%	67.6%	73.5%	70.4%	71.3%	68.8%	68.8%	69.8%	75.0%	75.5%	71.2%	69.9%	72.8%
Operating margin	1.8%	2.8%	6.9%	10.7%	15.4%	9.2%	12.4%	11.9%	14.6%	14.2%	13.3%	8.0%	7.3%	11.0%	13.2%	10.0%
Tax rate	18.0%	12.7%	12.8%	14.3%	6.4%	10.5%	11.5%	10.0%	0.1%	10.1%	7.7%	11.3%	13.1%	13.7%	13.7%	13.1%
Net margin	3.6%	4.8%	8.7%	12.0%	17.8%	11.1%	14.5%	14.7%	18.9%	16.2%	16.1%	11.1%	10.2%	13.4%	14.1%	12.3%

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'17	FY'18				Yr Ended 31-Dec	FY'19				Yr Ended 31-Dec	FY'20				Yr Ended 31-Dec			
	Yr Ended 31-Dec	Quarter Ended					Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 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
GAAP gross profit	\$ 171,753	\$ 44,596	\$ 46,947	\$ 48,486	\$ 52,700	\$ 192,729	\$ 50,388	\$ 49,810	\$ 51,332	\$ 55,368	\$ 206,898	\$ 49,323	\$ 47,887	\$ 50,878	\$ 56,855	\$ 204,943			
Stock-based compensation	241	58	59	54	50	221	55	59	57	53	224	38	49	48	53	188			
Amortization of intangible assets	1,137	230	212	212	212	866	411	410	997	486	2,304	498	464	465	464	1,891			
Acquisition related costs	550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Non-GAAP gross profit	\$ 173,681	\$ 44,884	\$ 47,218	\$ 48,752	\$ 52,962	\$ 193,816	\$ 50,854	\$ 50,279	\$ 52,386	\$ 55,907	\$ 209,426	\$ 49,859	\$ 48,400	\$ 51,391	\$ 57,372	\$ 207,022			
GAAP research and development, net	\$ 59,003	\$ 14,662	\$ 14,633	\$ 14,434	\$ 13,945	\$ 57,674	\$ 15,230	\$ 15,400	\$ 15,108	\$ 16,103	\$ 61,841	\$ 15,832	\$ 16,509	\$ 16,747	\$ 17,748	\$ 66,836			
Stock-based compensation	3,867	931	679	819	694	3,123	710	714	640	791	2,855	809	1,089	1,301	1,210	4,409			
Acquisition related costs	204	-	-	-	20	20	-	-	-	-	-	-	-	-	-	-			
Non-GAAP Research and development, net	\$ 54,932	\$ 13,731	\$ 13,954	\$ 13,615	\$ 13,231	\$ 54,531	\$ 14,520	\$ 14,686	\$ 14,468	\$ 15,312	\$ 58,986	\$ 15,023	\$ 15,420	\$ 15,446	\$ 16,538	\$ 62,427			
GAAP selling and marketing	\$ 108,744	\$ 28,183	\$ 27,803	\$ 27,263	\$ 28,137	\$ 111,386	\$ 26,661	\$ 26,680	\$ 27,094	\$ 29,121	\$ 109,556	\$ 28,202	\$ 26,755	\$ 27,659	\$ 30,399	\$ 113,015			
Stock-based compensation	6,894	1,904	1,774	1,666	1,727	7,071	1,569	1,735	1,954	1,696	6,954	1,886	1,845	2,083	2,501	8,315			
Amortization of intangible assets	94	20	21	20	21	82	17	18	17	17	69	-	-	-	-	-			
Non-GAAP selling and marketing	\$ 101,756	\$ 26,259	\$ 26,008	\$ 25,577	\$ 26,389	\$ 104,233	\$ 25,075	\$ 24,927	\$ 25,123	\$ 27,408	\$ 102,533	\$ 26,316	\$ 24,910	\$ 25,576	\$ 27,898	\$ 104,700			
GAAP general and administrative	\$ 17,577	\$ 4,055	\$ 3,811	\$ 3,985	\$ 4,294	\$ 16,145	\$ 4,764	\$ 5,042	\$ 4,403	\$ 4,375	\$ 18,584	\$ 4,712	\$ 4,889	\$ 4,513	\$ 4,810	\$ 18,924			
Stock-based compensation	2,029	407	378	527	775	2,087	767	782	741	742	3,032	903	931	975	824	3,633			
Acquisition related costs	340	-	-	-	(222)	(222)	264	-	-	(18)	246	-	-	-	-	-			
Litigation related charges	2,052	270	143	214	202	829	82	777	24	-	883	119	140	44	145	448			
Non-GAAP general and administrative	\$ 13,156	\$ 3,378	\$ 3,290	\$ 3,244	\$ 3,539	\$ 13,451	\$ 3,651	\$ 3,483	\$ 3,638	\$ 3,651	\$ 14,423	\$ 3,690	\$ 3,818	\$ 3,494	\$ 3,841	\$ 14,843			
GAAP other income	\$ (6,900)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Court verdict	6,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Non-GAAP other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
GAAP total operating expenses	\$ 178,424	\$ 46,900	\$ 46,247	\$ 45,682	\$ 46,376	\$ 185,205	\$ 46,655	\$ 47,122	\$ 46,605	\$ 49,599	\$ 189,981	\$ 48,746	\$ 48,153	\$ 48,919	\$ 52,957	\$ 198,775			
Stock-based compensation	12,790	3,242	2,831	3,012	3,196	12,281	3,046	3,231	3,335	3,229	12,841	3,598	3,865	4,359	4,535	16,357			
Acquisition related costs	544	-	-	-	(202)	(202)	264	-	-	(18)	246	-	-	-	-	-			
Amortization of intangible assets	94	20	21	20	21	82	17	18	17	17	69	-	-	-	-	-			
Litigation related charges	2,052	270	143	214	202	829	82	777	24	-	883	119	140	44	145	448			
Court verdict	(6,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Non-GAAP total operating expenses	\$ 169,844	\$ 43,368	\$ 43,252	\$ 42,436	\$ 43,159	\$ 172,215	\$ 43,246	\$ 43,096	\$ 43,229	\$ 46,371	\$ 175,942	\$ 45,029	\$ 44,148	\$ 44,516	\$ 48,277	\$ 181,970			
GAAP operating income (loss)	\$ (6,671)	\$ (2,304)	\$ 700	\$ 2,804	\$ 6,324	\$ 7,524	\$ 3,733	\$ 2,688	\$ 4,727	\$ 5,769	\$ 16,917	\$ 577	\$ (266)	\$ 1,959	\$ 3,898	\$ 6,168			
Stock-based compensation	13,031	3,300	2,890	3,066	3,246	12,502	3,101	3,290	3,392	3,282	13,065	3,636	3,914	4,407	4,588	16,545			
Acquisition related costs	1,094	-	-	-	(202)	(202)	264	-	-	(18)	246	-	-	-	-	-			
Amortization of intangible assets	1,231	250	233	232	233	948	428	428	1,014	503	2,373	498	464	465	464	1,891			
Litigation related charges	2,052	270	143	214	202	829	82	777	24	-	883	119	140	44	145	448			
Court verdict	(6,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Non-GAAP operating income (loss)	\$ 3,837	\$ 1,516	\$ 3,966	\$ 6,316	\$ 9,803	\$ 21,601	\$ 7,608	\$ 7,183	\$ 9,157	\$ 9,536	\$ 33,484	\$ 4,830	\$ 4,252	\$ 6,875	\$ 9,095	\$ 25,052			

Continues in the next page



GAAP to Non-GAAP Reconciliations - continues from previous page
(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'17					FY'18					FY'19					FY'20				
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 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					
GAAP finance income	\$ 4,830	\$ 1,689	\$ 1,701	\$ 1,487	\$ 2,397	\$ 7,274	\$ 1,791	\$ 2,119	\$ 2,137	\$ 2,745	\$ 8,792	\$ 2,724	\$ 1,783	\$ 2,897	\$ 392	\$ 7,796				
Other gain adjustment	-	-	-	-	-	-	-	(310)	(253)	-	(563)	247	-	-	-	247				
Exchange rate differences, net on balance sheet items included in financial income	635	(203)	26	432	(59)	196	631	909	878	(148)	2,270	(307)	859	(72)	1,826	2,306				
Non-GAAP finance income	\$ 5,465	\$ 1,486	\$ 1,727	\$ 1,919	\$ 2,338	\$ 7,470	\$ 2,422	\$ 2,718	\$ 2,762	\$ 2,597	\$ 10,499	\$ 2,664	\$ 2,642	\$ 2,825	\$ 2,218	\$ 10,349				
GAAP income (loss) before taxes on income (tax benefit)	\$ (1,841)	\$ (615)	\$ 2,401	\$ 4,291	\$ 8,721	\$ 14,798	\$ 5,524	\$ 4,807	\$ 6,864	\$ 8,514	\$ 25,709	\$ 3,301	\$ 1,517	\$ 4,856	\$ 4,290	\$ 13,964				
Stock-based compensation	13,031	3,300	2,890	3,066	3,246	12,502	3,101	3,290	3,392	3,282	13,065	3,636	3,914	4,407	4,588	16,545				
Acquisition related costs	1,094	-	-	-	(202)	(202)	264	-	-	(18)	246	-	-	-	-	-				
Amortization of intangible assets	1,231	250	233	232	233	948	428	428	1,014	503	2,373	498	464	465	464	1,891				
Litigation related charges	2,052	270	143	214	202	829	82	777	24	-	883	119	140	44	145	448				
Court verdict	(6,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Other loss (gain) adjustment	-	-	-	-	-	-	-	(310)	(253)	-	(563)	247	-	-	-	247				
Exchange rate differences, net on balance sheet items included in financial income	635	(203)	26	432	(59)	196	631	909	878	(148)	2,270	(307)	859	(72)	1,826	2,306				
Non-GAAP income before taxes on income	\$ 9,302	\$ 3,002	\$ 5,693	\$ 8,235	\$ 12,141	\$ 29,071	\$ 10,030	\$ 9,901	\$ 11,919	\$ 12,133	\$ 43,983	\$ 7,494	\$ 6,894	\$ 9,700	\$ 11,313	\$ 35,401				
GAAP taxes on income (tax benefit)	\$ 5,652	\$ 380	\$ 727	\$ 1,178	\$ 778	\$ 3,063	\$ 1,156	\$ 1,061	\$ (257)	\$ 1,183	\$ 3,143	\$ 727	\$ 844	\$ 1,269	\$ 1,488	\$ 4,328				
Court verdict	(724)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Change in the federal rate	(3,249)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Tax related adjustment	-	-	-	-	-	-	-	(71)	266	39	234	122	61	62	61	306				
Non-GAAP taxes on income	\$ 1,679	\$ 380	\$ 727	\$ 1,178	\$ 778	\$ 3,063	\$ 1,156	\$ 990	\$ 9	\$ 1,222	\$ 3,377	\$ 849	\$ 905	\$ 1,331	\$ 1,549	\$ 4,634				
GAAP net income (loss)	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113	\$ 7,943	\$ 11,735	\$ 4,368	\$ 3,746	\$ 7,121	\$ 7,331	\$ 22,566	\$ 2,574	\$ 673	\$ 3,587	\$ 2,802	\$ 9,636				
Stock-based compensation	13,031	3,300	2,890	3,066	3,246	12,502	3,101	3,290	3,392	3,282	13,065	3,636	3,914	4,407	4,588	16,545				
Acquisition related costs	1,094	-	-	-	(202)	(202)	264	-	-	(18)	246	-	-	-	-	-				
Amortization of intangible assets	1,231	250	233	232	233	948	428	428	1,014	503	2,373	498	464	465	464	1,891				
Litigation related charges	2,052	270	143	214	202	829	82	777	24	-	883	119	140	44	145	448				
Court verdict	(6,176)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Other loss (gain) adjustment	-	-	-	-	-	-	-	(310)	(253)	-	(563)	247	-	-	-	247				
Exchange rate differences, net on balance sheet items included in financial income	635	(203)	26	432	(59)	196	631	909	878	(148)	2,270	(307)	859	(72)	1,826	2,306				
Change in the federal rate	3,249	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Tax related adjustment	-	-	-	-	-	-	-	71	(266)	(39)	(234)	(122)	(61)	(62)	(61)	(306)				
Non-GAAP net income	\$ 7,623	\$ 2,622	\$ 4,966	\$ 7,057	\$ 11,363	\$ 26,008	\$ 8,874	\$ 8,911	\$ 11,910	\$ 10,911	\$ 40,606	\$ 6,645	\$ 5,989	\$ 8,369	\$ 9,764	\$ 30,767				
GAAP diluted net earnings (loss) per share	\$ (0.17)	\$ (0.02)	\$ 0.04	\$ 0.06	\$ 0.16	0.25	\$ 0.09	\$ 0.08	\$ 0.15	\$ 0.15	0.47	\$ 0.05	\$ 0.01	\$ 0.08	\$ 0.06	0.20				
Stock-based compensation	0.30	0.07	0.06	0.06	0.07	0.26	0.06	0.07	0.07	0.07	0.27	0.08	0.08	\$ 0.09	\$ 0.10	0.35				
Acquisition related costs	0.02	-	-	-	(0.00)	(0.00)	0.01	-	-	(0.00)	0.01	-	-	\$ -	\$ -	-				
Amortization of intangible assets	0.03	0.01	0.00	0.01	0.00	0.02	0.01	0.01	0.02	0.01	0.05	0.01	0.01	\$ 0.01	\$ 0.01	0.04				
Litigation related charges	0.05	0.01	0.00	0.01	0.00	0.02	0.00	0.02	0.00	-	0.02	0.00	0.00	\$ 0.00	\$ 0.00	0.01				
Court verdict	(0.14)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	-				
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	0.01	(0.00)	0.00	0.01	(0.00)	0.00	0.01	0.02	0.02	(0.00)	0.05	(0.01)	0.02	\$ (0.00)	\$ 0.04	0.05				
Change in the federal rate	0.07	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	-				
Tax related adjustment	-	-	-	-	-	-	-	0.00	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	\$ (0.00)	\$ (0.00)	(0.01)				
Non-GAAP diluted net earnings per share	\$ 0.17	\$ 0.06	\$ 0.10	\$ 0.15	\$ 0.24	\$ 0.55	\$ 0.18	\$ 0.18	\$ 0.25	\$ 0.23	\$ 0.84	\$ 0.14	\$ 0.13	\$ 0.18	\$ 0.21	\$ 0.64				
GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share	44,756,732	46,424,462	47,396,099	48,519,880	48,279,751	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				

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'17					FY'18					FY'19					FY'20					
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 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	
Cash flows from operating activities:																					
Net income (loss)	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113	\$ 7,943	\$ 11,735	\$ 4,368	\$ 3,746	\$ 7,121	\$ 7,331	\$ 22,566	\$ 2,574	\$ 673	\$ 3,587	\$ 2,802	\$ 9,636					
Adjustments to reconcile net income (loss) to net cash provided by operating activities:																					
Depreciation and amortization	11,234	2,504	2,443	2,433	2,402	9,782	2,687	2,701	3,106	2,789	11,283	2,630	2,637	2,616	2,676	10,559					
Stock based compensation	13,031	3,300	2,890	3,066	3,247	12,503	3,101	3,290	3,392	3,282	13,065	3,636	3,914	4,407	4,588	16,545					
Other loss (gain)	-	-	-	-	-	-	-	(310)	(253)	26	(537)	246	(224)	(140)	-	(118)					
Gain from sale of available-for-sale marketable securities	(18)	-	-	-	-	-	-	-	-	-	-	(83)	(2)	(377)	(58)	(520)					
Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net	1,546	276	414	192	513	1,395	178	149	141	150	618	196	114	337	284	931					
Accrued interest on bank deposits	226	(66)	(146)	(1,217)	(962)	(2,391)	(829)	3,160	(804)	596	2,123	(195)	(178)	(598)	(239)	(1,210)					
Increase (decrease) in accrued severance pay, net	(210)	239	(97)	(8)	189	323	868	65	(109)	64	888	216	(29)	48	(33)	202					
Decrease (increase) in trade receivables, net	3,390	(37)	(2,564)	107	1,325	(1,169)	3,170	(641)	2,621	(7,557)	(2,407)	(4,029)	9,444	2,865	(2,518)	5,762					
Decrease (increase) in other receivables and prepaid expenses and other long term assets	(7,879)	7,199	(2,501)	(206)	(1,765)	2,727	(1,965)	(1,721)	(1,163)	(2,599)	(7,448)	(459)	(1,471)	(465)	(2,667)	(5,062)					
Decrease (increase) in inventories	(1,658)	(148)	477	(2,020)	2,062	371	1,216	1,221	881	1,143	4,461	(914)	748	816	(645)	5					
Increase (decrease) in trade payables	(734)	(1,047)	424	680	(941)	(884)	(710)	(28)	203	2,873	2,338	(1,416)	(3)	(1,078)	802	(1,695)					
Increase (decrease) in other payables, deferred revenues and accrued expenses	20,028	939	(455)	2,691	11,684	14,859	11,029	(6,774)	4,932	(4,248)	4,939	19,409	1,537	(5,192)	9,733	25,487					
Operating lease liabilities, net	-	-	-	-	-	-	375	285	194	109	963	(838)	800	(26)	1,353	1,289					
Excess tax benefit from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Net cash provided by (used in) operating activities	31,463	12,164	2,559	8,831	25,697	49,251	23,488	5,143	20,262	3,959	52,852	20,973	17,960	6,800	16,078	61,811					
Cash flows from investing activities:																					
Purchase of property and equipment	(7,210)	(2,089)	(1,187)	(1,595)	(3,998)	(8,869)	(1,961)	(2,382)	(1,810)	(2,002)	(8,155)	(2,452)	(2,545)	(1,629)	(2,045)	(8,671)					
proceeds from (investment in) other long-term assets	(6)	(91)	131	-	-	40	(29)	(33)	73	(7)	4	(2)	(9)	(15)	(84)	(110)					
Proceeds from (investment in) bank deposits, net	(37,200)	(17,000)	(9,067)	(15,000)	(29,935)	(71,002)	(82)	19,529	(5,674)	2,187	15,960	(4,506)	(4,652)	(2,666)	(12,054)	(23,878)					
Proceeds from (investment in) available-for-sale marketable securities	(3,657)	(1,186)	(686)	(1,035)	(2,765)	(5,672)	(9,661)	(33,574)	(1,997)	(1,131)	(46,363)	2,523	940	8,249	6,579	18,291					
Payment for the acquisition of subsidiary, net of cash acquired	(8,269)	-	-	-	-	-	(12,282)	43	-	-	(12,239)	-	-	-	-	-					
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Net cash provided by (used in) investing activities	(56,342)	(20,366)	(10,809)	(17,630)	(36,698)	(85,503)	(24,015)	(16,417)	(9,408)	(953)	(50,793)	(4,437)	(6,266)	3,939	(7,604)	(14,368)					
Cash flows from financing activities:																					
Proceeds from exercise of stock options	10,890	4,952	7,939	6,688	2,224	21,803	7,733	3,109	3,751	3,406	17,999	1,589	1,749	4,947	3,618	11,903					
Excess tax benefit from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Repayment of contingent consideration	-	-	-	-	(1,310)	(1,310)	-	-	-	-	-	-	-	-	-	-					
Repurchase of shares	(413)	-	-	-	(4,275)	(4,275)	(48)	(10,005)	(8,841)	(5,616)	(24,510)	(18,669)	(5,000)	(15,907)	(5,750)	(45,326)					
Net cash provided by (used in) financing activities	10,477	4,952	7,939	6,688	(3,361)	16,218	7,685	(6,896)	(5,090)	(2,210)	(6,511)	(17,080)	(3,251)	(10,960)	(2,132)	(33,423)					
Increase (decrease) in cash and cash equivalents	(14,402)	(3,250)	(311)	(2,111)	(14,362)	(20,034)	7,158	(18,170)	5,764	796	(4,452)	(544)	8,443	(221)	6,342	14,020					
Cash and cash equivalents at the beginning of the period	79,639	65,237	61,987	61,676	59,565	65,237	45,203	52,361	34,191	39,955	45,203	40,751	40,207	48,650	48,429	40,751					
Cash and cash equivalents at the end of the period	\$ 65,237	\$ 61,987	\$ 61,676	\$ 59,565	\$ 45,203	\$ 45,203	\$ 52,361	\$ 34,191	\$ 39,955	\$ 40,751	\$ 40,751	\$ 40,207	\$ 48,650	\$ 48,429	\$ 54,771	\$ 54,771					
Free cash flow	24,253	10,075	1,372	7,236	21,699	40,382	21,527	2,761	18,452	1,957	44,697	18,521	15,415	5,171	14,033	53,140					

Note: This document should be read in conjunction with the Company's SEC Filings.

Radware Ltd. - Revenues mix
(U.S. Dollars in thousands - unaudited)

Revenue by geography:

	FY'17 Yr Ended 31-Dec	FY'18 Yr Ended 31-Dec	FY'19 Quarter Ended				FY'19 Yr Ended 31-Dec	FY'20 Quarter Ended				FY'20 Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
Americas	\$ 97,901	\$ 102,491	\$ 24,653	\$ 27,626	\$ 24,463	\$ 29,689	\$ 106,431	\$ 29,238	\$ 27,476	\$ 30,213	\$ 27,486	\$ 114,413
EMEA	56,589	75,750	18,369	16,902	19,381	20,622	75,274	18,176	17,680	18,348	24,158	78,362
APAC	56,879	56,163	18,375	15,926	19,015	17,051	70,367	12,598	13,289	13,963	17,402	57,252
Total revenue	\$ 211,369	\$ 234,404	\$ 61,397	\$ 60,454	\$ 62,859	\$ 67,362	\$ 252,072	\$ 60,012	\$ 58,445	\$ 62,524	\$ 69,046	\$ 250,027

Revenue % of total:

Americas	46.3%	43.7%	40.2%	45.7%	38.9%	44.1%	42.2%	48.7%	47.0%	48.3%	39.8%	45.8%
EMEA	26.8%	32.3%	29.9%	28.0%	30.8%	30.6%	29.9%	30.3%	30.3%	29.3%	35.0%	31.3%
APAC	26.9%	24.0%	29.9%	26.3%	30.3%	25.3%	27.9%	21.0%	22.7%	22.3%	25.2%	22.9%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by vertical:

Enterprise	\$ 138,639	\$ 161,945	\$ 40,226	\$ 39,422	\$ 45,251	\$ 47,679	\$ 172,578	\$ 42,618	\$ 41,171	\$ 41,329	\$ 51,773	\$ 176,891
Carrier	72,730	72,459	21,171	21,032	17,608	19,683	79,494	17,394	17,274	21,195	17,273	73,136
Total revenue	\$ 211,369	\$ 234,404	\$ 61,397	\$ 60,454	\$ 62,859	\$ 67,362	\$ 252,072	\$ 60,012	\$ 58,445	\$ 62,524	\$ 69,046	\$ 250,027

Revenue % of total:

Enterprise	65.6%	69.1%	65.5%	65.2%	72.0%	70.8%	68.5%	71.0%	70.4%	66.1%	75.0%	70.7%
Carrier	34.4%	30.9%	34.5%	34.8%	28.0%	29.2%	31.5%	29.0%	29.6%	33.9%	25.0%	29.3%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: This document should be read in conjunction with the Company's SEC Filings.