



Investor Kit Third Quarter 2018



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

ASSETS

Current Assets

	FY'15 Yr Ended 31-Dec	FY'16 Quarter Ended			FY'17 Yr Ended 31-Dec	FY'17 Quarter Ended			FY'18 Yr Ended 31-Dec	FY'18 Quarter Ended		
		31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep
Cash and cash equivalents	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	\$ 79,639	\$ 47,129	\$ 50,086	\$ 53,530	\$ 65,237	\$ 61,987	\$ 61,676	\$ 59,565
Available-for-sale marketable securities	16,003	17,305	16,341	20,016	20,452	20,922	21,350	25,145	42,573	45,769	41,234	37,004
Short-term bank deposits	80,922	150,844	183,465	148,122	125,995	101,471	84,830	87,114	93,151	87,662	149,622	203,299
Trade receivables, net	26,410	27,905	26,057	21,346	19,407	20,990	17,638	12,314	16,150	16,034	18,598	18,491
Other receivables and prepaid expenses	5,042	5,346	4,382	4,297	4,159	3,250	3,447	3,905	12,252	6,401	7,687	6,308
Inventories	16,322	16,576	16,181	16,812	17,114	18,392	19,455	18,724	18,772	18,920	18,443	20,463
	178,443	249,809	268,354	249,451	266,766	212,154	196,806	200,732	248,135	236,773	297,260	345,130

Long-term Investments

Available-for-sale marketable securities	87,814	83,186	83,904	75,692	74,967	70,307	75,478	70,717	54,427	51,193	55,948	61,078
Long-term bank deposits	96,643	31,818	9,143	28,187	19,092	76,141	93,851	94,361	88,911	111,465	58,718	21,258
Severance pay funds	2,724	2,747	2,699	2,812	2,597	2,597	2,830	2,830	3,251	3,251	3,039	3,105
	187,181	117,751	95,746	106,691	96,656	149,045	172,159	167,908	146,589	165,909	117,705	85,441

Property and equipment, net

Property and equipment, net	26,203	26,577	27,177	27,404	26,354	25,751	25,711	24,487	23,642	23,477	22,453	21,848
Intangible assets, net	3,518	3,239	2,959	2,679	2,399	8,870	10,922	10,525	10,415	10,164	9,932	9,699
Other long-term assets	5,473	5,559	6,677	6,739	8,092	8,030	8,072	8,084	8,133	17,687	18,492	20,064
Goodwill	30,069	30,069	30,069	30,069	30,069	34,392	32,174	32,174	32,174	32,174	32,174	32,174

Total assets	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	\$ 430,336	\$ 438,242	\$ 445,844	\$ 443,910	\$ 469,088	\$ 486,184	\$ 498,016	\$ 514,356
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Trade payables	\$ 9,255	\$ 5,077	\$ 6,087	\$ 5,051	\$ 5,971	\$ 4,393	\$ 5,967	\$ 4,552	\$ 5,367	\$ 4,320	\$ 4,744	\$ 5,424
Deferred revenues (*)	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829	76,831	76,758	76,663
Other payables and accrued expenses	22,098	21,849	22,547	22,201	26,232	28,227	25,187	25,107	32,174	24,248	25,212	30,663
	77,414	79,955	81,164	75,870	85,264	92,161	94,337	93,193	107,370	105,399	106,714	112,750

Long-term Liabilities

Deferred revenues (*)	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482	45,346	43,719	41,040
Other long-term liabilities	9,214	14,060	14,088	14,075	14,209	14,258	14,490	9,130	2,880	5,733	5,413	5,484
	34,350	40,895	41,349	38,475	45,309	46,045	50,786	47,788	46,362	51,079	49,132	46,524

Shareholders' Equity

Share capital	661	661	661	662	663	664	665	666	673	677	685	691
Additional paid-in capital	312,784	315,661	318,331	321,338	325,338	329,644	334,418	338,539	349,250	357,496	368,318	378,067
Accumulated other comprehensive income (loss), net of tax	1,257	943	847	505	(20)	24	(7)	(31)	(443)	(1,172)	(1,212)	(1,168)
Treasury stock, at cost	(94,049)	(100,829)	(105,761)	(105,761)	(116,029)	(116,029)	(116,029)	(116,442)	(116,442)	(116,442)	(116,442)	(116,442)
Retained earnings	98,470	95,718	94,391	91,944	89,811	85,733	81,674	80,197	82,316	89,147	90,821	93,934
	319,123	312,154	308,469	308,688	299,763	300,036	300,721	302,929	315,356	329,706	342,170	355,082

Total liabilities and shareholder's equity	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	\$ 430,336	\$ 438,242	\$ 445,844	\$ 443,910	\$ 469,088	\$ 486,184	\$ 498,016	\$ 514,356
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*** Deferred Revenues**

Short Term	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829	76,831	76,758	76,663
Long Term	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482	45,346	43,719	41,040
Balance Sheet Deferred Revenues	71,197	79,864	79,791	73,018	84,161	91,328	99,479	102,192	113,311	122,177	120,477	117,703

Add: Uncollected billed amounts offset against trade receivables balance.

(representing unpaid invoices not yet recognized as revenue)	29,976	18,349	19,119	36,824	37,000	37,014	33,997	37,056	34,374	25,968	32,114	32,972
Total Deferred Revenues	101,173	98,213	98,910	109,842	121,161	128,342	133,476	139,248	147,685	148,145	152,591	150,675

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'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	31-Mar	Quarter Ended	
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep
Revenues	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764
Cost of revenues	38,200	8,654	8,887	8,558	9,596	35,695	8,994	9,634	9,928	11,060	39,616	9,940	10,340	10,278
Gross profit	178,366	39,771	40,698	38,305	42,116	160,890	39,918	41,322	43,119	47,394	171,753	44,596	46,947	48,486
Operating expenses:														
Research and development, net	49,987	13,424	13,001	13,072	12,235	51,732	14,240	15,013	14,678	15,072	59,003	14,662	14,633	14,434
Selling and marketing	93,347	24,912	25,865	24,853	28,144	103,774	25,979	26,410	27,189	29,166	108,744	28,183	27,803	27,263
General and administrative	17,033	5,769	3,893	4,245	4,226	18,133	4,780	4,380	4,152	4,265	17,577	4,055	3,811	3,985
Other income	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-	-	-
Total operating expenses	160,367	44,105	42,759	42,170	44,605	173,639	44,999	45,803	46,019	41,603	178,424	46,900	46,247	45,682
Operating income (loss)	17,999	(4,334)	(2,061)	(3,865)	(2,489)	(12,749)	(5,081)	(4,481)	(2,900)	5,791	(6,671)	(2,304)	700	2,804
Financial Income, net	5,867	1,940	1,232	1,706	863	5,741	1,107	640	2,148	935	4,830	1,689	1,701	1,487
Income (loss) before taxes on income	23,866	(2,394)	(829)	(2,159)	(1,626)	(7,008)	(3,974)	(3,841)	(752)	6,726	(1,841)	(615)	2,401	4,291
Taxes on income	5,297	358	498	288	507	1,651	104	218	725	4,605	5,652	380	727	1,178
Net income (loss)	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113
Diluted net earnings (loss) per share	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)	\$ (0.02)	\$ 0.04	\$ 0.06
Weighted average number of shares used to compute diluted net earnings (loss) per share	46,738,604	44,468,827	43,944,924	43,752,220	43,313,644	43,868,221	43,225,062	43,821,006	43,951,325	45,728,792	43,475,844	46,424,462	47,396,099	48,519,880
Gross margin	82.4%	82.1%	82.1%	81.7%	81.4%	81.8%	81.6%	81.1%	81.3%	81.1%	81.3%	81.8%	82.0%	82.5%
R&D % of total revenue	23.1%	27.7%	26.2%	27.9%	23.7%	26.3%	29.1%	29.5%	27.7%	25.8%	27.9%	26.9%	25.5%	24.6%
S&M % of total revenue	43.1%	51.4%	52.2%	53.0%	54.4%	52.8%	53.1%	51.8%	51.3%	49.9%	51.4%	51.7%	48.5%	46.4%
G&A % of total revenue	7.9%	11.9%	7.9%	9.1%	8.2%	9.2%	9.8%	8.6%	7.8%	7.3%	8.3%	7.4%	6.7%	6.8%
Total operating expenses % of total revenues	74.0%	91.1%	86.2%	90.0%	86.3%	88.3%	92.0%	89.9%	86.8%	71.2%	84.4%	86.0%	80.7%	77.7%
Operating margin	8.3%	-8.9%	-4.2%	-8.2%	-4.8%	-6.5%	-10.4%	-8.8%	-5.5%	9.9%	-3.2%	-4.2%	1.2%	4.8%
Net margin	8.6%	-5.7%	-2.7%	-5.2%	-4.1%	-4.4%	-8.3%	-8.0%	-2.8%	3.6%	-3.5%	-1.8%	2.9%	5.3%

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'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
Revenues	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764
Cost of revenues	36,945	8,359	8,594	8,258	9,290	34,501	8,686	9,154	9,484	10,364	37,688	9,652	10,069	10,012
Gross profit	179,621	40,066	40,991	38,605	42,422	162,084	40,226	41,802	43,563	48,090	173,681	44,884	47,218	48,752
Operating expenses:														
Research and development, net	47,531	12,641	12,334	12,131	11,287	48,393	13,342	13,985	13,721	13,884	54,932	13,731	13,954	13,615
Selling and marketing	89,125	23,618	24,445	23,570	26,375	98,008	24,332	24,511	25,488	27,425	101,756	26,259	26,008	25,577
General and administrative	11,017	2,821	2,816	2,922	2,964	11,523	3,001	3,197	3,225	3,733	13,156	3,378	3,290	3,244
Total operating expenses	147,673	39,080	39,595	38,623	40,626	157,924	40,675	41,693	42,434	45,042	169,844	43,368	43,252	42,436
Operating income (loss)	31,948	986	1,396	(18)	1,796	4,160	(449)	109	1,129	3,048	3,837	1,516	3,966	6,316
Financial Income, net	7,013	1,637	1,692	1,882	1,204	6,415	1,254	1,299	1,419	1,493	5,465	1,486	1,727	1,919
Income before taxes on income	38,961	2,623	3,088	1,864	3,000	10,575	805	1,408	2,548	4,541	9,302	3,002	5,693	8,235
Taxes on income	5,297	358	498	288	507	1,651	104	218	725	632	1,679	380	727	1,178
Net income	\$ 33,664	\$ 2,265	\$ 2,590	\$ 1,576	\$ 2,493	\$ 8,924	\$ 701	\$ 1,190	\$ 1,823	\$ 3,909	\$ 7,623	\$ 2,622	\$ 4,966	\$ 7,057
Diluted net earnings per share	\$ 0.72	\$ 0.05	\$ 0.06	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.17	\$ 0.06	\$ 0.10	\$ 0.15
Weighted average number of shares used to compute diluted net earnings per share	46,738,604	44,608,119	44,101,539	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732	46,424,462	47,396,099	48,519,880
Gross margin	82.9%	82.7%	82.7%	82.4%	82.0%	82.4%	82.2%	82.0%	82.1%	82.3%	82.2%	82.3%	82.4%	83.0%
R&D % of total revenue	21.9%	26.1%	24.9%	25.9%	21.8%	24.6%	27.3%	27.4%	25.9%	23.8%	26.0%	25.2%	24.4%	23.2%
S&M % of total revenue	41.2%	48.8%	49.3%	50.3%	51.0%	49.9%	49.7%	48.1%	48.0%	46.9%	48.1%	48.1%	45.4%	43.5%
G&A % of total revenue	5.1%	5.8%	5.7%	6.2%	5.7%	5.9%	6.1%	6.3%	6.1%	6.4%	6.2%	6.2%	5.7%	5.5%
Total operating expenses % of total revenues	68.2%	80.7%	79.9%	82.4%	78.6%	80.3%	83.2%	81.8%	80.0%	77.1%	80.4%	79.5%	75.5%	72.2%
Operating margin	14.8%	2.0%	2.8%	0.0%	3.5%	2.1%	-0.9%	0.2%	2.1%	5.2%	1.8%	2.8%	6.9%	10.7%
Tax rate	13.6%	13.6%	16.1%	15.5%	16.9%	15.6%	12.9%	15.5%	28.5%	13.9%	18.0%	12.7%	12.8%	14.3%
Net margin	15.5%	4.7%	5.2%	3.4%	4.8%	4.5%	1.4%	2.3%	3.4%	6.7%	3.6%	4.8%	8.7%	12.0%

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'15	FY'16				Yr Ended 31-Dec	FY'17				Yr Ended 31-Dec	FY'18		
	Yr Ended 31-Dec	Quarter Ended					Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	31-Mar	Quarter Ended 30-Jun
		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep
GAAP gross profit	\$ 178,366	\$ 39,771	\$ 40,698	\$ 38,305	\$ 42,116	\$ 160,890	\$ 39,918	\$ 41,322	\$ 43,119	\$ 47,394	\$ 171,753	\$ 44,596	\$ 46,947	\$ 48,486
Stock-based compensation	141	42	39	47	52	180	55	61	65	60	241	58	59	54
Amortization of intangible assets	1,114	253	254	253	254	1,014	253	419	379	86	1,137	230	212	212
Acquisition related costs	-	-	-	-	-	-	-	-	-	550	550	-	-	-
Non-GAAP gross profit	\$ 179,621	\$ 40,066	\$ 40,991	\$ 38,605	\$ 42,422	\$ 162,084	\$ 40,226	\$ 41,802	\$ 43,563	\$ 48,090	\$ 173,681	\$ 44,884	\$ 47,218	\$ 48,752
GAAP research and development, net	\$ 49,987	\$ 13,424	\$ 13,001	\$ 13,072	\$ 12,235	\$ 51,732	\$ 14,240	\$ 15,013	\$ 14,678	\$ 15,072	\$ 59,003	\$ 14,662	\$ 14,633	\$ 14,434
Stock-based compensation	2,456	783	667	941	948	3,339	898	1,028	957	984	3,867	931	679	819
Acquisition related costs	-	-	-	-	-	-	-	-	-	204	204	-	-	-
Non-GAAP Research and development, net	\$ 47,531	\$ 12,641	\$ 12,334	\$ 12,131	\$ 11,287	\$ 48,393	\$ 13,342	\$ 13,985	\$ 13,721	\$ 13,884	\$ 54,932	\$ 13,731	\$ 13,954	\$ 13,615
GAAP selling and marketing	\$ 93,347	\$ 24,912	\$ 25,865	\$ 24,853	\$ 28,144	\$ 103,774	\$ 25,979	\$ 26,410	\$ 27,189	\$ 29,166	\$ 108,744	\$ 28,183	\$ 27,803	\$ 27,263
Stock-based compensation	4,098	1,268	1,394	1,256	1,743	5,661	1,624	1,875	1,678	1,717	6,894	1,904	1,774	1,666
Amortization of intangible assets	124	26	26	27	26	105	23	24	23	24	94	20	21	20
Non-GAAP selling and marketing	\$ 89,125	\$ 23,618	\$ 24,445	\$ 23,570	\$ 26,375	\$ 98,008	\$ 24,332	\$ 24,511	\$ 25,488	\$ 27,425	\$ 101,756	\$ 26,259	\$ 26,008	\$ 25,577
GAAP general and administrative	\$ 17,033	\$ 5,769	\$ 3,893	\$ 4,245	\$ 4,226	\$ 18,133	\$ 4,780	\$ 4,380	\$ 4,152	\$ 4,265	\$ 17,577	\$ 4,055	\$ 3,811	\$ 3,985
Stock-based compensation	2,634	784	644	434	478	2,340	420	583	570	456	2,029	407	378	527
Acquisition related costs	-	-	-	-	-	-	340	-	-	-	340	-	-	-
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270	143	214
Non-GAAP general and administrative	\$ 11,016	\$ 2,821	\$ 2,816	\$ 2,922	\$ 2,964	\$ 11,523	\$ 3,001	\$ 3,197	\$ 3,225	\$ 3,733	\$ 13,156	\$ 3,378	\$ 3,290	\$ 3,244
GAAP other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,900)	\$ (6,900)	\$ -	\$ -	\$ -
Court verdict	-	-	-	-	-	-	-	-	-	6,900	6,900	-	-	-
Non-GAAP other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAAP total operating expenses	\$ 160,367	\$ 44,105	\$ 42,759	\$ 42,170	\$ 44,605	\$ 173,639	\$ 44,999	\$ 45,803	\$ 46,019	\$ 41,603	\$ 178,424	\$ 46,900	\$ 46,247	\$ 45,682
Stock-based compensation	9,188	2,835	2,705	2,631	3,169	11,340	2,942	3,486	3,205	3,157	12,790	3,242	2,831	3,012
Acquisition related costs	-	-	-	-	-	-	340	-	-	204	544	-	-	-
Amortization of intangible assets	124	26	26	27	26	105	23	24	23	24	94	20	21	20
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270	143	214
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-	-	-
Non-GAAP total operating expenses	\$ 147,672	\$ 39,080	\$ 39,595	\$ 38,623	\$ 40,626	\$ 157,924	\$ 40,675	\$ 41,693	\$ 42,434	\$ 45,042	\$ 169,844	\$ 43,368	\$ 43,252	\$ 42,436
GAAP operating income (loss)	\$ 17,999	\$ (4,334)	\$ (2,061)	\$ (3,865)	\$ (2,489)	\$ (12,749)	\$ (5,081)	\$ (4,481)	\$ (2,900)	\$ 5,791	\$ (6,671)	\$ (2,304)	\$ 700	\$ 2,804
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300	2,890	3,066
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-	-	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250	233	232
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270	143	214
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-	-	-
Non-GAAP operating income (loss)	\$ 31,949	\$ 986	\$ 1,396	\$ (18)	\$ 1,796	\$ 4,160	\$ (449)	\$ 109	\$ 1,129	\$ 3,048	\$ 3,837	\$ 1,516	\$ 3,966	\$ 6,316

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

GAAP finance income
Exchange rate differences, net on balance sheet items included in financial income

Non-GAAP finance income

GAAP income (loss) before taxes on income

Stock-based compensation
Acquisition related costs
Amortization of intangible assets
Litigation related charges
Court verdict
Exchange rate differences, net on balance sheet items included in financial income

Non-GAAP income before taxes on income

GAAP taxes on income

Court verdict
Change in the federal rate

Non-GAAP taxes on income

GAAP net income (loss)

Stock-based compensation
Acquisition related costs
Amortization of intangible assets
Litigation related charges
Court verdict
Exchange rate differences, net on balance sheet items included in financial income
Change in the federal rate

Non-GAAP net income

GAAP diluted net earnings (loss) per share

Stock-based compensation
Acquisition related costs
Amortization of intangible assets
Litigation related charges
Court verdict
Exchange rate differences, net on balance sheet items included in financial income
Change in the federal rate

Non-GAAP diluted net earnings per share

GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share

	FY'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
GAAP finance income	\$ 5,867	\$ 1,940	\$ 1,232	\$ 1,706	\$ 863	\$ 5,741	\$ 1,107	\$ 640	\$ 2,148	\$ 935	\$ 4,830	\$ 1,689	\$ 1,701	\$ 1,487
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)	26	432
Non-GAAP finance income	\$ 7,014	\$ 1,637	\$ 1,692	\$ 1,882	\$ 1,204	\$ 6,415	\$ 1,254	\$ 1,299	\$ 1,419	\$ 1,493	\$ 5,465	\$ 1,486	\$ 1,727	\$ 1,919
GAAP income (loss) before taxes on income	\$ 23,866	\$ (2,394)	\$ (829)	\$ (2,159)	\$ (1,626)	\$ (7,008)	\$ (3,974)	\$ (3,841)	\$ (752)	\$ 6,726	\$ (1,841)	\$ (615)	\$ 2,401	\$ 4,291
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300	2,890	3,066
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-	-	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250	233	232
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270	143	214
Court verdict	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)	-	-	-
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)	26	432
Non-GAAP income before taxes on income	\$ 38,962	\$ 2,623	\$ 3,088	\$ 1,864	\$ 3,000	\$ 10,575	\$ 805	\$ 1,408	\$ 2,548	\$ 4,541	\$ 9,302	\$ 3,002	\$ 5,693	\$ 8,235
GAAP taxes on income	\$ 5,297	\$ 358	\$ 498	\$ 288	\$ 507	\$ 1,651	\$ 104	\$ 218	\$ 725	\$ 4,605	\$ 5,652	\$ 380	\$ 727	\$ 1,178
Court verdict	-	-	-	-	-	-	-	-	-	(724)	(724)	-	-	-
Change in the federal rate	-	-	-	-	-	-	-	-	-	(3,249)	(3,249)	-	-	-
Non-GAAP taxes on income	\$ 5,297	\$ 358	\$ 498	\$ 288	\$ 507	\$ 1,651	\$ 104	\$ 218	\$ 725	\$ 632	\$ 1,679	\$ 380	\$ 727	\$ 1,178
GAAP net income (loss)	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113
Stock-based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300	2,890	3,066
Acquisition related costs	-	-	-	-	-	-	340	-	-	754	1,094	-	-	-
Amortization of intangible assets	1,238	279	280	280	280	1,119	276	443	402	110	1,231	250	233	232
Litigation related charges	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052	270	143	214
Court verdict	-	-	-	-	-	-	-	-	-	(6,176)	(6,176)	-	-	-
Exchange rate differences, net on balance sheet items included in financial income	1,147	(303)	460	176	341	674	147	659	(729)	558	635	(203)	26	432
Change in the federal rate	-	-	-	-	-	-	-	-	-	3,249	3,249	-	-	-
Non-GAAP net income	\$ 33,665	\$ 2,265	\$ 2,590	\$ 1,576	\$ 2,493	\$ 8,924	\$ 701	\$ 1,190	\$ 1,823	\$ 3,909	\$ 7,623	\$ 2,622	\$ 4,966	\$ 7,057
GAAP diluted net earnings (loss) per share	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)	\$ (0.02)	\$ 0.04	\$ 0.06
Stock-based compensation	0.20	0.06	0.06	0.06	0.07	0.26	0.07	0.08	0.07	0.07	0.30	0.07	0.06	0.06
Acquisition related costs	-	-	-	-	-	-	0.01	-	-	0.02	0.02	-	-	-
Amortization of intangible assets	0.03	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	-	0.03	0.01	0.00	0.01
Litigation related charges	0.07	0.05	0.01	0.02	0.02	0.10	0.02	0.01	0.01	-	0.05	0.01	0.00	0.01
Court verdict	-	-	-	-	-	-	-	-	-	(0.14)	(0.14)	-	-	-
Exchange rate differences, net on balance sheet items included in financial income	0.02	(0.01)	0.01	0.01	0.01	0.01	-	0.01	(0.02)	0.01	0.01	(0.00)	0.00	0.01
Change in the federal rate	-	-	-	-	-	-	-	-	-	0.08	0.07	-	-	-
Non-GAAP diluted net earnings per share	\$ 0.72	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.09	\$ 0.17	\$ 0.06	\$ 0.10	\$ 0.15
GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share	46,738,604	44,468,827	43,944,924	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732	46,424,462	47,396,099	48,519,880

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)

Cash flows from operating activities:

Net income (loss)

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Depreciation and amortization

Stock based compensation

Gain from sale of available-for-sale marketable securities

Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net

Accrued interest on bank deposits

Increase (decrease) in accrued severance pay, net

Decrease (increase) in trade receivables, net

Decrease (increase) in other receivables and prepaid expenses and other long term assets

Decrease (increase) in inventories

Increase (decrease) in trade payables

Increase (decrease) in other payables, deferred revenues and accrued expenses

Excess tax benefit from stock-based compensation

Net cash provided by (used in) operating activities

Cash flows from investing activities:

Purchase of property and equipment

proceeds from (investment in) other long-term assets

Proceeds from (investment in) bank deposits, net

Proceeds from (investment in) available-for-sale marketable securities

Payment for the acquisition of subsidiary, net of cash acquired

Purchase of intangible assets

Net cash provided by (used in) investing activities

Cash flows from financing activities:

Proceeds from exercise of stock options

Excess tax benefit from stock-based compensation

Repurchase of shares

Net cash provided by (used in) financing activities

Increase (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

	FY'15	FY'16				Yr Ended 31-Dec	FY'17				Yr Ended 31-Dec	FY'18		
	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
Net income (loss)	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)	\$ (995)	\$ 1,674	\$ 3,113
Adjustments to reconcile net income (loss) to net cash provided by operating activities:														
Depreciation and amortization	9,401	2,534	2,561	2,614	2,663	10,372	2,819	2,987	2,861	2,567	11,234	2,504	2,443	2,433
Stock based compensation	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031	3,300	2,890	3,066
Gain from sale of available-for-sale marketable securities	(2,438)	(577)	(549)	(651)	6	(1,771)	-	-	-	(18)	(18)	-	-	-
Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net	3,208	378	514	385	672	1,949	361	270	450	465	1,546	276	414	192
Accrued interest on bank deposits	(1,998)	(661)	6	201	1,633	1,179	1,382	150	(720)	(586)	226	(66)	(146)	(1,217)
Increase (decrease) in accrued severance pay, net	125	322	19	(51)	111	401	135	41	44	(430)	(210)	239	(97)	(8)
Decrease (increase) in trade receivables, net	(773)	(1,495)	1,848	4,711	1,939	7,003	(1,450)	3,352	5,324	(3,836)	3,390	(37)	(2,564)	107
Decrease (increase) in other receivables and prepaid expenses and other long term assets	112	(304)	(106)	149	(1,542)	(1,803)	1,034	(196)	(459)	(8,258)	(7,879)	7,199	(2,501)	(206)
Decrease (increase) in inventories	522	(254)	395	(631)	(302)	(792)	(1,278)	(1,063)	731	(48)	(1,658)	(148)	477	(2,020)
Increase (decrease) in trade payables	(562)	(4,178)	1,010	(1,036)	920	(3,284)	(1,710)	1,574	(1,415)	817	(734)	(1,047)	424	680
Increase (decrease) in other payables, deferred revenues and accrued expenses	4,273	12,919	606	(7,194)	15,487	21,818	6,092	4,761	(2,770)	11,945	20,028	939	(455)	2,691
Excess tax benefit from stock-based compensation	(632)	-	74	-	473	547	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	39,136	8,809	7,795	(1,272)	23,148	38,480	6,304	11,364	5,839	7,956	31,463	12,164	2,559	8,831
Cash flows from investing activities:														
Purchase of property and equipment	(13,774)	(2,629)	(2,881)	(2,561)	(1,333)	(9,404)	(1,882)	(2,475)	(1,240)	(1,613)	(7,210)	(2,089)	(1,187)	(1,595)
proceeds from (investment in) other long-term assets	(100)	19	(16)	(3)	(53)	(53)	47	(31)	(4)	(18)	(6)	(91)	131	-
Proceeds from (investment in) bank deposits, net	(33,824)	(4,436)	(9,952)	16,097	29,586	31,295	(33,907)	(1,219)	(2,074)	-	(37,200)	(17,000)	(9,067)	(15,000)
Proceeds from (investment in) available-for-sale marketable securities	40,845	3,106	155	4,339	(1,079)	6,521	3,887	(5,910)	485	(2,119)	(3,657)	(1,186)	(686)	(1,035)
Payment for the acquisition of subsidiary, net of cash acquired	-	-	-	-	-	-	(8,269)	-	-	-	(8,269)	-	-	-
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	(6,853)	(3,940)	(12,694)	17,872	27,121	28,359	(40,124)	(9,635)	(2,833)	(3,750)	(56,342)	(20,366)	(10,809)	(17,630)
Cash flows from financing activities:														
Proceeds from exercise of stock options	8,746	-	-	330	1,253	1,583	1,310	1,228	851	7,501	10,890	4,952	7,939	6,688
Excess tax benefit from stock-based compensation	632	-	(74)	-	(473)	(547)	-	-	-	-	-	-	-	-
Repurchase of shares	(52,896)	(6,780)	(4,932)	-	(10,268)	(21,980)	-	-	(413)	-	(413)	-	-	-
Net cash provided by (used in) financing activities	(43,518)	(6,780)	(5,006)	330	(9,488)	(20,944)	1,310	1,228	438	7,501	10,477	4,952	7,939	6,688
Increase (decrease) in cash and cash equivalents	(11,235)	(1,911)	(9,905)	16,930	40,781	45,895	(32,510)	2,957	3,444	11,707	(14,402)	(3,250)	(311)	(2,111)
Cash and cash equivalents at the beginning of the period	44,979	33,744	31,833	21,928	38,858	33,744	79,639	47,129	50,086	53,530	79,639	65,237	61,987	61,676
Cash and cash equivalents at the end of the period	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	\$ 79,639	\$ 79,639	\$ 47,129	\$ 50,086	\$ 53,530	\$ 65,237	\$ 65,237	\$ 61,987	\$ 61,676	\$ 59,565

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'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
Americas	\$ 88,685	\$ 20,007	\$ 22,069	\$ 19,967	\$ 22,690	\$ 84,733	\$ 18,300	\$ 24,263	\$ 26,601	\$ 28,737	\$ 97,901	\$ 24,177	\$ 23,888	\$ 26,699
EMEA	62,689	12,567	14,035	12,217	14,905	53,724	14,590	13,121	13,788	15,090	56,589	15,129	19,797	17,672
APAC	65,192	15,851	13,481	14,679	14,117	58,128	16,022	13,572	12,658	14,627	56,879	15,230	13,602	14,392
Total revenue	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764

Revenue % of total:

	FY'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
Americas	41.0%	41.3%	44.5%	42.6%	43.9%	43.1%	37.4%	47.6%	50.1%	49.2%	46.3%	44.3%	41.7%	45.4%
EMEA	28.9%	26.0%	28.3%	26.1%	28.8%	27.3%	29.8%	25.7%	26.0%	25.8%	26.8%	27.7%	34.6%	30.1%
APAC	30.1%	32.7%	27.2%	31.3%	27.3%	29.6%	32.8%	26.6%	23.9%	25.0%	26.9%	27.9%	23.7%	24.5%
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%	100.0%	100.0%

Revenue by vertical:

	FY'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
Enterprise	\$ 152,824	\$ 34,482	\$ 34,380	\$ 33,284	\$ 34,104	\$ 136,251	\$ 33,750	\$ 33,321	\$ 31,876	\$ 39,692	\$ 138,639	\$ 39,802	\$ 39,924	\$ 40,098
Carrier	63,742	13,943	15,205	13,579	17,607	60,334	15,162	17,635	21,171	18,762	72,730	14,734	17,363	18,666
Total revenue	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369	\$ 54,536	\$ 57,287	\$ 58,764

Revenue % of total:

	FY'15	FY'16				FY'16	FY'17				FY'17	FY'18		
	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
Enterprise	70.6%	71.2%	69.3%	71.0%	66.0%	69.3%	69.0%	65.4%	60.1%	67.9%	65.6%	73.0%	69.7%	68.2%
Carrier	29.4%	28.8%	30.7%	29.0%	34.0%	30.7%	31.0%	34.6%	39.9%	32.1%	34.4%	27.0%	30.3%	31.8%
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%	100.0%	100.0%

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