



CYBERARK[®]

**Q3 2017 Earnings Results
Supplementary Data, Financial Tables and Non-GAAP Reconciliations**

Non-GAAP Financial Measures

CyberArk believes that the use of non-GAAP gross profit, operating income and non-GAAP net income is helpful to our investors. These financial measures are not measures of the Company's financial performance under U.S. GAAP and should not be considered as alternatives to operating income or net income or any other performance measures derived in accordance with GAAP.

The Company believes that providing non-GAAP financial measures that exclude share-based compensation, facility exit costs, public offering related expenses, acquisition related expenses, amortization of intangible assets related to acquisitions and the tax effects related to the non-GAAP adjustments allows for more meaningful comparisons of its period to period operating results. Share-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense in the Company's business and an important part of the compensation provided to its employees.

The Company believes that expenses related to its facility exit costs, public offerings and acquisitions as well as amortization of intangible assets related to acquisitions do not reflect the performance of its core business and impact period-to-period comparability.

Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies in the industry may calculate non-GAAP financial results differently, particularly related to non-recurring or unusual items. In addition, there are limitations in using non-GAAP financial measures as they exclude expenses that may have a material impact on the Company's reported financial results. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP. CyberArk urges investors to review the reconciliation of its non-GAAP financial measures to the comparable U.S. GAAP financial measures



CyberArk Software Ltd.

Consolidated Statements of Operations -- Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

| | 2015 | | | | 2016 | | | | 2017 | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Revenue | | | | | | | | | | | |
| License | \$ 19,978 | \$ 22,278 | \$ 24,820 | \$ 33,037 | \$ 27,514 | \$ 29,965 | \$ 33,257 | \$ 40,794 | \$ 32,952 | \$ 30,318 | \$ 35,818 |
| Maintenance & Professional Services | 12,937 | 14,097 | 15,236 | 18,429 | 19,397 | 20,415 | 21,707 | 23,564 | 26,083 | 27,162 | 29,000 |
| Total | 32,915 | 36,375 | 40,056 | 51,466 | 46,911 | 50,380 | 54,964 | 64,358 | 59,035 | 57,480 | 64,818 |
| Cost of Revenues | | | | | | | | | | | |
| License | 550 | 1,831 | 1,136 | 1,571 | 1,274 | 1,283 | 1,084 | 1,085 | 1,584 | 1,907 | 2,161 |
| Maintenance & Professional Services | 3,707 | 4,243 | 4,395 | 5,227 | 5,160 | 5,628 | 6,962 | 7,675 | 7,683 | 8,093 | 8,801 |
| Total Cost of Revenues | 4,257 | 6,074 | 5,531 | 6,798 | 6,434 | 6,911 | 8,046 | 8,760 | 9,267 | 10,000 | 10,962 |
| Total Gross Profit | 28,658 | 30,301 | 34,525 | 44,668 | 40,477 | 43,469 | 46,918 | 55,598 | 49,768 | 47,480 | 53,856 |
| Gross Profit Margin | 87% | 83% | 86% | 87% | 86% | 86% | 85% | 86% | 84% | 83% | 83% |
| Operating expenses: | | | | | | | | | | | |
| Research and development | 4,117 | 4,263 | 5,649 | 7,705 | 7,933 | 8,165 | 9,192 | 9,324 | 9,214 | 9,561 | 11,369 |
| Sales and marketing | 13,460 | 15,449 | 16,717 | 20,580 | 21,663 | 21,837 | 23,800 | 26,475 | 27,678 | 29,500 | 32,877 |
| General and administrative | 3,578 | 4,058 | 3,871 | 5,483 | 4,670 | 5,016 | 5,841 | 6,590 | 6,878 | 7,409 | 7,927 |
| Total operating expenses | 21,155 | 23,770 | 26,237 | 33,768 | 34,266 | 35,018 | 38,833 | 42,389 | 43,770 | 46,470 | 52,173 |
| Operating Income | 7,503 | 6,531 | 8,288 | 10,900 | 6,211 | 8,451 | 8,085 | 13,209 | 5,998 | 1,010 | 1,683 |
| Financial income (expenses), net | (1,631) | 327 | 58 | (233) | 67 | (94) | 368 | (96) | 548 | 1,127 | 816 |
| Income before taxes on income | 5,872 | 6,858 | 8,346 | 10,667 | 6,278 | 8,357 | 8,453 | 13,113 | 6,546 | 2,137 | 2,499 |
| Tax benefit (taxes on income) | (1,706) | (1,936) | (1,573) | (734) | (1,954) | (1,908) | (1,341) | (2,874) | 990 | 1,109 | (818) |
| Net Income | \$ 4,166 | \$ 4,922 | \$ 6,773 | \$ 9,933 | \$ 4,324 | \$ 6,449 | \$ 7,112 | \$ 10,239 | \$ 7,536 | \$ 3,246 | \$ 1,681 |
| Basic net income per ordinary share | \$ 0.14 | \$ 0.16 | \$ 0.20 | \$ 0.30 | \$ 0.13 | \$ 0.19 | \$ 0.21 | \$ 0.30 | \$ 0.22 | \$ 0.09 | \$ 0.05 |
| Diluted net income per ordinary share | \$ 0.12 | \$ 0.14 | \$ 0.19 | \$ 0.28 | \$ 0.12 | \$ 0.18 | \$ 0.20 | \$ 0.28 | \$ 0.21 | \$ 0.09 | \$ 0.05 |
| Shares used in computing net income per ordinary shares, basic | 30,563,888 | 31,530,242 | 33,122,067 | 33,243,103 | 33,366,332 | 33,547,975 | 33,886,461 | 34,158,580 | 34,395,084 | 34,729,119 | 34,979,389 |
| Shares used in computing net income per ordinary shares, diluted | 34,786,581 | 35,001,262 | 35,761,096 | 35,727,077 | 35,707,977 | 35,787,574 | 35,983,790 | 36,003,803 | 36,113,216 | 36,194,471 | 36,184,151 |

CyberArk Software Ltd.

GAAP to Non-GAAP Reconciliation

(\$ in Thousands, except per share amounts and percentages)

| | 2015 | | | | 2016 | | | | 2017 | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| GAAP gross profit | \$ 28,658 | \$ 30,301 | \$ 34,525 | \$ 44,668 | \$ 40,477 | \$ 43,469 | \$ 46,918 | \$ 55,598 | \$ 49,768 | \$ 47,480 | \$ 53,856 |
| Share-based compensation | 63 | 84 | 139 | 213 | 241 | 285 | 423 | 437 | 453 | 504 | 701 |
| Amortization of intangible assets - Cost of revenues | - | - | 19 | 340 | 355 | 355 | 355 | 355 | 843 | 992 | 1,195 |
| Non-GAAP gross profit | <u>\$ 28,721</u> | <u>\$ 30,385</u> | <u>\$ 34,683</u> | <u>\$ 45,221</u> | <u>\$ 41,073</u> | <u>\$ 44,109</u> | <u>\$ 47,696</u> | <u>\$ 56,390</u> | <u>\$ 51,064</u> | <u>\$ 48,976</u> | <u>\$ 55,752</u> |
| Non-GAAP gross profit margin | 87% | 84% | 87% | 88% | 88% | 88% | 87% | 88% | 86% | 85% | 86% |
| GAAP research and development expense | \$ 4,117 | \$ 4,263 | \$ 5,649 | \$ 7,705 | \$ 7,933 | \$ 8,165 | \$ 9,192 | \$ 9,324 | \$ 9,214 | \$ 9,561 | \$ 11,369 |
| Share-based compensation | 82 | 85 | 368 | 972 | 940 | 998 | 1,403 | 1,319 | 1,309 | 1,523 | 1,775 |
| Amortization of intangible assets - R&D | - | - | 271 | 478 | 478 | 478 | 478 | 479 | - | - | - |
| Non-GAAP research and development expense | <u>\$ 4,035</u> | <u>\$ 4,178</u> | <u>\$ 5,010</u> | <u>\$ 6,255</u> | <u>\$ 6,515</u> | <u>\$ 6,689</u> | <u>\$ 7,311</u> | <u>\$ 7,526</u> | <u>\$ 7,905</u> | <u>\$ 8,038</u> | <u>\$ 9,594</u> |
| GAAP sales and marketing expense | \$ 13,460 | \$ 15,449 | \$ 16,717 | \$ 20,580 | \$ 21,663 | \$ 21,837 | \$ 23,800 | \$ 26,475 | \$ 27,678 | \$ 29,500 | \$ 32,877 |
| Share-based compensation | 139 | 177 | 713 | 1,185 | 1,225 | 1,371 | 1,544 | 1,625 | 1,671 | 2,018 | 2,459 |
| Amortization of intangible assets - S&M | - | - | - | 17 | 301 | 301 | 301 | 287 | 246 | 289 | 249 |
| Non-GAAP sales and marketing expense | <u>\$ 13,321</u> | <u>\$ 15,272</u> | <u>\$ 16,004</u> | <u>\$ 19,378</u> | <u>\$ 20,137</u> | <u>\$ 20,165</u> | <u>\$ 21,955</u> | <u>\$ 24,563</u> | <u>\$ 25,761</u> | <u>\$ 27,193</u> | <u>\$ 30,169</u> |
| GAAP general & administrative expense | 3,578 | 4,058 | 3,871 | 5,483 | 4,670 | 5,016 | 5,841 | 6,590 | 6,878 | 7,409 | 7,927 |
| Share-based compensation | 181 | 797 | 885 | 966 | 967 | 1,325 | 1,721 | 1,711 | 1,766 | 2,197 | 2,267 |
| Public offering related expenses | 1,081 | 487 | - | - | - | - | - | - | - | - | - |
| Acquisition related expenses | - | 88 | 429 | 160 | - | - | - | - | 438 | 248 | - |
| Facility exit costs | - | - | - | - | - | - | - | - | - | - | 342 |
| Non-GAAP general & administrative expense | <u>\$ 2,316</u> | <u>\$ 2,686</u> | <u>\$ 2,557</u> | <u>\$ 4,357</u> | <u>\$ 3,703</u> | <u>\$ 3,691</u> | <u>\$ 4,120</u> | <u>\$ 4,879</u> | <u>\$ 4,674</u> | <u>\$ 4,964</u> | <u>\$ 5,318</u> |
| GAAP total operating expenses | \$ 21,155 | \$ 23,770 | \$ 26,237 | \$ 33,768 | \$ 34,266 | \$ 35,018 | \$ 38,833 | \$ 42,389 | \$ 43,770 | \$ 46,470 | \$ 52,173 |
| Share-based compensation | 402 | 1,059 | 1,966 | 3,123 | 3,132 | 3,694 | 4,668 | 4,655 | 4,746 | 5,738 | 6,501 |
| Amortization of intangible assets | - | - | 271 | 495 | 779 | 779 | 779 | 766 | 246 | 289 | 249 |
| Public offering related expenses | 1,081 | 487 | - | - | - | - | - | - | - | - | - |
| Acquisition related expenses | - | 88 | 429 | 160 | - | - | - | - | 438 | 248 | - |
| Facility exit costs | - | - | - | - | - | - | - | - | - | - | 342 |
| Non-GAAP total operating expenses | <u>\$ 19,672</u> | <u>\$ 22,136</u> | <u>\$ 23,571</u> | <u>\$ 29,990</u> | <u>\$ 30,355</u> | <u>\$ 30,545</u> | <u>\$ 33,386</u> | <u>\$ 36,968</u> | <u>\$ 38,340</u> | <u>\$ 40,195</u> | <u>\$ 45,081</u> |
| GAAP operating income | \$ 7,503 | \$ 6,531 | \$ 8,288 | \$ 10,900 | \$ 6,211 | \$ 8,451 | \$ 8,085 | \$ 13,209 | \$ 5,998 | \$ 1,010 | \$ 1,683 |
| Share-based compensation | 465 | 1,143 | 2,105 | 3,336 | 3,373 | 3,979 | 5,091 | 5,092 | 5,199 | 6,242 | 7,202 |
| Amortization of intangible assets | - | - | 290 | 835 | 1,134 | 1,134 | 1,134 | 1,121 | 1,089 | 1,281 | 1,444 |
| Public offering related expenses | 1,081 | 487 | - | - | - | - | - | - | - | - | - |
| Acquisition related expenses | - | 88 | 429 | 160 | - | - | - | - | 438 | 248 | - |
| Facility exit costs | - | - | - | - | - | - | - | - | - | - | 342 |
| Non-GAAP operating income | <u>\$ 9,049</u> | <u>\$ 8,249</u> | <u>\$ 11,112</u> | <u>\$ 15,231</u> | <u>\$ 10,718</u> | <u>\$ 13,564</u> | <u>\$ 14,310</u> | <u>\$ 19,422</u> | <u>\$ 12,724</u> | <u>\$ 8,781</u> | <u>\$ 10,671</u> |

CyberArk Software Ltd.

GAAP to Non-GAAP Reconciliation

(\$ in Thousands, except per share amounts and percentages)

| | 2015 | | | | 2016 | | | | 2017 | | |
|---------------------------------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| GAAP tax benefit (taxes on income) | \$ (1,706) | \$ (1,936) | \$ (1,573) | \$ (734) | \$ (1,954) | \$ (1,908) | \$ (1,341) | \$ (2,874) | \$ 990 | \$ 1,109 | \$ (818) |
| Taxes related to non-GAAP adjustments | - | (114) | (382) | (455) | (513) | (1,066) | (1,576) | (1,782) | (4,015) | (3,274) | (1,757) |
| Non-GAAP taxes on income | \$ (1,706) | \$ (2,050) | \$ (1,955) | \$ (1,189) | \$ (2,467) | \$ (2,974) | \$ (2,917) | \$ (4,656) | \$ (3,025) | \$ (2,165) | \$ (2,575) |
| GAAP net income | \$ 4,166 | \$ 4,922 | \$ 6,773 | \$ 9,933 | \$ 4,324 | \$ 6,449 | \$ 7,112 | \$ 10,239 | \$ 7,536 | \$ 3,246 | \$ 1,681 |
| Share-based compensation | 465 | 1,143 | 2,105 | 3,336 | 3,373 | 3,979 | 5,091 | 5,092 | 5,199 | 6,242 | 7,202 |
| Amortization of intangible assets | - | - | 290 | 835 | 1,134 | 1,134 | 1,134 | 1,121 | 1,089 | 1,281 | 1,444 |
| Public offering related expenses | 1,081 | 487 | - | - | - | - | - | - | - | - | - |
| Acquisition related expenses | - | 88 | 429 | 160 | - | - | - | - | 438 | 248 | - |
| Facility exit costs | - | - | - | - | - | - | - | - | - | - | 342 |
| Taxes related to non-GAAP adjustments | - | (114) | (382) | (455) | (513) | (1,066) | (1,576) | (1,782) | (4,015) | (3,274) | (1,757) |
| Non-GAAP net income | <u>\$ 5,712</u> | <u>\$ 6,526</u> | <u>\$ 9,215</u> | <u>\$ 13,809</u> | <u>\$ 8,318</u> | <u>\$ 10,496</u> | <u>\$ 11,761</u> | <u>\$ 14,670</u> | <u>\$ 10,247</u> | <u>\$ 7,743</u> | <u>\$ 8,912</u> |

CyberArk Software Ltd.

Non-GAAP Expenses -- Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

| | 2015 | | | | 2016 | | | | 2017 | | |
|---|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Share-based compensation expenses | | | | | | | | | | | |
| Cost of revenues | \$ 63 | \$ 84 | \$ 139 | \$ 213 | \$ 241 | \$ 285 | \$ 423 | \$ 437 | \$ 453 | \$ 504 | \$ 701 |
| Research and development | 82 | 85 | 368 | 972 | 940 | 998 | 1,403 | 1,319 | 1,309 | 1,523 | 1,775 |
| Sales and marketing | 139 | 177 | 713 | 1,185 | 1,225 | 1,371 | 1,544 | 1,625 | 1,671 | 2,018 | 2,459 |
| General and administrative | 181 | 797 | 885 | 966 | 967 | 1,325 | 1,721 | 1,711 | 1,766 | 2,197 | 2,267 |
| Total share-based compensation expenses | <u>\$ 465</u> | <u>\$ 1,143</u> | <u>\$ 2,105</u> | <u>\$ 3,336</u> | <u>\$ 3,373</u> | <u>\$ 3,979</u> | <u>\$ 5,091</u> | <u>\$ 5,092</u> | <u>\$ 5,199</u> | <u>\$ 6,242</u> | <u>\$ 7,202</u> |

| | 2015 | | | | 2016 | | | | 2017 | | |
|--|-----------------|---------------|---------------|---------------|---------------|--------------|-----------------|-----------------|-------------------|-------------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Other non-GAAP adjustments | | | | | | | | | | | |
| Public offering related expenses | 1,081 | 487 | - | - | - | - | - | - | - | - | - |
| Amortization of intangible assets - Cost of revenues | - | - | 19 | 340 | 355 | 355 | 355 | 355 | 843 | 992 | 1,195 |
| Amortization of intangible assets - R&D | - | - | 271 | 478 | 478 | 478 | 478 | 479 | - | - | - |
| Amortization of intangible assets - S&M | - | - | - | 17 | 301 | 301 | 301 | 287 | 246 | 289 | 249 |
| Acquisition related expenses | - | 88 | 429 | 160 | - | - | - | - | 438 | 248 | - |
| Facility exit costs | - | - | - | - | - | - | - | - | - | - | 342 |
| Taxes related to non-GAAP adjustments | - | (114) | (382) | (455) | (513) | (1,066) | (1,576) | (1,782) | (4,015) | (3,274) | (1,757) |
| Total other non-GAAP adjustments | <u>\$ 1,081</u> | <u>\$ 461</u> | <u>\$ 337</u> | <u>\$ 540</u> | <u>\$ 621</u> | <u>\$ 68</u> | <u>\$ (442)</u> | <u>\$ (661)</u> | <u>\$ (2,488)</u> | <u>\$ (1,745)</u> | <u>\$ 29</u> |

CyberArk Software Ltd.

Non-GAAP Consolidated Statements of Operations -- Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

| | 2015 | | | | 2016 | | | | 2017 | | |
|--|-----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Revenue | | | | | | | | | | | |
| License | \$ 19,978 | \$ 22,278 | \$ 24,820 | \$ 33,037 | \$ 27,514 | \$ 29,965 | \$ 33,257 | \$ 40,794 | \$ 32,952 | \$ 30,318 | \$ 35,818 |
| Maintenance & Professional Services | 12,937 | 14,097 | 15,236 | 18,429 | 19,397 | 20,415 | 21,707 | 23,564 | 26,083 | 27,162 | 29,000 |
| Total | 32,915 | 36,375 | 40,056 | 51,466 | 46,911 | 50,380 | 54,964 | 64,358 | 59,035 | 57,480 | 64,818 |
| Cost of Revenues | | | | | | | | | | | |
| License | 550 | 1,831 | 1,117 | 1,231 | 919 | 928 | 729 | 730 | 741 | 915 | 966 |
| Maintenance & Professional Services | 3,644 | 4,159 | 4,256 | 5,014 | 4,919 | 5,343 | 6,539 | 7,238 | 7,230 | 7,589 | 8,100 |
| Total Cost of Revenues | 4,194 | 5,990 | 5,373 | 6,245 | 5,838 | 6,271 | 7,268 | 7,968 | 7,971 | 8,504 | 9,066 |
| Gross Profit | 28,721 | 30,385 | 34,683 | 45,221 | 41,073 | 44,109 | 47,696 | 56,390 | 51,064 | 48,976 | 55,752 |
| Gross Profit Margin | 87% | 84% | 87% | 88% | 88% | 88% | 87% | 88% | 86% | 85% | 86% |
| Operating expenses: | | | | | | | | | | | |
| Research and development | 4,035 | 4,178 | 5,010 | 6,255 | 6,515 | 6,689 | 7,311 | 7,526 | 7,905 | 8,038 | 9,594 |
| Sales and marketing | 13,321 | 15,272 | 16,004 | 19,378 | 20,137 | 20,165 | 21,955 | 24,563 | 25,761 | 27,193 | 30,169 |
| General and administrative | 2,316 | 2,686 | 2,557 | 4,357 | 3,703 | 3,691 | 4,120 | 4,879 | 4,674 | 4,964 | 5,318 |
| Total operating expenses | 19,672 | 22,136 | 23,571 | 29,990 | 30,355 | 30,545 | 33,386 | 36,968 | 38,340 | 40,195 | 45,081 |
| Operating Income | 9,049 | 8,249 | 11,112 | 15,231 | 10,718 | 13,564 | 14,310 | 19,422 | 12,724 | 8,781 | 10,671 |
| Financial income (expenses), net | (1,631) | 327 | 58 | (233) | 67 | (94) | 368 | (96) | 548 | 1,127 | 816 |
| Income before taxes on income | 7,418 | 8,576 | 11,170 | 14,998 | 10,785 | 13,470 | 14,678 | 19,326 | 13,272 | 9,908 | 11,487 |
| Taxes on income | (1,706) | (2,050) | (1,955) | (1,189) | (2,467) | (2,974) | (2,917) | (4,656) | (3,025) | (2,165) | (2,575) |
| Net income | \$ 5,712 | \$ 6,526 | \$ 9,215 | \$ 13,809 | \$ 8,318 | \$ 10,496 | \$ 11,761 | \$ 14,670 | \$ 10,247 | \$ 7,743 | \$ 8,912 |
| Basic net income per ordinary share | \$ 0.19 | \$ 0.21 | \$ 0.28 | \$ 0.42 | \$ 0.25 | \$ 0.31 | \$ 0.35 | \$ 0.43 | \$ 0.30 | \$ 0.22 | \$ 0.25 |
| Diluted net income per ordinary share | \$ 0.16 | \$ 0.19 | \$ 0.26 | \$ 0.39 | \$ 0.23 | \$ 0.29 | \$ 0.33 | \$ 0.41 | \$ 0.28 | \$ 0.21 | \$ 0.25 |
| Shares used in computing net income per ordinary shares, basic | 30,563,888 | 31,530,242 | 33,122,067 | 33,243,103 | 33,366,332 | 33,547,975 | 33,886,461 | 34,158,580 | 34,395,084 | 34,729,119 | 34,979,389 |
| Shares used in computing net income per ordinary shares, diluted | 34,786,581 | 35,001,262 | 35,761,096 | 35,727,077 | 35,707,977 | 35,787,574 | 35,983,790 | 36,003,803 | 36,113,216 | 36,194,471 | 36,184,151 |

CyberArk Software Ltd.

Consolidated Balance Sheet - Fiscal Quarters

(\$ in Thousands, except per share amounts and percentages)

| ASSETS | March 31, 2015 | June 30, 2015 | September 30, 2015 | December 31, 2015 | March 31, 2016 | June 30, 2016 | September 30, 2016 | December 31, 2016 | March 31, 2017 | June 30, 2017 | September 30, 2017 |
|---|---------------------------|--------------------------|-------------------------------|------------------------------|---------------------------|--------------------------|-------------------------------|------------------------------|---------------------------|--------------------------|-------------------------------|
| CURRENT ASSETS: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 162,946 | \$ 270,119 | \$ 238,930 | \$ 234,539 | \$ 238,202 | \$ 178,420 | \$ 145,192 | \$ 172,957 | \$ 175,960 | \$ 142,457 | \$ 145,365 |
| Short-term bank deposits | 28,722 | 13,699 | 10,725 | 3,713 | 8,680 | 45,850 | 92,138 | 86,829 | 91,741 | 96,567 | 100,968 |
| Marketable securities | - | - | - | - | 597 | 12,386 | 15,148 | 15,246 | 19,356 | 21,804 | 27,968 |
| Trade receivables | 14,912 | 14,298 | 23,182 | 20,410 | 15,819 | 20,804 | 26,731 | 33,330 | 34,890 | 30,272 | 33,906 |
| Prepaid expenses and other current assets | 2,998 | 3,600 | 3,784 | 3,293 | 4,770 | 5,196 | 4,421 | 4,804 | 6,876 | 7,206 | 5,847 |
| Total current assets | \$ 209,578 | \$ 301,716 | \$ 276,621 | \$ 261,955 | \$ 268,068 | \$ 262,656 | \$ 283,630 | \$ 313,166 | \$ 328,823 | \$ 298,306 | \$ 314,054 |
| LONG-TERM ASSETS: | | | | | | | | | | | |
| Property and equipment, net | \$ 2,321 | \$ 2,543 | \$ 3,291 | \$ 3,584 | \$ 4,023 | \$ 4,366 | \$ 4,444 | \$ 4,760 | \$ 4,869 | \$ 5,266 | \$ 8,076 |
| Intangible assets, net | - | - | 9,550 | 18,558 | 17,424 | 16,290 | 15,156 | 14,035 | 12,946 | 18,552 | 17,108 |
| Goodwill | - | - | 14,345 | 35,145 | 35,145 | 35,145 | 35,145 | 35,145 | 35,145 | 69,355 | 69,355 |
| Marketable securities | - | - | - | - | 6,857 | 22,390 | 22,077 | 20,443 | 23,582 | 22,376 | 22,503 |
| Severance pay fund | 3,046 | 3,257 | 3,158 | 3,230 | 3,361 | 3,187 | 3,359 | 3,332 | 3,512 | 3,703 | 3,741 |
| Prepaid expenses and other long-term assets | 1,044 | 1,037 | 1,618 | 1,954 | 2,050 | 2,005 | 1,939 | 1,761 | 1,885 | 1,866 | 1,621 |
| Deferred tax asset | 6,071 | 6,819 | 7,458 | 9,998 | 10,431 | 10,030 | 11,262 | 10,389 | 26,554 | 28,154 | 27,957 |
| Total long-term assets | \$ 12,482 | \$ 13,656 | \$ 39,420 | \$ 72,469 | \$ 79,291 | \$ 93,413 | \$ 93,382 | \$ 89,865 | \$ 108,493 | \$ 149,272 | \$ 150,361 |
| TOTAL ASSETS | \$ 222,060 | \$ 315,372 | \$ 316,041 | \$ 334,424 | \$ 347,359 | \$ 356,069 | \$ 377,012 | \$ 403,031 | \$ 437,316 | \$ 447,578 | \$ 464,415 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | |
| CURRENT LIABILITIES: | | | | | | | | | | | |
| Trade payables | 2,481 | 1,892 | 1,720 | 2,530 | 2,222 | 2,215 | 2,112 | 2,699 | 2,945 | 1,762 | 3,464 |
| Employees and payroll accruals | 7,139 | 26,465 | 11,141 | 15,860 | 12,350 | 13,699 | 15,936 | 18,470 | 16,538 | 16,929 | 19,308 |
| Accrued expenses and other current liabilities | 6,140 | 7,061 | 9,129 | 9,366 | 7,888 | 5,851 | 6,552 | 6,876 | 7,658 | 5,627 | 6,725 |
| Deferred revenues | 28,818 | 39,586 | 40,692 | 37,104 | 43,746 | 42,812 | 45,875 | 50,111 | 55,978 | 57,258 | 57,726 |
| Total current liabilities | \$ 44,578 | \$ 75,004 | \$ 62,682 | \$ 64,860 | \$ 66,206 | \$ 64,577 | \$ 70,475 | \$ 78,156 | \$ 83,119 | \$ 81,576 | \$ 87,223 |
| LONG-TERM LIABILITIES: | | | | | | | | | | | |
| Deferred revenues | 12,513 | 13,680 | 15,847 | 17,285 | 19,862 | 20,004 | 20,920 | 23,395 | 24,765 | 25,587 | 27,854 |
| Other long-term liabilities | 217 | 238 | 237 | 188 | 236 | 236 | 232 | 229 | 226 | 222 | 249 |
| Accrued severance pay | 4,312 | 4,483 | 4,570 | 4,667 | 5,043 | 4,601 | 5,036 | 5,035 | 5,354 | 5,497 | 5,826 |
| Deferred tax liabilities | - | - | 954 | 754 | 652 | 595 | 436 | - | - | - | - |
| Total long-term liabilities | \$ 17,042 | \$ 18,401 | \$ 21,608 | \$ 22,894 | \$ 25,793 | \$ 25,436 | \$ 26,624 | \$ 28,659 | \$ 30,345 | \$ 31,306 | \$ 33,929 |
| TOTAL LIABILITIES | \$ 61,620 | \$ 93,405 | \$ 84,290 | \$ 87,754 | \$ 91,999 | \$ 90,013 | \$ 97,099 | \$ 106,815 | \$ 113,464 | \$ 112,882 | \$ 121,152 |
| SHAREHOLDERS' EQUITY: | | | | | | | | | | | |
| Ordinary shares of NIS 0.01 par value | 80 | 85 | 86 | 86 | 86 | 86 | 88 | 88 | 89 | 90 | 90 |
| Additional paid-in capital | 135,713 | 191,735 | 195,153 | 200,107 | 203,969 | 208,507 | 215,115 | 221,609 | 227,887 | 235,351 | 242,704 |
| Accumulated other comprehensive income (loss) | (295) | 283 | (125) | (93) | 411 | 120 | 255 | (175) | 462 | 595 | 128 |
| Retained earnings | 24,942 | 29,864 | 36,637 | 46,570 | 50,894 | 57,343 | 64,455 | 74,694 | 95,414 | 98,660 | 100,341 |
| Total shareholders' equity | \$ 160,440 | \$ 221,967 | \$ 231,751 | \$ 246,670 | \$ 255,360 | \$ 266,056 | \$ 279,913 | \$ 296,216 | \$ 323,852 | \$ 334,696 | \$ 343,263 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 222,060 | \$ 315,372 | \$ 316,041 | \$ 334,424 | \$ 347,359 | \$ 356,069 | \$ 377,012 | \$ 403,031 | \$ 437,316 | \$ 447,578 | \$ 464,415 |

CyberArk Software Ltd.

Consolidated Statement of Cash Flows -- Reporting Periods

(\$ in Thousands, except per share amounts and percentages)

| | 3 Months March 31, 2015 | 6 months June 30, 2015 | 9 months Sep 30, 2015 | 12 months Dec 31, 2015 | 3 months March 31, 2016 | 6 months June 30, 2016 | 9 months Sep 30, 2016 | 12 months December 31, 2016 | 3 months March 31, 2017 | 6 months June 30, 2017 | 9 months September 30, 2017 |
|---|-------------------------------|------------------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Cash flows from operating activities: | | | | | | | | | | | |
| Net income | \$ 4,166 | \$ 9,088 | \$ 15,861 | \$ 25,794 | \$ 4,324 | \$ 10,773 | \$ 17,885 | \$ 28,124 | \$ 7,536 | \$ 10,782 | \$ 12,463 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | | | | | | | |
| Depreciation and Amortization | 222 | 459 | 1,036 | 2,254 | 1,518 | 3,126 | 4,744 | 6,488 | 1,685 | 3,509 | 5,731 |
| Amortization of premium on marketable securities | - | - | - | - | 1 | 56 | 165 | 275 | 97 | 190 | 286 |
| Share-based compensation expenses | 465 | 1,608 | 3,713 | 7,049 | 3,373 | 7,352 | 12,443 | 17,535 | 5,199 | 11,441 | 18,643 |
| Tax benefit related to share-based compensation | (529) | (1,176) | (2,321) | (3,808) | (217) | (411) | (889) | (1,466) | - | - | - |
| Deferred income taxes, net | (245) | (731) | (1,420) | (4,093) | (598) | (189) | (1,616) | (1,130) | (2,727) | (3,642) | (3,387) |
| Decrease (increase) in trade receivables | 4,351 | 4,965 | (3,887) | (187) | 4,591 | (394) | (6,321) | (12,920) | (1,560) | 3,412 | (222) |
| Increase in prepaid expenses and other current and long-term assets | (932) | (1,175) | (1,559) | (1,183) | (1,009) | (1,728) | (606) | (1,485) | (1,341) | (1,257) | (578) |
| Increase (decrease) in trade payables | 871 | 263 | 35 | 322 | (200) | (179) | (174) | (177) | 797 | (869) | (913) |
| Increase in short term and long term deferred revenue | 9,171 | 21,106 | 24,335 | 21,254 | 9,219 | 8,427 | 12,406 | 19,117 | 7,237 | 9,339 | 12,074 |
| Increase (decrease) in employees and payroll accruals | (3,183) | (1,153) | (471) | 5,011 | (3,510) | (2,161) | 76 | 2,610 | (1,932) | (1,953) | 384 |
| Increase (decrease) in accrued expenses and other current and long-term liabilities | (242) | 1,586 | 4,621 | 6,353 | (1,200) | (3,240) | (2,109) | (927) | 851 | (1,391) | (279) |
| Increase (decrease) in accrued severance pay, net | 225 | 280 | 369 | 394 | 245 | (23) | 240 | 266 | 139 | 91 | 382 |
| Net cash provided by operating activities | 14,340 | 35,120 | 40,312 | 59,160 | 16,537 | 21,409 | 36,244 | 56,310 | 15,981 | 29,652 | 44,584 |
| Cash flows from investing activities: | | | | | | | | | | | |
| Proceeds from short and long term deposits | 24,279 | 39,289 | 42,309 | 49,329 | - | - | - | - | - | - | 131 |
| Investment in short and long term deposits | - | - | (614) | (619) | (4,998) | (42,149) | (88,361) | (82,940) | (5,126) | (9,938) | (14,132) |
| Investment in marketable securities | - | - | - | - | (7,435) | (34,650) | (37,351) | (40,433) | (9,845) | (17,760) | (28,303) |
| Proceeds from maturity of marketable securities | - | - | - | - | - | - | - | 4,307 | 2,545 | 9,106 | 13,217 |
| Purchase of property and equipment | (620) | (1,060) | (1,751) | (2,066) | (930) | (1,777) | (2,446) | (2,795) | (1,255) | (2,038) | (3,840) |
| Payments for business acquisitions, net of cash acquired | - | - | (23,149) | (53,656) | - | - | - | - | - | (41,448) | (41,329) |
| Net cash provided by (used in) investing activities | 23,659 | 38,229 | 16,795 | (7,012) | (13,363) | (78,576) | (128,158) | (121,861) | (13,681) | (62,078) | (74,256) |
| Cash flows from financing activities: | | | | | | | | | | | |
| Issuance of shares, net | - | 52,685 | 52,614 | 52,575 | - | - | - | - | - | - | - |
| Withholding proceeds related to exercise of options | - | 17,201 | 1,011 | - | - | - | - | - | - | - | - |
| Tax benefit related to share-based compensation | 529 | 1,176 | 2,321 | 3,808 | 217 | 411 | 889 | 1,466 | - | - | - |
| Proceeds from exercise of stock options and warrants | 234 | 1,524 | 1,693 | 1,824 | 272 | 637 | 1,678 | 2,503 | 703 | 1,926 | 2,080 |
| Net cash provided by financing activities | 763 | 72,586 | 57,639 | 58,207 | 489 | 1,048 | 2,567 | 3,969 | 703 | 1,926 | 2,080 |
| Increase (decrease) in cash and cash equivalents | 38,762 | 145,935 | 114,746 | 110,355 | 3,663 | (56,119) | (89,347) | (61,582) | 3,003 | (30,500) | (27,592) |
| Cash and cash equivalents at the beginning of the period | 124,184 | 124,184 | 124,184 | 124,184 | 234,539 | 234,539 | 234,539 | 234,539 | 172,957 | 172,957 | 172,957 |
| Cash and cash equivalents at the end of the period | \$ 162,946 | \$ 270,119 | \$ 238,930 | \$ 234,539 | \$ 238,202 | \$ 178,420 | \$ 145,192 | \$ 172,957 | \$ 175,960 | \$ 142,457 | \$ 145,365 |