



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