



**CYBERARK**<sup>®</sup>

**Q2 2018 Earnings Results  
Supplementary Data, Financial Tables and Non-GAAP Reconciliations**

**Non-GAAP Financial Measures**

CyberArk believes that the use of non-GAAP gross profit, non-GAAP 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.

Non-GAAP gross profit is calculated as gross profit excluding share-based compensation expense and amortization of intangible assets related to acquisitions.

Non-GAAP operating income is calculated as operating income excluding share-based compensation expense and amortization of intangible assets related to acquisitions.

Non-GAAP net income is calculated as net income excluding share-based compensation expense, amortization of intangible assets related to acquisitions and the tax effect of the non-GAAP adjustments.

The Company believes that providing non-GAAP financial measures that exclude share-based compensation, amortization of intangible assets related to acquisitions and tax effect on 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. Share based compensation expense has varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expense. The Company believes that expenses related to its acquisitions and amortization of intangible assets related to acquisitions do not reflect the performance of its core business and impact period-to-period

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, 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 included below, and not to rely on any single financial measure to evaluate its business.



CyberArk Software Ltd.

Consolidated Statements of Operations -- Fiscal Quarters

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

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Revenue</b>										
License	\$ 27,514	\$ 29,965	\$ 33,257	\$ 40,794	\$ 32,952	\$ 30,318	\$ 35,818	\$ 48,552	\$ 38,494	\$ 41,121
Maintenance & Professional Services	19,397	20,415	21,707	23,564	26,083	27,162	29,000	31,816	33,289	36,592
<b>Total</b>	<b>46,911</b>	<b>50,380</b>	<b>54,964</b>	<b>64,358</b>	<b>59,035</b>	<b>57,480</b>	<b>64,818</b>	<b>80,368</b>	<b>71,783</b>	<b>77,713</b>
<b>Cost of Revenues</b>										
License	1,274	1,283	1,084	1,085	1,584	1,907	2,161	2,259	2,397	2,510
Maintenance & Professional Services	5,160	5,628	6,962	7,675	7,683	8,093	8,801	9,360	8,891	9,198
<b>Total Cost of Revenues</b>	<b>6,434</b>	<b>6,911</b>	<b>8,046</b>	<b>8,760</b>	<b>9,267</b>	<b>10,000</b>	<b>10,962</b>	<b>11,619</b>	<b>11,288</b>	<b>11,708</b>
<b>Total Gross Profit</b>	<b>40,477</b>	<b>43,469</b>	<b>46,918</b>	<b>55,598</b>	<b>49,768</b>	<b>47,480</b>	<b>53,856</b>	<b>68,749</b>	<b>60,495</b>	<b>66,005</b>
<b>Gross Profit Margin</b>	<b>86%</b>	<b>86%</b>	<b>85%</b>	<b>86%</b>	<b>84%</b>	<b>83%</b>	<b>83%</b>	<b>86%</b>	<b>84%</b>	<b>85%</b>
<b>Operating expenses:</b>										
Research and development	7,933	8,165	9,192	9,324	9,214	9,561	11,369	12,245	12,984	13,808
Sales and marketing	21,663	21,837	23,800	26,475	27,678	29,500	32,877	36,684	34,582	35,521
General and administrative	4,670	5,016	5,841	6,590	6,878	7,409	7,927	8,185	8,899	9,714
<b>Total operating expenses</b>	<b>34,266</b>	<b>35,018</b>	<b>38,833</b>	<b>42,389</b>	<b>43,770</b>	<b>46,470</b>	<b>52,173</b>	<b>57,114</b>	<b>56,465</b>	<b>59,043</b>
<b>Operating Income</b>	<b>6,211</b>	<b>8,451</b>	<b>8,085</b>	<b>13,209</b>	<b>5,998</b>	<b>1,010</b>	<b>1,683</b>	<b>11,635</b>	<b>4,030</b>	<b>6,962</b>
Financial income (expenses), net	67	(94)	368	(96)	548	1,127	816	1,612	1,841	225
Income before taxes on income	6,278	8,357	8,453	13,113	6,546	2,137	2,499	13,247	5,871	7,187
Tax benefit (taxes on income)	(1,954)	(1,908)	(1,341)	(2,874)	990	1,109	(818)	(9,695)	550	1,190
<b>Net Income</b>	<b>\$ 4,324</b>	<b>\$ 6,449</b>	<b>\$ 7,112</b>	<b>\$ 10,239</b>	<b>\$ 7,536</b>	<b>\$ 3,246</b>	<b>\$ 1,681</b>	<b>\$ 3,552</b>	<b>\$ 6,421</b>	<b>\$ 8,377</b>
<b>Basic net income per ordinary share</b>	<b>\$ 0.13</b>	<b>\$ 0.19</b>	<b>\$ 0.21</b>	<b>\$ 0.30</b>	<b>\$ 0.22</b>	<b>\$ 0.09</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>	<b>\$ 0.18</b>	<b>\$ 0.23</b>
<b>Diluted net income per ordinary share</b>	<b>\$ 0.12</b>	<b>\$ 0.18</b>	<b>\$ 0.20</b>	<b>\$ 0.28</b>	<b>\$ 0.21</b>	<b>\$ 0.09</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>	<b>\$ 0.18</b>	<b>\$ 0.23</b>
Shares used in computing net income per ordinary shares, basic	33,366,332	33,547,975	33,886,461	34,158,580	34,395,084	34,729,119	34,979,389	35,182,870	35,454,102	36,001,580
Shares used in computing net income per ordinary shares, diluted	35,707,977	35,787,574	35,983,790	36,003,803	36,113,216	36,194,471	36,184,151	36,296,609	36,464,230	36,923,520

**CyberArk Software Ltd.**

**GAAP to Non-GAAP Reconciliation**

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

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAAP gross profit	\$ 40,477	\$ 43,469	\$ 46,918	\$ 55,598	\$ 49,768	\$ 47,480	\$ 53,856	\$ 68,749	\$ 60,495	\$ 66,005
Share-based compensation	241	285	423	437	453	504	701	631	655	758
Amortization of intangible assets - Cost of revenues	355	355	355	355	843	992	1,195	1,183	1,230	1,444
Non-GAAP gross profit	<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>	<u>\$ 70,563</u>	<u>\$ 62,380</u>	<u>\$ 68,207</u>
Non-GAAP gross profit margin	88%	88%	87%	88%	86%	85%	86%	88%	87%	88%
GAAP research and development expense	\$ 7,933	\$ 8,165	\$ 9,192	\$ 9,324	\$ 9,214	\$ 9,561	\$ 11,369	\$ 12,245	\$ 12,984	\$ 13,808
Share-based compensation	940	998	1,403	1,319	1,309	1,523	1,775	1,503	1,504	2,007
Amortization of intangible assets - R&D	478	478	478	479	-	-	-	-	-	-
Non-GAAP research and development expense	<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>	<u>\$ 10,742</u>	<u>\$ 11,480</u>	<u>\$ 11,801</u>
GAAP sales and marketing expense	\$ 21,663	\$ 21,837	\$ 23,800	\$ 26,475	\$ 27,678	\$ 29,500	\$ 32,877	\$ 36,684	\$ 34,582	\$ 35,521
Share-based compensation	1,225	1,371	1,544	1,625	1,671	2,018	2,459	2,494	2,417	2,874
Amortization of intangible assets - S&M	301	301	301	287	246	289	249	262	198	199
Non-GAAP sales and marketing expense	<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>	<u>\$ 33,928</u>	<u>\$ 31,967</u>	<u>\$ 32,448</u>
GAAP general & administrative expense	4,670	5,016	5,841	6,590	6,878	7,409	7,927	8,185	8,899	9,714
Share-based compensation	967	1,325	1,721	1,711	1,766	2,197	2,267	1,966	2,347	2,774
Public offering related expenses	-	-	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-	268	-
Facility exit costs	-	-	-	-	-	-	342	-	-	-
Non-GAAP general & administrative expense	<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>	<u>\$ 6,219</u>	<u>\$ 6,284</u>	<u>\$ 6,940</u>
GAAP total operating expenses	\$ 34,266	\$ 35,018	\$ 38,833	\$ 42,389	\$ 43,770	\$ 46,470	\$ 52,173	\$ 57,114	\$ 56,465	\$ 59,043
Share-based compensation	3,132	3,694	4,668	4,655	4,746	5,738	6,501	5,963	6,268	7,655
Amortization of intangible assets	779	779	779	766	246	289	249	262	198	199
Public offering related expenses	-	-	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-	268	-
Facility exit costs	-	-	-	-	-	-	342	-	-	-
Non-GAAP total operating expenses	<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>	<u>\$ 50,889</u>	<u>\$ 49,731</u>	<u>\$ 51,189</u>
GAAP operating income	\$ 6,211	\$ 8,451	\$ 8,085	\$ 13,209	\$ 5,998	\$ 1,010	\$ 1,683	\$ 11,635	\$ 4,030	\$ 6,962
Share-based compensation	3,373	3,979	5,091	5,092	5,199	6,242	7,202	6,594	6,923	8,413
Amortization of intangible assets	1,134	1,134	1,134	1,121	1,089	1,281	1,444	1,445	1,428	1,643
Public offering related expenses	-	-	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-	268	-
Facility exit costs	-	-	-	-	-	-	342	-	-	-
Non-GAAP operating income	<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>	<u>\$ 19,674</u>	<u>\$ 12,649</u>	<u>\$ 17,018</u>

**CyberArk Software Ltd.**

**GAAP to Non-GAAP Reconciliation**

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

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAAP tax benefit (taxes on income)	\$ (1,954)	\$ (1,908)	\$ (1,341)	\$ (2,874)	\$ 990	\$ 1,109	\$ (818)	\$ (9,695)	\$ 550	\$ 1,190
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)	(3,229)	(4,964)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582	-	-
Non-GAAP taxes on income	\$ (2,467)	\$ (2,974)	\$ (2,917)	\$ (4,656)	\$ (3,025)	\$ (2,165)	\$ (2,575)	\$ (6,293)	\$ (2,679)	\$ (3,774)
GAAP net income	\$ 4,324	\$ 6,449	\$ 7,112	\$ 10,239	\$ 7,536	\$ 3,246	\$ 1,681	\$ 3,552	\$ 6,421	\$ 8,377
Share-based compensation	3,373	3,979	5,091	5,092	5,199	6,242	7,202	6,594	6,923	8,413
Amortization of intangible assets	1,134	1,134	1,134	1,121	1,089	1,281	1,444	1,445	1,428	1,643
Public offering related expenses	-	-	-	-	-	-	-	-	-	-
Acquisition related expenses	-	-	-	-	438	248	-	-	268	-
Facility exit costs	-	-	-	-	-	-	342	-	-	-
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)	(3,229)	(4,964)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582	-	-
Non-GAAP net income	<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>	<u>\$ 14,993</u>	<u>\$ 11,811</u>	<u>\$ 13,469</u>

**CyberArk Software Ltd.**

**Non-GAAP Expenses -- Fiscal Quarters**

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

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Share-based compensation expenses										
Cost of revenues	\$ 241	\$ 285	\$ 423	\$ 437	\$ 453	\$ 504	\$ 701	\$ 631	\$ 655	\$ 758
Research and development	940	998	1,403	1,319	1,309	1,523	1,775	1,503	1,504	2,007
Sales and marketing	1,225	1,371	1,544	1,625	1,671	2,018	2,459	2,494	2,417	2,874
General and administrative	967	1,325	1,721	1,711	1,766	2,197	2,267	1,966	2,347	2,774
Total share-based compensation expenses	\$ 3,373	\$ 3,979	\$ 5,091	\$ 5,092	\$ 5,199	\$ 6,242	\$ 7,202	\$ 6,594	\$ 6,923	\$ 8,413

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Other non-GAAP adjustments										
Public offering related expenses	-	-	-	-	-	-	-	-	-	-
Amortization of intangible assets - Cost of revenues	355	355	355	355	843	992	1,195	1,183	1,230	1,444
Amortization of intangible assets - R&D	478	478	478	479	-	-	-	-	-	-
Amortization of intangible assets - S&M	301	301	301	287	246	289	249	262	198	199
Acquisition related expenses	-	-	-	-	438	248	-	-	268	-
Facility exit costs	-	-	-	-	-	-	342	-	-	-
Taxes related to non-GAAP adjustments	(513)	(1,066)	(1,576)	(1,782)	(4,015)	(3,274)	(1,757)	(3,180)	(3,229)	(4,964)
Change in the federal tax rate	-	-	-	-	-	-	-	6,582	-	-
Total other non-GAAP adjustments	\$ 621	\$ 68	\$ (442)	\$ (661)	\$ (2,488)	\$ (1,745)	\$ 29	\$ 4,847	\$ (1,533)	\$ (3,321)

CyberArk Software Ltd.

Non-GAAP Consolidated Statements of Operations -- Fiscal Quarters

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

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Revenue</b>										
License	\$ 27,514	\$ 29,965	\$ 33,257	\$ 40,794	\$ 32,952	\$ 30,318	\$ 35,818	\$ 48,552	\$ 38,494	\$ 41,121
Maintenance & Professional Services	19,397	20,415	21,707	23,564	26,083	27,162	29,000	31,816	33,289	36,592
<b>Total</b>	<b>46,911</b>	<b>50,380</b>	<b>54,964</b>	<b>64,358</b>	<b>59,035</b>	<b>57,480</b>	<b>64,818</b>	<b>80,368</b>	<b>71,783</b>	<b>77,713</b>
<b>Cost of Revenues</b>										
License	919	928	729	730	741	915	966	1,076	1,167	1,066
Maintenance & Professional Services	4,919	5,343	6,539	7,238	7,230	7,589	8,100	8,729	8,236	8,440
<b>Total Cost of Revenues</b>	<b>5,838</b>	<b>6,271</b>	<b>7,268</b>	<b>7,968</b>	<b>7,971</b>	<b>8,504</b>	<b>9,066</b>	<b>9,805</b>	<b>9,403</b>	<b>9,506</b>
<b>Gross Profit</b>	<b>41,073</b>	<b>44,109</b>	<b>47,696</b>	<b>56,390</b>	<b>51,064</b>	<b>48,976</b>	<b>55,752</b>	<b>70,563</b>	<b>62,380</b>	<b>68,207</b>
<b>Gross Profit Margin</b>	<b>88%</b>	<b>88%</b>	<b>87%</b>	<b>88%</b>	<b>86%</b>	<b>85%</b>	<b>86%</b>	<b>88%</b>	<b>87%</b>	<b>88%</b>
<b>Operating expenses:</b>										
Research and development	6,515	6,689	7,311	7,526	7,905	8,038	9,594	10,742	11,480	11,801
Sales and marketing	20,137	20,165	21,955	24,563	25,761	27,193	30,169	33,928	31,967	32,448
General and administrative	3,703	3,691	4,120	4,879	4,674	4,964	5,318	6,219	6,284	6,940
<b>Total operating expenses</b>	<b>30,355</b>	<b>30,545</b>	<b>33,386</b>	<b>36,968</b>	<b>38,340</b>	<b>40,195</b>	<b>45,081</b>	<b>50,889</b>	<b>49,731</b>	<b>51,189</b>
<b>Operating Income</b>	<b>10,718</b>	<b>13,564</b>	<b>14,310</b>	<b>19,422</b>	<b>12,724</b>	<b>8,781</b>	<b>10,671</b>	<b>19,674</b>	<b>12,649</b>	<b>17,018</b>
Financial income (expenses), net	67	(94)	368	(96)	548	1,127	816	1,612	1,841	225
Income before taxes on income	10,785	13,470	14,678	19,326	13,272	9,908	11,487	21,286	14,490	17,243
Taxes on income	(2,467)	(2,974)	(2,917)	(4,656)	(3,025)	(2,165)	(2,575)	(6,293)	(2,679)	(3,774)
<b>Net income</b>	<b>\$ 8,318</b>	<b>\$ 10,496</b>	<b>\$ 11,761</b>	<b>\$ 14,670</b>	<b>\$ 10,247</b>	<b>\$ 7,743</b>	<b>\$ 8,912</b>	<b>\$ 14,993</b>	<b>\$ 11,811</b>	<b>\$ 13,469</b>
<b>Basic net income per ordinary share</b>	\$ 0.25	\$ 0.31	\$ 0.35	\$ 0.43	\$ 0.30	\$ 0.22	\$ 0.25	\$ 0.43	\$ 0.33	\$ 0.37
<b>Diluted net income per ordinary share</b>	\$ 0.23	\$ 0.29	\$ 0.33	\$ 0.41	\$ 0.28	\$ 0.21	\$ 0.25	\$ 0.41	\$ 0.32	\$ 0.36
Shares used in computing net income per ordinary shares, basic	33,366,332	33,547,975	33,886,461	34,158,580	34,395,084	34,729,119	34,979,389	35,182,870	35,454,102	36,001,580
Shares used in computing net income per ordinary shares, diluted	35,707,977	35,787,574	35,983,790	36,003,803	36,113,216	36,194,471	36,184,151	36,296,609	36,464,230	36,923,520

**CyberArk Software Ltd.**

**Consolidated Balance Sheet - Fiscal Quarters**

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

<b>ASSETS</b>	<b>March 31, 2016</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>	<b>December 31, 2016</b>	<b>March 31, 2017</b>	<b>June 30, 2017</b>	<b>September 30, 2017</b>	<b>December 31, 2017</b>	<b>March 31, 2018</b>	<b>June 30, 2018</b>
<b>CURRENT ASSETS:</b>										
Cash and cash equivalents	\$ 238,202	\$ 178,420	\$ 145,192	\$ 172,957	\$ 175,960	\$ 142,457	\$ 145,365	\$ 161,261	\$ 182,042	\$ 205,193
Short-term bank deposits	8,680	45,850	92,138	86,829	91,741	96,567	100,968	107,647	98,511	100,818
Marketable securities	597	12,386	15,148	15,246	19,356	21,804	27,968	34,025	44,807	51,025
Trade receivables	15,819	20,804	26,731	33,330	34,890	30,272	33,906	45,315	38,388	32,959
Prepaid expenses and other current assets	4,770	5,196	4,421	4,804	6,876	7,206	5,847	7,407	11,216	10,344
Deferred Commission	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>\$ 268,068</b>	<b>\$ 262,656</b>	<b>\$ 283,630</b>	<b>\$ 313,166</b>	<b>\$ 328,823</b>	<b>\$ 298,306</b>	<b>\$ 314,054</b>	<b>\$ 355,655</b>	<b>\$ 374,964</b>	<b>\$ 400,339</b>
<b>LONG-TERM ASSETS:</b>										
Property and equipment, net	\$ 4,023	\$ 4,366	\$ 4,444	\$ 4,760	\$ 4,869	\$ 5,266	\$ 8,076	\$ 9,230	\$ 10,587	\$ 11,858
Intangible assets, net	17,424	16,290	15,156	14,035	12,946	18,552	17,108	15,664	19,660	18,017
Goodwill	35,145	35,145	35,145	35,145	35,145	69,355	69,355	69,217	83,195	83,157
Marketable securities	6,857	22,390	22,077	20,443	23,582	22,376	22,503	27,407	18,791	20,477
Severance pay fund	3,361	3,187	3,359	3,332	3,512	3,703	3,741	3,692	3,647	3,558
Prepaid expenses and other long-term assets	2,050	2,005	1,939	1,761	1,885	1,866	1,621	2,368	13,809	18,451
Deferred Commission	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	10,431	10,030	11,262	10,389	26,554	28,154	27,957	19,343	17,956	21,383
<b>Total long-term assets</b>	<b>\$ 79,291</b>	<b>\$ 93,413</b>	<b>\$ 93,382</b>	<b>\$ 89,865</b>	<b>\$ 108,493</b>	<b>\$ 149,272</b>	<b>\$ 150,361</b>	<b>\$ 146,921</b>	<b>\$ 167,645</b>	<b>\$ 176,901</b>
<b>TOTAL ASSETS</b>	<b>\$ 347,359</b>	<b>\$ 356,069</b>	<b>\$ 377,012</b>	<b>\$ 403,031</b>	<b>\$ 437,316</b>	<b>\$ 447,578</b>	<b>\$ 464,415</b>	<b>\$ 502,576</b>	<b>\$ 542,609</b>	<b>\$ 577,240</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
<b>CURRENT LIABILITIES:</b>										
Trade payables	2,222	2,215	2,112	2,699	2,945	1,762	3,464	1,960	5,033	4,359
Employees and payroll accruals	12,350	13,699	15,936	18,470	16,538	16,929	19,308	25,253	22,954	26,298
Accrued expenses and other current liabilities	7,888	5,851	6,552	6,876	7,658	5,627	6,725	10,209	6,635	6,474
Deferred revenues	43,746	42,812	45,875	50,111	55,978	57,258	57,726	66,986	74,728	81,660
<b>Total current liabilities</b>	<b>\$ 66,206</b>	<b>\$ 64,577</b>	<b>\$ 70,475</b>	<b>\$ 78,156</b>	<b>\$ 83,119</b>	<b>\$ 81,576</b>	<b>\$ 87,223</b>	<b>\$ 104,408</b>	<b>\$ 109,350</b>	<b>\$ 118,791</b>
<b>LONG-TERM LIABILITIES:</b>										
Deferred revenues	19,862	20,004	20,920	23,395	24,765	25,587	27,854	38,249	44,748	47,901
Other long-term liabilities	236	236	232	229	226	222	249	242	1,500	1,400
Accrued severance pay	5,695	5,196	5,472	5,035	5,354	5,497	5,826	5,712	5,549	5,445
<b>Total long-term liabilities</b>	<b>\$ 25,793</b>	<b>\$ 25,436</b>	<b>\$ 26,624</b>	<b>\$ 28,659</b>	<b>\$ 30,345</b>	<b>\$ 31,306</b>	<b>\$ 33,929</b>	<b>\$ 44,203</b>	<b>\$ 51,797</b>	<b>\$ 54,746</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 91,999</b>	<b>\$ 90,013</b>	<b>\$ 97,099</b>	<b>\$ 106,815</b>	<b>\$ 113,464</b>	<b>\$ 112,882</b>	<b>\$ 121,152</b>	<b>\$ 148,611</b>	<b>\$ 161,147</b>	<b>\$ 173,537</b>
<b>SHAREHOLDERS' EQUITY:</b>										
Ordinary shares of NIS 0.01 par value	86	86	88	88	89	90	90	91	92	94
Additional paid-in capital	203,969	208,507	215,115	221,609	227,887	235,351	242,704	249,874	258,763	273,323
Accumulated other comprehensive income (loss)	411	120	255	(175)	462	595	128	107	(456)	(1,154)
Retained earnings	50,894	57,343	64,455	74,694	95,414	98,660	100,341	103,893	123,063	131,440
<b>Total shareholders' equity</b>	<b>\$ 255,360</b>	<b>\$ 266,056</b>	<b>\$ 279,913</b>	<b>\$ 296,216</b>	<b>\$ 323,852</b>	<b>\$ 334,696</b>	<b>\$ 343,263</b>	<b>\$ 353,965</b>	<b>\$ 381,462</b>	<b>\$ 403,703</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 347,359</b>	<b>\$ 356,069</b>	<b>\$ 377,012</b>	<b>\$ 403,031</b>	<b>\$ 437,316</b>	<b>\$ 447,578</b>	<b>\$ 464,415</b>	<b>\$ 502,576</b>	<b>\$ 542,609</b>	<b>\$ 577,240</b>

CyberArk Software Ltd.

Consolidated Statement of Cash Flows -- Reporting Periods

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

	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	12 months December 31, 2017	3 months March 31, 2018	6 months June 30, 2018
<b>Cash flows from operating activities:</b>										
Net income	\$ 4,324	\$ 10,773	\$ 17,885	\$ 28,124	\$ 7,536	\$ 10,782	\$ 12,463	\$ 16,015	\$ 6,421	\$ 14,798
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation and Amortization	1,518	3,126	4,744	6,488	1,685	3,509	5,731	7,856	2,194	4,676
Amortization of premium on marketable securities	1	56	165	275	97	190	286	382	101	208
Share-based compensation expenses	3,373	7,352	12,443	17,535	5,199	11,441	18,643	25,237	6,923	15,336
Tax benefit related to share-based compensation	(217)	(411)	(889)	(1,466)	-	-	-	-	-	-
Deferred income taxes, net	(598)	(189)	(1,616)	(1,130)	(2,727)	(3,642)	(3,387)	5,856	(1,272)	(4,710)
Decrease (increase) in trade receivables	4,591	(394)	(6,321)	(12,920)	(1,560)	3,412	(222)	(11,631)	6,927	12,357
Increase in prepaid expenses and other current and long-term assets	(1,009)	(1,728)	(606)	(1,485)	(1,341)	(1,257)	(578)	(3,278)	(2,293)	(6,272)
Increase (decrease) in trade payables	(200)	(179)	(174)	(177)	797	(869)	(913)	(1,288)	3,191	2,003
Increase in short term and long term deferred revenues	9,219	8,427	12,406	19,117	7,237	9,339	12,074	31,729	17,760	27,845
Increase (decrease) in employees and payroll accruals	(3,510)	(2,161)	76	2,610	(1,932)	(1,953)	384	6,316	(3,003)	(5,168)
Increase (decrease) in accrued expenses and other current and long-term liabilities	(1,200)	(3,240)	(2,109)	(927)	851	(1,391)	(279)	3,226	(3,758)	(4,716)
Increase (decrease) in accrued severance pay, net	245	(23)	240	266	139	91	382	317	(119)	(133)
<b>Net cash provided by operating activities</b>	<b>16,537</b>	<b>21,409</b>	<b>36,244</b>	<b>56,310</b>	<b>15,981</b>	<b>29,652</b>	<b>44,584</b>	<b>80,737</b>	<b>33,072</b>	<b>56,224</b>
<b>Cash flows from investing activities:</b>										
Proceeds from short and long term deposits	-	-	-	-	-	-	-	-	9,254	7,775
Investment in short and long term deposits	(4,961)	(42,132)	(88,373)	(83,312)	(4,965)	(9,645)	(14,132)	(20,662)	-	-
Investment in marketable securities	(7,435)	(34,650)	(37,351)	(40,433)	(9,845)	(17,760)	(28,303)	(43,604)	(9,933)	(30,563)
Proceeds from maturity of marketable securities	-	-	-	4,307	2,545	9,106	13,217	17,355	7,423	20,114
Purchase of property and equipment	(930)	(1,777)	(2,446)	(2,795)	(1,255)	(2,038)	(3,840)	(6,757)	(2,502)	(4,098)
Payments for business acquisitions, net of cash acquired	-	-	-	-	-	(41,448)	(41,329)	(41,329)	(18,488)	(18,450)
<b>Net cash used in investing activities</b>	<b>(13,326)</b>	<b>(78,559)</b>	<b>(128,170)</b>	<b>(122,233)</b>	<b>(13,520)</b>	<b>(61,785)</b>	<b>(74,387)</b>	<b>(94,997)</b>	<b>(14,246)</b>	<b>(25,222)</b>
<b>Cash flows from financing activities:</b>										
Issuance of shares, net	-	-	-	-	-	-	-	-	-	-
Proceeds from withholding tax related to employee stock plans	-	-	-	-	-	-	-	-	-	5,509
Tax benefit related to share-based compensation	217	411	889	1,466	-	-	-	-	-	-
Proceeds from exercise of stock options and warrants	272	637	1,678	2,503	703	1,926	2,080	2,624	1,942	8,090
<b>Net cash provided by financing activities</b>	<b>489</b>	<b>1,048</b>	<b>2,567</b>	<b>3,969</b>	<b>703</b>	<b>1,926</b>	<b>2,080</b>	<b>2,624</b>	<b>1,942</b>	<b>13,599</b>
Increase (decrease) in cash, cash equivalents and restricted cash	3,700	(56,102)	(89,359)	(61,954)	3,164	(30,207)	(27,723)	(11,636)	20,768	44,601
Cash, cash equivalents and restricted cash at the beginning of the period	236,110	236,110	236,110	236,110	174,156	174,156	174,156	174,156	162,520	162,520
Cash, cash equivalents and restricted cash at the end of the period	\$ 239,810	\$ 180,008	\$ 146,751	\$ 174,156	\$ 177,320	\$ 143,949	\$ 146,433	\$ 162,520	\$ 183,288	\$ 207,121