



allot

Q4 2025 Earnings

Feb 25th, 2026

Allot Q4-25 Earning



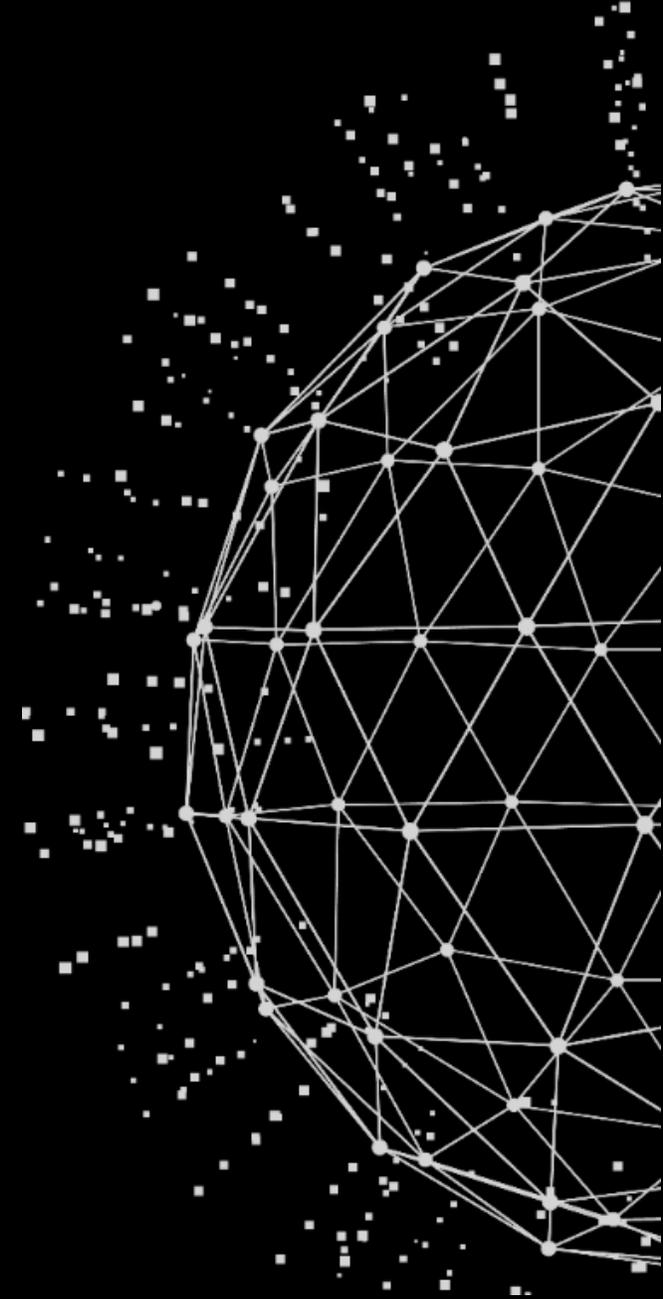
EYAL HARARI
Chief Executive Officer



LIAT NAHUM
Chief Financial Officer

Forward Looking Statements

This presentation contains forward-looking statements, which express the current beliefs and expectations of Company management. Such statements involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements set forth in such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our ability to compete successfully with other companies offering competing technologies; the loss of one or more significant customers; the impact of government regulation on demand for our products; our failure to increase the functionality and features of our products; our ability to keep pace with advances in technology and to add new features and value-added services; the failure of our products adversely impacting customers' networks; managing lengthy sales cycles; greater operational risk associated with large projects; our dependence on third party channel partners for a material portion of our revenues; our failure to comply with regulatory requirements; our dependence on traffic management systems and network management application suites for the substantial majority of our revenues; the loss of rights to use third-party solutions integrated into our products; undetected errors in our products; our dependence on a single third-party subcontractor for a significant portion of our products; and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this release are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.





Business Performance Strategy

Cyber Security First Strategy Update

- 01** Our subscription-based cybersecurity offering-as-a-service generates YoY growth providing us with good visibility. The pipeline continues to be strong, and our offering is gaining broad traction
- 02** As cybersecurity threats continue to intensify, we remain focused on protecting the consumer and SMB markets—segments that we believe remain underserved by traditional security solutions
- 03** For consumers, our ambition is to evolve from providing 360-degree data protection to protecting the digital life of the consumer. The recently released the OffNetSecure solution ensures that end-users remain protected even when they are not on the network. The solution has already been sold to new and existing customers
- 04** Launched new solutions for SMBs – including Firewall-as-a-Service – already live with customers, DDoS Protection enabling protection of inbound traffic, and domain-level Identity-theft Monitoring, protecting the digital identities of all users across the organization
- 05** Finally, Compax Ventures selected Allot as its cybersecurity partner, enabling its brand and community-based MVNO customers built-in cybersecurity, powered by our solution



Q4 2025: KEY HIGHLIGHTS

Strong fourth quarter, concluding a year of accelerating revenue growth and significant expansion in cybersecurity ARR

Improved gross margin to 72% and increased profitability to 13% operating profit (Non-GAAP)

Accelerated cybersecurity ARR growth, with 69% growth in SECaaS ARR YoY to \$30.8m as of Dec 31st 2025

Continued YoY revenue growth 14% to \$28.4m for Q4 2025

High cash and short bank deposits of \$88M, no debt

We expect SECaaS to continue delivering strong double-digit ARR growth, increasing its contribution to the total revenue and support driving overall revenue growth in 2026 to **between \$113 and \$117 million, alongside continued profitability improvement.**

The background features a blue-toned grid with various financial data visualizations. On the left, there are several vertical blue bars of varying heights, resembling a bar chart. On the right, there is a line graph with multiple peaks and troughs, characteristic of a candlestick or line chart. The overall aesthetic is modern and data-driven.

Q4 2025 Financial Results

Q4 2025 Results – A Strong Finish to the Year

\$28.4^m

Revenues up YoY 14%



Gross Margin¹

\$3.6^m

Operating profit¹ vs
\$1.8M Q4 2024

\$4.1^m

Net income¹
vs \$2.0m Q4 2024

\$30.8^m

SECaaS ARR at Dec 2025²



SECaaS revenue up YoY
to \$8.1m

\$8.1^m

Operating cash flow vs
\$4.1m Q4 2024

1. Non-GAAP – please refer to the appendix for reconciliations to the most directly comparable GAAP measure.

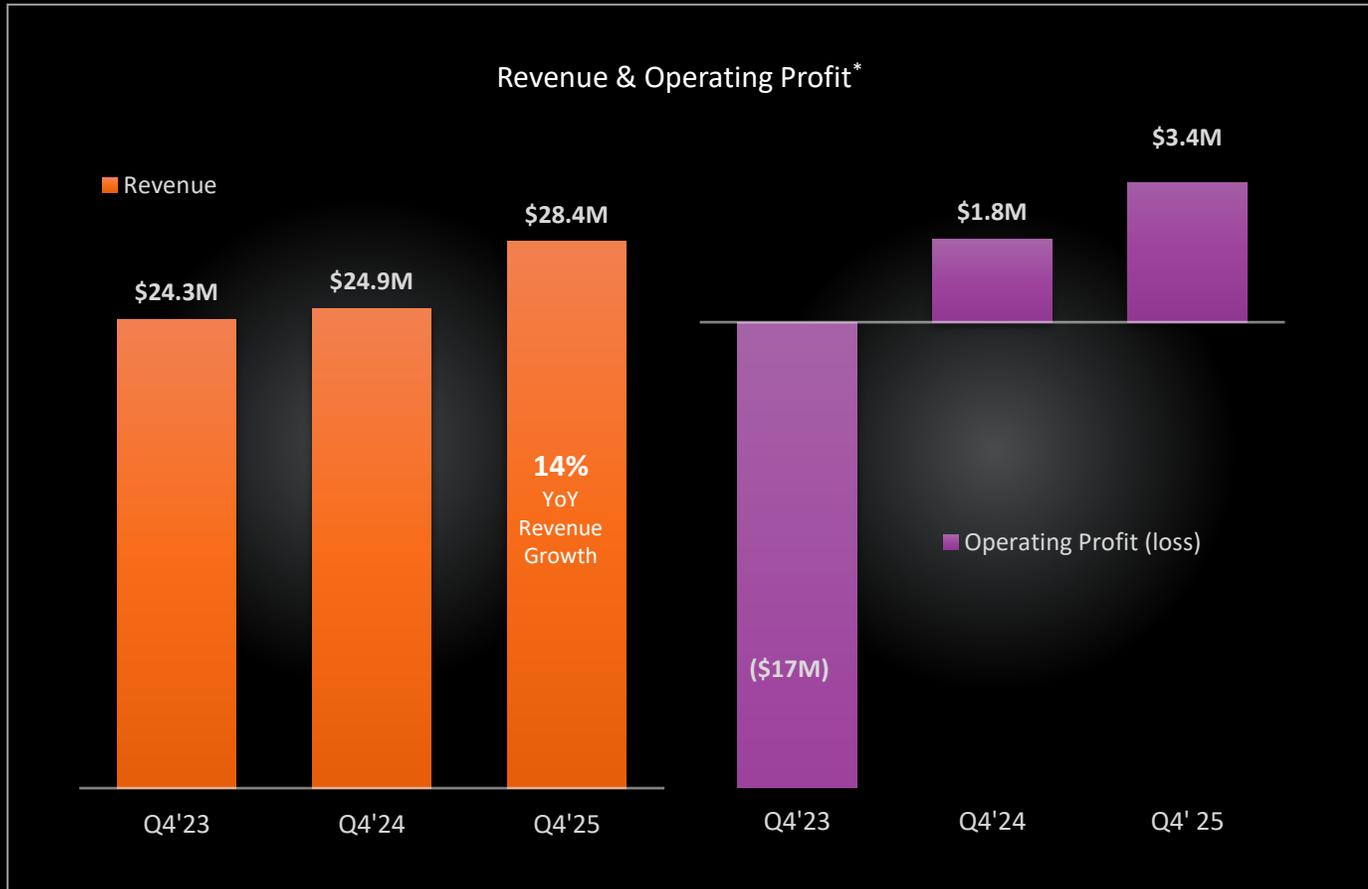
2. SECaaS ARR – measures the current annual recurring of SECaaS revenues, which is calculated based on estimated revenues for the month of Dec 2025 and multiplied by 12.

Key Financial Highlights



- Recurring revenue engine accelerating – SECaaS ARR up 69% YoY to \$30.8M² and now comprises 28% of total revenue
- Highest profitability in over a decade – operating profit¹ \$3.6M and \$8.1M in operating cash flow in Q4 2025
- 105% growth YoY in Net Income¹ to \$4.1M
- Strengthening Balance sheet with \$88M cash balances as of Dec 31, 2025 and no debt
- Positioned for sustained growth – Expanding pipeline and recent customer wins lay foundation for continued momentum

Achieving Growth and Profitability

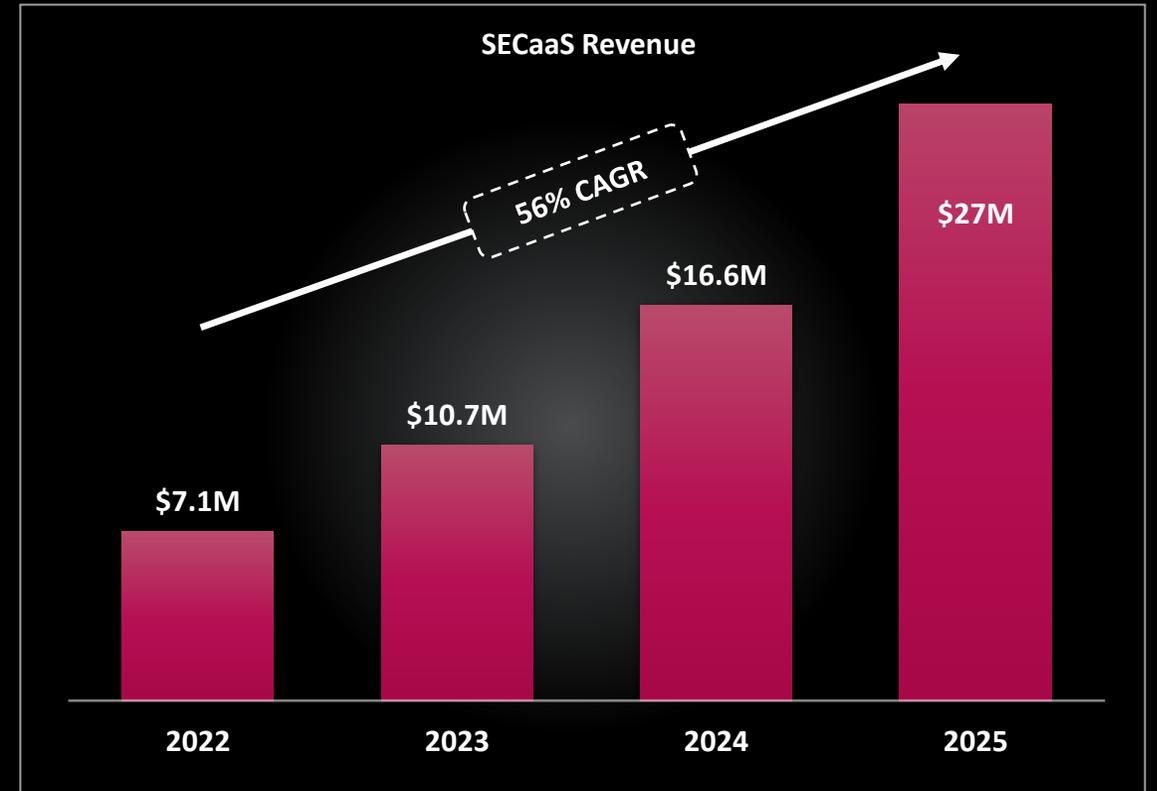
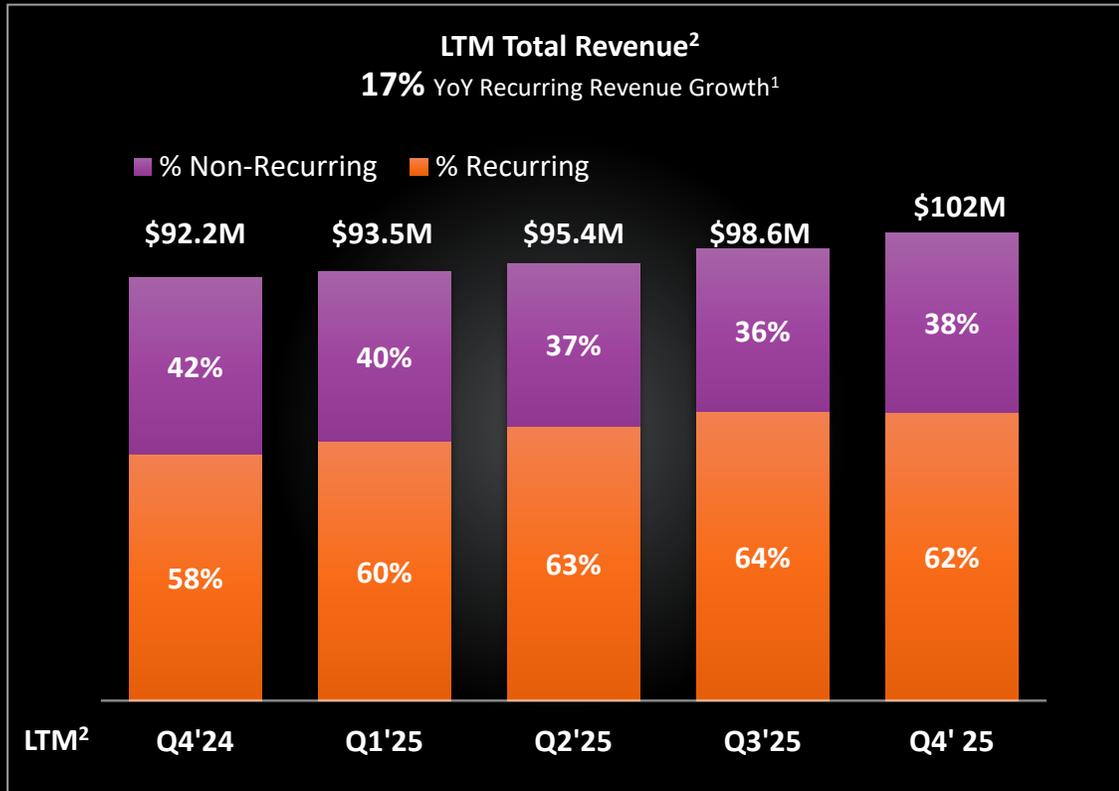


Commentary

- Q4 2025 revenue grew 14% YoY, driven primarily by increased cybersecurity contribution, recent wins, and strong customer demand
- SECaaS 28% of revenue, with cybersecurity ARR growing 69% year-over-year and adoption accelerating across CSPs
- Highest level of profit in over a decade, reflecting a significant step-up in operating leverage and demonstrating the scalability of the business model
- Strong customer demand for Allot Secure and Network Intelligence business with multi-million dollar pipeline

*Non-GAAP – please refer to the appendix for reconciliations to the most directly comparable GAAP measure.

Growing Recurring Revenue¹



1. Recurring revenue refers to the sum of support and maintenance revenues and SECaaS revenues.
2. LTM refers to the results from the four consecutive quarters ending with the specified quarter.

\$M	2022	2023	2024	2025
Revenues	123	93	92	102
Gross Margin	69%	60%	71%	72%
OPEX	108	111	64	64
Operating Profit (Loss)	(23)	(55)	0.6	8.9
SECaaS revenues	7.2	10.6	16.5	26.8
SECaaS ARR (last month run-rate)	9.2	12.7	18.2	30.8

Non-GAAP

Consolidated Balance Sheet

	December 31, 2025	December 31, 2024
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 17,107	\$ 16,142
Restricted deposit	3,573	904
Short-term bank deposits	15,100	15,250
Available-for-sale marketable securities	48,663	26,470
Trade receivables, net (net of allowance for credit losses of \$9,611 and \$25,306 on December 31, 2025 and December 31, 2024, respectively)	17,451	16,482
Other receivables and prepaid expenses	9,906	6,317
Inventories	13,180	8,611
Total current assets	<u>124,980</u>	<u>90,176</u>
NON-CURRENT ASSETS:		
Severance pay fund	\$ 295	\$ 464
Restricted deposit	3,327	279
Operating lease right-of-use assets	5,518	6,741
Other assets	732	2,151
Property and equipment, net	6,014	7,692
Intangible assets, net	-	305
Goodwill	31,833	31,833
Total non-current assets	<u>47,719</u>	<u>49,465</u>
Total assets	<u>\$ 172,699</u>	<u>\$ 139,641</u>

Consolidated Balance Sheet (Cont.)

LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Trade payables	\$	938	\$ 946
Employees and payroll accruals		9,254	8,208
Deferred revenues		24,700	17,054
Short-term operating lease liabilities		348	562
Other payables and accrued expenses		11,919	9,200
Total current liabilities		<u>47,159</u>	<u>35,970</u>
LONG-TERM LIABILITIES:			
Deferred revenues		5,912	7,136
Long-term operating lease liabilities		5,392	5,807
Accrued severance pay		886	946
Convertible debt		-	39,973
Total long-term liabilities		<u>12,190</u>	<u>53,862</u>
SHAREHOLDERS' EQUITY		<u>113,350</u>	<u>49,809</u>
Total liabilities and shareholders' equity	\$	<u>172,699</u>	\$ <u>139,641</u>

Consolidated Statement of Operations (Non-GAAP)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Revenues	28,387	\$ 24,906	\$ 101,993	\$ 92,195
Cost of revenues	7,980	7,553	28,572	27,118
Gross profit	20,407	17,353	73,421	65,077
Operating expenses:				
Research and development costs, net	5,565	5,414	23,284	24,124
Sales and marketing	7,738	7,198	29,248	29,053
General and administrative	3,506	2,953	11,963	11,266
Total operating expenses	16,809	15,565	64,495	64,443
Operating profit	3,598	1,788	8,926	634
Other income	-	-	100	-
Gain on sales of securities	-	-	193	-
Financial income (expenses), net	702	527	2,570	2,412
Profit before income tax expenses	4,300	2,315	11,789	3,046
Tax expenses (income)	185	309	858	1,413
Net profit	4,115	2,006	10,931	1,633
Basic net profit per share	\$ 0.08	\$ 0.05	\$ 0.25	\$ 0.05
Diluted net profit per share	\$ 0.08	\$ 0.05	\$ 0.23	\$ 0.05
Weighted average number of shares used in computing basic net earnings per share	48,528,584	39,379,254	44,070,008	38,928,475
Weighted average number of shares used in computing diluted net earnings per share	50,913,796	42,560,457	47,181,673	42,289,637

Consolidated Statement of Operations (GAAP)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	(Audited)
Revenues	\$ 28,387	\$ 24,906	\$ 101,993	\$ 92,195
Cost of revenues	8,079	7,853	29,441	28,505
Gross profit	20,308	17,053	72,552	\$ 63,690
Operating expenses:				
Research and development costs, net	5,755	5,715	24,496	26,112
Sales and marketing	8,072	7,508	30,819	30,908
General and administrative	3,911	3,518	13,633	12,684
Total operating expenses	17,738	16,741	68,948	69,704
Operating income (loss)	2,570	312	3,604	(6,014)
Loss from extinguishment	-	-	(1,410)	-
Other income	-	-	100	-
Gain on sales of securities	-	-	193	-
Financial income, net	742	368	2,451	1,910
Income (loss) before income tax benefit	3,312	680	4,938	(4,104)
Income tax expenses	410	439	1,233	1,765
Net income (loss)	\$ 2,902	\$ 241	\$ 3,705	\$ (5,869)
Basic net income (loss) per share	\$ 0.06	\$ 0.01	\$ 0.08	\$ (0.15)
Diluted net income (loss) per share	\$ 0.06	\$ 0.01	\$ 0.08	\$ (0.15)
Weighted average number of shares used in computing basic net income (loss) per share	48,528,584	39,379,254	44,070,008	38,928,475
Weighted average number of shares used in computing diluted net income (loss) per share	49,853,533	41,772,402	46,184,989	38,928,475

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Thank You!

Contact Us

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