



allot

Q3 2025 Earnings

Nov 20th, 2025

Allot Q3-25 Earning



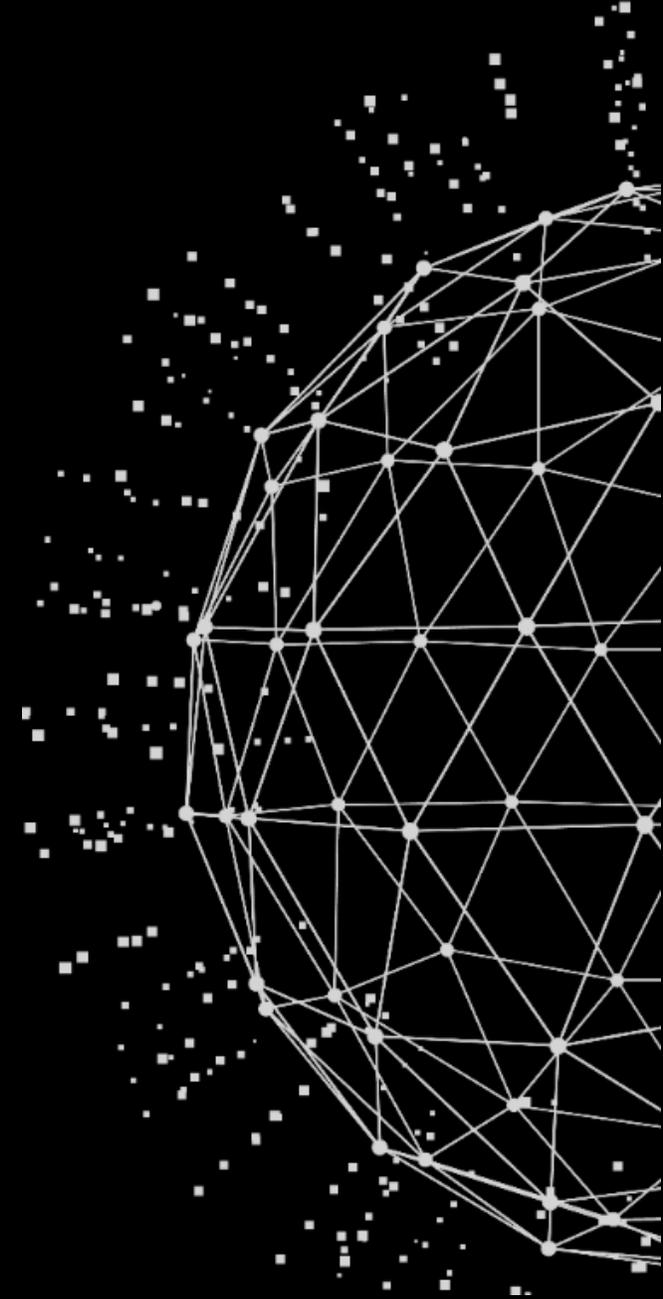
EYAL HARARI
Chief Executive Officer



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

Q3 2025: KEY HIGHLIGHTS

Continued YoY revenue growth 14% to \$26.4 for Q3 2025

Accelerated SECaaS growth, with 60% growth in SECaaS ARR YoY to \$27.6m as of September 30th 2025

Improved gross margin to 72% and increased profitability to 14% operating profit (Non-GAAP)

Net Income \$4.6m for Q3 2025 (Non-GAAP)

High cash and short bank deposits of \$81m, no debt

We are increasing our 2025 SECaaS revenue and SECaaS ARR growth expectations to above 60% YoY. We introduced overall revenue guidance for 2025, with expectations of \$100m-\$103m which positions Allot for a year of profitable growth

The background features a blue-toned grid with various financial charts, including a candlestick chart on the left and a line chart on the right. A large black circle is centered on the page, containing the main title.

Q3 2025 Financial Results

Q3 2025 Results – A Turnaround in Progress

\$26.4^m

Revenues up YoY 14%



Gross Margin¹

\$3.7^m

Operating income¹
vs \$1.1m Q3 2024

\$4.6^m

Net income¹
vs \$1.3m Q3 2024

\$27.6^m

SECaaS ARR at Sep 2025²



SECaaS revenue
up YoY to \$7.3m

\$4^m

Operating cash flow
vs \$1.9m Q3 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 September 2025 and multiplied by 12.





Key Financial Highlights

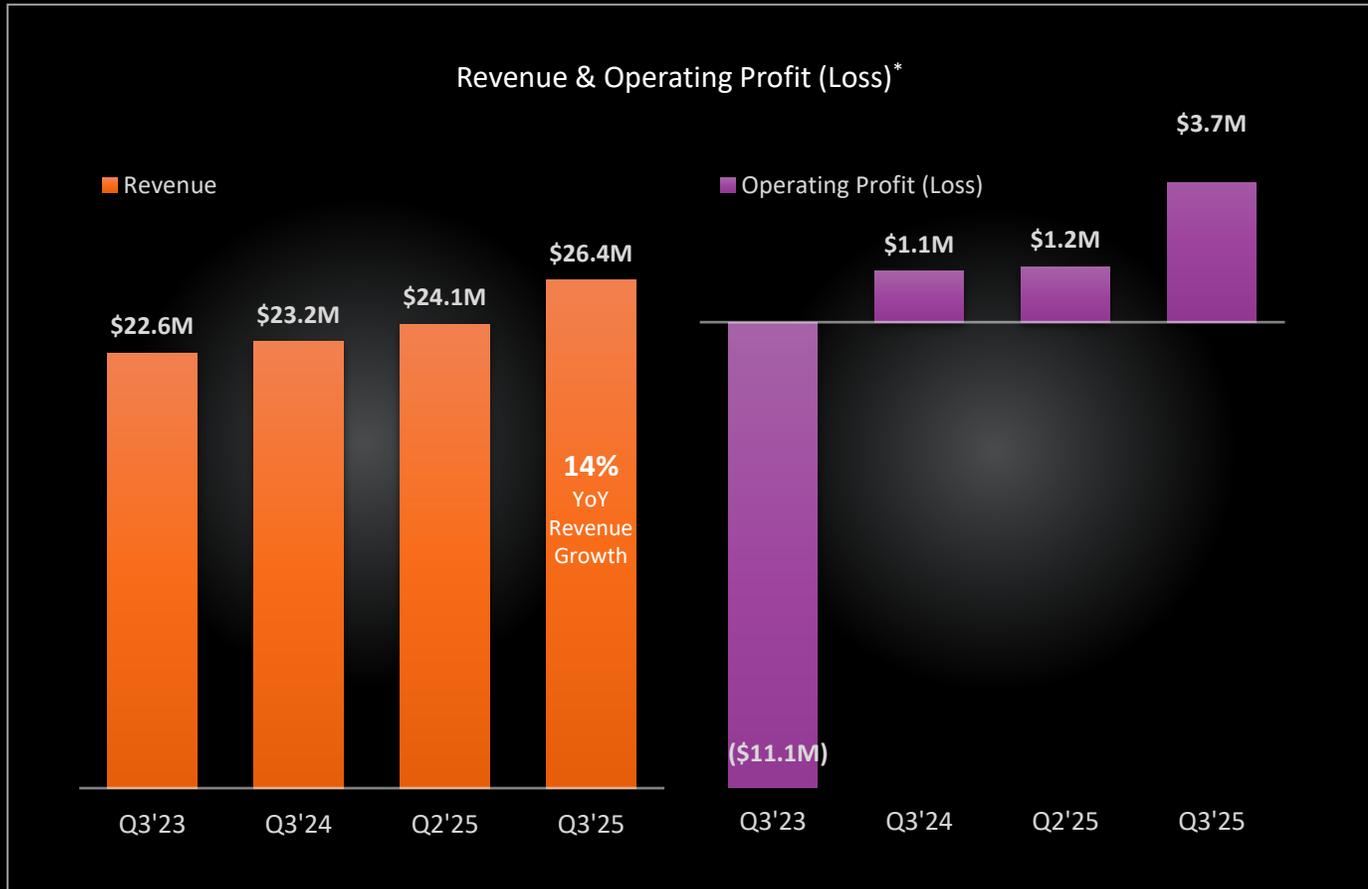
- Recurring revenue engine accelerating – SECaaS ARR up 60% YoY to \$27.6M² and now comprises 28% of total revenue
- Positive operating income¹ \$3.7m and \$4m in operating cash flow in Q3 2025
- Strong gross margin profile – 72%¹ in Q3 2025, with upside potential as higher-margin SECaaS continues to scale
- Strengthening Balance sheet with \$81m cash balances as of Sep 30, 2025 and no debt
- Positioned for sustained growth – Expanding pipeline and recent customer wins lay foundation for continued momentum

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 September 2025 and multiplied by 12.

3. LTM refers to the results from the four consecutive quarters ending with the specified quarter.

Achieving Growth and Profitability

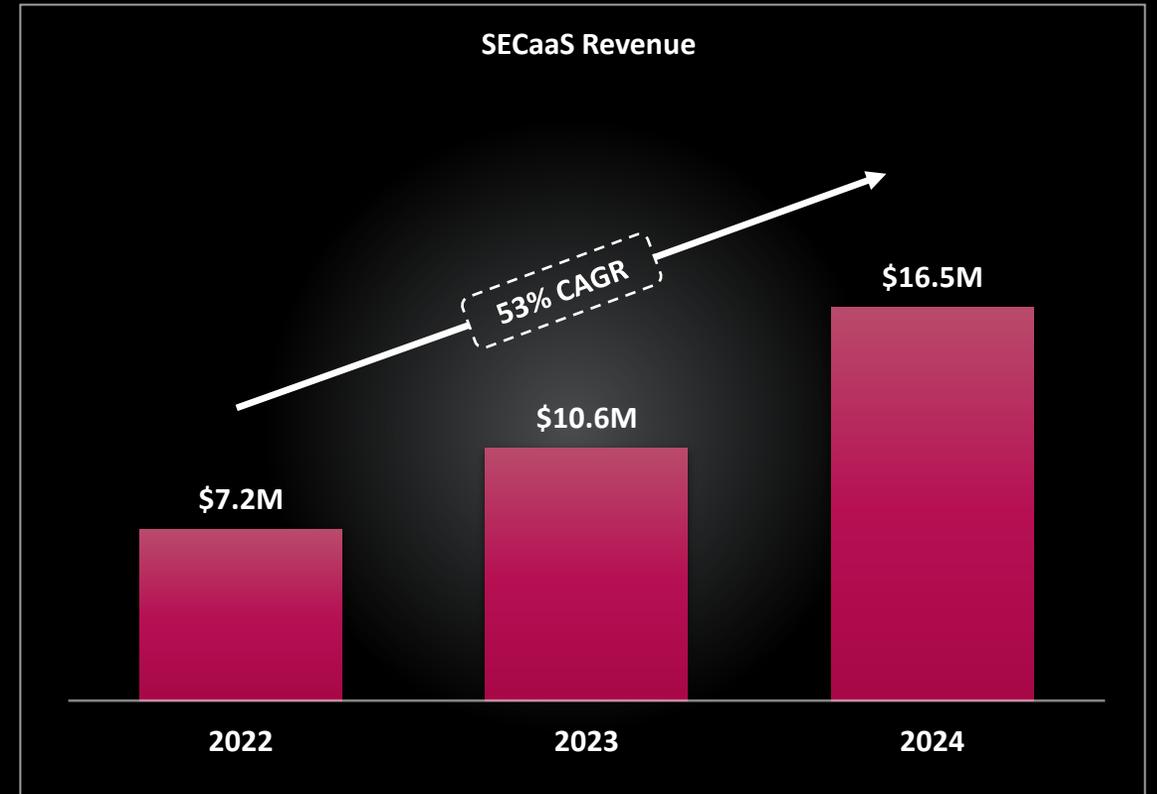
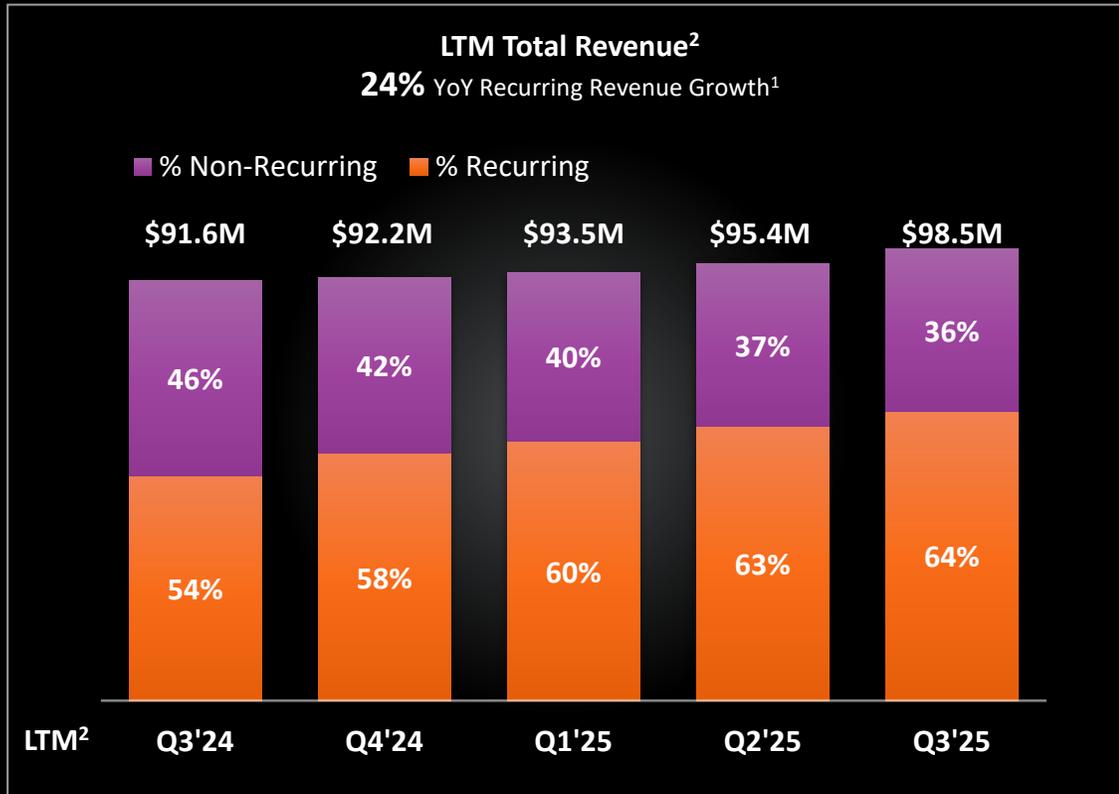


Commentary

- Q3 2025 revenue grew 14% YoY, driven primarily by increased SECaaS contribution, recent wins, and strong customer demand
- SECaaS 28% of revenue, with SECaaS ARR growing 60% year-over-year and adoption accelerating across CSPs
- Strong customer demand for Allot Secure and Network Intelligence business with multi-million dollar pipeline
- Margin expansion supported by the growing mix of higher-margin recurring SECaaS revenue

*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	Q2 2025	Q3 2025
Revenues	123	93	92	24.1	26.4
Gross Margin	69%	60%	71%	73.4%	72.2%
OPEX	108	111	64	16.4	15.4
Operating Profit (Loss)	(23)	(55)	0.6	1.2	3.7
SECaaS revenues	7.2	10.6	16.5	6.4	7.3
SECaaS ARR (last month run-rate)	9.2	12.7	18.2	25.2	27.6

Non-GAAP

Consolidated Balance Sheet

	September 30, 2025	December 31, 2024
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 24,232	\$ 16,142
Restricted deposit	501	904
Short-term bank deposits	16,800	15,250
Available-for-sale marketable securities	38,827	26,470
Trade receivables, net (net of allowance for credit losses of \$15,215 and \$25,306 on September 30, 2025 and December 31, 2024 , respectively)	20,814	16,482
Other receivables and prepaid expenses	12,134	6,317
Inventories	14,208	8,611
Total current assets	<u>127,516</u>	<u>90,176</u>
NON-CURRENT ASSETS:		
Severance pay fund	\$ 248	\$ 464
Restricted deposit	329	279
Operating lease right-of-use assets	5,787	6,741
Other assets	701	2,151
Property and equipment, net	5,304	7,692
Intangible assets, net	-	305
Goodwill	31,833	31,833
Total non-current assets	<u>44,202</u>	<u>49,465</u>
Total assets	<u>\$ 171,718</u>	<u>\$ 139,641</u>

Consolidated Balance Sheet (Cont.)

LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Trade payables	\$	7,198	\$ 946
Employees and payroll accruals		9,625	8,208
Deferred revenues		21,736	17,054
Short-term operating lease liabilities		1,081	562
Other payables and accrued expenses		11,106	9,200
Total current liabilities		<u>50,746</u>	<u>35,970</u>
LONG-TERM LIABILITIES:			
Deferred revenues		5,410	7,136
Long-term operating lease liabilities		5,192	5,807
Accrued severance pay		847	946
Convertible debt		-	39,973
Total long-term liabilities		<u>11,449</u>	<u>53,862</u>
SHAREHOLDERS' EQUITY		<u>109,523</u>	<u>49,809</u>
Total liabilities and shareholders' equity	\$	<u>171,718</u>	\$ <u>139,641</u>

Consolidated Statement of Operations (Non-GAAP)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Revenues	26,405	23,235	\$ 73,606	\$ 67,289
Cost of revenues	7,328	6,566	20,593	19,565
Gross profit	19,077	16,669	53,013	47,724
Operating expenses:				
Research and development costs, net	5,089	5,520	17,719	18,710
Sales and marketing	7,682	7,389	21,510	21,855
General and administrative	2,597	2,656	8,455	8,314
Total operating expenses	15,368	15,565	47,685	48,879
Operating income	3,709	1,104	5,328	(1,154)
Other income	-	-	100	-
Gain on sales of securities	193	-	193	-
Financial income (expenses), net	792	652	1,867	1,885
Income before income tax expenses	4,695	1,756	7,488	730
Tax expenses (income)	115	495	673	1,104
Net income	4,580	1,261	6,815	(374)
Basic net income per share	<u>\$ 0.11</u>	<u>\$ 0.03</u>	<u>\$ 0.17</u>	<u>\$ (0.01)</u>
Diluted net income per share	<u>\$ 0.10</u>	<u>\$ 0.03</u>	<u>\$ 0.16</u>	<u>\$ (0.01)</u>
Weighted average number of shares used in computing basic net earnings per share	41,487,057	39,202,550	42,580,555	38,562,065
Weighted average number of shares used in computing diluted net earnings per share	44,592,351	42,421,818	46,409,437	38,562,065

Consolidated Statement of Operations (GAAP)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Revenues	\$ 26,405	\$ 23,235	\$ 73,606	\$ 67,289
Cost of revenues	7,539	6,871	21,362	20,652
Gross profit	18,866	16,364	52,244	\$ 46,637
Operating expenses:				
Research and development costs, net	5,489	5,922	18,741	20,397
Sales and marketing	8,148	7,699	22,747	23,400
General and administrative	3,079	2,960	9,722	9,166
Total operating expenses	16,716	16,581	51,210	52,963
Operating income (loss)	2,150	(217)	1,034	(6,326)
Loss from extinguishment	-	-	(1,410)	-
Other income	-	-	100	-
Gain on sales of securities	193	-	193	-
Financial income, net	676	513	1,709	1,542
Income (loss) before income tax benefit	3,019	296	1,626	(4,784)
Income tax expenses	195	540	823	1,326
Net income (loss)	\$ 2,824	\$ (244)	\$ 803	\$ (6,110)
Basic net income (loss) per share	\$ 0.07	\$ (0.01)	\$ 0.02	\$ (0.17)
Diluted net income (loss) per share	\$ 0.07	\$ (0.01)	\$ 0.02	\$ (0.17)
Weighted average number of shares used in computing basic net income (loss) per share	41,487,057	39,202,550	42,580,555	38,777,119
Weighted average number of shares used in computing diluted net income (loss) per share	43,253,509	39,202,550	44,909,810	38,777,119



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Thank You!

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