Q2 2026 Earnings

August 12th, 2026

Allot Q2-26 Earnings

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

Q2 2026: KEY HIGHLIGHTS

- Strong Q2, Revenue Growth Accelerates to 15% YoY marked fourth consecutive quarter of double-digit revenue growth
- Solid cybersecurity ARR growth, with 44% growth YoY
- Improved gross margin and increased profitability
- Standout performance in North America
- Strong cash position with $107m in cash and no debt. Board of Directors approved a share repurchase program of up to $40 million

"As we are performing ahead of our expectations, we are raising and narrowing our 2026 revenue guidance to between $115 million and $118 million, with ongoing improvement in profitability. This is driven by the accelerating order momentum from our North American customers, our backlog, and the continued high growth of SECaaS.
Allot is in its strongest position in over a decade, and is well positioned to build on its profitable, cash-generating, recurring-revenue-led growth in the quarters and years ahead."

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Cyber Security First Strategy Update

01 Breadth of our SECaaS growth – new customers, geographies, end-user segments and applications, all on the same platform

02 Upsell deal in Europe – selling a new service to an existing SECaaS customer – the first sale of identity monitoring service to SMB customers

03 Expansion to SMB segment within an existing European-based customer currently offering our cyber security services to it consumer customers

04 A new win within one of our large global telco groups, adding our HomeSecure services in another country

05 New SECaaS deal in Africa, with an existing telco customer that is already an Allot Smart customer

Q2 2026
Financial Results

Q2 2026 Results

$27.7m

Revenues up YoY 15%

71.8%

Gross Margin[1]

$2.7m

Operating profit[1] vs $1.2M Q2 2025

$4.6m

Net income[1] vs $1.5m Q2 2025

$36.1m

SECaaS ARR at June 2026[2]

47%

SECaaS revenue up YoY to $9.4m

$8.5m

Operating cash flow vs $4.0m Q2 2025

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 June 2026 and multiplied by 12.

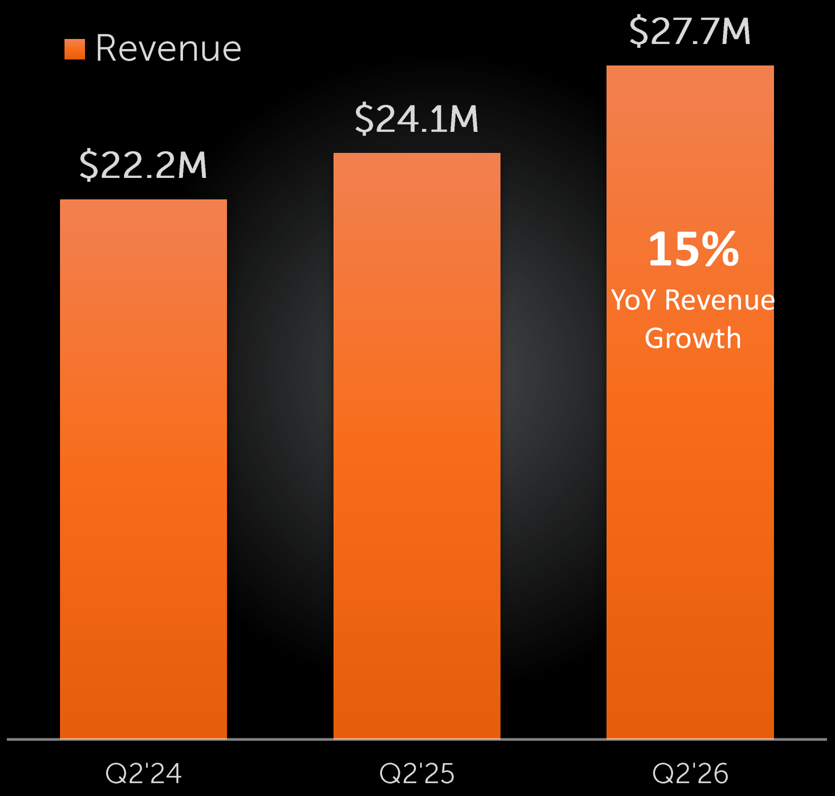
Key Financial Highlights

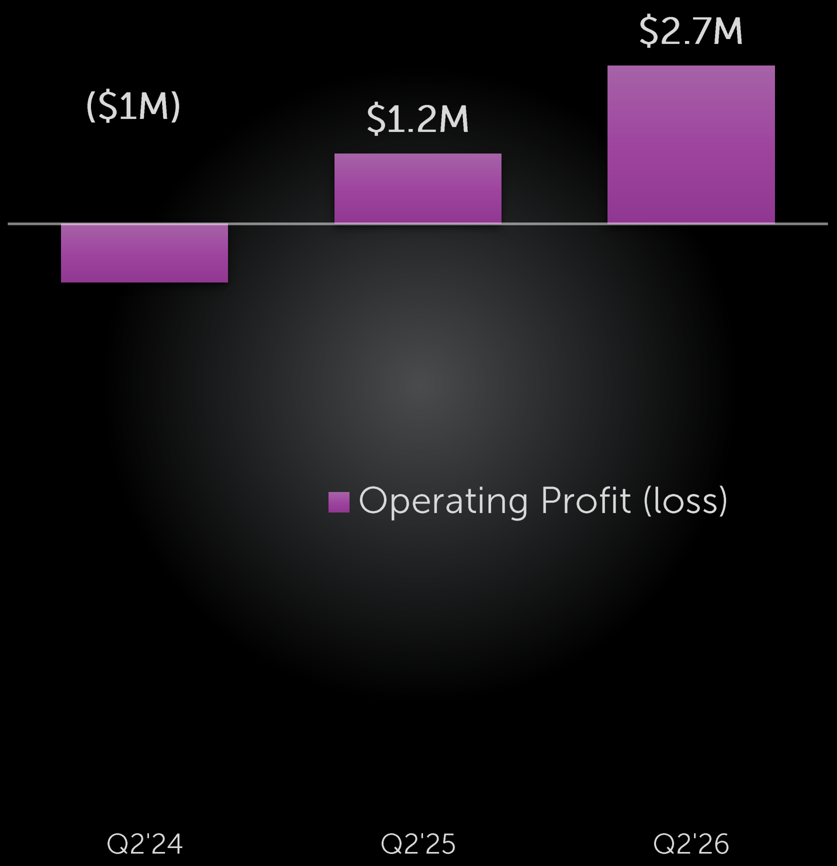
- Recurring revenue engine – SECaaS ARR up 44% YoY to \$36.1M[2] as of June 2026
- Revenues growth 15% year-over-year, marking our fourth consecutive quarter of double-digit growth
- Operating profit[1] \$2.7M and \$8.5M in operating cash flow in Q2 2026
- Strengthening Balance sheet with \$107M cash balances as of June 30, 2026 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 June 2026 and multiplied by 12.
3. LTM refers to the results from the four consecutive quarters ending with the specified quarter.

Achieving Growth and Profitability

Revenue & Operating Profit*





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

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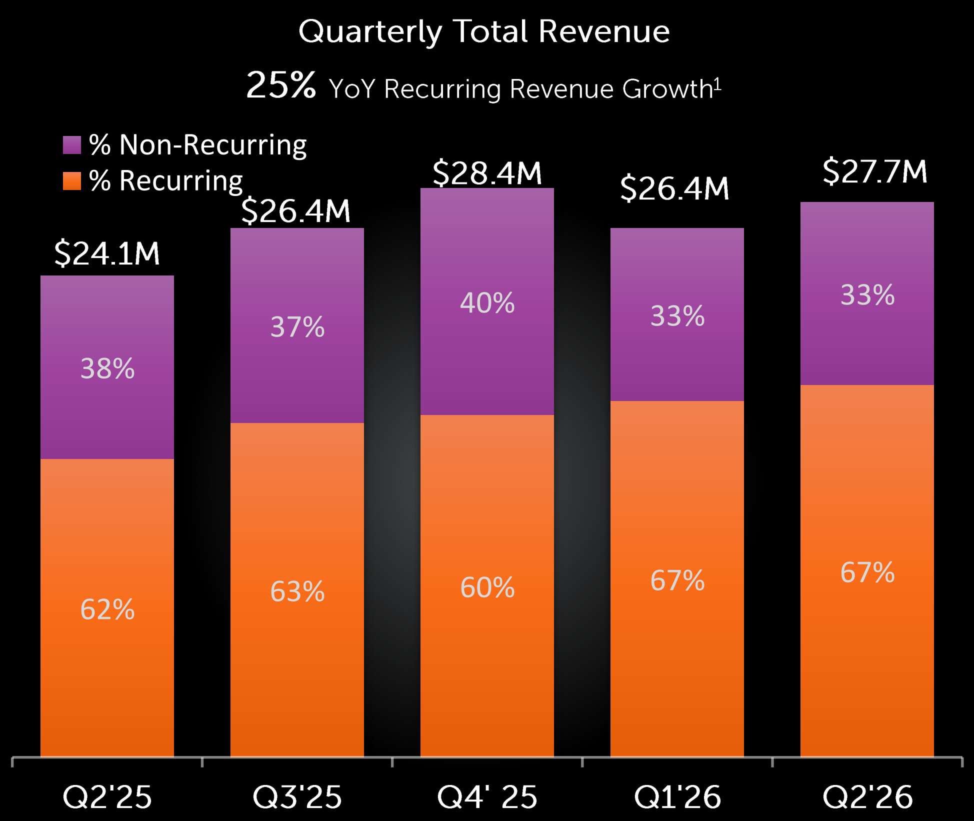
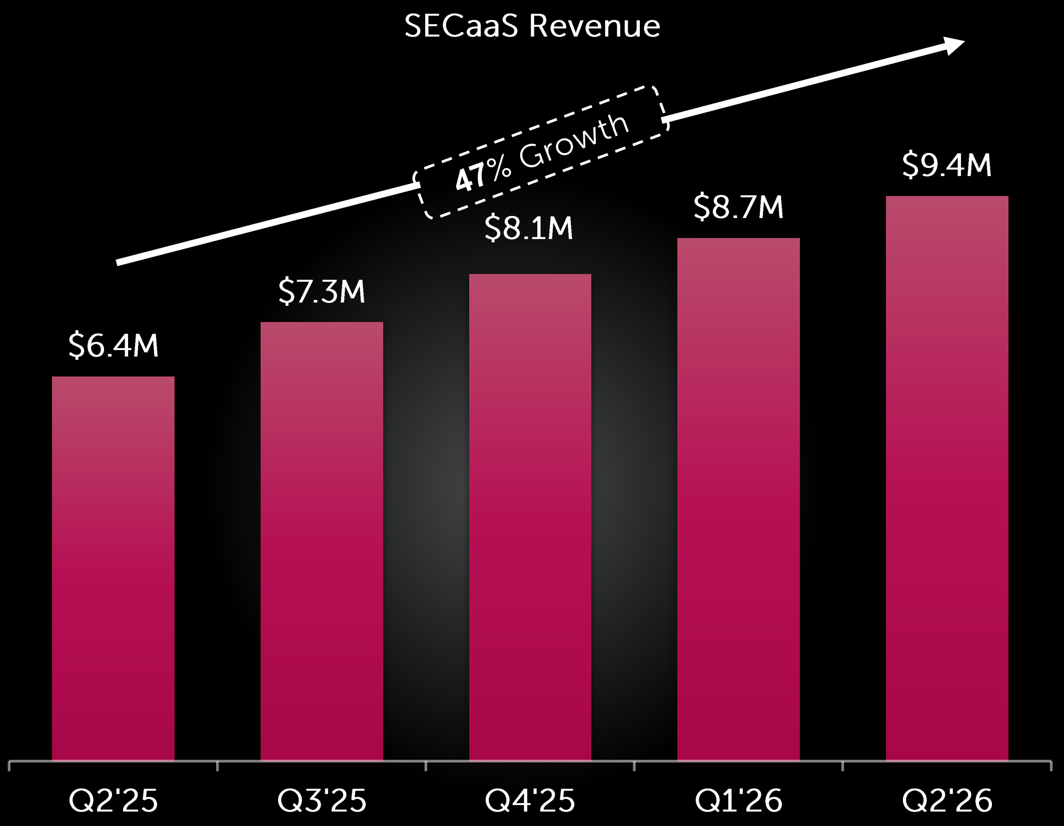
Growing Recurring Revenue[1]





1. Recurring revenue refers to the sum of support and maintenance revenues and SECaaS revenues.

Financial highlights

$M	2022	2023	2024	2025	Q2 2026
Revenues	123	93	92	102	27.7
Gross Margin	69%	60%	71%	72%	72%
OPEX	108	111	64	64	17.2
Operating Profit (Loss)	(23)	(55)	0.6	8.9	2.7
SECaaS revenues	7.2	10.6	16.5	26.8	9.4
SECaaS ARR (last month run-rate)	9.2	12.7	18.2	30.8	36.1

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

Consolidated Balance Sheet

ALLOT LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	June 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,759	$ 17,107
Restricted deposit	3,637	3,573
Short-term bank deposits	31,100	15,100
Available-for-sale marketable securities	57,345	48,663
Trade receivables, net (net of allowance for credit losses of $9,148 and $9,611 on June 30, 2026 and December 31, 2025 , respectively)	25,170	17,451
Other receivables and prepaid expenses	9,403	9,906
Inventories	17,497	13,180
Total current assets	157,911	124,980
NON-CURRENT ASSETS:		
Severance pay fund	$ 333	$ 295
Restricted deposit	666	3,327
Operating lease right-of-use assets	6,547	5,518
Other assets	957	732
Property and equipment, net	5,319	6,014
Goodwill	31,833	31,833
Total non-current assets	45,655	47,719
Total assets	$ 203,566	$ 172,699

Consolidated Balance Sheet (Cont.)

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 1,418	$ 938
Employees and payroll accruals	8,782	9,254
Deferred revenues	45,613	24,700
Short-term operating lease liabilities	1,588	348
Other payables and accrued expenses	12,530	11,919
Total current liabilities	69,931	47,159
LONG-TERM LIABILITIES:		
Deferred revenues	$ 8,334	$ 5,912
Long-term operating lease liabilities	5,331	5,392
Accrued severance pay	645	886
Total long-term liabilities	14,310	12,190
SHAREHOLDERS' EQUITY	119,325	113,350
Total liabilities and shareholders' equity	$ 203,566	$ 172,699

Consolidated Statement of Operations (Non-GAAP)

ALLOT LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS on a NON-GAAP BASIS
(U.S. dollars in thousands, except share and per share data)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(Unaudited)		(Unaudited)	
Revenues	27,737	$ 24,051	$ 54,162	$ 47,201
Cost of revenues	7,833	6,409	15,412	13,265
Gross profit	19,904	17,642	38,750	33,936
Operating expenses:				
Research and development costs, net	6,654	6,881	12,745	12,630
Sales and marketing	7,276	6,795	14,702	13,828
General and administrative	3,232	2,772	5,940	5,859
Total operating expenses	17,162	16,448	33,387	32,317
Operating profit	2,742	1,195	5,363	1,619
Other income	-	100	-	100
Gain on sales of securities	-	-	-	-
Financial income (expenses), net	2,100	463	2,863	1,075
Profit before income tax expenses	4,842	1,758	8,226	2,794
Tax expenses (income)	247	307	574	558
Net profit	4,595	1,451	7,653	2,236
Basic net profit per share	$ 0.09	$ 0.03	$ 0.16	$ 0.05
Diluted net profit per share	$ 0.09	$ 0.03	$ 0.15	$ 0.05
Weighted average number of shares used in computing basic net earnings per share	49,151,073	40,140,875	48,965,108	39,944,413
Weighted average number of shares used in computing diluted net earnings per share	51,131,093	43,794,580	51,049,850	43,750,663

Consolidated Statement of Operations (GAAP)

ALLOT LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues	$ 27,737	$ 24,051	$ 54,162	$ 47,201
Cost of revenues	7,968	6,721	15,652	13,823
Gross profit	19,769	17,330	38,510	33,378
Operating expenses:				
Research and development costs, net	6,991	7,261	13,273	13,252
Sales and marketing	8,042	7,261	15,865	14,599
General and administrative	3,637	3,215	6,745	6,643
Total operating expenses	18,670	17,737	35,883	34,494
Operating income (loss)	1,099	(407)	2,627	(1,116)
Loss from extinguishment	-	(1,410)	-	(1,410)
Other income	-	100	-	100
Financial income, net	1,975	359	2,760	1,033
Income (loss) before tax	3,074	(1,358)	5,387	(1,393)
Income tax expenses	501	332	872	628
Net income (loss)	$ 2,573	$ (1,690)	$ 4,515	$ (2,021)
Income (loss) per share				
Basic	$ 0.05	$ (0.04)	$ 0.09	$ (0.05)
Diluted	$ 0.05	$ (0.04)	$ 0.09	$ (0.05)
Weighted average shares outstanding				
Basic	49,151,073	40,140,875	48,965,108	39,944,413
Diluted	49,832,577	40,140,875	49,864,006	39,944,413

Thank You!

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