

Q3 2026 Earnings

November 12th, 2026

Allot Q3-2026 Earnings



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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.

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Business Performance Strategy

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Q3 2026: KEY HIGHLIGHTS

- Strong Q3, Revenue Growth Accelerates to 16% YoY marked fifth consecutive quarter of double-digit revenue growth
- Solid cybersecurity ARR growth, with 41% growth YoY
- Double-digit revenue growth – across both our business lines: SECaaS and SMART
- Improved gross margin to 72% and increased profitability to 13%
- Strong cash position with $112m in cash and no debt. Board of Directors approved a share repurchase program of up to $40 million

"We delivered a strong quarter, combining double-digit revenue growth with improved profitability and robust cash generation. Growth was driven by both SECaaS and SMART solutions, that are both now showing double-digit year-over-year revenue increases.

Given the momentum, we are raising the midpoint of our guidance for 2026 and narrowing the range to between $116 million and $118 million. We are also increasing our expectations for SECaaS revenue growth for 2026, to be above 40%."

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 New SECaaS deal in Southeast Asia

03 New capabilities for securing SIM-enabled IoT devices, giving telcos a network-based way to protect connected devices across the 4G and 5G networks of their business customers.

04 As threat actors use AI to target individuals and businesses at-scale, it is becoming more critical for service providers to provide a layer of protection for their end-customers

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INNOVATION AT THE NETWORK LEVEL

Securing what comes next

Two advances extend Allot's network intelligence from future quantum threats to today's AI-accelerated IoT attacks.

FUTURE-READY SECURITY

Quantum-safe communications

Allot chairs a consortium developing PQC, QKD and hybrid protection across optical, IP, mobile, satellite and data-center networks.

INNOVATION: MULTI-LAYER, QUANTUM-RESISTANT NETWORK PROTECTION

5G + IoT SECURITY

Network-based IoT protection

NetworkSecure now applies AI-driven intelligence and policy enforcement inside 4G and 5G networks, without endpoint software on every IoT device.

VALUE: PROTECT BUSINESS IoT AND CREATE NEW SECaaS REVENUE

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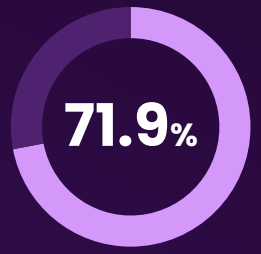
Q3 2026
Financial Results

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Q3 2026 Results

$30.6m

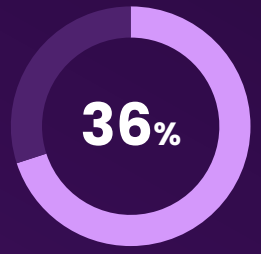
Revenues up YoY 16%



Gross Margin[1]

$38.8m

SECaaS ARR at September 2026[2]



SECaaS revenue up YoY to $9.9m

$3.9m

Operating profit[1] vs $3.7M Q3 2025

$4.7m

Net income[1] vs $4.6m Q3 2025

$7.4m

Operating cash flow vs $4.0m Q3 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 September 2026 and multiplied by 12.

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Key Financial Highlights

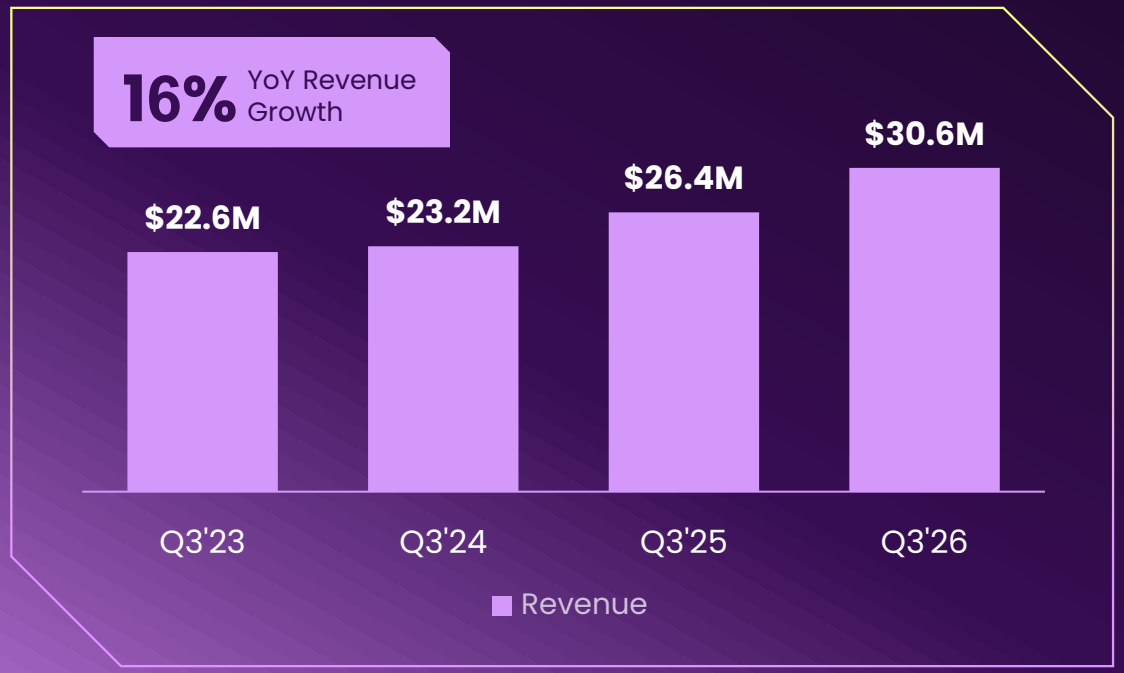
- Recurring revenue engine – SECaaS ARR up 41% YoY to $38.8M[2] as of September 2026
- Revenue growth 16% year-over-year, marking our fifth consecutive quarter of double-digit growth
- Operating profit[1] $3.9M (13%) and $7.4M in operating cash flow in Q3 2026
- Strengthening Balance sheet with $112M cash balance as of September 30, 2026 and no debt
- Positioned for sustained growth – Expanding pipeline and recent customer wins lay foundation for continued momentum

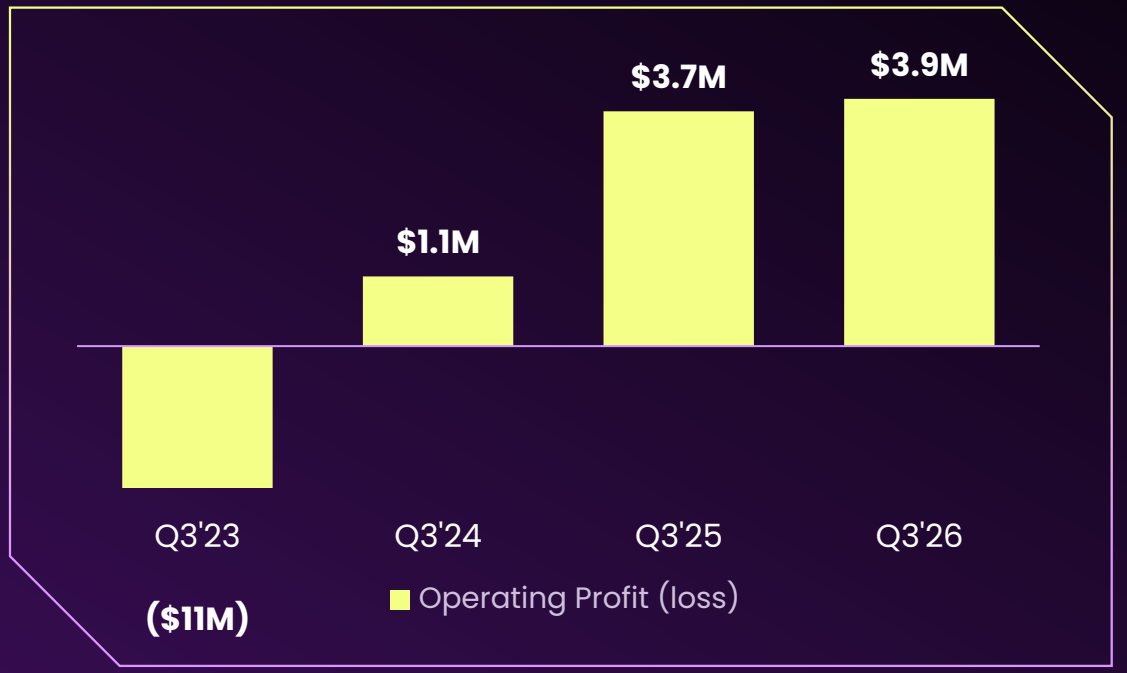
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2. SECaaS ARR – measures the current annual recurring of SECaaS revenues, which is calculated based on estimated revenues for the month of September 2026 and multiplied by 12.
3. LTM refers to the results from the four consecutive quarters ending with the specified quarter.

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Achieving Growth and Profitability

Revenue & Operating Profit*

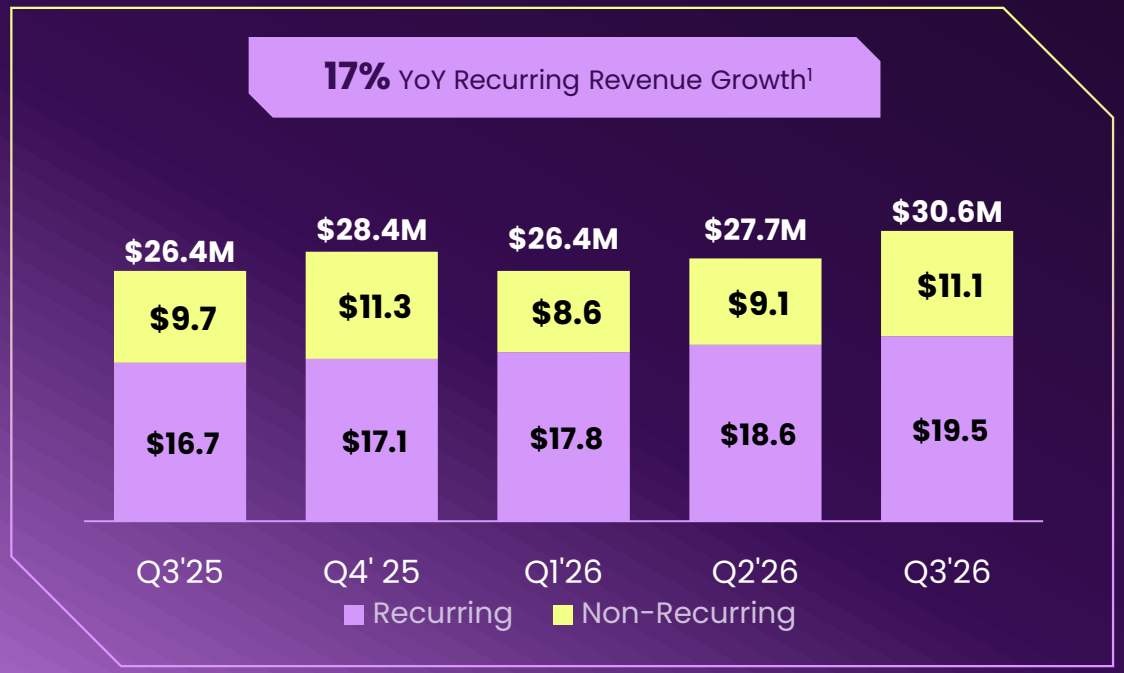




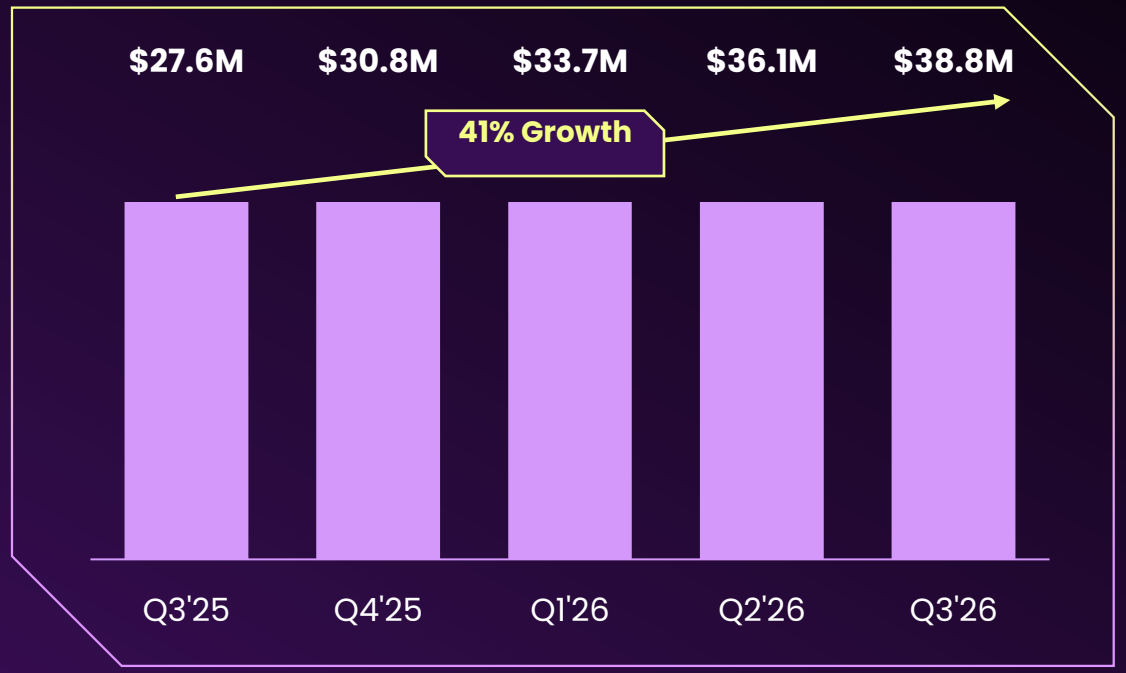
*Non-GAAP – please refer to the appendix for reconciliations to the most directly comparable GAAP measure.

Growing Recurring Revenue[1]

Quarterly Total Revenue



SECaaS ARR



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

Financial highlights

$M	2022	2023	2024	2025	Q3 2026
Revenues	123	93	92	102	**30.6**
Gross Margin	69%	60%	71%	72%	**72%**
OPEX	108	111	64	64	**18**
Operating Profit (Loss)	(23)	(55)	0.6	8.9	**3.9**
SECaaS revenues	7.2	10.6	16.5	26.8	**9.9**
SECaaS ARR (last month run-rate)	9.2	12.7	18.2	30.8	**38.8**

*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)

	September 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 29,650	$ 17,107
Restricted deposit	4,243	3,573
Short-term bank deposits	24,500	15,100
Available-for-sale marketable securities	52,355	48,663
Trade receivables, net (net of allowance for credit losses of $9,095 and $9,611 on September 30, 2026 and December 31, 2025 , respectively)	28,974	17,451
Other receivables and prepaid expenses	6,845	9,906
Inventories	17,011	13,180
Total current assets	163,578	124,980
NON-CURRENT ASSETS:		
Severance pay fund	$ 324	$ 295
Restricted deposit	908	3,327
Operating lease right-of-use assets	6,143	5,518
Other assets	835	732
Property and equipment, net	4,978	6,014
Goodwill	31,833	31,833
Total non-current assets	45,021	47,719
Total assets	$ 208,599	$ 172,699

Consolidated Balance Sheet (Cont.)

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 2,776	$ 938
Employees and payroll accruals	11,433	9,254
Deferred revenues	42,980	24,700
Short-term operating lease liabilities	1,622	348
Other payables and accrued expenses	14,806	11,919
Total current liabilities	73,617	47,159
LONG-TERM LIABILITIES:		
Deferred revenues	$ 9,004	$ 5,912
Long-term operating lease liabilities	4,463	5,392
Accrued severance pay	672	886
Total long-term liabilities	14,139	12,190
SHAREHOLDERS' EQUITY	120,843	113,350
Total liabilities and shareholders' equity	$ 208,599	$ 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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(Unaudited)		(Unaudited)	
Revenues	30,588	$ 26,405	$ 84,750	$ 73,606
Cost of revenues	8,610	7,328	24,022	20,593
Gross profit	21,978	19,077	60,728	53,013
Operating expenses:				
Research and development costs, net	6,148	5,089	18,893	17,719
Sales and marketing	8,153	7,682	22,855	21,510
General and administrative	3,740	2,597	9,680	8,455
Total operating expenses	18,041	15,368	51,428	47,685
Operating profit	3,937	3,709	9,300	5,328
Other income	-	-	-	100
Gain on sales of securities	-	193	-	193
Financial income (expenses), net	902	792	3,765	1,867
Profit before income tax expenses	4,839	4,695	13,065	7,488
Tax expenses (income)	157	115	731	673
Net profit	4,682	4,580	12,335	6,815
Basic net profit per share	$ 0.10	$ 0.11	$ 0.25	$ 0.17
Diluted net profit per share	$ 0.09	$ 0.10	$ 0.24	$ 0.16
Weighted average number of shares used in computing basic net earnings per share	49,276,707	41,487,057	49,070,116	42,580,555
Weighted average number of shares used in computing diluted net earnings per share	51,204,432	44,592,351	51,102,519	46,409,437

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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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues	$ 30,588	$ 26,405	$ 84,750	$ 73,606
Cost of revenues	8,690	7,539	24,342	21,362
Gross profit	21,898	18,866	60,408	52,244
Operating expenses:				
Research and development costs, net	6,351	5,489	19,624	18,741
Sales and marketing	8,580	8,148	24,445	22,747
General and administrative	4,153	3,079	10,898	9,722
Total operating expenses	19,084	16,716	54,967	51,210
Operating income	2,814	2,150	5,441	1,034
Loss from extinguishment	-	-	-	(1,410)
Other income	-	-	-	100
Financial income, net	1,091	869	3,851	1,902
Income before tax	3,905	3,019	9,292	1,626
Income tax expenses	486	195	1,358	823
Net income	$ 3,419	$ 2,824	$ 7,934	$ 803
Income per share				
Basic	$ 0.07	$ 0.07	$ 0.16	$ 0.02
Diluted	$ 0.07	$ 0.07	$ 0.16	$ 0.02
Weighted average shares outstanding				
Basic	49,276,707	41,487,057	49,070,116	42,580,555
Diluted	49,806,002	43,253,509	49,845,813	44,909,810

Thank You!

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