

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 6-K

CURRENT REPORT

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2025

Commission File Number: 001-39829

COGNYTE SOFTWARE LTD.

(Translation of registrant's name into English)

33 Maskit

Herzliya Pituach

4673333, Israel

(Address of principal executive office)

indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Explanatory Note

On September 9, 2025, Cognyte Software Ltd. (the “Company”) issued a press release titled “Cognyte Reports Second Quarter Fiscal 2026 Financial Results”. A copy of this press release is furnished as Exhibit 99.1 hereto.

Other than as indicated below, the information in this Form 6-K (including in Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

The financial information prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) contained in the (i) condensed consolidated statements of operations, (ii) condensed consolidated balance sheets and (iii) condensed consolidated statements of cash flows and included in the press release attached as Exhibit 99.1 hereto are hereby incorporated by reference into the Company’s registration statements on Form S-8 (File Nos. 333-252565, 333-278837 and 333-286330).

EXHIBIT INDEX

The following exhibit is furnished as part of this Form 6-K:

Exhibit	Description
<u>99.1</u>	<u>Press Release titled "Cognyte Reports Second Quarter Fiscal 2026 Financial Results"</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COGNYTE SOFTWARE LTD.

(Registrant)

September 9, 2025

By: /s/ David Abadi
David Abadi
Chief Financial Officer



Press Release

Investor Relations Contact

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Cognnyte Reports Second Quarter Fiscal 2026 Financial Results

Global customer wins and differentiated technology drive double-digit revenue growth and significant year-over-year increase in profitability

Company increases outlook for fiscal year ending January 31, 2026

Herzliya, Israel, September 9, 2025 - Cognnyte Software Ltd. (NASDAQ: CGNT) (the "Company," "Cognnyte," "we," "us" and "our"), a global leader in software-driven technology for investigative analytics, today announced results for the three and six months ended July 31, 2025 ("Q2 FYE26" and "H1 FYE26").

Financial Summary for Three Months Ended July 31, 2025

- **Q2 FYE26 Revenue** was \$97.5 million, up approximately 15.5% compared to the same period last year.
- **Q2 FYE26 GAAP operating income** was \$2.7 million, compared to an operating loss of \$1.4 million in the same period last year.
- **Q2 FYE26 Non-GAAP operating income** was \$8.0 million, compared to operating income of \$4.4 million in the same period last year.
- **Q2 FYE26 GAAP Net income** was \$2.7 million, compared to a net loss of \$0.9 million in the same period last year.
- **Q2 FYE26 Adjusted EBITDA** was \$11.0 million, compared to \$8.3 million in the same period last year, growing significantly faster than revenue.

Financial Summary for the Six Months Ended July 31, 2025

- **H1 FYE26 Revenue** was \$193.1 million, up approximately 15.5% compared to the same period last year.
- **H1 FYE26 GAAP operating income** was \$4.9 million, compared to an operating loss of \$3.7 million during the same period last year.
- **H1 FYE26 Non-GAAP operating income** more than doubled to \$15.6 million, compared to operating income of \$6.3 million during the same period last year.
- **H1 FYE26 GAAP Net income** was \$2.9 million, compared to a net loss of \$4.5 million during the same period last year.

- H1 FYE26 **Adjusted EBITDA** improved significantly to \$21.3 million, compared to \$13.3 million during the same period last year.

Balance Sheet and Net Cash Provided by Operating Activities

- During Q2 FYE26, the company completed the share repurchase program previously authorized by its board of directors. The company repurchased a total of 2,094,538 ordinary shares for an aggregate purchase price of \$20 million. The board of directors approved in July 2025 a new share repurchase program that authorizes the buyback of up to an additional \$20 million in ordinary shares over the next 18 months through January 14, 2027, as part of the Company's capital allocation strategy.
- As of July 31, 2025, cash, cash equivalents and restricted cash remained strong and were \$84.7 million, compared to \$113.1 million at January 31, 2025.
- During the three months ended July 31, 2025, net cash used in operating activities was \$6.3 million, compared to net cash used in operating activities of \$5.7 million in the same period last year. Historically, we have had negative cash flow in the second quarter due to the timing of certain expenses including bonus payments. We remain confident in our ability to generate \$45 million of operating cash flow in FYE26, reflecting both strong collections discipline and expanding profitability.

Management Commentary

"Our second quarter results reflect the recognition of Cognyte as a leader in AI-driven investigative analytics," said Elad Sharon, Cognyte's chief executive officer. "As global threats become more complex, customers increasingly rely on our mission-critical solutions in their investigative efforts. This is demonstrated by our success in winning significant deals with both existing and new customers. The demand we are seeing validates our investment in advanced AI and analytics technology to shape the future of investigative analytics."

"We continue to benefit from healthy global demand, and strong visibility into our business," said David Abadi, Cognyte's chief financial officer. "As a result, we are raising our outlook for this year. In addition, our strong balance sheet, sustained revenue growth and expanding profitability reinforce our confidence in reaching our financial targets for the fiscal year ending January 31, 2028. Our commitment to delivering long-term shareholder value is reflected in our strong business performance and our capital allocation strategy."

FYE26 Outlook

Our outlook for the year ending January 31, 2026 ("FYE26" and "Fiscal 2026") is as follows:

- **Revenue:** \$397 million at the midpoint with a range of +/-2%, representing approximately 13% growth from previous year revenue.
- **Adjusted EBITDA:** Approximately \$45 million at the midpoint of our revenue outlook, representing approximately 55% year-over-year growth.
- **Non-GAAP Diluted EPS:** \$0.23 at the midpoint of our revenue outlook.

Additional Financial and Operational Data for the Second Quarter and Six Months Ended July 31, 2025

- **Q2 FYE26 and H1 FYE26 Total Software revenue**, which is the combination of software and software services revenue, increased by \$11.1 million and \$17.3 million, up 15.3% and 11.7%, respectively, compared to the same period last year.
- **Q2 FYE26 and H1 FYE26 Software revenue** increased by \$9.7 million and \$15.6 million, up 35.9% and 26.7%, respectively, compared to the same period last year, reflecting continuing demand for our solutions and the execution of our growth strategy. The increase was mainly driven by increased sales of software perpetual licenses.
- **Q2 FYE26 and H1 FYE26 Software services revenue** increased by \$1.4 million and \$1.7 million, respectively, compared to the same period last year.
- **Q2 FYE26 and H1 FYE26 Professional services and other revenue** increased by \$2.0 million and \$8.6 million, respectively, compared to the same period last year primarily related to revenue recognition timing and scale of deployments.
- **Q2 FYE26 Recurring Revenue⁽¹⁾** increased by 1.8% to \$47.4 million, compared to the same period last year and was 48.7% of total revenue.
- **Q2 FYE26 Non-GAAP Gross profit and margin** were \$70.3 million and 72.1%, respectively, an increase of \$10.1 million and 81 bps improvement compared to the same period last year. The increases are the result of the significant value customers derive from our innovative solutions, our competitive differentiation and our improved cost structure.
- **H1 FYE26 Non-GAAP Gross profit and margin** were \$139.0 million and 72.0%, respectively, an increase of \$20.0 million and 82 bps improvement compared to the same period last year.
- **Q2 FYE26 Billings⁽²⁾** increased by 19.5% to \$93.0 million compared to the same period last year.
- **Total Backlog⁽³⁾** at the end of **Q2 FYE26** was \$460.2 million and short-term Backlog was \$261.2 million.
- **Total RPO⁽⁴⁾** was \$574.5 million at the end of Q2 FYE26 compared to \$567.7 million at the end of Q2 FYE25.
- **Short-term RPO⁽⁴⁾** at the end of **Q2 FYE26** increased to \$355.0 million, providing solid visibility into revenue over the next 12 months.

For information about the non-GAAP financial measure or key metric, please see “Supplemental Information About Non-GAAP Financial Measures and Other Key Metrics” at the end of this release.

(1) Recurring Revenue – Recurring revenue is comprised primarily of revenue from support contracts as well as revenue from subscription offerings.

(2) Billings – Revenue plus the change in contract liabilities, contract assets and unbilled balances.

(3) Backlog represents unbilled amounts contracted under contracts deemed certain to be invoiced.

(4) RPO, or remaining performance obligations, represents contracted revenue that has not yet been recognized that will be invoiced and recognized as revenue in future periods.

Conference Call Information

We will conduct a conference call today at 8:30 a.m. ET to discuss our results for the three and six months ended July 31, 2025. A real-time webcast of the conference call with presentation slides will be available in the Investor

Relations section of Cognyte's website. Those interested in participating in the question-and-answer session need to register at: <https://register-conf.media-server.com/register/B165b4c7d5c6bb42ac94820af0d2a39e54> to receive the dial-in numbers and unique PIN to access the call seamlessly. It is recommended that you join 10 minutes prior to the event start (although you may register and dial in at any time during the call). An archived webcast of the conference call will also be available in the "Investors" section of the company's website.

About Cognyte Software Ltd.

Cognyte is a leading software-led technology company, focused on solutions for data processing and investigative analytics which allow customers to generate actionable intelligence from their data, thereby enabling a safer world. Cognyte's solutions empower law enforcement, national security, national and military intelligence agencies, and other organizations to navigate an increasingly complex landscape. With offerings that leverage state-of-the-art technology, including Artificial Intelligence (AI), big data analytics and advanced machine learning, Cognyte enables smarter, faster decisions for successful outcomes. Hundreds of customers rely on Cognyte solutions to uncover critical insights from past events and anticipate emerging threats. By harnessing AI-driven intelligence, Cognyte accelerates investigations with exceptional speed and accuracy while enabling customers to better anticipate, predict and mitigate threats with greater precision. Learn more at www.cognyte.com.

About Non-GAAP Financial Measures and Other Key Metrics

This press release and the accompanying tables include non-GAAP financial measures and other key metrics. For a description of these non-GAAP financial measures and other key metrics, including the reasons management uses each measure and metric, and reconciliations of non-GAAP financial measures presented for completed periods to the most directly comparable financial measures prepared in accordance with GAAP, please see the tables below as well as "Supplemental Information About Non-GAAP Financial Measures" at the end of this press release.

Our non-GAAP outlook for FYE26 excludes the following GAAP measures for which we are able to provide a range of probable significance:

- Stock-based compensation is expected to be between approximately \$20.5 and \$22.5 million, assuming market prices for our ordinary shares are generally consistent with current levels.
- Amortization expense of other acquired intangible assets is expected to be approximately \$0.5 million.

For additional information about our expectations for FYE26, please refer to the Q2 FYE26 conference call we will conduct on September 9, 2025.

Our non-GAAP outlook unless otherwise specified, reflects foreign currency exchange rates approximately consistent with current rates, and does not include the potential impact of any business acquisitions that may close after the date hereof.

We are unable, without unreasonable effort, to provide a reconciliation for other GAAP measures which are excluded from our non-GAAP outlook, including the impact of future business acquisitions or future acquisition expenses, future restructuring expenses, and non-GAAP income tax adjustments due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items. While historical results may not be indicative of future results, actual amounts for the three and six months ended July 31, 2025, and 2024, respectively, for the GAAP measures excluded from our non-GAAP outlook appear in Table 4 of this press release.

Caution About Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934. Forward-looking statements include statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Cognyte. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements. These forward-looking statements do not guarantee future performance and are based on management's expectations that involve a number of known and unknown risks, uncertainties, assumptions and other important factors, any of which could cause our actual results or conditions to differ materially from those expressed in or implied by the forward-looking statements. Some of the factors that could cause our actual results or conditions to differ materially from current expectations include, among others: uncertainties regarding the impact of changes in macroeconomic and/or global conditions; risks related to geopolitical changes and investor visibility constraints; risks related to new tariffs and retaliatory measures that may adversely affect the economy and reduce government spending; risks related to the impact of inflation and related volatility on our financial performance; risks relating to adverse changes to the regulatory constraints to which we are subject; risks related to the impact of disruptions to the global supply chain; risks resulting from health crises; risks related to conditions in Israel including Israel's conflict with Hamas and other terrorist organizations in the region since October 7, 2023; risks associated with customer concentration and challenges associated with our ability to accurately forecast revenue and expenses; risks associated with political and reputational factors related to our business or operations; risks associated with our ability to keep pace with technological advances and challenges and evolving industry standards; risks relating to proprietary rights infringement claims; risks relating to defects, operational problems, or vulnerability to cyber-attacks of our products or any of the components used in our products; risks related to the strengths of our intellectual property rights protection; risks that we may be unable to establish and maintain relationships with key resellers, partners, and system integrators and risks associated with our reliance on third-party suppliers for certain components, products or services; risks due to the aggressive competition in all of our markets; challenges associated with our long sales cycles and with the sophisticated nature of our solutions; risks associated with our ability or costs to retain, recruit and train qualified personnel; risks relating to our ability to properly manage investments in our business and operations, execute on growth or strategic initiatives; risks associated with acquisitions, strategic investments, partnerships or alliances; risk of security vulnerabilities or lapses, including cyber-attacks, information technology system breaches, failures or disruptions; risks associated with the mishandling or perceived mishandling of sensitive, confidential or classified information; risks associated with our failure to comply with laws; risks associated with our credit facilities or that we may experience liquidity or working capital issues and related risks that financing sources may be unavailable to us on reasonable terms; risks associated with changing tax laws and regulations, tax rates, and the continuing availability of expected tax benefits in the countries in which we operate; risks associated with our significant international operations, including due to our Israeli operations, fluctuations in foreign exchange rates, and exposure to regions subject to political or economic instability; risks associated with complex and changing regulatory environments relating to our operations and the markets we operate in; risks relating to the adequacy of our existing infrastructure, systems, processes, policies, procedures, internal controls and personnel for our current and future operations and reporting needs; risks related to the tax treatment of our spin-off from Verint; risks related to our share repurchase program, and risks associated with different corporate governance requirements applicable to Israeli companies and risks associated with being a foreign private issuer. ; and other risks set forth and in Section 3.D - “Risk Factors” in our latest annual report on Form 20-F for the fiscal year ended January 31, 2025, that was filed with the Securities and Exchange Commission (the “SEC”) on April 2, 2025, and in our subsequent filings with the SEC. In addition, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time. It is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this release are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. Any forward-looking statement made in this press release speaks only as of the date hereof. Except as otherwise required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances, or any other reason.

Table 1
COGNYTE SOFTWARE LTD.
Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands except share data)	Six Months Ended July 31,		Three Months Ended July 31,	
	2025	2024	2025	2024
Revenue:				
Software	\$ 73,970	\$ 58,377	\$ 36,599	\$ 26,932
Software service	91,417	89,693	46,740	45,338
Professional service and other	27,674	19,057	14,174	12,143
Total revenue	193,061	167,127	97,513	84,413
Cost of revenue:				
Software	9,571	10,036	3,580	4,186
Software service	21,430	21,888	10,974	11,253
Professional service and other	24,153	17,197	13,198	9,350
Total cost of revenue	55,154	49,121	27,752	24,789
Gross profit	137,907	118,006	69,761	59,624
Operating expenses:				
Research and development, net	58,305	53,005	29,207	26,180
Selling, general and administrative	74,627	68,528	37,732	34,762
Amortization of other acquired intangible assets	77	145	77	72
Total operating expenses	133,009	121,678	67,016	61,014
Operating income (loss)	4,898	(3,672)	2,745	(1,390)
Other income (expenses), net:				
Interest income	1,156	1,100	498	532
Interest expense	(114)	(39)	(61)	(29)
Other (expenses) income, net	(273)	284	(1,794)	86
Total other income (expenses), net	769	1,345	(1,357)	589
Income (loss) before provision for income taxes	5,667	(2,327)	1,388	(801)
Provision (benefit) for income taxes	2,791	2,129	(1,346)	54
Net income (loss)	2,876	(4,456)	2,734	(855)
Net income attributable to noncontrolling interest	2,388	2,595	1,265	1,079
Net income (loss) attributable to Cognyte Software Ltd.	\$ 488	\$ (7,051)	\$ 1,469	\$ (1,934)
Net income (loss) per share attributable to Cognyte Software Ltd.:				
Basic	\$ 0.01	\$ (0.10)	\$ 0.02	\$ (0.03)
Diluted	\$ 0.01	\$ (0.10)	\$ 0.02	\$ (0.03)
Weighted-average shares outstanding:				
Basic	72,611	71,425	72,992	71,800
Diluted	74,814	71,425	74,129	71,800

Table 2
COGYTE SOFTWARE LTD.
Condensed Consolidated Balance Sheets

(in thousands)	July 31, 2025	January, 31 2025
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 84,485	\$ 112,719
Restricted cash and cash equivalents and restricted bank time deposits	189	381
Accounts receivable, net of allowance for credit losses of \$0.7 million and \$1.1 million as of July 31, 2025 and 2025, respectively	121,637	109,374
Contract assets, net of allowance for credit losses of \$0.1 million and \$1 million as of July 31, 2025 and January 31, 2025, respectively	5,693	6,941
Inventories	16,514	18,988
Prepaid expenses and other current assets	41,930	37,750
Total current assets	270,448	286,153
Property and equipment, net	29,259	28,316
Operating lease right-of-use assets	35,004	35,214
Goodwill	126,969	126,148
Intangible assets, net	5,087	—
Deferred income taxes	3,275	3,094
Other assets	17,911	18,895
Total assets	\$ 487,953	\$ 497,820
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 20,830	\$ 25,216
Accrued expenses and other current liabilities	86,773	86,694
Contract liabilities	93,839	107,451
Total current liabilities	201,442	219,361
Long-term contract liabilities	20,463	22,868
Deferred income taxes	1,013	1,006
Operating lease liabilities	31,047	29,806
Other liabilities	8,920	7,676
Total liabilities	262,885	280,717
Commitments and Contingencies		
Stockholders' equity:		
Common stock - \$0 par value; Authorized 300,000,000 shares. Issued 75,063,648 and 72,642,930 at July 31, 2025 and January 31, 2025, respectively; Outstanding 72,969,110 and 72,057,202 shares at July 31, 2025 and January 31, 2025, respectively	—	—
Additional paid-in capital	384,397	374,126
Treasury stock, at cost 2,094,538 and 585,728 shares at July 31, 2025 and January 31, 2025, respectively	(19,985)	(5,276)
Accumulated deficit	(156,155)	(156,643)
Accumulated other comprehensive loss	(5,237)	(14,015)
Total Cognyte Software Ltd. stockholders' equity	203,020	198,192
Noncontrolling interest	22,048	18,911
Total stockholders' equity	225,068	217,103
Total liabilities and stockholders' equity	\$ 487,953	\$ 497,820

Table 3
COGNYTE SOFTWARE LTD.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Six Months Ended July 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 2,876	\$ (4,456)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,822	7,179
Allowance for credit losses	212	1,456
Stock-based compensation	10,272	8,955
Provision from deferred income taxes	50	105
Non-cash gains on derivative financial instruments, net	(494)	(113)
Other non-cash items, net	259	1,061
Changes in operating assets and liabilities:		
Accounts receivable	(5,340)	25,958
Contract assets	(4,525)	(5,940)
Inventories	2,523	(475)
Prepaid expenses and other assets	3,461	(6,182)
Accounts payable and accrued expenses	(4,000)	464
Contract liabilities	(17,131)	(11,134)
Other liabilities	415	(982)
Other, net	991	(100)
Net cash (used in) provided by operating activities	(4,609)	15,796
Cash flows from investing activities:		
Purchases of property and equipment	(5,999)	(2,861)
Settlements of derivative financial instruments not designated as hedges	523	141
Cash paid for capitalized software development costs	(707)	(1,385)
Proceeds from Business divestiture, net of cost	—	4,943
Acquisition of business, net of cash acquired	(4,275)	—
Change in restricted bank time deposits, including long-term portion	106	1,389
Net cash (used in) provided by investing activities	(10,352)	2,227
Cash flows from financing activities:		
Purchases of treasury stock	(14,709)	—
Repayment of principal portion of finance lease liability	(140)	—
Net cash used in financing activities	(14,849)	—
Foreign currency effects on cash, cash equivalents, restricted cash, and restricted cash equivalents	1,493	(289)
Net (decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(28,317)	17,734
Cash, cash equivalents, restricted cash, and restricted cash equivalents, beginning of period	112,904	80,396
Cash, cash equivalents, restricted cash, and restricted cash equivalents, end of period	\$ 84,587	\$ 98,130
Reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents at end of period:		
Cash and cash equivalents	\$ 84,485	\$ 91,741
Restricted cash and cash equivalents included in restricted cash and cash equivalents and restricted bank time deposits	102	6,382
Restricted cash and cash equivalents included in other assets	—	7
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 84,587	\$ 98,130

Table 4
COGNYTE SOFTWARE LTD.
Reconciliation of GAAP to Non-GAAP Measures
(Unaudited)

(in thousands, except per share data)	Six Months Ended July 31,		Three Months Ended July 31,	
	2025	2024	2025	2024
Operating income (loss), operating margin and adjusted EBITDA				
GAAP Operating income (loss)	\$ 4,898	\$ (3,672)	2,745	(1,390)
GAAP operating margin	2.5 %	(2.2) %	2.8 %	(1.6) %
Stock-based compensation expenses	10,272	8,955	5,099	5,063
Other Non-GAAP adjustments	405	989	179	771
Non-GAAP operating income	<u>\$ 15,575</u>	<u>\$ 6,272</u>	<u>\$ 8,023</u>	<u>\$ 4,444</u>
Depreciation and amortization	5,717	7,022	2,952	3,828
Adjusted EBITDA	<u>\$ 21,292</u>	<u>\$ 13,294</u>	<u>\$ 10,975</u>	<u>\$ 8,272</u>
Non-GAAP operating margin	<u>8.1 %</u>	<u>3.8 %</u>	<u>8.2 %</u>	<u>5.3 %</u>
Adjusted EBITDA margin	<u>11.0 %</u>	<u>8.0 %</u>	<u>11.3 %</u>	<u>9.8 %</u>
Net income (loss) attributable to Cognyte Software Ltd. reconciliation				
GAAP Net income (loss) attributable to Cognyte Software Ltd.	\$ 488	\$ (7,051)	1,469	(1,934)
Stock-based compensation expenses	10,272	8,955	5,099	5,063
Non-GAAP tax adjustments	(119)	(1,544)	(732)	(45)
Other Non-GAAP adjustments	405	1,001	179	771
Total adjustments	<u>10,558</u>	<u>8,412</u>	<u>4,546</u>	<u>5,789</u>
Non-GAAP Net income attributable to Cognyte Software Ltd.	<u>\$ 11,046</u>	<u>\$ 1,361</u>	<u>\$ 6,015</u>	<u>\$ 3,855</u>
Table comparing GAAP and Non-GAAP diluted net loss per share attributable to Cognyte Software Ltd.				
GAAP diluted net income (loss) per share attributable to Cognyte Software Ltd.	<u>\$ 0.01</u>	<u>\$ (0.10)</u>	<u>\$ 0.02</u>	<u>\$ (0.03)</u>
Non-GAAP diluted net income per share attributable to Cognyte Software Ltd.	<u>\$ 0.15</u>	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>\$ 0.05</u>
GAAP weighted-average shares used in computing diluted net income (loss) per share attributable to Cognyte Software Ltd.	<u>74,814</u>	<u>71,425</u>	<u>74,129</u>	<u>71,800</u>
Non-GAAP diluted weighted-average shares used in computing net income per share attributable to Cognyte Software Ltd.	<u>74,814</u>	<u>72,813</u>	<u>74,129</u>	<u>73,191</u>
Stock-based compensation				
Cost of revenue	\$ 1,112	\$ 976	556	562
Research and development, net	847	880	481	439
Selling, general, and administrative	8,313	7,099	4,062	4,062
Total stock-based compensation expense	<u>\$ 10,272</u>	<u>\$ 8,955</u>	<u>\$ 5,099</u>	<u>\$ 5,063</u>
Other Non-GAAP adjustments				
Research and development, net	—	123	—	79
Selling, general, and administrative	328	721	102	619
Amortization of other acquired intangible assets	77	145	77	73
Other income, net	—	12	—	—
Total other Non-GAAP adjustments	<u>\$ 405</u>	<u>\$ 1,001</u>	<u>\$ 179</u>	<u>\$ 771</u>

Footnotes

(1) The actual cash tax paid, net of refunds, was \$1.9 million and \$2.5 million for the three and six months ended July 31, 2025, respectively, and \$1.6 million and \$4.0 million for the three and six months ended July 31, 2024, respectively.

Cognyte Software Ltd. and Subsidiaries

Supplemental Information About Non-GAAP Financial Measures and Other Key Metrics

Non-GAAP Financial Measures

The press release includes reconciliations of certain financial measures not prepared in accordance with GAAP, consisting of non-GAAP operating income and operating margins, non-GAAP net income (loss) attributable to Cognyte, adjusted EBITDA and adjusted EBITDA margin, non-GAAP diluted net income (loss) per share attributable to Cognyte and non-GAAP diluted weighted-average shares used in computing such measure. The tables above include a reconciliation of each non-GAAP financial measure for completed periods presented in this press release to the most directly comparable GAAP financial measure.

We believe these non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business by:

- facilitating the comparison of our financial results and business trends between periods, by excluding certain items that either can vary significantly in amount and frequency, are based upon subjective assumptions, or in certain cases are unplanned for or difficult to forecast,
- facilitating the comparison of our financial results and business trends with other software companies who publish similar non-GAAP measures, and
- allowing investors to see and understand key supplementary metrics used by our management to run our business, including for budgeting and forecasting, resource allocation, and compensation matters.

We also make these non-GAAP financial measures available because our management believes they provide meaningful information about the financial performance of our business and are useful to investors for informational and comparative purposes.

Non-GAAP financial measures should not be considered in isolation as substitutes for, or superior to, comparable GAAP financial measures. The non-GAAP financial measures we present have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP, and these non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. These non-GAAP financial measures do not represent discretionary cash available to us to invest in the growth of our business, and we may in the future incur expenses similar to or in addition to the adjustments made in these non-GAAP financial measures. Other companies may calculate similar non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

Our non-GAAP financial measures are calculated by making the following adjustments to our GAAP financial measures:

Stock-based compensation expenses. We exclude stock-based compensation expenses related to restricted stock awards, stock bonus programs, bonus share programs, and other stock-based awards from our non-GAAP financial measures. We evaluate our performance both with and without these measures because stock-based compensation is typically a non-cash expense and can vary significantly over time based on the timing, size and nature of awards granted, and is influenced in part by certain factors which are generally beyond our control, such as the volatility of the price of our ordinary shares. In addition, measurement of stock-based compensation is subject to varying valuation methodologies and subjective assumptions, and therefore we believe that excluding stock-based compensation from our non-GAAP financial measures allows for meaningful comparisons of our current operating results to our historical operating results and to other companies in our industry.

Restructuring expenses. We exclude restructuring expenses from our non-GAAP financial measures, which include employee termination costs, facility exit costs, certain professional fees, asset impairment charges, and other costs directly associated with resource realignments incurred in reaction to changing strategies or business conditions. All of these costs can vary significantly in amount and frequency based on the nature of the actions as well as the

changing needs of our business and we believe that excluding them provides easier comparability of pre- and post-restructuring operating results.

Other adjustments. We exclude from our non-GAAP financial measures fair value adjustments related to revenue acquired in a business acquisition, amortization of acquired technology and other acquired intangible assets, acquisition expenses (benefit), separation expenses, business divestiture gain/losses, provision for legal claim, rent expense for redundant facilities, gains on change in fair value of equity investment, gains or losses on sales of property and certain professional fees unrelated to our ongoing operations.

Non-GAAP income tax adjustments. We exclude our GAAP provision (benefit) for income taxes from our non-GAAP measures of net income attributable to Cognyte Software Ltd., and instead include a non-GAAP provision for income taxes. Cognyte uses a full-year non-GAAP tax rate to compute the non-GAAP tax provision. This full-year non-GAAP tax rate is based on Cognyte's annual GAAP income, adjusted to exclude non-GAAP items, as well as the effects of significant non-recurring and period-specific tax items which vary in size and frequency. This annual non-GAAP tax rate is based on an evaluation of our historical and projected profit before tax, taking into account the impact of non-GAAP adjustments, tax law changes, as well as other factors such as our current tax structure, existing tax positions and expected recurring tax incentives. Our GAAP effective income tax rate can vary significantly from year to year as a result of tax law changes, settlements with tax authorities, changes in the geographic mix of earnings including acquisition activity, changes in the projected realizability of deferred tax assets, and other unusual or period-specific events, all of which can vary in size and frequency. We believe that our non-GAAP effective income tax rate removes much of this variability and facilitates meaningful comparisons of operating results across periods. We evaluate our non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our non-GAAP income tax rate can differ materially from our GAAP effective income tax rate.

Adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure defined as net income (loss) attributable to non-controlling interest before interest expense, interest income, income taxes, depreciation expense, amortization expense, revenue adjustments, restructuring expenses, acquisition expenses, and other expenses excluded from our non-GAAP financial measures as described above. We believe that adjusted EBITDA is also commonly used by investors to evaluate operating performance between companies because it helps reduce variability caused by differences in capital structures, income taxes, stock-based compensation accounting policies, and depreciation and amortization policies.

Other Key Metrics

Recurring revenue. Cognyte calculates recurring revenue for a period by combining revenue from initial and renewal support, subscription software licenses, and cloud-based SaaS in certain transactions. Recurring revenue is the portion of our revenue that we believe is likely to be renewed in the future. The recurrence of these revenue streams in future periods depends on a number of factors including contractual periods and customers' renewal decisions. Cognyte believes that recurring revenue provides investors more visibility into our recurring business in the upcoming years and helpful measurement of Cognyte's potential revenue. Cognyte does not consider recurring revenue to be a non-GAAP financial measure because it is calculated using GAAP revenue.

Billings. Cognyte calculates billings for a period by adding changes in contract liabilities, contract assets and unbilled balances in that period to revenue. Cognyte believes that billings help investors better understand sales activity and ongoing business for a particular period, which is not necessarily reflected in revenue. Billings fluctuate from quarter to quarter. Cognyte does not consider billings to be a non-GAAP financial measure because it is calculated using exclusively revenue, contract liabilities, contract assets and unbilled balances, all of which are financial measures calculated in accordance with GAAP.

Total Backlog and Short-Term Backlog. Backlog is defined as unbilled amounts contracted under contracts deemed certain to be invoiced and recognized as revenue in future periods. Short-term backlog represents backlog that

Cognyte expects to be recognized as revenue within the subsequent 12 months. Cognyte monitors backlog to provide visibility into our future revenue. Cognyte does not consider backlog to be a non-GAAP financial measure because it is calculated using exclusively unbilled contracted amounts.

Total Remaining Performance Obligations (RPO) and Short-Term RPO. RPO consist of backlog plus contract liabilities. RPO represents contracted revenue that has not yet been recognized, which includes contract liabilities and non-cancelable amounts that will be invoiced and recognized as revenue in future periods. The majority of our arrangements are for periods of up to three years, with a significant portion being one year or less. The timing and amount of revenue recognition for our RPO is influenced by several factors, including timing of support renewals, revenue recognition for certain projects that can extend over longer periods of time, delivery under which, for various reasons, may be delayed, modified, or canceled. Therefore, the amount of remaining obligations may not be a meaningful indicator of future results. In some cases, we may decide to cancel outstanding orders and reduce the RPO when there have been extended delays by customers in paying the agreed upon down payments or due to other reasons. Short-term RPO represents RPO that Cognyte expects to be recognized as revenue within the subsequent 12 months. Cognyte monitors RPO to provide visibility into our future revenue. Cognyte does not consider RPO to be a non-GAAP financial measure because it is calculated in accordance with GAAP, specifically under ASC Topic 606.