

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OF THE SECURITIES EXCHANGE ACT OF 1934
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- For the fiscal year ended
January 31, 2026
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-39829

Cognyte Software Ltd.

(Exact name of registrant as specified in its charter)

Not applicable
(Translation of Registrant's name into English)

Israel
(Jurisdiction of incorporation or organization)

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(Address of principal executive office)

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<u>Title of each class</u>	Securities registered or to be registered pursuant to Section 12(b) of the Act. <u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Ordinary Shares, no par value	CGNT	The Nasdaq Stock Market, LLC (Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act
None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:
73,078,376 Ordinary Shares, no par value, at January 31, 2026.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.
Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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INTRODUCTION AND USE OF CERTAIN TERMS

We have prepared this annual report on Form 20-F for the fiscal year ended January 31, 2026 (this “Form 20-F” or “Annual Report”) using a number of conventions which you should consider when reading the information contained herein. In this Form 20-F, “we,” “us,” “our” and “Cognyte” shall refer to Cognyte Software Ltd., together with its consolidated subsidiaries, as a consolidated entity.

We are a leading software-driven technology company focused on investigative analytics solutions that help customers generate actionable intelligence from large volumes of complex data, across diverse operational domains, in order to enhance public safety and security.

Formerly a business unit of Verint Systems Inc. (“Verint”), we were formed in May 2020 under the name “Cognyte Software Ltd.” and, after previously being part of Verint, we converted into an independent public company through a spin-off from Verint on February 1, 2021. Our shares are listed on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “CGNT.”

Additionally, as used in this Annual Report, except where the context otherwise requires or where otherwise indicated:

- “Cognyte Business” or “our business” refers to our business, which, prior to the spin-off, was operated by Verint as its Cyber Intelligence Solutions business;
- “distribution” refers to the transaction in which Verint distributed to Verint shareholders, on a pro rata basis, 100% of our shares;
- “internal transactions” refers to the series of related internal transactions pursuant to which Verint transferred and assigned to us the Cognyte Business immediately prior to the consummation of the spin-off;
- “separation” refers to the transaction in which Verint transferred certain operations and assets of its Cognyte Business unit to us;
- “SIS” refers to our situational intelligence solutions business, which was part of our Threat Intelligence Analytics offering, and which was divested on December 1, 2022; and
- “spin-off” refers collectively to the separation and the distribution.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our consolidated financial statements responsive to Item 17 of this Annual Report are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). We present our consolidated financial statements in U.S. dollars.

Our fiscal year ends on January 31 of each year. References to fiscal year ended January 31, 2022 or fiscal year 2022 refer to the fiscal year starting February 1, 2021 and ending January 31, 2022; references to fiscal year ended January 31, 2023 or fiscal year 2023 refer to the fiscal year starting February 1, 2022 and ending January 31, 2023; references to fiscal year ended January 31, 2024 or fiscal year 2024 refer to the fiscal year starting February 1, 2023 and ending January 31, 2024; references to fiscal year ending January 31, 2025 or fiscal year 2025 refer to the fiscal year starting February 1, 2024 and ending January 31, 2025; references to fiscal year ending January 31, 2026 or fiscal year 2026 refer to the fiscal year starting February 1, 2025 and ending January 31, 2026; and references to fiscal year ending January 31, 2027 or fiscal year 2027 refer to the fiscal year starting February 1, 2026 and ending January 31, 2027.

All references in this Annual Report to “Israeli currency” and “NIS” refer to New Israeli Shekels, the terms “dollar,” “USD” or “\$” refer to U.S. dollars, and the terms “€” or “Euro” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

Certain monetary amounts, percentages and other figures included elsewhere in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

TRADEMARKS

We have proprietary rights to trademarks used in this Annual Report that are important to our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the “®” or “™” symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report is the property of its respective holder.

MARKET INFORMATION

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by independent third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of our industry, which we believe to be reasonable.

None of the independent industry publications relied upon by us or otherwise referred to in this Annual Report were prepared on our behalf. Although we believe the data from these third-party sources is reliable, we have not independently verified any such information, and these sources generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed.

Projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and “Special Note About Forward-Looking Statements and Risk Factor Summary.” These and other factors could cause results to differ materially from those expressed in the estimates made by independent third parties and by us.

Certain estimates of market opportunity and forecasts of market growth included in this Annual Report may prove to be inaccurate. The market for our products may experience changes over time. The estimates and forecasts in this Annual Report relating to the size of our target market, market demand and adoption, capacity to address this demand and pricing may prove to be inaccurate. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates in this Annual Report, our business could fail to grow at similar rates, if at all.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

This Annual Report contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the U.S. Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this Annual Report other than statements of historical fact, including, without limitation, statements regarding our future results of operations and financial position, growth strategy, plans and objectives of management for future operations, including, among others, expansion in new and existing markets, development and introductions of new products, capital expenditures and debt service obligations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “potential,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “forecasts,” “aims,” “plan,” “target,” and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. These forward-looking statements are principally contained in the sections entitled Item 3.D. “Key Information — Risk Factors,” Item 4. “Information on the Company,” and Item 5. “Operating and Financial Review and Prospects.” These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements. The below is also a summary of the risk factors described in Item 3.D “Key Information – Risk Factors” of this Annual Report.

- Risks associated with macroeconomic and/or global conditions.
- Risks related to government contract dependency, including procurement risks, risks related to geopolitical changes and investor visibility constraints.
- Risks associated with our international operations, including due to fluctuations in foreign exchange rates and exposure to regions subject to political or economic instability.
- Risks related to the impact of inflation and related volatility on our financial performance.
- Risks associated with new tariffs and retaliatory measures that may adversely affect the economy and reduce government spending.
- Risks related to the impact of disruptions to the global supply chain.
- Risks associated with the conditions in Israel, including Israel's conflicts in the region.
- Risks associated with customer concentration and challenges associated with our ability to accurately forecast revenue and expenses.
- Risks associated with our ability to keep pace with technological advances and challenges, and evolving industry standards.
- Risks due to the aggressive competition in all of our markets.
- Risks associated with implementation and use of artificial intelligence tools and technology, including competitive, technological and market risks.
- Risks associated with political and reputational factors related to our business or operations.
- Challenges associated with our long sales cycles and with the sophisticated nature of our solutions and customers.
- Risks relating to adverse changes to the regulatory constraints to which we are subject.
- Risks associated with our need to retain, recruit and train qualified personnel.
- Risks relating to our ability to properly manage investments in our business and operations, and execute growth or strategic initiatives.
- Risks associated with acquisitions, strategic investments, partnerships or alliances.
- 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 relating to defects, operational problems, or vulnerability to cyber-attacks of our products or any of the components used in our products.
- Risks associated with the mishandling or perceived mishandling of sensitive, confidential or classified information.
- 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 associated with our failure to comply with laws.
- Risks related to the strength of our intellectual property rights protection.
- Risks relating to proprietary rights infringement claims.
- 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 tax benefits in the countries in which we operate.
- Risks related to the tax treatment of our spin-off from Verint.
- Risks associated with different corporate governance requirements applicable to Israeli companies and risks associated with being a foreign private issuer.

Some of these factors are discussed in more detail in this Annual Report, including under “Item 3. Key Information—3.D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.”

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in this Annual Report. Moreover, we operate in an evolving environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any estimates or forward-looking statements. We qualify all of our estimates and forward-looking statements by these cautionary statements.

The estimates and forward-looking statements contained in this Annual Report speak only as of the date of this Annual Report. Except as required by applicable law, we undertake no obligation to publicly update or revise any estimates or forward-looking statements contained in this Annual Report, whether as a result of any new information, future events or otherwise, or to reflect the occurrence of unanticipated events or otherwise.

PART 1

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

3.A. Reserved

3.B. CAPITALIZATION AND INDEBTEDNESS

Not Applicable.

3.C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not Applicable.

3.D. RISK FACTORS

You should carefully consider the risks described below, together with all of the other information included in this Annual Report, in evaluating us and our shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Annual Report.

Risks Associated with Macroeconomic and Global Conditions

Our business is impacted by changes in macroeconomic and/or global conditions and by the resulting impact on information technology spending and government budgets.

We generate the substantial majority of our revenue from sales to government agencies around the world, including national, regional and local government agencies. We expect that government contracts will continue to be a significant source of our revenue for the foreseeable future. Governmental budget allocations and demand for information technology, including solutions like ours, are significantly impacted by macroeconomic changes that governments may face. Such changes include global and regional conflicts, increasing inflation and interest rates, tariffs (and related retaliatory measures), tightening credit markets, disruptions in government funding processes such as U.S. government shutdowns, global health crises, supply challenges, changes in commodity or energy prices, and actual or threatened trade wars or restrictions on international trade. Historically, governmental agencies facing economic challenges, fiscal pressure, government shutdowns, reduced budgets, liquidity issues, restrictions on trade or other macroeconomic challenges have deferred purchase decisions or projects related to our solutions, been slow to convert awards or pilot deployments into contracts, canceled or reduced orders, and delayed or defaulted on payments to us. We expect governmental agencies facing similar challenges in the future to take similar actions. As a result, our business is subject to risks arising from adverse changes in domestic and global macroeconomic and other conditions. Such events have caused, and will likely continue to cause, governments around the world and other customers to delay, reduce or even cancel planned spending or projects, and may continue to impact our business and operations.

If governmental agencies reduce their spending with us, significantly delay projects, or significantly delay or fail to make payments to us, our business, results of operations, and financial condition may be materially adversely affected. This risk may be further elevated if such macroeconomic changes occur in a jurisdiction in which we have experienced significant customer concentration. See “Market and Strategy Risks — We have experienced significant customer concentration in recent periods, and our revenue levels would likely decline if any significant customer failed to purchase products or services from us at anticipated levels.”

A significant portion of our business comes from government contracts, which exposes us to additional risks inherent in the government procurement process, potential adverse changes in the geopolitical environment, and limitations on investor visibility due to classification or contractual restrictions.

We provide products and services, directly and indirectly, to a variety of government entities around the world, including pursuant to contracts awarded to us under defense and homeland security-related programs. A majority of our revenue comes from sales to such governmental agencies, governmental authorities and government-owned companies.

Risks associated with licensing and selling products and services to government entities include more extended sales and collection cycles, varying governmental budgeting processes, adherence to complex procurement regulations, and other government-specific contractual requirements, including possible renegotiation or termination at the election of the government customer, including due to geopolitical events and macroeconomic conditions that are beyond our control. Additionally, sometimes procurement may be put on hold, for example during election periods, during actual or potential government shutdowns or due to other internal political developments, which can delay or prevent the conversion of identified opportunities or awards into signed contracts, further affecting revenue predictability. We may also be subject to offset requirements in our contracts with government entities that require us to spend money that we receive under the sale transaction, or to retain services that are needed in connection with our systems and products, in the country of the purchaser. This could reduce the economic value of the sales of our systems and products from our perspective. We may also be subject to audits, investigations or other proceedings relating to our government contracts and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, payment of fines, and suspension or debarment from future government business, as well as harm to our reputation and financial results.

Our revenue from governmental entities is directly affected by those entities' budgetary constraints and the priority allocated in their budgets to the procurement of our products. This risk is heightened during periods of global economic slowdown and during government shutdowns or other disruptions in government funding processes. Accordingly, governmental purchases of our systems, products and services may decline in the future if governmental purchasing agencies terminate, reduce or modify contracts.

Additionally, a significant portion of our government business is subject to security restrictions, either as a result of governmental classification requirements or contractual requirements, which, among other things, generally preclude us from disclosing certain information about these transactions, customarily including the identity of the customer and the solutions we are providing to the customer. As a result, our investors have less visibility into certain of our engagements which are subject to such restrictions than into our business or contracts with customers and companies that are not subject to such restrictions.

Because we have significant operations and business around the world, we are subject to geopolitical and other risks that could materially adversely affect our results.

We have significant operations and business around the world, including sales, research and development, manufacturing, customer services and support, and administrative services. The countries in which we have our most significant operations include Brazil, Bulgaria, Cyprus, Germany, India, Israel and Romania. We also generate significant revenue from customers in more than a dozen other countries, and smaller amounts of revenue from customers in many more countries, including a number of emerging markets. We intend to continue to grow our business internationally.

Our global operations are, and any future growth will be, subject to a variety of risks, many of which are beyond our control, including risks associated with, but not limited to:

- foreign currency fluctuations;
- political, security, and economic instability or corruption;
- geopolitical risks from war, natural disasters, pandemics or other events;
- tariffs and related retaliatory measures;
- government shutdowns;
- changes in international and local laws and regulations, including those related to trade compliance, anti-corruption, information security, data privacy and protection, AI, tax, labor, currency restrictions and other requirements;
- differences in tax regimes and potentially adverse tax consequences of operating in foreign countries;

- product customization or localization issues;
- preferences for or policies and procedures that protect local suppliers;
- legal uncertainties regarding intellectual property rights or rights and obligations generally; and
- challenges or delays in collection of accounts receivable.

Any or all of these factors could materially adversely affect our business or results of operations.

Inflation, foreign currency fluctuations and related volatility in the global economy could negatively impact our results of operations.

In addition to reduced government spending, macroeconomic uncertainty, foreign exchange volatility, and adverse currency movements, which may result in reduced demand for our solutions, rising inflation and interest rates may result in increased costs. A significant portion of our expenses, primarily labor expenses, is denominated in New Israeli Shekels and Euro, while a substantial portion of our revenue is denominated in U.S. dollars. As a result, fluctuations in foreign currency exchange rates, particularly a weakening of the U.S. dollar against the New Israeli Shekel or Euro, may increase our expenses in U.S. dollar terms and adversely affect our results of operations.

The annual inflation rate in Israel was approximately 3% for the year ended December 31, 2025. If inflation rates in Israel and other places in which we operate or incur costs continue to increase or persist for a prolonged period of time, or if unfavorable foreign currency exchange rate movements continue, it may continue to affect our expenses, including, but not limited to, employee compensation expenses and benefits, and general administrative costs. In addition, sustained inflationary pressures or adverse currency fluctuations may limit our ability to effectively forecast costs, manage budgets, or maintain historical margin levels.

In the event of inflation increasing beyond expectations, higher interest rates or adverse foreign currency exchange rate movements, we may seek to increase the sales prices of our products and solutions in order to maintain satisfactory margins. Any attempts to offset cost increases with price increases may result in reduced sales, increase customer dissatisfaction or otherwise harm our reputation. Furthermore, our ability to mitigate the impact of currency fluctuations through hedging or other financial strategies may be limited and may not be effective, which could further adversely affect our financial condition and results of operations.

New tariffs and retaliatory measures may adversely affect the economy and reduce government spending, which could negatively impact our business.

Changes in trade policies, including the imposition of new tariffs, export controls, sanctions and other trade restrictions by the U.S. government or other governments, have had a significant impact on the domestic and global economy. Governments may implement tariffs on imported goods, leading to increased costs for businesses and consumers. Additionally, governments may respond with retaliatory tariffs and trade barriers, further disrupting global supply chains, increasing costs, and creating economic uncertainty.

Such trade policies could contribute to slower economic growth, higher inflation, and increased market volatility, which may, in turn, negatively impact government revenues and budgetary allocations. If economic conditions deteriorate as a result of new tariffs or retaliatory measures, government spending, particularly in areas relevant to our solutions, could be reduced. Any such reduction in government expenditures could materially and adversely affect our financial condition, results of operations, and prospects.

Furthermore, tariffs or other trade restrictions imposed in the U.S. or elsewhere could potentially affect our component and manufacturing costs, which may impact our pricing strategies and may also impact our gross margins. Such price adjustments might influence our competitive positioning in certain markets, particularly in comparison to competitors with different supply chain structures.

We cannot predict the nature, timing, or scope of future trade policies or restrictions, nor the extent of their economic impact. However, any significant reduction in government spending resulting from economic downturns related to trade tensions could negatively affect demand for our products and services, disrupt our supply chain, and adversely impact our overall business operations.

The regulatory landscape may change the demand for our products and services.

The domestic and international regulatory landscape governing the sale and usage of our solutions is subject to constant change, often influenced by factors beyond our control or anticipation. Such factors may include a spectrum of elements, including the dynamic political climate, budgetary considerations, evolving international relations between countries and organizations, public sentiment, pressures from prominent institutional investors, politicians and public bodies, media and non-governmental organizations (NGOs), as well as various events in international affairs. Changes in the legislation, regulation or policies governing the sale and usage of our solutions, including changes in the interpretation of existing legislation, regulation and policies, could reduce the demand for our solutions or necessitate adjustments to product design and functionality, all in order to ensure continued compliance and competitiveness. Evolving export control regulations and related restrictions on transfers of technology and technical data across borders may affect our ability to offer certain solutions in some jurisdictions or may require us to adjust product features to comply with applicable regulatory requirements. For example, legislative requirements mandating telecommunication providers to facilitate the monitoring of communications by law enforcement, or governing the purchase and usage of security solutions similar to ours, can significantly impact the market demand for some of our solutions. Similarly, emerging data-protection, privacy and AI-governance frameworks may impose limits on data usage, require enhanced transparency, or restrict certain functionalities, which could influence customer requirements or product design. These frameworks are evolving rapidly across multiple jurisdictions and have already resulted in increased compliance requirements and operational constraints. Such regulations may also influence customer requirements for particular functionalities, performance standards, or adherence to technical specifications. The ability to successfully anticipate and adapt to these regulatory or policy shifts is critical to our continued success. Failure to do so, whether due to an inability to foresee regulatory or policy changes or an inability to promptly redesign our products to meet evolving standards, may have a material adverse effect on our operational results.

In recent years, the usage of solutions like ours and other tools and products for the collection, analysis and fusion of data and communication as well as advanced cyber tools have faced increased attention and in some cases scrutiny, including by some regulators, government officials, media and influential politicians. As a result, there has been, and there will likely be, additional legislation and regulatory initiatives, as well as calls for changes in policies, intended to impose new definitions and possibly limit or restrict the sale and usage of solutions that may also include some of our solutions. These initiatives and policy changes may result in reduced demand for some of our solutions or limitations in our business environment. There is no assurance that we will be able to timely identify legislation, regulation or policy changes or that if we identify such changes that we will be able to modify our solutions to meet any new requirements. Furthermore, we cannot ensure that demand for our solutions or our ability to pursue our business will not be impacted by such changes even if we will be able to modify the solutions to comply with any new requirements.

Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy resulting from ongoing global or regional conflicts or any other geopolitical tensions.

Ongoing and emerging global conflicts, including the Russia-Ukraine conflict, tensions between China and Taiwan and more recently, the expansion of military activity by Israel, in coordination with the U.S., against Iran, including strikes targeting Iran's nuclear and ballistic missile capabilities, as part of "Operation Epic Fury," a joint U.S.-Israel initiative, as well as heightened geopolitical tension, have led to and could continue to cause significant market disruptions. Such developments have included episodes of direct military engagement, retaliatory actions across the Middle East, interruptions to commercial shipping, and increased exposure of critical energy infrastructure and key maritime corridors, including the Strait of Hormuz, to heightened risk. These disruptions may include volatility in commodity prices, uncertainty in credit and capital markets, restrictions on international trade as a result of export restrictions, sanctions, and currency control measures, as well as supply chain interruptions. Additionally, coordinated sanctions, trade restrictions, and economic measures imposed by various governments in response to geopolitical events could further impact global financial stability and economic growth. Specifically, since the commencement of Russia's military actions against Ukraine a sustained and coordinated regime of export restrictions and sanctions has been imposed by the United States, the European Union, the United Kingdom, and numerous other countries against Russia and Belarus. Furthermore, Russian authorities have imposed significant currency control measures, other sanctions and imposed other economic and financial restrictions. Additional or escalated geopolitical tensions or conflicts could result in further sanctions, export restrictions, or other countermeasures, any of which could negatively impact the global economy and financial markets and could adversely affect our business.

While we do not trade with any Russian or Belarusian governmental agencies or with any of the entities which are the target of sanctions, any of the above-mentioned factors could adversely affect our business, prospects, financial condition, and operating results and/or exacerbate other risks highlighted in this Annual Report. Disruptive impacts of conflicts and tensions, especially in countries where we have significant operations or facilities, may require us to reevaluate our operations there and/or otherwise harm our business. In addition, armed conflicts and geopolitical instability, including in the Middle East, may prompt governments to redirect resources toward defense or emergency needs, which could lead to postponements, reductions

or cancellations of spending on technology initiatives, and may cause customers or partners to delay or scale back investment and purchasing decisions.

Disruptions to the global supply chain have adversely affected our financial results and may negatively impact government spending.

The global supply chain remains susceptible to significant disruptions due to ongoing challenges of electronic components and labor shortages and other macroeconomic factors. These disruptions, which have persisted since 2022, continued throughout 2025 and are expected to continue into 2026. In addition, heightened geopolitical tensions and regional conflicts have contributed to increased instability in global trade and logistics, including attacks on maritime shipments in key shipping routes, posing a risk to our global supply chain. These disruptions have already contributed to increased costs, delivery delays, adversely impacting our financial results, and similar or more severe disruptions in the future - including electronic components and other products upon which we rely, extended lead times, and increased cost of freight, insurance, purchased materials and manufacturing labor- could further negatively affect our business. If the impacts of the supply chain disruptions are more severe than we expect, particularly with respect to components for which we rely on a limited number of suppliers, it could result in even longer lead times and further increased costs, all of which could materially adversely affect our business, financial condition and results of operations. In addition, governments may reduce their budgets or defer purchase decisions until supply chain disruptions lessen.

Furthermore, actions we take to mitigate supply chain risks, such as increasing inventory levels or qualifying alternative suppliers, may require additional working capital and could result in higher carrying costs or excess or obsolete inventory. Supply chain disruptions may also limit our ability to meet contractual delivery requirements, which could expose us to penalties or contract cancellations. In addition to supplier-specific risks, broader shifts in global technology supply and demand, including increased investment in advanced computing infrastructure and concentrated manufacturing, have led to periodic shortages, longer lead times, and higher costs for servers, networking equipment, storage, and silicon-based technologies, potentially constraining availability and increasing procurement costs.

These rising procurement costs, particularly for essential IT hardware and infrastructure, may have a direct impact on our financial performance. We may not be able to pass these increased hardware costs to our customers for our existing commitments, which could lead to significant margin compression. Furthermore, while we may attempt to implement price increases for future contracts, expansions or renewals, there is no assurance that customers will have sufficient budget or will accept such increases, or that any such increases will adequately offset the rising costs of infrastructure.

Additionally, government customers may delay, reduce, or cancel procurement programs due to supply chain uncertainty, budget constraints, or shifting priorities, which could negatively impact our revenues and backlog.

Conditions in Israel, including Israel's conflicts with Iran and other hostile actors in the region, as well as political and economic instability, may adversely affect our operations and limit our ability to produce, market and sell our products, which would lead to a decrease in revenues.

We are headquartered and have significant operations in Israel. The majority of our management, employees and consultants, including employees of our service providers, are located in Israel. Our business and operations are directly affected by economic, political, geopolitical and military conditions in Israel.

Since its establishment in 1948, the State of Israel has been subject to ongoing security concerns and challenges, as well as armed conflicts with its neighbors. Although Israel has entered into various agreements with such countries and groups, there has been an increase in unrest and terrorist activity, which began in September 2000 and continued with varying levels of severity throughout 2025, including the war following the October 7, 2023 Hamas attacks on Israel's southern border, which expanded into a broader regional escalation involving Iran and Iran-backed groups, including Hezbollah, militias in Syria and Iraq, and the Houthis in Yemen.

During 2024 and 2025, Israel and Iran engaged in episodic direct hostilities, and in February 2026 Israel and the United States commenced a joint operation against Iran, which has resulted in Iranian missile and drone attacks against Israel, U.S. targets and other countries in the region. As of the date of this Annual Report, these developments are ongoing and their outcome and impact remain uncertain. Notwithstanding any ceasefires that are entered into, there is no certainty that any such ceasefire will be sustained and hostilities may resume or even escalate. Future developments are unpredictable in the region. Actual or perceived political or security instability in Israel, or changes in the political environment, could adversely affect the Israeli economy and, in turn, our business, financial condition, results of operations and prospects.

Regional hostilities have also included threats to international maritime routes and energy supply chains, including the potential disruption of shipping through the Strait of Hormuz, which could negatively affect global and Israeli economic conditions.

Hostilities and regional tensions have caused and may continue to cause damage to private and public facilities, infrastructure, utilities and telecommunication networks, and may disrupt our operations and supply chains. Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of certain direct damages caused by terrorist attacks or acts of war, we cannot assure you that such government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business.

In connection with armed conflicts and security events, Israeli military reservists may be called up for service, including for extended periods. Some of our employees have been and may in the future be called up for active military duty, and their absence may materially and adversely affect our ability to conduct our operations.

In addition, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

Political conditions within Israel may also affect our operations. The Israeli government has pursued, and may continue to pursue, changes to Israel's judicial system, which has contributed to uncertainty and could lead to political instability or civil unrest. Any such developments could adversely affect the business environment in Israel and our business and operations.

Risk of Disruption from Regional or Global Health Crises

Regional or global health crises, and the measures taken to mitigate their effects, have disrupted in the past and may disrupt in the future our operations and financial performance. These events can disrupt supply chains, reduce customer demand for our products and services, and impact the availability of our workforce. Additionally, government responses to such health crises may lead to changes in budgetary priorities, potentially affecting our customers' spending and procurement decisions. Such disruptions could materially and adversely affect our business, financial condition, and results of operations.

Market and Strategy Risks

Large orders or contracts, customer concentration, and other factors have significantly impacted and may significantly impact in the future our results from period to period.

It is customary for us to receive large orders from time to time, either as part of a new contract or under an existing contract. We also have long-standing relationships with certain customers, resellers and partners that have historically accounted for a significant amount of our annual revenue. Any decision of said customers, resellers or partners, to stop or significantly reduce their business with us, for commercial, geopolitical or any other reason, may cause a significant decrease of our revenue and periodic variations in results of operations. A single customer or reseller, or a small number of customers, have historically and may in the future represent a substantial portion of our revenue in such periods, either in the form of a single order or in the form of multiple separate orders. A significant order during one period is usually not followed by further significant orders from the same customer in subsequent periods, and may not be followed by similarly-sized orders from other customers. As a result, our revenue and operating results are subject to substantial periodic variations, especially from quarter to quarter, in the event of receipt of one or more significant orders, a deferral or loss of one or more significant orders, a delay in a large implementation, or a deterioration in our relationship with a significant customer.

Since our quarterly performance may vary significantly, our results of operations for any quarter or fiscal year are not necessarily indicative of the results that we might achieve for any subsequent period. Accordingly, quarter-to-quarter and year-to-year comparisons of our operating results may not be meaningful. In addition, we have an order backlog that is generally composed of orders that are fulfilled within a period of three to thirty six months after receipt, which makes revenue in any quarter substantially dependent upon orders received in prior quarters. The extended time frame and uncertainty associated with many of our sales opportunities also makes it difficult for us to accurately forecast our revenues (and attendant budgeting and guidance decisions) and increases the volatility of our operating results from period to period. Our ability to forecast and the volatility of our operating results is also impacted by the fact that pricing, margins, and other deal terms have in the past and may in the future vary substantially from transaction to transaction, especially across product lines and regions. The terms of our transactions, including with respect to pricing, future deliverables, and termination clauses, and dependency of our customers readiness for deployment also impact the timing of our ability to recognize revenue. Because these transaction-

specific factors are difficult to predict in advance, this also complicates the forecasting of revenue and creates challenges in managing our revenue mix.

As with other software-focused companies, a large amount of our quarterly business tends to come in the last few weeks, or even the last few days, of each quarter. This trend has complicated in the past and may in the future complicate the process of accurately predicting revenue and other operating results, particularly on a quarterly basis. Our business is subject to seasonal factors that may also cause our results to fluctuate from quarter to quarter. See “Item 4B. Information on the Company—Business Overview—Seasonality”. This has impacted and may also impact in the future our ability to accurately predict our earnings, which could in turn adversely affect the trading price of our ordinary shares. For more information, see “Risks Related to our Ordinary Shares—If we do not meet the expectations of securities analysts, if they do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our ordinary shares, or, alternatively, if we do not meet our own earnings guidance, the price of our ordinary shares could decline”.

We have experienced significant customer concentration in recent periods, and our revenue levels would likely decline if any significant customer failed to purchase product or services from us at anticipated levels.

For the year ended January 31, 2026, we had one significant government customer that represented approximately 18% of our total revenue. For the years ended January 31, 2025 and 2024, we had two significant government customers that jointly represented approximately 30%, and 28%, respectively, of our total revenue. We define a customer as an organization from which we have recognized revenue in a reporting period. In situations where we sell to a governmental organization that acts on behalf of multiple agencies or departments, we treat that organization as the customer for reporting purposes notwithstanding that each of the underlying agencies or departments is generally making its own independent purchasing decisions. Our contracts with government customers, or when the end user is a government customer, contain customary terms and conditions for government contracts of this kind, including a right for the customer to terminate the applicable contract with or without cause upon notice. The loss of one or more of these contracts (which are separately terminable) could have a material adverse impact on our operation results, especially in the short-term. In the past, orders from our largest customers have fluctuated from time to time based on our customers’ needs or other factors outside of our control. To the extent that any of these customers terminates its relationship with us or fails to purchase products or services from us at the anticipated levels, it may negatively impact our results of operations. Furthermore, we often sell our products and solutions in certain jurisdictions through resellers. A single reseller, or a small number of resellers, have historically and may in the future represent a substantial portion of our revenue in a given period. If any such reseller terminates its engagement with us, or will alternatively work on an exclusive basis with any of our competitors, it could negatively impact our results of operations, especially in the short-term. See “Risks Related to Our Business and Operations—If we are unable to establish and maintain our relationships with third parties that market and sell our products, our business and ability to grow could be materially adversely affected.”

The industry in which we operate is characterized by rapid technological changes, evolving industry standards and challenges, and changing market potential, and if we cannot anticipate and react to such changes our results may suffer.

The markets for our products are characterized by rapidly-changing technologies and evolving industry standards and challenges. The introduction of products embodying new technologies, new delivery platforms, the commoditization of older technologies, and the emergence of new industry standards and technological hurdles can exert pricing pressure on existing products and services and/or render them unmarketable or obsolete.

In addition, changes such as the increasing use of artificial intelligence (AI), including generative AI (GenAI), the increasing complexity and sophistication of security threats, the exponential growth in data and prevalence of encrypted communications have created significantly greater challenges for our customers and for our solutions to address.

In recent years we have enhanced our solutions by using AI, including GenAI. Continuing to embed AI models seamlessly into our solutions may present challenges, resulting in delays or limitations in product development. Ensuring the successful incorporation of these advanced technologies requires overcoming obstacles related to algorithmic bias, discrimination, hallucinations, deployment, transparency and staying aligned with evolving regulatory frameworks. Our ability to continue to navigate these challenges and further integrate AI and GenAI seamlessly into our solutions will have a significant impact on our competitiveness and the value we provide to customers.

Moreover, the market potential and growth rates of the markets we serve are not uniform and are evolving. It is critical to our success that we are able to anticipate and respond to changes in technology and industry standards and new customer challenges by consistently developing new, innovative, high-quality products and services that meet the changing challenges and needs of our customers. We must also successfully identify, enter, and appropriately prioritize areas of growing market potential, including by launching, successfully executing, and driving demand for new and enhanced solutions and services, while simultaneously preserving our legacy businesses and migrating away from areas of commoditization. We must also develop and maintain the expertise of our employees as the needs of the market and our solutions evolve. If we are unable to execute on these strategic priorities, we may lose market share or experience slower growth, and our profitability and other results of operations may be materially adversely affected.

Intense competition in our markets and competitors with greater resources than us may limit our market share, profitability, and growth.

We face aggressive competition from numerous and varied competitors in all of our markets, making it difficult to maintain market share, remain profitable, invest and grow. We are also encountering new competitors as we expand into new markets or as new competitors expand into ours. Our competitors may be able to more quickly develop or adapt to new or emerging technologies, better respond to changes in customer needs or preferences, better identify and enter into new areas of growth, or devote greater resources to the development, promotion and sale of their products. Additionally, our competitive landscape is becoming increasingly intricate with the rapid evolution of AI technologies. In this dynamic environment, competitors may exploit disruptions, and leverage shortened development cycles to swiftly introduce innovations that could pose a significant threat to our market position. The accelerated pace of AI development may compel our customers to quickly adapt to technological progress introduced by our competitors. A delayed response to shifts in customer needs, preferences or technological trends could erode our competitive edge. This could impact our market share and/or our ability to remain profitable, invest strategically and sustain long-term growth. Some of our competitors have, in relation to us, longer operating histories, larger customer bases, longer standing relationships with customers, superior brand recognition, superior margins, and significantly greater financial or other resources, especially in new markets we may enter. Consolidation among our competitors may also improve their competitive position. We also face competition from solutions developed internally by our customers or partners. For more information, see “Item 4B. Information on the Company—Business Overview—Competition.” To the extent that we cannot compete effectively, our market share and results of operations would be materially adversely affected.

Because price and related terms are key considerations for many of our customers, we may have to accept less-favorable payment terms, lower the prices of our products and services, and/or reduce our cost structure, including reducing headcount or investment in research and development, in order to remain competitive. If we are forced to take these kinds of actions to remain competitive in the short-term, such actions may adversely impact our ability to execute and compete in the long-term.

If we are unable to develop enhancements to our products, increase adoption and usage of our products, and introduce new products and capabilities that achieve market acceptance, our business, financial condition and results of operations may be adversely affected.

Our ability to attract new customers, retain existing customers, and increase revenue from existing customers depends on numerous factors, including our ability to enhance and improve our existing products and drive ongoing adoption and usage of our products, and introduce new products and capabilities. In particular, if we are not able to develop technology that is able to keep pace with new and increasingly complex criminal and fraudulent activities which technology would result in an increased success rate of our customers’ analytical investigations or shortens the time frames for such investigations, we may not be able to achieve a return on investment that satisfies our customers, which could negatively impact renewals, expansions and customer retention. The success of any enhancements, including our ability to continue to leverage advancements in AI and GenAI, and the introduction of new products depends on several factors, including timely completion, adequate quality testing, introduction to the market, market acceptance and adaptability to changes in the investigative technology landscape. Any products we develop may not be introduced in a timely or cost-effective manner (or at all), may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue. If we are unable to successfully enhance our existing products, including through the implementation of AI and GenAI into our solutions, to meet our customers’ requirements, increase adoption and usage of our products, or develop new products, our business, financial condition and results of operations may be adversely affected.

Our continued implementation and use of artificial intelligence may have an adverse effect on our business.

We use AI, GenAI and machine learning technologies throughout our solutions, including to develop or assist in the development of our own software code. As with many technological innovations, there are significant risks and challenges involved in developing, maintaining and deploying these technologies and there can be no assurance that the usage of such technologies will always enhance our products or services or be beneficial to our business. The use of third-party AI tools to develop or assist in the development of our software code may expose us to additional risks, including but not limited to: (i) uncertainties regarding the ownership and enforceability of intellectual property rights in AI-generated code; (ii) potential inadvertent incorporation of open-source or third-party licensed code, which may impose unanticipated obligations or restrictions on our products; (iii) increased risk of introducing security vulnerabilities or defects into our software; and (iv) the potential inadvertent disclosure, retention or misuse of our proprietary information, trade secrets, or customers’ confidential information in connection with the use of AI tools, model training, or related workflows. Any of these risks could adversely affect our ability to protect our proprietary technology, expose us to legal claims, or result in additional costs and operational disruptions.

Further, changes and ongoing development in how we use AI and machine learning technologies and how we train our models, in particular if those AI or machine learning models are (i) incorrectly designed or implemented; (ii) trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data; (iii) trained on data from sources for which we do not have a clear legal basis for use, or which may not comply with applicable laws, regulations or contractual obligations (including data protection, privacy and intellectual property laws); and/or (iv) adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues, the performance of our solutions, as well as our reputation and the reputations of our customers and partners, could suffer or we could incur liability through the violation of laws or contracts to which we are a party or through civil claims.

The market for AI and machine learning technologies is rapidly evolving and remains unproven in many industries, including our own. We are in varying stages of development in relation to our products or services which utilize proprietary and third party AI and machine learning technologies, and we may not be successful in our ongoing development of these technologies in the face of novel and evolving technical, reputational and market factors. Our failure to successfully develop and commercialize our products or services which utilize proprietary machine learning and AI technologies could adversely affect our business.

In addition, the increasing availability of AI and machine learning technologies may lower barriers to developing or adopting certain capabilities, which could, over time, influence elements of competition and customer expectations.

Furthermore, the market for AI and machine learning is subject to rapidly evolving regulatory frameworks. Various government bodies worldwide have introduced or are considering new laws to govern these technologies, for example, the EU Artificial Intelligence Act (EU AI Act.) Our compliance with these regulations may pose challenges and significant costs, potentially impacting our operations and financial performance. We continue to monitor changes and developments in the AI regulatory landscape, as well as their applicability to us and any impact such changes and developments may have on our business.

Reputational and political factors related to our business or operations may adversely affect us.

We have experienced, and may continue to experience, reputational harm from negative publicity as a result of allegations regarding the misuse of our solutions by countries and organizations that are perceived as violating human rights.

The sale, and the alleged sale, of our solutions to countries or customers that are viewed as having poor human rights or democracy records or that have allegedly misused our solutions has resulted and could further result in negative publicity and reputational harm, even where such activities or transactions are permissible under applicable laws or were not conducted by our solutions. In particular, in 2021, Meta Platforms, Inc. (“Meta”) announced publicly that it had removed accounts that it claimed were associated with us and that it alleged were used to gather information on individuals contrary to its terms of service. In addition, we have been, and may continue to be, associated with other companies in our industry and in other industries that engage with countries or customers viewed as having poor human rights or democratic records or with companies that apply techniques that are viewed negatively, which has harmed and may continue to harm our reputation. We are subject to heightened scrutiny and criticism by public opinion commentators, privacy advocates, NGOs, politicians, media outlets and others, who have made allegations relating to human rights infringement by certain customers using our solutions, which allegations have adversely affected our reputation. Media attention to our industry has increased over time and may continue to increase in the future. Given the nature of our business and the sensitivity of our products, we often cannot respond to adverse publicity, which has and can exacerbate the risk of reputational damage. Investors may perceive our inability to address negative coverage as a lack of proactive measures to promote responsible use of our products, despite our ongoing efforts in that direction. This may also have an adverse effect on our reputation in the public sphere, potentially leading to misunderstandings about our commitment to ethical governance and responsible business practices.

We have implemented policies, guidelines and measures that are aimed at supporting our goal of having our solutions used solely in a manner that serves their intended purpose and to mitigate the risk of any misuse. See “Item 4.B. Business Overview – Internal Oversight.” Although we take very seriously the risk that our solutions will be exploited or misused, there can be no assurance that such mitigating measures will be successful or that customers will not misuse our solutions.

Furthermore, such heightened scrutiny and allegations have resulted, and may in the future result, in investigations into our solutions and business and the imposition of restrictions on our business as well as deter potential customers. The risk of these adverse impacts has resulted and may continue to result in lost business opportunities that impact our results of operations and may also deter or restrict investors. In addition, if we continue to experience reputational harm, it may negatively impact our ability to recruit and retain qualified personnel. These risks may grow as we grow our business and our brand.

Sales processes for sophisticated solutions and a broad solution portfolio like ours present significant challenges and may be unpredictable.

We offer our customers a broad solution portfolio and many of our solutions are sophisticated and may represent a significant investment for our customers. As a result, our sales cycles can range in duration from a few months to 3 years and may require, for example, discussions about budget and which potential solution is most suitable for the customer. As the length or complexity of a sales process increases, so does the risk of successfully closing the sale. Larger sales are often made by competitive bid, which also increases the time and uncertainty associated with such opportunities. Because of the long approval process that typically accompanies strategic initiatives or capital expenditures by our customers, our sales process is often delayed, with little or no control over any delays encountered by us. Customers may also require education on the value and functionality of our solutions as part of the sales process, further extending the time frame and uncertainty of the process.

Longer sales cycles, competitive bid processes, and the need to educate customers mean that:

- There is greater risk of customers deferring, scaling back, or canceling sales as a result of, among other things, their receipt of a competitive proposal, changes in budgets and purchasing priorities, extensive internal approval processes, or the introduction or anticipated introduction of new or enhanced products by us or our competitors during the process.
- We may make a significant investment of time and money in opportunities that do not come to fruition, which investments may not be usable or recoverable in future sales.
- We may be required to bid on a project in advance of the completion of its design or be required to begin working on a project in advance of finalizing a sale, in either case, increasing the risk of unforeseen technological difficulties or cost overruns.
- We face greater downside risks if we do not correctly and efficiently deploy limited personnel and financial resources and convert such sales opportunities into orders.

Larger solution sales also require greater expertise in sales execution and transaction implementation than more basic product sales, including in establishing and maintaining appropriate contacts and relationships with customers and partners, product development, project management and implementation, staffing, integration, services, and support. Our ability to develop, sell, implement, and support larger solutions and a broad solution portfolio is a competitive differentiator for us, which provides for solution diversification and more opportunities for growth, but also requires greater investment for us and presents challenges, including, among others, challenges associated with competition for limited internal resources, complex customer requirements, and project deadlines. After the completion of a sale, our customers or partners may need assistance from us in generating maximum value from the functionality of our solutions, in realizing their benefits, or in implementation generally. If we are unable to assist our customers and partners in realizing the benefits they expect from our solutions and products, demand for our solutions and products may decline and our operating results may suffer. Any failure to develop high-quality solutions and to provide high-quality services and support could adversely affect our reputation, our ability to sell our service offerings to existing and prospective customers, and our operating results.

We have been subject to claims by third parties that our solutions infringe their terms of use or other proprietary rights and may in the future become subject to similar or other claims that, regardless of merit, could disrupt our business, harm our reputation and adversely affect our results of operations or financial condition.

Our solutions fuse and analyze data collected from various sources, including from commercial web sources and social media platforms. Such sources and platforms have alleged and may allege in the future that our solutions and techniques for capturing and collecting data and information from such sources violate their terms of use or other proprietary rights of such sources or of their users. For example, in December 2021, Meta issued a report alleging that certain solutions offered by us that interface with Facebook and Instagram violate Meta's terms of use. Concurrently with the issuance of the foregoing report, Meta announced that it had removed accounts that it claimed were associated with our solutions and requested we cease data collection from its social media platforms. We made modifications to certain features of our solutions that we believe addressed Meta's concerns. While these modifications impacted the manner our customers can use these solutions, as of the date of this report neither such allegations nor the modification to our practices in light of such allegations have had a material impact on our business, including without limitation results of operations and financial condition. However any allegations that our solutions and techniques infringe the terms of use or rights of third parties has resulted in and may result in future legal claims against us or our customers and such claims may damage our reputation, adversely impact our customer relationships and create liability for us. See "Reputational and political factors related to our business or operations may adversely affect us." We generally agree in our customer contracts to indemnify customers for expenses or liabilities they incur as a result of third-party

intellectual property infringement claims associated with our solutions, and the resolution of these claims, irrespective of whether a court ultimately determines that our solutions and techniques infringed another party's intellectual property rights, may be time-consuming, disruptive to our business and very costly. In addition, in connection with an infringement dispute, or claims of infringement, we may be required to, or may voluntarily decide to cease using or developing certain features or solutions that we offer to our customers. These circumstances could adversely affect our ability to generate revenues as well as require us to incur significant expenses to develop alternative or modified solutions for our customers.

Regulatory constraints may limit our ability to offer and sell some of our products and services and to compete with competitors that are not subject to the same regulations.

The technologies that we develop, and that we rely upon in our products, are subject to regulations including export and trade restrictions. See "Regulatory Risks - We are subject to complex, evolving regulatory requirements that may be difficult and expensive to comply with and that could negatively impact our business." Due to such regulations and restrictions, our international sales and marketing, as well as our international procurement of skilled human resources, technology and components, depend largely on export and marketing license approvals from governmental agencies in Israel and in other countries. If we fail to obtain approvals in the future, or if approvals previously obtained are revoked or expire or are not renewed due to factors such as changes in political conditions, government policies or the imposition of sanctions, or if existing or future approvals are conditioned upon requirements that we are unable to meet or fulfill, then our ability to market and sell our products and services to customers outside the country in which they are developed and our ability to obtain goods and services essential to our business could be interrupted, resulting in a material adverse effect on our business, revenues, assets, liabilities and results of operations. In the past, certain of our licenses to market, export or provide services to certain countries or regions were revoked or suspended for reasons beyond our control, including due to political and geopolitical reasons. We cannot assure you that in the future material licenses or approvals will not be revoked or suspended.

Moreover, as an additional measure to mitigate the risk that our solutions will be exploited in a manner that may violate human rights, we have in the past and may in the future, opt to abstain from onboarding new customers, renewing licenses or extending additional services to existing customers as part of voluntarily imposed guidelines or business decisions, even though such guidelines or decisions are not mandated by law or regulation. Furthermore, we may refrain from engaging in business activities in particular countries or with potential customers for similar reasons. The export and trade regulations and requirements we and our solutions are subject to as well as voluntarily imposed guidelines place us at an economic disadvantage compared to some of our competitors that are not subject to the same regulatory constraints or self-imposed guidelines, and can cause us to lose market share or experience slower growth compared to our competitors. For more information regarding the mitigating measures we have taken, see "Item 4.B. Business Overview - Internal Oversight ."

If we cannot retain and recruit qualified personnel, our ability to operate and grow our business may be impaired.

We depend on the continued services of our management and employees to run and grow our business. To remain successful and to grow, we need to retain existing employees and attract new qualified employees, including in new markets and growth areas we may enter, such as employees in the technology sectors. The market for qualified personnel is competitive in the geographies in which we operate and may be limited, especially in areas of emerging technology. We may be at a disadvantage to larger companies with greater brand recognition or financial resources, or to start-ups or other emerging companies in trending market sectors. Larger companies with which we compete have expended and will likely continue to expend more resources than we do on employee recruitment and are often better able to offer more favorable compensation and incentive packages than we are. In addition, all of our executive officers and key personnel are at-will employees and may terminate their employment relationship with us at any time. The loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements in a timely fashion, could result in a decline in sales, delays in product development, and harm to our business and operations.

Furthermore, if we experience high turnover of our product and development personnel, a lack of managerial resources to guide our research and development, or a lack of other research and development resources, we may miss or fail to execute on new product development and strategic opportunities and consequently lose potential and actual market share. The success of our business is largely dependent on our product and development teams developing and executing on a product roadmap that allows us to retain and increase the spending of our existing customers and attract new customers. A failure to continue offering the same caliber of solutions due to a loss of key personnel could therefore adversely affect our business and results of operations.

We seek to retain and motivate existing personnel through our compensation practices, company culture and career development opportunities. However, efforts we engage in to establish operations in new geographies where additional talent may be available, potentially at a lower cost, may be unsuccessful or fail to result in the desired cost savings. If we are unable to attract and retain qualified personnel when and where they are needed, our ability to operate and grow our business could be

impaired. Moreover, if we are not able to properly balance investment in personnel with sales, our profitability may be adversely affected.

Moreover, prolonged economic downturns may require us to undertake further optimization and cost saving initiatives, including streamlining our organization and adjusting the size and structure of our workforce. We have implemented in the past, and may implement in the future, certain cost reduction efforts to reduce material spend and operating expenses, including a reduction in workforce. Any reduction in workforce may yield unintended consequences and costs, such as attrition beyond the intended reduction in force, the distraction of employees and reduced employee morale, which could, in turn, adversely impact productivity, including through a loss of continuity, loss of accumulated knowledge or inefficiency during transitional periods. Any of these impacts could also adversely affect our reputation as an employer, make it more difficult for us to hire new employees in the future and increase the risk that we may not achieve the anticipated benefits from the restructuring.

Competition for highly skilled technical and other personnel may result in failure to attract, recruit, retain and develop qualified employees, which could impact our business, financial condition and results of operations.

Our principal research and development and product delivery are conducted at our headquarters in Israel and in our offices in Brazil, Bulgaria, Cyprus, India and Romania, in addition to significant elements of our general and administrative activities conducted in Israel, and we face competition for suitably skilled employees in these countries. In prior years we have faced, and in the future we may face, challenges in competing for qualified personnel with companies that have greater resources than we do, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors.

In addition, as a result of the competition for qualified human resources, the high-tech markets in Brazil, Bulgaria, Cyprus, India, Israel and Romania have also experienced and may continue to experience wage inflation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. Furthermore, in making employment decisions, particularly in the high-tech industry, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly decreased in value. Share price declines may reduce the employees' motivation to continue to work for us and could heighten the risk of employee attrition. As a result of such decrease in value of the employees' equity, we may be required to pay additional salaries in order to attract qualified personnel, which may significantly increase our salary costs.

While we utilize non-competition agreements with our employees as a means of improving our employee retention, those agreements may not be effective towards that goal. These agreements prohibit our employees, if they cease working for us, from competing directly with us or working for our competitors for a limited period. We may be unable to enforce these agreements under applicable law, and it may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us.

In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations, and might cause a delay in our ability to meet our customer commitments.

Risks Related to Our Business and Operations

Our future success depends on our ability to manage investments in our business and operations properly, execute on growth or strategic initiatives, and enhance our existing operations and infrastructure.

A key element of our long-term strategy is to continue to invest in and grow our business and operations, both organically and potentially through acquisitions. Investments in, among other things, new markets, new products, solutions and technologies, research and development, infrastructure and systems, geographic expansion, and headcount are critical components for achieving this strategy. In particular, we believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position. In addition, as part of our growth strategy, we are continuing to strengthen our presence in the United States, including by establishing and expanding strategic partnerships with partners who have access to, or sell into, government agencies. However, there can be no assurance that our U.S. expansion efforts will be successful, and failure to execute on this growth initiative may have a material adverse effect on our business, results of operations, and strategic trajectory. More broadly, such investments and efforts present challenges and risks and may not be successful (financially or otherwise), especially in new areas or new markets in which we have little or no experience, and even if successful, may negatively impact our profitability in the short-term. To be successful in such efforts, we must be able to properly allocate limited investment funds and other resources, prioritize among technologies opportunities, projects and implementations, balance the extent and timing of investments with the associated impact on profitability, balance

our focus between new areas or new markets and the operation and servicing of our legacy businesses and customers, capture efficiencies and economies of scale, and compete in the new areas or new markets, or with the new solutions, in which we have invested.

Our success also depends on our ability to execute or continue to execute on other growth or strategic initiatives we are pursuing, including maintaining our software model. For example, in addition to the other factors described in this section, our profitability objectives are highly dependent on our ability to continue to shift our product mix towards software and away from professional services and hardware resales and to maintain a more productized proprietary software offering.

Additionally, as part of our ongoing efforts to enhance our sales strategy, we have implemented changes to our sales team structure and sales processes. The transition to this strategy requires substantial management attention and company resources and may cause temporary disruption to our sales activities, including a potential decrease in sales productivity during the transition period, and internal implementation challenges.

Our success also depends on our ability to effectively and efficiently enhance our existing operations. Our existing infrastructure, systems, security, processes and personnel may not be adequate for our current or future needs. System upgrades or new implementations can be complex, time-consuming, and expensive and we cannot assure you that we will not experience problems during or following such implementations, including, among others, potential disruptions in our operations or financial reporting.

If we are unable to properly manage our investments, execute on growth initiatives, including our planned expansion into the U.S., and enhance our existing operations and infrastructure, our results of operations and market share may be materially adversely affected.

Acquisitions, strategic investments, partnerships, alliances or divestitures could be difficult to identify, cause post integration challenges, divert the attention of management, disrupt our business, dilute shareholder value, not achieve their intended benefits, and adversely affect our business, financial condition and results of operations.

From time to time, we may seek to acquire or invest in businesses, joint ventures, products and capabilities, or technologies that we believe could complement or expand our products and solutions or otherwise offer growth opportunities. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and capabilities, personnel, or operations of the acquired companies, particularly if we are unable to retain the key personnel of the acquired company. These transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Additionally, we have limited experience with significant or complex acquisitions. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in substantial impairment charges and dilution of our shareholders' value. Depending on the size, structure and financing of any such transaction, we may also experience increased leverage, reduced liquidity, constraints on our financial flexibility, heightened regulatory or customer approval requirements, and greater exposure to integration-related execution risks.

In addition, from time to time we may pursue divestitures of certain of our businesses or assets as part of our optimization strategy. For example, in December 2022, we sold our Situational Intelligence Solutions (SIS) business. We may make divestments based on, among other considerations, management's evaluation of, or changes in, business strategies and performance and valuation of divested businesses or assets. These divestment activities include inherent risks, including potential losses, if the disposed businesses or investments are disposed of at lower than anticipated valuation levels or on other unfavorable terms, as well as a risk of potential post-closing claims for indemnification or breach of transition services obligations. Moreover, divestitures may require us to separate integrated assets and personnel from our retained businesses and devote our resources to transitioning assets and services to purchasers, disrupting our ongoing business and distracting management. Any losses due to our divestment of businesses or disposal of assets could adversely affect our financial performance and may affect the market price of our shares.

Changes in our security clearances may adversely impact our sales or may impose restrictions on how we operate.

We and some of our subsidiaries maintain security clearances in Israel and other countries in connection with the development, marketing, sale and/or support of our solutions. These clearances are reviewed from time to time by these countries and could be deactivated, including for reasons that are beyond our control. If we lose our security clearances in a particular country, we may be unable to sell our solutions for secure projects in that country and might also experience greater challenges in selling such solutions even for non-secure projects in that country. These security clearances also impose restrictions on how we conduct our business and the information we are allowed to share with our investors and our non-Israeli

board members. Even if we are able to obtain and maintain applicable security clearances, government customers may decline to purchase our solutions if they were not developed or manufactured in that country or if they were developed or manufactured in other countries that are considered disfavored by such country.

If we fail to manage our offering of a subscription-based model, our revenues and results of operation may be harmed.

For the past few years we have been offering certain of our solutions on a subscription model basis, and since early 2025, we have increased our efforts in transitioning our customers to this model as part of our go-to-market strategy. We estimate that, due to the nature of our solutions and the governmental organizations' planning and purchasing behavior, governmental organizations' adoption of a subscription-based model for our solutions will be at a more moderate pace and less predictable compared to other industries that have already transitioned to a subscription-based model. This transition may cause us to incur incremental operational, technical, legal and other costs, and may also result in lower revenue growth pace, fluctuation in gross margin, reduction in our free cash flow and higher churn rates over time. In addition, as we increasingly offer our solutions on a subscription basis, our results may depend in part on our ability to maintain customer relationships, support ongoing adoption and usage of our solutions, and continue to deliver value to customers over time. Our subscription arrangements generally require renewals and potential expansions, and there can be no assurance that customers will renew or expand their subscriptions at expected levels, which could negatively affect our revenues and results of operations.

For certain products, components, or services, we rely on third-party suppliers, manufacturers, and partners, the failure or disruption in the supply by any of which may negatively impact our sales and adversely affect our results.

Although we generally use standard parts and components in our products, we do rely on non-affiliated suppliers and OEM partners for certain non-standard products or components which may be critical to our products, including both hardware and software, and on manufacturers of assemblies that are incorporated into our products. We also purchase technology, license intellectual property rights, and oversee third-party development and localization of certain products or components, in some cases, by or from companies that may compete with us or work with our competitors. While we endeavor to use larger, more established suppliers, manufacturers, and partners wherever possible, in some cases, these providers may be smaller, less established companies, particularly in the case of new or unique technologies that we have not developed internally.

If any of these suppliers, manufacturers or partners experience financial, operational, manufacturing or quality assurance difficulties, cease production or sale, or there is any other disruption in our supply, including as a result of the acquisition of a supplier or partner by a competitor or global supply chain disruptions, we will be required to locate alternative sources of supply or manufacturing, to internally develop the applicable technologies, to redesign our products, and/or to remove certain features from our products, any of which would be likely to increase expenses, create delivery delays, and negatively impact our sales. In addition, delays in the delivery of our products, including as a result of global supply chain disruptions, may result in delays in our collections, which in turn may negatively impact our financial results and our cash flow planning. Although we endeavor to establish contractual protections with key providers, including source code escrows (where needed), warranties, and indemnities, we may not be successful in obtaining adequate protections, these agreements may be short-term in duration, and the counterparties may be unwilling or unable to stand behind such protections. Moreover, these types of contractual protections offer limited practical benefits to us in the event our relationship with a key provider is interrupted.

We also rely on third parties to provide certain services to us and to our customers, including hosting partners and providers of other cloud-based services. We make contractual commitments to customers on the basis of these relationships and, in some cases, also entrust these providers with both our own sensitive data as well as the sensitive data of our customers. If these third-party providers do not perform as expected or encounter service disruptions, cyber-attacks, data breaches or other difficulties, we or our customers may be materially and adversely affected, including, among other things, by facing increased costs, potential liability to customers, end customers, or other third parties, regulatory issues and reputational harm. If it is necessary to migrate these services to other providers as a result of poor performance, security issues or considerations, or other financial or operational factors, it could result in service disruptions to our customers and significant time, expense, or exposure to us, any of which could materially adversely affect our business.

If we are unable to establish and maintain our relationships with third parties that market and sell our products, our business and ability to grow could be materially adversely affected.

A significant portion of our sales is made through partners, including distributors, resellers, sales representatives and system integrators. To remain successful, we must maintain our existing relationships as well as identify and establish new relationships with such parties. We must often compete with other suppliers for these relationships and our competitors often seek to establish exclusive relationships with these sales channels or to otherwise restrict others in partnering with them. Our

ability to establish and maintain these relationships is based on, among other things, factors that are similar to those on which we compete for end customers, including features, functionality, ease of use, installation and maintenance, and price. Even if we are able to secure such relationships on terms we find acceptable, there is no assurance that we will be able to realize the benefits we anticipate. Some of our partners may also compete with us or have affiliates that compete with us, or may also partner with our competitors or offer our products and those of our competitors as alternatives when presenting proposals to end customers. Our ability to achieve our revenue goals and growth depends to a significant extent on maintaining, enabling, and adding to these sales channels, and if we are unable to do so, our business and ability to grow could be materially adversely affected.

Privacy and Information Security Risks

We may be subject to information technology system breaches, failures, or disruptions that could harm our operations, financial condition or reputation.

We rely extensively on information technology systems to operate and manage our business and to process, maintain and safeguard information, including information related to our customers, partners, and personnel. This information may be processed and maintained on our internal information technology systems or in some cases on systems hosted by third-party service providers. These systems, whether internal or external, may be subject to breaches, failures or disruptions as a result of, among other things, cyber-attacks, computer viruses, physical security breaches, natural disasters, accidents, power disruptions, telecommunications failures, new system implementations, or acts of terrorism or war. In the current environment, there are numerous and evolving risks to cybersecurity and privacy, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, employee malfeasance and human or technological error. High-profile security breaches at other companies and in government agencies have increased in frequency and sophistication in recent years. Moreover, geopolitical tensions, particularly the conflicts with Hamas, Hezbollah and Iran, have contributed to a surge in cyber-attacks targeting Israeli companies and products globally, posing a threat to critical infrastructure. We have experienced, and expect to continue to experience, actual and attempted cyber-attacks on our IT networks and systems, such as through phishing scams and ransomware. Although none of these actual or attempted cyber-attacks has yet had a material adverse impact on our operations, financial condition or reputation, we cannot guarantee that such incidents will not have such an impact in the future. For example, the rising adoption of AI and GenAI in daily operations and products poses data privacy and cybersecurity risks. Threats include potential data leaks, social engineering attacks, and decision-making based on manipulated information. Growing regulatory requirements for information security and data protection add to the challenge. Moreover, attackers leverage AI as a tool and exploit vulnerabilities in AI systems. In addition, from time to time, hackers publish past breaches or historical data related to us that was obtained through historical breaches. While we are continually working to maintain secure and reliable systems, our security, redundancy, and business continuity efforts may be ineffective or inadequate. We must continuously improve our design and coordination of security controls across our business groups and geographies. Despite our efforts, it is possible that our security systems, controls, and other procedures that we follow or those employed by our third-party service providers, may not prevent breaches, failures, or disruptions. Such breaches, failures, or disruptions have in the past and could in the future subject us to the loss, compromise, destruction or disclosure of sensitive or confidential information, including personal data, or intellectual property, either of our own information or intellectual property or that of our customers (including end customers) or other third parties that may have been in our custody or in the custody of our third-party service providers, financial costs or losses from remedial actions, litigation, regulatory issues, liabilities to customers or other third parties, damage to our reputation, delays in our ability to process orders, delays in our ability to provide products and services to customers, including SaaS or other hosted or managed services offerings, research and development or production downtimes, or delays or errors in financial reporting. Information system breaches or failures at one of our partners, including hosting providers or those who support other cloud-based offerings, may also result in similar adverse consequences. Any of the foregoing could harm our competitive position, result in a loss of customer confidence, and materially and adversely affect our results of operations or financial condition.

Cybersecurity and compliance with personal data rights pose economic, operational and reputational risks. If we are unable to implement the technological and digital projects required to support our future growth and profitability in compliance with applicable rules and regulations, our business and results of operations may be materially adversely affected. We carry data protection liability insurance against cyber-attacks, with limits we deem adequate to offset all or some of the costs we may incur as a result of damage to our computers, equipment and networks and resulting disruption of our operations. However, the devotion of additional resources to the security of our information technology systems in the future could significantly increase the cost of doing business or otherwise adversely impact our financial results.

The Company operates in a hybrid working model, with a significant number of our employees working remotely and accessing our IT systems and networks remotely. Such hybrid model may further increase our vulnerability to cybercrimes and cyber-attacks and increase the stress on our technology infrastructure and systems. Although we maintain data protection liability insurance, this insurance may not be sufficient to cover all of our losses from any future breaches or failures of our IT systems, networks and services.

Our solutions may contain defects or may be vulnerable to cyber-attacks, which could expose us to both financial and non-financial damages.

Our solutions may contain defects or may develop operational problems. This risk is amplified by our more sophisticated solutions. New products and new product versions, service models such as hosting, SaaS, managed services, and the incorporation of third-party products or services into our solutions, also give rise to the risk of defects, errors or vulnerabilities. These defects, errors or vulnerabilities may relate to the operation or the security of our products or services, including third-party components or services. If we do not discover and remedy such defects, errors, vulnerabilities or other operational or security problems until a product has been released to customers or partners, we may incur significant costs to correct such problems and/or become liable for substantial damages for product liability claims or other liabilities. Furthermore, real or perceived errors, failures, or bugs in our solutions, or dissatisfaction with our solutions and outcomes, could result in customer terminations.

Our solutions, including our SaaS offerings, may be vulnerable to cyber-attacks even if they do not contain defects. If there is a successful cyber-attack on one of our products or services, even absent a defect or error, it may also result in questions regarding the integrity of our products or services generally, which could cause adverse publicity and impair their market acceptance and could have a material adverse effect on our reputation, results or financial condition.

The mishandling or the perceived mishandling of sensitive information could harm our business.

Some of our products are used by customers to compile and analyze highly sensitive or confidential information and data, including information or data used in intelligence gathering or law enforcement activities as well as personal data information. While our customers' use of our products does not by itself necessarily provide us access to the customer's sensitive or confidential information or data (or the information or data our customers may collect), we may, and our partners may, receive or come into contact with such information or data, including personal data, when we are asked to perform services or support for our customers. In certain cloud, hosted, or managed service deployments, we or our partners may also process data for our customers in our or third-party cloud environments, which may increase our exposure to risks associated with data handling, security incidents, or the perception of such risks.

Additionally, from time to time, we or our partners also receive or come into contact with such information or data in connection with our software-as-a-service ("SaaS") or other hosted or managed services offerings. As customers are also increasingly focused on the security of our products and services and we continuously work to address these concerns, including by using encryption, access rights, and other customary security features, which vary based on the solution in question and customer requirements. We have implemented policies and procedures, and we use information technology systems, to help ensure the proper handling of such information and data, including background screening of certain services personnel (when allowed by applicable law), non-disclosure agreements with employees and partners, access rules, and controls on our information technology systems. We also evaluate the information security of potential partners and vendors as part of our selection process and use commercially reasonable efforts to negotiate adequate protections from such third parties in our contracts. However, these policies, procedures, systems, and measures are designed to mitigate the risks associated with handling or processing sensitive data and cannot always safeguard against all risks.

There is a potential risk that we may be named as a defendant in claims made by companies in the social media sphere or by providers of communication services alleging any one of a number of claims, due to our products having been used to obtain valuable information from users of, or participants in, those services. There is a related risk of regulatory enforcement against us due to complaints of that kind. There have also been recent claims against companies in our field of operations for supposed damages caused by government collection of information through the use of products similar to ours. In addition, we may be subject to governmental requests for information, or consumers may sue and file claims against our customers (for non-compliance with laws and regulations (e.g., not obtaining proper consent)), and we may be added to those claims or required to provide information in connection therewith.

The improper handling of sensitive data, or even the perception of such mishandling (whether or not valid), or other security lapses or breaches affecting us, our partners, our customers and / or our products or services, could reduce demand for our products or services or otherwise expose us to financial or reputational harm or legal liability.

Regulatory Risks***Increasing regulatory focus on data privacy issues and expanding laws in these areas may result in increased compliance costs, impact our business models, and expose us to increased liability.***

As a global company, we are subject to privacy and data security laws, and regulations in different jurisdictions. These laws and regulations may vary across jurisdictions and are subject to evolving and differing interpretations. Government regulators, privacy advocates, media and class action attorneys are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in additional compliance obligations, costs, new interpretations of existing laws and regulations, new restrictions or requirements, increased regulatory proceedings or litigation and increased exposure for significant fines, penalties or commercial liabilities, as well as reputational damage.

Globally, laws such as the European Union's General Data Protection Regulation ("EU GDPR") in Europe, state laws in the United States on privacy, such as the California Consumer Privacy Act ("CCPA"), as amended by the California Privacy Rights Act ("CPRA"), as well as industry self-regulatory codes, create new compliance obligations and expand the scope of potential liability, either jointly or severally with our customers and suppliers. Additional U.S. states have implemented, or are in the process of implementing, similar new laws or regulations, and some observers have noted that these regulations could mark the beginning of a trend towards more stringent United States federal privacy legislation, which could increase our potential liability and compliance efforts. While we have invested in readiness to comply with applicable laws and requirements, these new and emerging laws, regulations and codes may require us to implement additional steps to comply with regulatory requirements, affect our ability to reach current and prospective customers, to respond to both enterprise and individual customer requests under the laws (such as individual rights of access, correction, and deletion of their personal information), and to implement our business models effectively. These new laws may also impact our products and services as well as our innovation in new and emerging technologies. These requirements, among others, may impact demand for our offerings and force us to bear the burden of more onerous obligations in our contracts or otherwise increase our exposure to customers, regulators, or other third parties. Furthermore, the uncertain and shifting regulatory environment may cause concerns regarding data privacy and may create privacy concerns, which could inhibit sales of our services and limit adoption of our platform. Specifically, in Europe, the supervisory authorities in member states possess some flexibility in implementing European directives and specific facets of the GDPR, resulting in divergent national regulations. Notably, European supervisory bodies have been particularly proactive in enforcing data protection regulations. In addition, the U.S. has recently seen an increase in litigation based on the California Invasion of Privacy Act ("CIPA") in regard to tracking tools such as cookies and similar technologies. This trend exposes companies to potential statutory damages, class action lawsuits, and reputational harm.

Additionally, the Israeli Privacy Protection Law, 1981 ("PPL"), along with its regulations such as the Israeli Privacy Protection Regulations (Data Security) 2017 ("Security Regulations"), mandates strict requirements for processing, transferring and securing personal information. A significant amendment to the PPL, known as Amendment 13, was approved by the Israeli Parliament in August 2024 and became effective from August 14, 2025. This amendment notably enhances the investigative powers of the Privacy Protection Authority and increases the potential monetary sanctions for violations, which could reach millions of NIS in certain cases. Compliance with Amendment 13 may necessitate substantial changes to our data processing practices and could involve significant costs. Non-compliance with the PPL may lead to enforcement actions, litigation, including class actions, and substantial fines and penalties.

Transferring personal information across international borders is becoming increasingly complex. For example, European data transfers outside the European Economic Area are highly regulated. The mechanisms that we and many other companies rely upon for data transfers, including standard contract clauses, are a standard form of contract approved by the European Commission as a transfer mechanism for personal data, and may be contested or invalidated. Another option to transfer personal data subject to the GDPR to third countries is to transfer the data to countries declared adequate by the European Commission (including Israel), without the need for implementing further safeguards. If the mechanisms for transferring personal information from certain countries or areas, including Europe, should be found invalid or if other countries implement more restrictive regulations for cross-border data transfers (or do not permit data to leave the country of origin), such developments could harm our business, financial condition and results of operations. The costs of compliance with, and other burdens imposed by, these laws, regulations, standards, and obligations, or any inability to adequately address privacy, data protection, cross-border transfers, data localization requirements or information security-related concerns, even if unfounded, may limit the use and adoption of our solutions, reduce overall demand for our solutions, make it more difficult to meet expectations from or commitments to customers, impact our reputation, or slow the pace at which we close sales transactions, any of which could harm our business, financial condition, and results of operations.

Furthermore, on September 12, 2025, most provisions of the EU Data Act became applicable. The EU Data Act establishes general conditions for data sharing between businesses and introduces measures intended to promote fairness and competition in the European cloud services market. The regulation also seeks to protect companies from unfair contractual terms related to data sharing imposed by dominant market participants and grants customers the right to switch data processing service providers. As a result, we may be required to implement new data management protocols, invest in technological development and adapt our products, and review or amend our contractual arrangements with customers and partners. Furthermore, The EU Data Act could impact our business offerings, revenue recognition, products, and services, and may create new technical, legal, contractual, data, and system requirements.

There have also been privacy bills enacted in other countries around the world which have introduced new or expanded privacy requirements and we expect that privacy legislation will continue to evolve in the coming years. Therefore, it is difficult to determine whether and how such existing laws and regulations will apply to and impact the internet and our business.

Our failure to comply with the anti-corruption, trade compliance, anti-money-laundering and terror finance and economic sanctions laws and regulations of the United States and applicable international jurisdictions could materially adversely affect our reputation and results of operations.

We must comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, including among others the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”), the U.K. Bribery Act 2010 (the “Bribery Act”), Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 5737:1977 and the Israeli Prohibition on Money Laundering Law, 5760–2000 (collectively, the “Israeli Anti-Corruption Laws”), and the Brazilian Anti-Corruption Act. These laws and regulations apply to companies, individual directors, officers, employees and business partners acting on our behalf and prohibit us and our officers, directors, employees and business partners acting on our behalf, including joint venture partners and agents, from corruptly offering, promising, authorizing or providing anything of value to public officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The Bribery Act also prohibits non-governmental “commercial” bribery and accepting bribes. As part of our business, we constantly deal with governments and state-owned business enterprises, the employees and representatives of which may be considered public officials for purposes of anti-corruption laws, including, among others the FCPA, the Bribery Act and the Israeli Anti-Corruption Laws. In addition, some of the jurisdictions in which we operate are considered to lack a developed legal system and have elevated levels of corruption.

Our business must also be conducted in compliance with applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the European Union, the State of Israel and other relevant sanctions authorities. In the past, changes in these laws and regulations impaired our ability to enter into contracts with certain customers or to perform our obligations under certain existing contracts. We cannot assure you that in the future these regulations will not change in a way that will materially impair our ability to enter into new contracts with customers, or to perform our obligations under existing material contracts, or in a way that will impose restrictions on the way we operate our business or on the customers we engage with.

Our global operations expose us to the risk of violating, or being accused of violating, anti-corruption laws, anti-money-laundering laws and economic and trade sanctions laws and regulations, which may expose us to reputational harm. In addition, our failure to comply with these laws and regulations may expose us to significant penalties, including criminal fines, imprisonment, civil fines, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Despite our compliance efforts and activities, we cannot assure compliance by our employees or business partners for which we may be held responsible, and any such violation could materially adversely affect our business, financial condition and results of operations. See “Item 4B. Information on the Company—Business Overview—Government Regulations—Anti-Corruption, Anti-Money Laundering and Sanctions.”

We are subject to complex, evolving regulatory requirements that may be difficult and expensive to comply with and that could negatively impact our business.

Our business and operations are subject to a variety of regulatory requirements in the countries in which we operate or offer our solutions, including, among other things, with respect to trade compliance, anti-corruption, information security, data privacy and protection, tax, labor, trade restrictions and government contracts. For more information regarding the government regulations to which we are subject, see “Item 4.B. Business Overview — Government Regulations.” Compliance with these regulatory requirements may be onerous, time-consuming, and expensive, especially where these requirements are inconsistent from jurisdiction to jurisdiction, or where the jurisdictional reach of certain requirements is not clearly defined or seeks to reach across national borders. Regulatory requirements in one jurisdiction may make it difficult or impossible to do business in another jurisdiction. In addition, such complex regulations are subject to constant changes and developments and the interpretations thereof may change due to political and other considerations which are beyond our control. See “Risks Associated with Macroeconomic and Global Conditions.” We may also be unsuccessful in obtaining permits, licenses, or other authorizations required to operate our business, such as for the marketing or sale or import or export of our products and services.

While we endeavor to implement policies, procedures, and systems reasonably designed to achieve compliance with these regulatory requirements, we cannot assure you that the implementation of these policies, procedures, or systems will result in compliance with applicable rules and regulations or that we or our personnel will not violate these policies and procedures. Violations of these laws or regulations may harm our reputation and deter government agencies and other existing or potential customers or partners from purchasing our solutions. Furthermore, non-compliance with applicable laws or regulations could result in fines, damages, criminal sanctions against us, our officers, or our employees, restrictions on the conduct of our business, and damage to our reputation.

Moreover, regulatory requirements are subject to constant updates, modifications and revisions as well as different interpretations by the authorities adopting, implementing or enforcing such requirements which result in uncertainty as well as difficulties in planning ahead of time. In particular, trade restrictions may be imposed or amended for political, economic, or national security reasons beyond our control. These restrictions, which can be introduced with little to no advance notice, may result in certain products or solutions becoming ineligible for sale in specific jurisdictions. The unpredictable nature of such trade restrictions requires us to remain highly adaptable, often necessitating swift operational adjustments that may be complex and costly. For example, changes in export control regulations, restrictions on sales to certain countries or entities, or new licensing requirements could limit our ability to access key markets, disrupt our supply chain, and adversely affect our revenue and growth prospects. Additionally, as geopolitical tensions continue to influence international trade policies, we face an increased risk of encountering regulatory barriers that could affect our global operations.

The increased public awareness in potential human rights violations by governments and organizations using advanced cyber tools, and the resulting heightened scrutiny by the public opinion, privacy NGOs, privacy advocates, the media and others, resulted and may continue to result in regulatory and policy changes from time to time. In recent years, and in line with broader geopolitical trends, the Israeli Ministry of Defense has introduced several adjustments to the oversight of dual-use and defense exports. In certain areas, the regulator has tightened control by imposing additional requirements and limitations for obtaining marketing and export licenses. In parallel, it has recently announced a reform aimed at reducing regulatory burden and improving clarity and reliance for exporters.

Adapting our practices, policies and procedures to this ever-changing regulatory environment involves allocation of resources and time and requires our regulatory compliance teams to be on the watch for any actual or potential changes, and may have an impact on our ability to pursue business opportunities and anticipate future results.

Due to the nature of our products, we are also subject to security classification of certain information under relevant legislation and regulations, and we may therefore be limited from time to time as to the information that we may disclose to the public.

Increased attention to, and evolving expectations for, environmental, social, and governance (“ESG”) initiatives could increase our costs, harm our reputation, or otherwise adversely impact our business.

Companies across industries are facing increasing scrutiny from a variety of stakeholders related to their ESG and sustainability practices. Expectations regarding voluntary ESG initiatives and disclosures and consumer demand for alternative forms of energy may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain products, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) or commitments to improve the ESG profile of our company and/or products, such initiatives or achievements of such commitments may be costly and may not have the desired effect. For example, expectations around our management of ESG matters continue to evolve rapidly, in many instances due to factors that are out of our control. In addition, we may commit to certain initiatives or goals but not ultimately achieve such commitments or goals due to factors that are within or outside of our control. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary.

Certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies’ ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us or our industry, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete effectively to attract and retain employees or customers, which may adversely impact our operations.

Intellectual Property Risks***Our intellectual property may not be adequately protected.***

Our success depends to a significant degree on the legal protection of our software and other proprietary technology. We rely on a combination of patent, trade secret, copyright and trademark laws, as well as confidentiality and non-disclosure agreements with employees and third parties, to establish and protect our proprietary rights. For more information, see “Item 4. Information on the Company—4.B. Business Overview— Intellectual Property Rights.” While much of our intellectual property is protected by patents or patent applications, we have not and cannot protect all of our intellectual property with patents or other registrations. There can be no assurance that patents we have applied for will be issued on the basis of our patent applications or that, if such patents are issued, they will be, or that our existing patents are, sufficiently broad enough to protect our technologies, products, or services. Moreover, we may in the future determine that we require additional patents in order to protect our software and processes, and we may be unable to obtain patent protection for the technology covered in our applications or such patent protection may not be obtained quickly enough to meet our business needs. The patent prosecution process is expensive, time-consuming, and complex, and thus we also may not be able to prepare, file, prosecute, maintain, and enforce all necessary or desirable patent applications at a reasonable cost or in a timely manner.

Any of our intellectual property rights, including patents and trademarks, may be challenged, narrowed, invalidated, held unenforceable or circumvented in litigation or other proceedings, including, where applicable, through opposition, cancellation, re-examination, inter partes review, post-grant review, interference, nullification and derivation proceedings, and equivalent proceedings in foreign jurisdictions, and such intellectual property or other proprietary rights may be lost or no longer provide us with meaningful competitive advantages. Such proceedings may result in substantial cost and require significant time from our management, even if the eventual outcome is favorable to us.

Third parties may legitimately and independently develop products, services, and technology similar to or duplicative of our platform. In addition to protection under intellectual property laws, we rely primarily upon trade secret protection and non-disclosure provisions in agreements with employees, customers and other third parties having access to our confidential information and generally limit access to and distribution of our proprietary information. Despite our efforts, third parties may attempt to disclose, obtain, copy, reverse engineer, or use our intellectual property or other proprietary information or technology without our authorization, and our efforts to protect our intellectual property and other proprietary rights may not prevent such unauthorized disclosure or use, misappropriation, infringement, reverse engineering or other violation of our intellectual property or other proprietary rights.

Furthermore, non-disclosure and no reverse engineering provisions can be difficult to enforce, and even if successfully enforced, may not be entirely effective. The violation of our agreements by disclosing or allowing the use of our proprietary information or technology without a license or authorization may pose risks to our business. We cannot guarantee that any of the measures we have taken will prevent infringement, misappropriation, reverse engineering or other violation of our technology or other intellectual property or proprietary rights.

Preventing unauthorized use or infringement of our intellectual property rights is difficult even in jurisdictions with well-established legal protections for intellectual property. It may be even more difficult to protect our intellectual property in other jurisdictions where legal protections for intellectual property rights are less established. If we are unable to adequately protect our intellectual property against unauthorized third-party use or infringement, our competitive position could be materially and adversely affected.

Competitors and other companies could adopt trademarks and service marks that are similar to ours or try to prevent us from registering or using our trademarks, consequently impeding our ability to build brand identity and possibly leading to customer confusion.

We use machine learning and artificial intelligence (AI) technologies in our business, products, services and tools. The intellectual property ownership and license rights, including patents and copyright, surrounding AI technologies have not been fully addressed by courts or laws or regulations in countries around the world, but some courts that have reviewed these issues to date have taken the position that inventions made by AI are not patentable, and works of authorship created without substantial human input are not subject to copyright protection, and the use or adoption of third-party AI technologies into our products and services may result in exposure to claims of infringement or misappropriation of others’ intellectual property. There are several lawsuits pending in the U.S. where creators of content are challenging the use of their content for purposes of training AI models.

Our products or other intellectual property may infringe or may be alleged to infringe on the intellectual property rights of others, which could lead to costly disputes or disruptions for us and may require us to indemnify our customers and resellers for any damages they suffer.

The technology industry is characterized by frequent allegations of intellectual property infringement. In the past, third parties have asserted that certain of our products or other technology have infringed on their intellectual property rights and similar claims may be made in the future. Any allegation of infringement against us could be time consuming and expensive to defend or resolve, result in substantial diversion of management resources, cause product shipment delays, or force us to enter into royalty or license agreements. If patent holders or other holders of intellectual property initiate legal proceedings against us, either with respect to our own intellectual property or intellectual property we license from third parties, we may be forced into protracted and costly litigation, regardless of the merits of these claims. We may not be successful in defending such litigation, in part due to the complex technical issues and inherent uncertainties in intellectual property litigation, and may not be able to procure any required royalty or license agreements on terms acceptable to us, or at all. Competitors and other companies could adopt trademarks that are similar to ours or try to prevent us from using our trademarks, consequently impeding our ability to build brand identity and possibly leading to customer confusion. Third parties may also assert infringement claims against our customers or partners. Subject to certain limitations, we generally indemnify our customers and partners with respect to infringement by our products on the proprietary rights of third parties, which, in some cases, may not be limited to a specified maximum amount and for which we may not have sufficient insurance coverage or adequate indemnification in the case of intellectual property licensed from a third party. If any of these claims succeed, we may be forced to pay damages, be required to obtain licenses for the products our customers or partners use or sell, or incur significant expenses in developing non-infringing alternatives. If we cannot obtain necessary licenses on commercially reasonable terms, our customers may be forced to stop using or, in the case of resellers and other partners, stop selling our products.

We may rely upon certain technology, software or intellectual property rights we license from third parties, but third parties may terminate our licenses to use such third party technology, software or intellectual property rights. Loss of such licenses could have a material impact on our ability to offer our products, software and services to others.

Use of free or open source software could expose our products to unintended restrictions and could materially adversely affect our business.

Some of our products contain free or open source software (together, "open source software") and we anticipate making use of open source software in the future. Open source software is generally covered by license agreements that permit the user to use, copy, modify and distribute the software without cost, provided that the users and modifiers abide by certain licensing requirements. However, the original developers of the open source software generally provide no warranties on such software or protections in the event the open source software has defects or security vulnerabilities or infringes a third party's intellectual property rights. Although we endeavor to monitor the use of open source software in our product development, we cannot assure you that past, present or future products, including products inherited in acquisitions, will not contain open source software elements that impose unfavorable licensing restrictions or other requirements on our products, including the need to seek licenses from third parties, to re-engineer affected products, to discontinue sales of affected products, or to release all or portions of the source code of affected products. Any of these developments could materially adversely affect our business.

Certain Israeli governmental grants that we received for certain of our research and development activities in Israel may restrict our ability to transfer manufacturing operations or technology outside of Israel without obtaining a pre-approval from the relevant authorities and, in certain circumstances, payment of significant amounts to the authorities.

Our Israeli-based research and development efforts have been financed in part through grants that we have received from the National Technological Innovation Authority (the "Innovation Authority"), which formerly operated as the Office of the Chief Scientist of the Ministry of Economy of the State of Israel.

We must comply with the requirements of the Israeli Encouragement of Research, Development and Technological Innovation in Industry Law, 5744-1984 (the "Innovation Law"), which is formerly known as the Encouragement of Industrial Research and Development Law, 5744-1984, and related regulations, with respect to those grants.

When a company develops know-how, technology or products using grants provided by the Innovation Authority, the terms of these grants and the Innovation Law restrict the transfer of such know-how, and the transfer of manufacturing or manufacturing rights of such products, technologies or know-how outside of Israel, including:

- *Transfer of know-how outside of Israel.* Any transfer of the know-how that was developed with the funding of the Innovation Authority, outside of Israel, requires prior approval of the Innovation Authority, and the payment of a redemption fee.

- *Local manufacturing obligation.* The terms of the grants under the Innovation Law require that the manufacturing of products resulting from Innovation Authority-funded programs be carried out in Israel, unless a prior written approval of the Innovation Authority is obtained (except for a transfer of up to 10% of the production rights, for which a notification to the Innovation Authority is sufficient).
- *Certain reporting obligations.* We, as any recipient of a grant or a benefit under the Innovation Law, are required to file reports on the progress of activities for which the grant was provided. In addition, we are required to notify the Innovation Authority of certain events detailed in the Innovation Law with respect to a grant recipient.

Therefore, if aspects of our technologies are deemed to have been developed with Innovation Authority funding, the discretionary approval of an Innovation Authority committee would be required for any transfer to third parties outside of Israel of know-how or manufacturing or manufacturing rights related to those aspects of such technologies. We may not receive those approvals. Furthermore, the Innovation Authority may impose certain conditions on any arrangement under which it permits us to transfer technology or development out of Israel.

The transfer of Innovation Authority-supported technology or know-how outside of Israel may involve the payment of significant amounts, depending upon the value of the transferred technology or know-how, the amount of Innovation Authority support, the time of completion of the Innovation Authority-supported research project and other factors. The total amount of our obligation to the Innovation Authority upon the occurrence of any such event will also include interest that has accrued annually on the grants. The consideration available to our shareholders in a transaction involving the transfer outside of Israel of technology or know-how developed with Innovation Authority funding (such as a merger or similar transaction) may be reduced by any amounts that we are required to pay to the Innovation Authority.

Risks Related to Our Finances and Capital Structure

Our credit facilities exposes us to leverage risks and subjects us to covenants which may adversely affect our operations. In addition, financing sources may not be available to us.

We have two revolving credit facilities that are valid until January, 2028 and provide for up to \$65.0 million in total borrowing. Although as of January 31, 2026, we had no outstanding indebtedness under these facilities, we might be required from time to time to draw down some of or the entire amount available. A high level of debt could have material consequences on our future operations, including:

- reducing the availability of our cash flows to fund working capital, capital expenditures, project development, and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all or a significant portion of our debt becoming immediately due and payable;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared with our competitors that have less debt or have lower leverage ratios.

Our ability to meet payment and other obligations under such debt instruments will depend on our ability to generate significant cash flows, which, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flows from operations, or that future borrowings will be available to us under such facility or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under such a debt facility and to fund other liquidity needs. If we are unable to generate sufficient cash flows to service any such debt obligations or if we experience liquidity or working capital issues generally, we may need to refinance or restructure such debt or seek to raise additional capital. There can be no assurance that we would be successful in any such refinancing or restructuring effort or that financing sources would be available to us on reasonable terms or at all.

We may require additional capital to support our operations or the growth of our business, and this capital might not be available on acceptable terms, if at all.

We might require substantial additional financing in order to operate our business, execute our growth strategy and respond to challenges or unforeseen circumstances. Such financing might not be available on commercially reasonable terms, if at all, including as a result of increasing inflation and interest rates. If we are unable to obtain such financing, on commercially reasonable terms, or at all, we will not be able to, among other things:

- execute our growth strategy;
- develop new features, integrations, capabilities, and enhancements;
- continue to expand our product development, sales, and marketing organizations;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

To the extent that we raise capital through the sale of equity or convertible debt securities, our shareholders' ownership interest will be diluted. Our share repurchase programs use a portion of our available capital, including cash, and may reduce funds available for other business purposes. While we believe we have sufficient capital to execute such programs while maintaining adequate liquidity for operations, market conditions or unforeseen circumstances could require us to discontinue or limit our repurchase programs and/or seek additional financing. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures, or declaring dividends. Debt financing could also have significant negative consequences for our business, results of operations and financial condition, including, among others, increasing our vulnerability to adverse economic and industry conditions, limiting our ability to obtain additional financing, requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing the amount of our cash flow available for other purposes, limiting our flexibility in planning for, or reacting to, changes in our business, and placing us at a possible competitive disadvantage compared to less leveraged competitors or competitors that may have better access to capital resources. In addition, a portion of our business is conducted through our subsidiaries, including a joint venture that is not wholly owned by us. Such subsidiaries are separate and distinct legal entities. Therefore, our ability to generate cash is dependent on the earnings, cash flows, financial condition and the distribution of funds (whether by dividend, distribution or loan) from our subsidiaries. None of our subsidiaries is obligated to make funds available to us, other than pursuant to certain intercompany agreements. The distribution of dividends by such subsidiaries may be subject to restrictions on the payment of dividends in the jurisdictions in which such entities were incorporated. In addition, the distribution of dividends by the foregoing joint venture requires the consent of our partner in such joint venture. Inability to receive dividends from our subsidiaries could adversely affect our financial condition, results of operations, cash flows and limit shareholders' return, if any, and may require us to obtain additional financing, which may not be available to us on commercially reasonable terms.

Exchange rate fluctuations between the U.S. dollar and the New Israeli Shekel and other non-U.S. currencies negatively affect the earnings of our operations.

We are exposed to foreign currency exchange rate fluctuations, primarily between the U.S. dollar and the New Israeli Shekel, which could materially affect our operating costs and results of operations. Our financial results and most of our revenues are recorded in U.S. dollars. However, substantially all of the research and development expenses of our Israeli operations, as well as a portion of the cost of revenues, selling and marketing, and general and administrative expenses of our Israeli operations, are incurred in New Israeli Shekels. As a result, we are exposed to exchange rate risks that may adversely affect our financial results. If the New Israeli Shekel appreciates against the U.S. dollar or if the value of the New Israeli Shekel declines against the U.S. dollar at a time when the rate of inflation in the cost of Israeli goods and services exceeds the rate of decline in the relative value of the New Israeli Shekel, then the U.S. dollar cost of our operations in Israel would increase and our results of operations would be adversely affected. Our Israeli operations also could be adversely affected if we are unable to effectively hedge against currency fluctuations in the future. We cannot predict any future trends in the rate of inflation or deflation in Israel or the rate of appreciation or devaluation of the New Israeli Shekel against the U.S. dollar. The Israeli annual rate of inflation amounted to 2.6%, 3.2%, and 3.0% for the calendar years 2025, 2024 and 2023, respectively. The annual (appreciation) depreciation of the New Israeli Shekel in relation to the U.S. dollar amounted to (12.5)%, 0.6% and 3.1% for the calendar years 2025, 2024 and 2023, respectively.

We also have substantial revenues and expenses that are denominated in non-U.S. currencies other than the New Israeli Shekel, particularly the Euro and the Singapore dollar. Therefore, our operating results and cash flows fluctuate due to changes in the relative values of the U.S. dollar and those foreign currencies. These fluctuations affect our operating results and cause our revenues and net income or loss to vary from quarter to quarter. Furthermore, where our sales are denominated in U.S. dollars, a strengthening of the U.S. dollar against other currencies makes our products less competitive in those foreign markets and collection of receivables is more difficult.

From time to time we engage in currency hedging activities. While these hedging activities help reduce short-term volatility in our financial results, they do not fully eliminate our exposure to foreign currency risk. In particular, our hedging program may not adequately offset the effects of inflation in Israel or significant shifts in exchange rates, and may result in financial losses if currency movements differ from our expectations.

If our goodwill or other intangible assets become impaired, our financial condition and results of operations could be negatively affected.

Because we have periodically executed business combinations, goodwill and other intangible assets represent a material portion of our assets. Goodwill and other intangible assets totaled approximately \$131.0 million, or approximately 25.1% of our total assets, as of January 31, 2026. We test our goodwill for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment, and we assess on an as-needed basis whether there have been impairments in our other intangible assets. We make assumptions and estimates in this assessment which are complex and often subjective. These assumptions and estimates can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy or our internal forecasts. To the extent that the factors described above change, we could be required to record additional non-cash impairment charges in the future, which could negatively affect our financial condition and results of operations. Impairment of our goodwill might result in failure to comply with the financial and other restrictive covenants contained in our debt agreements, which in the event of default could result in all or a significant portion of the debt, if any exist, becoming immediately due and payable; See also “Item 3.D Risks Related to Our Finances and Capital Structure— Our credit facilities expose us to leverage risks and subjects us to covenants which may adversely affect our operations. In addition, financing sources may not be available to us.”

Calculating our income tax rate is complex and subject to uncertainty, including risks related to changing global tax landscapes, and potential legislative reforms that could materially impact our effective tax rate and financial results.

The computation of income taxes is complex because it is based on the laws of numerous taxing jurisdictions and requires significant judgment on the application of complicated rules governing accounting for tax provisions under GAAP. Examples of items that could cause variability in our income tax rate include our mix of income by jurisdiction, changes in our uncertain tax positions, the application of transfer pricing rules and tax audits. Future events, such as changes in our business and the tax law in the jurisdictions where we do business, could also affect our tax rate.

Our effective income tax rate was 59.3% for the year ended January 31, 2026, please see “Item 5.A. Operating Results—Components of Results of Operations—Provision for Income Taxes”. Our effective tax rate could change over time as a result of changes in corporate income tax rates or other changes in tax laws of the jurisdictions in which we operate. Any changes in tax laws could have an adverse impact on our financial results. Corporate tax reform, base-erosion efforts and tax transparency continue to be high priorities in many tax jurisdictions where we have business operations. As a result, policies regarding corporate income and other taxes in numerous jurisdictions are under heightened scrutiny and tax reform legislation is being proposed or enacted in a number of jurisdictions.

For example, there is growing pressure in many jurisdictions and from multinational organizations such as the Organization for Economic Cooperation and Development (OECD) and the EU to amend existing international taxation rules in order to align the tax regimes with current global business practices. Specifically, in October 2015, the OECD published its final package of measures for reform of the international tax rules as a product of its Base Erosion and Profit Shifting (BEPS) initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package required and resulted in specific amendments to the domestic tax legislation of various jurisdictions and to existing tax treaties. We continuously monitor these developments. Although many of the BEPS measures have already been implemented or are currently being implemented globally (including, in certain cases, through adoption of the OECD’s “multilateral convention” (to which Israel is also a party) to effect changes to tax treaties which entered into force on July 1, 2018 and through the European Union’s “Anti Tax Avoidance” Directives), it is still difficult in some cases to assess to what extent these changes would impact our tax liabilities in the jurisdictions in which we conduct our business or to what extent they may impact the way in which we conduct our business or our effective tax rate due to the unpredictability and interdependency of these potential changes. In January 2019 the OECD announced further work in continuation of the BEPS project, focusing on two “pillars”. As of December 5, 2025, 148 member jurisdictions approved a statement known as the OECD BEPS Inclusive Framework, which builds upon the OECD’s continuation of the BEPS project. The first pillar is focused on the allocation of taxing rights between countries for in-scope multinational enterprises that sell goods and services into countries with little or no local physical presence. Based on the guidelines published to date, we do not expect to fall within the scope of the rules of the first pillar. The second pillar is focused on developing a global minimum tax rate of at least 15% (measured on a country-by-country basis) applicable to in-scope multinational groups (with consolidated revenue over Euro750 million). Israel, as well as other jurisdictions where we operate, are included among more than 140 countries which have agreed in principle to the adoption of the global minimum tax rate.

Given these developments, it is generally expected that tax authorities in various jurisdictions in which we operate may increase their audit activity and may seek to challenge some of the tax treatments we have adopted. It is difficult to assess if and to what extent such challenges, if raised, might adversely impact our effective tax rate.

Further, there are proposals in the United States to introduce further amendments to the federal tax regime applicable to corporations. As of the date of filing, it remains unclear what legislation, if any, would be enacted. If any legislation is enacted, it could create the potential for added volatility in our provision for income taxes and might have an adverse impact on our future income tax provision and tax rate.

Our financial results may be significantly impacted by changes in our tax position.

We are subject to taxes in Israel, the United States and numerous foreign jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in valuation allowance on deferred tax assets (including our non-U.S. NOL carryforwards), changes in unrecognized tax benefits, or changes in tax laws or their interpretation. Any of these changes could have a material adverse effect on our profitability. In addition, the tax authorities in the jurisdictions in which we operate, including but not limited to Israel and the United States, may from time to time review the pricing arrangements between us and our non-U.S. subsidiaries or by and among our non-U.S. subsidiaries. An adverse determination by one or more tax authorities in this regard may have a material adverse effect on our financial results.

The extent to which we will be able to use NOLs may be impacted, restricted, or eliminated by a number of factors, including changes in tax rates, laws or regulations, whether we generate sufficient future taxable income, and possible adjustments to our tax attributes. To the extent that we are unable to utilize our NOLs or other losses, our results of operations, liquidity, and financial condition could be materially adversely affected. When we cease to have NOLs available to us in a particular tax jurisdiction, either through their expiration, disallowance, or utilization, our cash tax liability will generally increase in that jurisdiction. Disallowance of any NOLs previously utilized by the Verint group to offset Cognyte income in a particular tax jurisdiction could result in a tax payment obligation.

In July 2025, the United States enacted significant tax legislation commonly referred to as the One Big Beautiful Bill Act (“OBBBA”). The OBBBA makes permanent many provisions of the Tax Cuts and Jobs Act of 2017 (“TCJA”) and introduces additional changes affecting individuals and businesses. Compliance with the TCJA and OBBBA requires significant complex computations not previously required by U.S. tax law.

The key provisions of the TCJA, which may significantly impact our current and future effective tax rates, include new limitations on the tax deductions for interest expense and executive compensation and new rules related to uses and limitations of NOL carryforwards. New international provisions add a new category of deemed income from our non-U.S. operations, eliminate U.S. tax on foreign dividends (subject to certain restrictions), and add a minimum tax on certain payments made to foreign related parties. The TCJA amendments to Section 174 of the United States Internal Revenue Code of 1986, as amended (the “Code”) require that specific research and experimental expenditures be capitalized and amortized over five years if incurred in the U.S. or fifteen years if incurred in a foreign jurisdiction beginning in our fiscal 2022. Subsequent amendments to Section 174 under the OBBBA eliminated the requirement for U.S. domestic companies to amortize such expenditures over five years; however, this change does not apply to research activities conducted outside the United States (whether by a U.S. entity or on behalf of a U.S. entity by a foreign contractor including a related foreign subsidiary), and therefore the fifteen-year amortization requirements continue to apply to us. These provisions, their interpretations, and other proposed changes to law could further impact our effective tax rate and cash flows in future years.

Risks Associated with the Spin-Off

The spin-off could result in significant tax liability to Verint and us, and in certain circumstances, we could be required to indemnify Verint for material taxes pursuant to indemnification obligations under the Tax Matters Agreement. In addition, we agreed to certain restrictions designed to preserve the tax treatment of the spin-off that may reduce our strategic and operating flexibility.

Verint has obtained a tax ruling (the “U.S. Tax Ruling”) from the Internal Revenue Service (the “IRS”) that certain of the requirements for tax-free treatment under Section 355 of the Code will be satisfied and that Cognyte will be treated as a domestic corporation for U.S. federal income tax purposes under Section 7874 of the Code. Verint also obtained a written opinion of Jones Day (the “Tax Opinion”) to the effect that the distribution will qualify as tax-free, for U.S. federal income tax purposes, to Verint and to Verint shareholders under Section 355 of the Code.

The U.S. Tax Ruling may not be relied on if the facts or representations made by Verint about Verint's and our businesses and other matters are incorrect or not otherwise satisfied. Although the U.S. Tax Ruling will be generally binding on the IRS, the continuing validity of the U.S. Tax Ruling is subject to the continuing validity of the facts and representations made in the ruling request.

The Tax Opinion is based on certain representations as to factual matters from, and certain covenants by, Verint and us. The Tax Opinion may not be relied on if any of the assumptions, representations or covenants are incorrect, incomplete or inaccurate or are violated in any material respect. Further, the Tax Opinion is not binding on the IRS or in any court, and there can be no assurance that the relevant tax authorities will not take, or any court will not affirm, a contrary position.

If the distribution were determined not to qualify for the treatment described in the U.S. Tax Ruling or the Tax Opinion, or if any conditions in the U.S. Tax Ruling or the Tax Opinion are not observed, then Verint and its shareholders could suffer adverse tax consequences and, under certain circumstances, we could have an indemnification obligation to Verint with respect to some or all of the resulting tax to Verint under the Tax Matters Agreement (the "Tax Matters Agreement") we entered into with Verint, as described in "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between Verint and Us—Tax Matters Agreement."

In addition, under the Tax Matters Agreement, we agreed to certain restrictions designed to preserve the tax-free nature of the distribution for U.S. federal income tax purposes. These restrictions may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that might be beneficial and could discourage or delay strategic transactions that our shareholders may consider favorable. Furthermore, we agreed with Verint under the Tax Matters Agreement that we will be primarily responsible for any taxes related to, or arising in connection with our business, including with respect to the period prior to the spin-off. As a result of such undertaking, we have recorded in the fiscal year that ended on January 31, 2023 a \$4.7 million tax contingency in connection with a tax position that should have been recognized by Verint beginning with 2019, prior to the spin-off, and related primarily to our business. During the fourth quarter of fiscal year ending January 31, 2024, the uncertain tax positions associated with Verint, as well as the corresponding indemnification asset, were reversed due to the expiration of the statute of limitations. For further information, please see "Item 5.A. Operating Results—Components of Results of Operations—Provision for Income Taxes" and "Item 7.B. Related Party Transactions—Separation and Distribution and Tax Matter Agreements with Verint."

Verint has obtained a tax ruling (the "Israeli Tax Ruling") from the Israeli Tax Authority (the "ITA") providing that, for Israeli income tax purposes, the distribution and certain internal transactions, which are part of the spin-off and the separation, are generally tax-free to Verint shareholders, Verint and Cognyte. Certain other internal transactions not covered by the Israeli Tax Ruling should also not result in any tax liabilities in Israel.

We agreed to conditions and restrictions set forth in the Israeli Tax Ordinance and the Israeli Tax Ruling issued by the ITA. These restrictions may also limit our ability to engage in new businesses or other transactions, and the ability of certain shareholders of Verint and Cognyte to sell or otherwise transfer their shares for a period of two years following the date the internal transactions are consummated.

Risks Related to Our Ordinary Shares

Our share price has been and may be volatile, and shareholders may lose all or part of their investment.

Our share price has been and may continue to be volatile for various reasons, including:

- announcements by us or our competitors regarding, among other things, strategic changes, new products, product enhancements or technological advances, acquisitions, major transactions, significant litigation or regulatory matters, stock repurchases, or management changes;
- press or analyst publications, including with respect to changes in recommendations or earnings estimates or growth rates by financial analysts, changes in investors' or analysts' valuation measures for our securities, our credit ratings, our security solutions and customers, speculation regarding strategy or mergers and acquisitions ("M&A"), or market trends unrelated to our performance;
- stock sales or purchases by us or our directors, officers, or other significant holders, or our future repurchases, if any, of our ordinary shares pursuant to our current share repurchase program and/or any other share repurchase program which may be approved in the future;
- hedging or arbitrage trading activity by third parties;

- actual or anticipated fluctuations in our results of operations;
- market conditions in our industry including periods of heightened volatility, valuation compression, or shifts in investor sentiment affecting technology companies, including companies associated with artificial intelligence or emerging technologies, regardless of our operating performance;
- changes in the estimation of the future growth and size of our markets;
- the trading volume of our ordinary shares;
- general economic and market conditions; and
- negative media and public exposures.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. For example, in March 2023, a private securities lawsuit was filed in the U.S. against us and certain officers alleging, among other things, that we concealed the fact that our business practices violated Meta's community standards and terms of services and that our stock price dropped after the facts were disclosed. In June 2025 the court finally dismissed the lawsuit, bringing the matter to a close. Nevertheless, such lawsuits could result in substantial costs and divert management's attention and resources, which could adversely affect our business. Furthermore, given that a significant part of certain of our employees' compensation is linked to our share price, volatility in our share price may affect our ability to recruit and retain qualified personnel. Lastly, volatility in our share price may adversely impact our ability to make acquisitions using our ordinary shares as consideration, our ability to raise additional funds in the capital markets and our ability to generally execute on our strategy, in turn negatively affecting our business, results of operations and financial condition.

If we do not meet the expectations of securities analysts, if they do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our ordinary shares, or, alternatively, if we do not meet our own earnings guidance, the price of our ordinary shares could decline.

The trading market for our ordinary shares relies in part on the research and reports that securities analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our revenues, our results of operations, or our financial condition are below the estimates or expectations of public market analysts and investors, the price of our ordinary shares could decline. Moreover, the price of our ordinary shares could decline if one or more securities analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. In addition, to the extent we do not meet our earnings guidance, our share price may be adversely affected. The earnings guidance we issue from time to time is based on, among other things, our expectations and assumptions regarding our business and the market we operate in, and there is no assurance that our assumptions and expectations will prove to be accurate.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our business, financial condition and results of operations may be adversely affected.

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. Actual results could differ materially from these estimates. We base our estimates on assumptions (both historical and forward-looking), trends, and various other assumptions that are believed to be reasonable, as provided in Note 2 to our consolidated financial statements. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, in addition to the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates are used to prepare our consolidated financial statements, including revenue recognition, fair value of goodwill, income taxes related to realizability of deferred tax assets and tax uncertainties. Our business, financial condition and results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our ordinary shares.

We may issue additional equity, which may dilute the value of our outstanding ordinary shares.

In the future, the percentage ownership of our investors may be diluted because of equity issuances from acquisitions, capital markets transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees. Our Compensation Committee of our board of directors have granted and will continue to grant additional equity

awards to our employees, officers and directors, from time to time, under our employee benefits plans. These additional awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our shares.

We are an FPI and, as a result, we are subject to reporting obligations and corporate governance practices that, to some extent, are more lenient than those of a U.S. domestic public company whose shares are listed on Nasdaq.

We report under the Exchange Act as a Foreign Private Issuer (“FPI”). Thus, we are exempt from certain provisions of the Exchange Act applicable to U.S. domestic public companies, which are more expansive and require more frequent filings, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act and the content of proxy statements, (ii) the rules under Section 16 of the Exchange Act subjecting officers, directors and principal shareholders to short-swing profit recovery and subjecting principal shareholders to beneficial ownership reporting, and (iii) the rules under the Exchange Act requiring the filing with the U.S. Securities Exchange and Commission (“SEC”) of quarterly reports on Form 10-Q containing full unaudited financial statements and notes thereto and other specified information, and current reports on Form 8-K, which are due upon the occurrence of specified significant events. In addition, FPIs are not required to file their annual reports on Form 20-F until four months after the end of each financial year, while U.S. domestic issuers that are accelerated filers like us are required to file their annual reports on Form 10-K within 75 days after the end of each fiscal year. We are required to report certain material developments in reports furnished on Form 6-K with the SEC, and we have furnished and intend to continue furnishing on Form 6-K our unaudited quarterly financial information after the end of each fiscal quarter. FPIs are also exempt from Regulation FD, aimed at preventing issuers from making selective disclosures of material information. Recently enacted U.S. legislation will require our directors and officers to make insider reports under Section 16(a) of the Exchange Act, effective March 18, 2026. Our principal shareholders continue to remain exempt from the reporting requirements under Section 16(a) of the Exchange Act and our directors, officers and principal shareholders continue to remain exempt from the short-swing profit recovery provisions contained in Section 16(b) of the Exchange Act. As a result of the above, our shareholders may not have the same protections and/or access to information afforded to shareholders of companies that are not FPIs.

As an FPI whose shares are listed on Nasdaq, we are also permitted to follow certain home country corporate governance practices instead of certain requirements of the Nasdaq rules. Currently, as permitted under the Israeli Companies Law, our articles of association (“Articles of Association”) provide that the quorum for any meeting of shareholders is 25% of the issued and outstanding share capital, which is less than the 33.33% minimum required under Nasdaq rules. In addition, we currently follow home country practices in Israel in lieu of compliance with the Nasdaq requirements for shareholder approval of certain significant issuances of shares pursuant to a private placement or merger/acquisition for shareholder approval for adoption and material amendments to share incentive plans and for the distribution of annual and interim reports, which requirements apply to a domestic U.S. issuer. For more information, see “Item 16G. Corporate Governance.” While we otherwise follow all Nasdaq corporate governance requirements applicable to domestic companies, we may later decide to rely on exemptions from certain of these requirements as an Israeli FPI. For instance, unlike the requirements of Nasdaq, there are currently no mandatory corporate governance requirements in Israel that would require us to (i) have a majority of its board of directors be independent, (ii) establish a nominating/governance committee, or (iii) hold regular executive sessions where only independent directors may be present.

Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. company listed on Nasdaq may provide less protection than is accorded to investors of domestic issuers.

We could lose our status as a “foreign private issuer” under applicable securities laws and regulations if more than 50% of our outstanding voting securities were to become directly or indirectly held of record by U.S. holders and any one of the following were true: (i) the majority of our directors or executive officers were U.S. citizens or residents; (ii) more than 50% of our assets were located in the United States; or (iii) our business were administered principally in the United States.

Additionally, in June 2025, the SEC published a concept release soliciting public comment on potential changes to the eligibility criteria for foreign private issuer status. Among other topics, the SEC is considering whether to narrow the definition of an FPI, for example, by lowering the threshold for U.S. shareholder ownership required to trigger a company’s loss of FPI status, introducing a minimum amount of trading outside the United States, or requiring a non-U.S. exchange listing. While no final rule has been adopted as of the date of this annual report, if the SEC revises its eligibility criteria for FPIs in the future, it could affect our ability to continue qualifying as an FPI and benefiting from related accommodations. We are continuing to monitor these developments and will assess the potential impact of any changes if and when they are adopted.

If we were to lose our status as a “foreign private issuer” in the future, we would no longer be exempt from the rules described above and, among other things, we would be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the United States. If this were to happen, we would likely incur significant additional legal, accounting, and other expenses and would likely have to divert significant management time and resources in order to comply with U.S. domestic issuer requirements.

Our shareholders' rights and responsibilities are governed by Israeli law, which differs in some material respects from the rights and responsibilities of shareholders of U.S. corporations.

The rights and responsibilities of the holders of our shares are governed by our Articles of Association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in U.S.-based corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders, and to refrain from abusing its power in the company, including, among other things, in voting at a general meeting of shareholders on matters such as amendments to a company's articles of association, increases in a company's authorized share capital, mergers and acquisitions and related party transactions requiring shareholder approval. In addition, a shareholder who is aware that it possesses the power to determine the outcome of a shareholder vote or to appoint or prevent the appointment of a director or executive officer in the company has a duty of fairness toward the company. There is limited case law available to assist us in understanding the nature of these duties or the implications of these provisions. These provisions may be interpreted to impose additional obligations and liabilities on holders of our shares that are not typically imposed on shareholders of U.S. corporations.

Provisions of Israeli law and our Articles of Association may delay, prevent or otherwise impede a merger with, or an acquisition of, our company, which could prevent a change of control, even when the terms of such a transaction are favorable to us and our shareholders.

Israeli corporate law regulates mergers, requires tender offers for acquisitions of shares above specified thresholds, requires special approvals for transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to such types of transactions, in each case, in ways that are different from and may be considered more burdensome than corresponding U.S. law.

Furthermore, Israeli tax considerations may make potential transactions unappealing to us or to our shareholders whose country of residence does not have a tax treaty with Israel exempting such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of different conditions.

Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

Our Articles of Association also contain provisions that could delay or prevent changes in control or changes in our management without the consent of our board of directors. These provisions include the following:

- the election of our directors on a staggered basis, such that a potential acquirer cannot readily replace our entire board of directors at a single annual general shareholder meeting;
- no cumulative voting in the election of directors, which limits the ability of minority shareholders to elect director candidates;
- approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office, and any amendment to that provision in our Articles of Association shall require the approval of at least 65% of the total voting power of our shareholders; and
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors, and the right of our board of directors to fill a vacancy upon the resignation, death or removal of a director, which limits shareholders' ability to fill vacancies on our board of directors.

If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a publicly traded company, we are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting under Section 404(a) of the Sarbanes-Oxley Act of 2002 ("SOX"). We are also required to receive an attestation from our independent registered public accounting firm on the effectiveness of such controls under Section 404(b) of SOX.

Our system of internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with GAAP. Because of its inherent limitations, our system of internal control over financial reporting may not prevent or detect every misstatement. An evaluation of effectiveness is subject to the risk that the controls may become inadequate because of changes in conditions, because the degree of compliance with policies or procedures decreases over time, or because of unanticipated circumstances or other factors. While our management has concluded that we maintained effective disclosure controls and procedures and internal control over financial reporting as of January 31, 2026, and our independent registered public accounting firm has issued a report attesting to the effectiveness of our internal control over financial reporting as of such date, we cannot be certain at this time that all of our controls will be considered effective and our internal control over financial reporting may not satisfy the regulatory requirements going forward. As a result, we cannot assure you that our internal controls will prevent or detect every misstatement, that material weaknesses or other deficiencies will not occur or be identified in the future or that future restatements will not be required. A determination that our internal controls are not effective and any remedial actions required could divert internal resources and take a significant amount of time and effort to complete, and could result in us incurring additional costs that we did not anticipate, including the hiring of outside consultants. We could experience higher than anticipated operating expenses and higher independent auditor fees during and after the implementation of these changes. Further, the reliability of our financial statements may be questioned and our share price may suffer. Any of these outcomes could materially and adversely affect our business and your investment in our ordinary shares.

It may be difficult to enforce a judgment of a U.S. court against us and/or our officers and directors in Israel or the United States, assert U.S. securities laws claims in Israel or serve process on our officers and directors.

Certain of our directors or officers are not residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. directors and executive officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors.

Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

The exclusive forum clause in our amended and restated articles of association could limit our shareholders' ability to bring claims against, as well as obtain favorable judicial forum for disputes with us and/or our directors, officers and other employees.

Under our amended and restated articles of association, the competent courts of Tel Aviv, Israel are the exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims brought pursuant to the Securities Act or the Exchange Act or any other claim for which federal courts would have exclusive jurisdiction. Such exclusive forum provision in our amended and restated articles of association will not relieve the Company of its duties to comply with federal securities laws and the rules and regulations thereunder, and shareholders of the Company will not be deemed to have waived the Company's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with the Company or its directors or other employees which may discourage lawsuits against the Company, its directors, officers and employees.

Our amended and restated articles of association provide that, unless we consent to an alternative forum, the federal district courts of the United States shall be the exclusive forum for resolution of any complaint asserting a cause of action arising under the Securities Act.

Our amended and restated articles of association provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for any claim asserting a cause of action arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction, as Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may increase the costs associated with such lawsuits, which may discourage such lawsuits against us and our directors, officers and employees. Additionally, there is uncertainty as to whether a court would enforce the exclusive forum provisions relating to causes of actions arising under the Securities Act. If a court were to find these provisions of our amended and restated articles of association inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

We cannot guarantee that our share repurchase program will be utilized to the full value approved or that it will enhance long-term shareholder value. Repurchases we consummate could increase the volatility of the price of our ordinary shares and could have a negative impact on the liquidity of our ordinary shares.

In November 2024, our Board of Directors approved a share repurchase program for the purchase of up to \$20 million of our ordinary shares. Under the Repurchase Program, we repurchased a total of 2,094,538 ordinary shares for an aggregate purchase price of \$20 million, and this authorization was fully utilized.

On July 14, 2025, our Board approved a new share repurchase program ("Repurchase Program") authorizing the buyback of up to an additional \$20 million in ordinary shares over 18 months, through January 14, 2027, as part of our capital allocation strategy.

On March 2, 2026, our Board of Directors approved an additional share repurchase program authorizing the buyback of up to a further \$20 million in ordinary shares through January 14, 2027. We repurchase our ordinary shares from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions or otherwise, all in accordance with U.S. federal securities laws. The timing, as well as the number and value of any shares repurchased under the program, will be determined at our discretion and will depend on a variety of factors, including management's assessment of the intrinsic value of our ordinary shares, the market price of our ordinary shares, general market and economic conditions, available liquidity, alternative investment opportunities, and applicable legal requirements. Share repurchases could have an impact on the trading price of our ordinary shares, increase the volatility of the price of our ordinary shares, or reduce the liquidity of our ordinary shares.

Additionally, repurchases under the Repurchase Program may diminish our cash reserves, which could impact our ability to pursue possible strategic opportunities and acquisitions and could result in lower overall returns on our cash balances.

The Repurchase Program does not obligate us to acquire a particular amount of ordinary shares, and the Repurchase Program may be suspended, modified or discontinued at any time at our discretion and without prior notice, which may result in a decrease in the trading prices of our ordinary shares. We cannot assure you that any share repurchases will enhance shareholder value because the market price of our ordinary shares could decline.

General Risk Factors

Actions of activist shareholders have caused us in the past, and may cause us in the future, to incur substantial costs, disrupt our operations, divert management's attention, or have other material adverse effects on us.

We have been subject to shareholder activism and, from time to time, activist investors may take and have taken a position in our shares. These activist investors may disagree with decisions we have made or may believe that alternative strategies or personnel, either at a management level or at a board level, would produce higher returns. Such activists may or may not be aligned with the views of our other shareholders, may be focused on short-term outcomes, or may be focused on

building their reputation in the market. These activists may not have a full understanding of our business and markets and the alternative personnel they may propose may also not have the qualifications or experience necessary to lead the company.

Responding to advances or actions by activist investors may be costly and time-consuming, may disrupt our operations, and may divert the attention of our board of directors, management team, and employees from running our business and maximizing performance. Such activist activities could also interfere with our ability to execute our strategic plan, disrupt the functioning of our board of directors, or negatively impact our ability to attract and retain qualified executive leadership or board members, who may be unwilling to serve with activist personnel. Uncertainty as to the impact of activist activities may also affect the market price and volatility of our shares.

ITEM 4. INFORMATION ON THE COMPANY

4.A. HISTORY AND DEVELOPMENT OF THE COMPANY

General Corporate Information

We are incorporated under the laws of the State of Israel as a company limited by shares. We are registered under the Israeli Companies Law as Cognyte Software Ltd., and our registration number with the Israeli Registrar of Companies is 516196425. We were formed by Verint in connection with our separation from Verint, for an unlimited duration, effective as of the date of our incorporation on May 21, 2020.

We are domiciled in Israel and our registered office is currently located at 33 Maskit, Herzliya Pituach, 4673333, Israel, which also currently serves as our principal executive offices, and our telephone number is +972-3-577-4226.

Our website address is www.cognyte.com. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational purposes. Our SEC filings are available to you on the SEC's website at <http://www.sec.gov>, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The information on that website is not part of this Annual Report and is not incorporated by reference herein.

General Development of Business

Our business has grown significantly over the past three decades through a combination of organic growth and small acquisitions, primarily technology tuck-ins. We have also expanded our geographical footprint. As we have grown, we have expanded our solutions portfolio from an initial focus on products for lawful communications interception to a provider of investigative analytics software that helps customers generate Actionable Intelligence® from large volumes of complex data, across diverse operational domains, in order to enhance public safety and security.

Principal Capital Expenditures

Our capital expenditures amounted to \$10.6 million, \$13.2 million and \$9.1 million during the fiscal years ended January 31, 2026, 2025 and 2024, respectively, primarily consisting of expenditures related to capitalized software development costs and purchases of property and equipment.

The Spin-Off

On December 4, 2019, Verint announced plans to separate into two independent companies: Cognyte Software Ltd., which would consist of its Cyber Intelligence Solutions business, and Verint Systems Inc., which would consist of its Customer Engagement Business. On February 1, 2021, we and Verint completed the spin-off and the related separation and distribution. As a result, we are an independent, publicly traded company and our shares are listed on Nasdaq under the ticker symbol "CGNT."

The SIS Divestiture

In December 2022, as part of our ongoing strategic plan to simplify and focus the Company on fewer agendas, we sold our Situational Intelligence Solutions (SIS) business.

4.B. BUSINESS OVERVIEW

Overview

We are a leading software-driven technology company, focused on investigative analytics solutions that help customers generate actionable intelligence from large volumes of complex data, across diverse operational domains, in order to enhance public safety and security. Our solutions are used primarily by law enforcement, national security, national and military intelligence agencies, and other organizations to address a wide range of investigative and operational challenges. Drawing on decades of investigative analytics domain expertise, our platforms and solutions enable customers to ingest, fuse and analyze structured and unstructured data from multiple sources, uncover hidden patterns and connections, and make faster, better-informed decisions. Our offerings leverage state-of-the-art Artificial Intelligence (AI), including big data analytics and advanced machine learning, as well as generative and AI-assisted capabilities that enhance user productivity and accelerate investigative workflows, together with proven investigative methodologies, to support retrospective investigations and real-time, near real-time and predictive decision-making. Hundreds of customers rely on our solutions to accelerate investigations, improve resolution rates and better anticipate, predict and mitigate threats with greater precision.

Demand Trends

We believe that the following trends are driving demand for our solutions:

- *Data is Growing Rapidly and is Highly Fragmented.* The growing volume and diversity of structured and unstructured data require not only advanced analytical tools but also innovative approaches to manage and analyze this data effectively. Organizations face challenges in consolidating data from diverse sources. As data ecosystems become increasingly complex, there is a growing need for solutions that can seamlessly aggregate, interpret and derive actionable intelligence from highly fragmented information, while maintaining security and governance. As artificial intelligence capabilities continue to evolve, organizations increasingly expect platforms that can not only aggregate and analyze data, but also uncover hidden relationships, surface high-risk signals, and strengthen operational decision-making across large and dynamic intelligence environments. In addition to improving operational efficiency, AI-driven capabilities are increasingly viewed as essential to achieving intelligence advantage and enhancing mission outcomes in complex threat landscapes.
- *Security Threats Are Becoming More Difficult to Detect and Mitigate.* Organizations face increasingly complex investigation challenges, as threats from well-organized and well-funded adversaries continue to evolve. Bad actors are leveraging advanced technologies to avoid detection, making it more difficult to identify and mitigate threats. To stay ahead, organizations must address threats that are more sophisticated and global in scale. Advanced investigative analytics software can help organizations uncover the unknown by revealing patterns and anomalies, providing near real-time insights, and accelerating decision-making. These capabilities are increasingly important as agencies face resource constraints and shortages of experienced analysts, driving demand for AI-driven tools that can reduce time to gain insight and amplify human expertise. The shortage of skilled investigative personnel further increases demand for AI-enabled systems that can reduce cognitive load, automate routine analytical tasks, summarize complex findings, and recommend next investigative steps, while maintaining human oversight and accountability. We are witnessing an ongoing shift toward data-driven intelligence where scalable, easily integrated platforms are essential, especially in areas such as signals intelligence and open-source intelligence, where organizations must process vast and complex data sets with speed and precision. In addition, as generative and AI-assisted technologies become more broadly accessible, organizations increasingly require governed and secure AI capabilities embedded directly within investigative workflows, rather than relying on standalone or general-purpose tools.
- *Organizations Are Transitioning to Modern, Industry-Standard Platforms.* Historically, some organizations relied on proprietary solutions supported by integrators and internal development resources. However, these solutions often struggle to keep pace with rapid technological evolution, limiting adaptability and effectiveness. Moreover, tailor-made, one-off solutions are often more expensive, less flexible, and prevent organizations from benefiting from the collective feedback and continuous improvements that industry-leading platforms incorporate. As digital transformation accelerates, organizations are increasingly shifting to modern, open interface software that adheres to industry standards and seamlessly integrates into existing environments. This shift extends to areas like lawful interception where advancements are driving the need for modernization, enabling faster resolution times, improved intelligence extraction, and greater operational efficiency. To remain effective in an evolving landscape, organizations benefit from adopting scalable platforms that support agility, efficiency and compliance with regulatory and operational requirements. This transition also reflects a growing preference for solutions that embed advanced analytics and AI capabilities within standardized architectures, enabling continuous enhancement through real-world operational feedback while maintaining governance, auditability and regulatory compliance.
- *Geopolitical Complexity, Advanced Analytics and AI, Are Driving Demand for Our Products.* The rapidly shifting geopolitical environment, marked by heightened global tensions, emerging threats, and increasingly complex security challenges, is fueling the demand for advanced analytics solutions. Governments and other entities face the pressing need to monitor, predict and respond to dynamic scenarios with greater speed and precision. As geopolitical

uncertainties intensify, organizations require advanced analytical tools to improve decision-making, and maintain security in an increasingly volatile world, including solutions that can correlate data across domains and jurisdictions. As AI technologies continue to advance, organizations also increasingly require solutions that combine advanced analytics with domain expertise, explainability, and governance controls, ensuring that AI-driven insights are reliable, defensible and aligned with operational and regulatory requirements. This trend favors purpose-built investigative platforms that integrate AI within established investigative methodologies and secure environments.

Our Strategy

Our strategy is centered on enabling organizations to navigate complex investigative challenges with advanced analytics while expanding our presence worldwide and deepening our relationships with existing customers. By leveraging our deep domain expertise and technology, we aim to address the growing demand for sophisticated investigative solutions that enhance security, intelligence and operational decision-making. At the same time, we continue to explore additional use cases where our capabilities can drive meaningful impact. Our strategy includes the following:

- *Empower Organizations with Comprehensive Analytics Solutions.* With decades of experience and a global customer base, we bring excellent expertise to developing innovative investigative analytics solutions. Our platform and solutions address a wide spectrum of investigative needs, helping customers uncover critical insights from past events, while also enabling them to anticipate, predict and mitigate threats with precision. We continuously enhance our platform by introducing advanced capabilities, leveraging AI and addressing emerging threats to empower our customers with actionable intelligence. Our long-standing customer relationships and ongoing feedback from operational deployments inform our roadmap and help us prioritize enhancements that deliver measurable investigative and operational value.
- *Drive Adoption of Open Interface Software.* Our open interface software provides flexibility, enabling customers to tailor our solutions to their priorities and scale capabilities as their needs grow. By enabling seamless integration of third-party technologies and rapid deployment of new capabilities, our open interface software helps customers maximize their value over time. This approach not only enhances customer outcomes but also fosters repeat business and expands our footprint within existing accounts.
- *Expand Into New Government Markets.* We are expanding into new government territories and segments, leveraging our leadership in investigative analytics to address a wide range of security and intelligence challenges. Our innovative, scalable and future-ready solutions enable government organizations worldwide to adapt to evolving threats and operational needs. As part of this strategy, we are strengthening our presence in the United States, by establishing and expanding strategic partnerships with government agencies. Our efforts are already yielding results, with growing interest and initial deployments across key agencies.

Our Technology

The sheer volume and complexity of data today pose significant challenges for organizations, often hindering their ability to generate timely intelligence for identifying and preventing threats and conducting effective investigations. Cognyte's technology is purpose-built to convert raw data in high volumes and diversity into insights, primarily for security organizations.

Our intelligence solutions enable analysts and investigators to process and analyze vast amounts of structured and unstructured data, transforming scattered signals into actionable intelligence.

We excel in processing and interpreting signals from diverse sources, transforming raw, fragmented data into a structured foundation for intelligence.

Our technology enables seamless aggregation, enrichment and fusion of our customers' vast data streams, both structured and unstructured, from selected open data sources and proprietary origins, into a unified intelligence framework. By layering advanced AI-driven analytics on top of this foundation, we empower investigators and analysts to extract meaning from complexity, uncover suspicious and illicit activity, and drive faster, more informed decision-making.

While purpose-built for security organizations, many of these capabilities could also be applicable in the future to other domains that rely on advanced data analysis and intelligence-driven insights.

Our technology is purpose-built to convert large volumes of heterogeneous data as well as focused, mission-specific and time-sensitive datasets into actionable intelligence, primarily for security organizations. It is designed around an intelligence lifecycle that includes (1) ingesting and fusing signals and multi-source content across multiple domains; (2) enriching and modeling this data using AI and other analytical techniques; (3) applying investigative analytics to uncover patterns, anomalies and relationships; and (4) presenting insights and workflows that support real-world investigative and operational decisions. This approach enables our customers to connect previously siloed information into a more complete intelligence picture.

Processing Signals Into Structured Data. We extract and interpret raw signals from multiple analog and digital feeds, transforming them from siloed data into structured datasets. This foundational step prepares data for deeper analysis.

- Signal feeds may come from various sources our customers have access to, including terrestrial and non-terrestrial communication systems, and government sensors and databases.
- In addition to the customer's proprietary feeds, Cognyte's solutions seamlessly integrate with commercial and open data sources available to our customers, facilitating comprehensive data fusion downstream.

Turning Data Into Information. Using proprietary, patented algorithms and leveraging AI models, we enrich data, which is often intentionally obscure or encrypted, assigning meaning and semantics to it. Examples include:

- Leveraging AI, on premises or in the cloud, to translate foreign languages into familiar ones, to identify objects and faces in images, and more.
- Detecting specific communication fingerprints to reveal hidden relations and activities.

Mining Information For Insights. Our advanced analytics and AI models perform multi-dimensional analysis, analyzing data across multiple variables or factors simultaneously, to answer fundamental intelligence questions related to different forms of terror and crime, and uncover patterns, anomalies, suspicious indicators and hidden relationships. Furthermore, our solutions are extensible, allowing customers to inject their own logic and models to mine insights beyond the customary analytics that Cognyte provides. These form the fabric and tissue from which the intelligence picture can be uncovered. Examples include:

- Which bad actors are communicating with each other.
- Which bad actors were interacting in person while in the same geographic location.
- Which bad actors are engaging in illicit online discourse.
- Which bad actors are affiliated with criminal or terror networks.

Analyzing Insights Into Knowledge. We apply higher-order analysis by training AI models with investigative methodology and domain expertise to generate intelligence that supports real-world security operations. At this stage, refined insights evolve into comprehensive knowledge, forming a more detailed intelligence picture that provides clarity on complex and evolving security situations, empowering investigators and analysts to detect threats and make informed decisions. Examples of knowledge include:

- The structure and inner workings of criminal or terror networks.
- The baseline habits of suspects, where deviations from these patterns - detected as anomalies - may trigger alerts.
- Machine learning models that output risk assessments.

Customers may interact with Cognyte's solutions through multiple form factors:

- Programmatically, through application programming interfaces (APIs).
- Visually, through a digital workspace where investigators and analysts can explore all levels of the data hierarchy to uncover new leads, prove or disprove hypotheses, and more.
- Through a natural language co-pilot experience, where GenAI technology, specifically tuned to investigative and intelligence use cases as well as each customer's data model, works on behalf of the human users to perform complex queries on the data. Beyond querying, GenAI agents can summarize and explain complex results, supporting investigators in understanding the broader context and prioritizing next investigative steps. These capabilities are embedded within structured investigative workflows.

Our solutions are designed to support multiple deployment models, including on-premises installations, customer-controlled cloud environments and cloud-based offerings. Our solutions support both traditional deployments and modern cloud-native configurations, enabling scalable analytics processing while maintaining strict security, governance and audit controls. In cloud deployments, data processing is performed in accordance with contractual terms and applicable regulatory requirements, and customers retain ownership and primary control over their data. This flexible deployment model enables customers to modernize their technology stack and adopt industry-standard cloud architectures without compromising operational oversight or mission requirements.

Overall, Cognyte's solutions provide a multi-layered intelligence-oriented structure, enabling organizations to answer broad and diverse investigative questions, and uncover hidden patterns and connections. By dramatically reducing analysis time and effort, our technology empowers analysts and investigators to make timely and data-supported decisions.

Cognyte's Architectural Principles

Our solutions are built on a robust, modular architecture designed to empower organizations with advanced capabilities to process, analyze and act on complex datasets. It enables continuous updates and AI advancements, ensuring customers always operate with cutting-edge capabilities. The result is a solution that provides organizations with the tools needed to conduct efficient, secure and scalable data-driven investigations and intelligence analysis while adapting to their ever-evolving priorities.

Key architectural principles and components include:

- **Flexible Data Platform:** Cognyte's solutions are built on top of a flexible data platform that facilitates ingestion and fusion of data from many different customer data sources, including third party, dark web and open source feeds. The platform supports virtually any type of data repository by means of a Dynamic Data Modeling Studio ("DDM Studio") coupled with extract, transform and load ("ETL") processes, ensuring customers can continuously integrate new sources and adapt to their evolving needs.
- **AI-powered Data Analytics and Enrichment Platform.** A unified analytical workflow encompassing a diverse and extensible toolbox equipped with statistical analysis and modeling tools for both structured and unstructured information, as well as media enrichment engines that operate on videos, image, audio and text.
- **Extensibility:** Our built-in business logic and analytics capabilities can be extended through **Pluggable Machine Learning**, empowering customers' data scientists to develop, extend or integrate machine learning models that align best with their specific needs. This flexibility ensures alignment with their unique data sources, investigative challenges, and methodology providing an adaptable investigative framework.
- **Intuitive Workflows.** Workflows using an integrated set of graphical tools and an intuitive drag-and-drop interface with no software customizations required. Flexible workflows are configurable to match a customer's specific processes and procedures, ensuring seamless integration into existing operations.
- **Governance.** Governance functionality to monitor and manage data availability, security, usability and integrity. Advanced privacy, audit, monitoring and access control functionalities enable organizations to maintain compliance and secure sensitive information.

Our Solutions

Our customers face a wide range of investigative challenges including criminal and terror activities, cyber-attacks, financial crimes, fraud and other threats. They rely on investigative analytics platforms and solutions to enhance operational effectiveness and drive faster, more conclusive outcomes.

Investigations can vary widely in duration and complexity. Some end without resolution due to insufficient intelligence or fragmented data. Complex investigations require data fusion from multiple sources, connection analysis, and the generation of actionable intelligence.

The stakes are high, as ineffective or delayed investigations can have devastating consequences, including loss of life, financial damage and widespread disruption. To mitigate these risks, customers seek solutions that help accelerate investigations, improve efficiency and increase resolution rates. Our solutions are designed to empower organizations to overcome these investigative challenges, accelerating the investigative process and increasing the percentage of successfully resolved cases.

By supporting diverse use cases and a variety of users, including high-ranking investigative officers, heads of investigations, analysts, security operations center ("SOC") operators, and operational field teams, our platform streamlines operations, and accelerates time to insight. Through intuitive visualization tools, natural language co-pilots, and configurable workflows, even non-technical users can easily operate our solutions, while skilled analysts and data scientists leverage the platform's advanced capabilities to develop and deploy custom algorithms and data models tailored to their needs.

Our modular platform enables customers and system integrator partners to deploy capabilities based on their priorities, with the flexibility to scale over time by integrating additional solutions and advanced functionalities. This adaptable approach ensures that organizations can continuously evolve their investigative capabilities to meet changing operational needs.

Our solutions portfolio spans multiple domains of investigative analytics, including decision intelligence, network intelligence, operational intelligence and threat intelligence. These capabilities enable customers to address investigations that involve both digital and physical domains, multiple communication channels and diverse threat types, using a consistent analytical framework.

We offer a broad set of solutions that can be described along the following categories (presented by alphabetical order):

- **Decision Intelligence Analytics** - Our decision intelligence platform uses advanced analytics and AI, along with data fusion, data visualization and investigation tools, to empower analysts to make faster, more informed decisions. By integrating and analyzing vast amounts of structured and unstructured data from multiple sources, our technology provides customers with a comprehensive, real-time and near real-time view across sources and domains, depending on their refresh cycles. This approach delivers actionable insights that would be virtually impossible to obtain through legacy tools or manual analysis.
- **Network Intelligence Analytics** - Our analytics software helps security organizations generate predictive and real-time insights from vast amounts of diverse data fused from a wide range of communication network sources, leveraging advanced analytics, AI and automation technologies.
- **Operational Intelligence Analytics** - Our operational intelligence analytics software and solutions help field security units carry out operational missions with greater confidence. By generating real-time or near real-time insights, our technology improves decision making in the field, supporting mission success.
- **Threat Intelligence Analytics** - We provide government agencies and enterprise security organizations and investigative teams with advanced analytics and threat detection software designed to adapt to the evolving global threat landscape. Our AI-driven platform leverages machine learning to process and enrich vast volumes of data from diverse sources, transforming fragmented information into actionable insights. By fusing structured and unstructured data, investigators and SOC teams can rapidly detect, analyze, and mitigate threats with greater speed and accuracy.

Enabling Strategic Outcomes

Our customers use our solutions to help address a broad range of investigative requirements. The examples below (in alphabetical order) illustrate certain use cases that we help our customers address with our technology:

Border Control

Law enforcement agencies face growing challenges related to illegal immigration and cross-border movements. Smuggling networks, human traffickers, and other illicit actors exploit gaps in enforcement and leverage sophisticated methods to avoid detection.

Our solutions empower border control agencies to integrate and analyze large volumes of diverse data. By applying advanced analytics, behavioral pattern recognition, and real-time intelligence, our technology helps agencies detect suspicious activity, identify potential trafficking or smuggling operations, and prevent illegal border crossings. These intelligence capabilities support more efficient resource allocation and proactive measures to enhance border security and public safety.

Cyber Threats

Governments are confronting a wide range of cyber-related threats as bad actors operate across borders and exploit digital infrastructure.

Our solutions enable governmental organizations to gather, process and enrich substantial amounts of data, filter out irrelevant information and generate actionable insights. Customers can identify suspicious indicators based on network data analysis, perform advanced monitoring and automatically flag anomalies behavior and patterns to detect potential attacks before they can cause significant harm.

Drug Trafficking

Governmental security organizations are conducting complex, multi-layered investigations to uncover and disrupt criminal activity along the drug trafficking supply chain – from raw materials sourcing to production, distribution of the illicit drugs and laundering of illegal proceeds.

Our solutions help customers fuse data from siloed sources - such as arrest and prison records, network data, financial transactions, flight records, property records - and apply link analysis to uncover hidden relations among individuals, organizations, companies, financial accounts and other entities.

By applying historical analysis, behavioral similarity, and pattern recognition, our solutions can generate proactive alerts to support investigative efforts.

Financial Crime

The methods used by criminals and terrorists continue to evolve, including the use of new techniques and technologies to commit financial crime and evade detection. Blockchain-based transactions, for example, enable anonymous movement of funds for money laundering and terror financing.

To help investigators, we offer software that leverages machine learning and blockchain analytics to generate insights and accelerate financial crime investigations.

In addition to supporting security and law enforcement agencies, these capabilities are also applicable in enterprise environments, including financial institutions and insurance organizations, where transaction monitoring, anti-money laundering compliance and risk scoring are critical to managing financial exposure and regulatory obligations.

Fraud

Civil agencies face growing volumes of fragmented policies and data, making it increasingly difficult for them to detect fraud and identify bad actors. Failure to act in time may result in financial losses, trade disruptions and risks to public safety.

Our solutions accelerate data-driven decision making by providing analysts with a cohesive view of available data and enabling broader use of AI. This allows investigators to surface insights that were previously difficult to obtain, more rapidly assess risks, conduct investigations, mitigate threats, improve revenue collection, and optimize resources across multiple use cases.

Similar challenges exist in enterprise contexts, including insurance claims validation, payment integrity monitoring, credit and default risk assessment, and internal fraud detection, where organizations must analyze large volumes of structured and unstructured data to identify anomalies and reduce financial losses.

Organized Crime

Organizations combating organized crime must identify criminal networks, understand their ecosystem, including leadership structures, funding sources and intentions, and prevent crimes before they happen and generate evidence. In today's digital world, criminals leave extensive digital footprints, but these signals are often fragmented across many systems, making analysis complex. Our solutions help governmental agencies fuse and analyst diverse data to uncover criminal networks, understand key relationships and disrupt illicit activities.

Terror Activities

The national security mission grows more complex as extremists and bad actors use the internet and social media for recruitment, fundraising and communications. Analysts are often overwhelmed by data volumes, and must identify potential terror threats quickly and accurately.

Our solutions enable analysts and investigators to fuse large volumes of fragmented data and develop comprehensive profiles of suspects by correlating information from multiple sources, supporting faster and more informed operational responses.

Military Intelligence – Border Intelligence

Military intelligence organizations are tasked with maintaining operational readiness across national borders, including land, maritime and aerial domains. These environments are increasingly complex, characterized by irregular activity, hybrid threats, and coordinated movements that may involve state and non-state actors. Our solutions support military intelligence units by enabling the fusion and analysis of large volumes of intelligence data from multiple sources, including signals, operational and open-source information. By applying advanced analytics and pattern recognition, our technology helps identify anomalous activity, emerging threats, and changes in behavior along borders, supporting early warning, informed decision-making, coordinated action across national security stakeholders, and enhanced protection of personal and operational assets.

Our Customers

We provide investigative analytics solutions to hundreds of customers, primarily in the government sector spanning approximately 100 countries.

Our customers face diverse and critical challenges, and leverage our solutions to accelerate investigations, uncover actionable insights, and address threats to national security and various forms of criminal and terror activities. By utilizing our advanced analytics solutions, they gain the ability to identify, neutralize and prevent threats with greater speed and precision. Confidentiality is a cornerstone of our customer relationships. Most of our customers require strict non-disclosure agreements, and we respect their need for discretion by refraining from publicizing our partnerships or detailing the solutions they use. As a trusted provider we prioritize maintaining the highest standards of confidentiality and trust .

Market Description and Opportunity

We generate the substantial majority of our revenue from contracts with government agencies worldwide , and we anticipate that these government contracts will remain our primary revenue source in the foreseeable future. As governments face escalating security threats, exponential growth in data volumes and increasingly sophisticated adversaries, we believe the demand for advanced analytics solutions like ours will continue to grow. In addition, we benefit from long-standing relationships with many of our customers, and a high proportion of our revenue is generated from follow-on orders and expansions of existing deployments, which we believe contribute to the durability and visibility of our revenue over time.

Sales

We sell globally and organize our sales force primarily in geographical teams across territories. Each regional team is responsible for both direct sales and the partner network in that territory, including sales to existing customers and adding new customers. In the years ended January 31, 2026, 2025 and 2024, respectively, we derived approximately 12%, 14% and 17% of our revenue from sales to end users located in the Americas region. In the years ended January 31, 2026, 2025 and 2024, respectively, we derived approximately 54%, 55% and 55% of our revenue from sales to end users located in the EMEA region. In the years ended January 31, 2026, 2025 and 2024, respectively, we derived approximately 34%, 31% and 28% of our revenue from sales to end users located in the Asia-Pacific (“APAC”) region.

Winning large contracts often requires a longer, high-touch sales process that may include responding to a Request for Proposal and/or delivering a Proof of Concept. We believe that our ability to demonstrate to customers the value that can be created with our differentiated solutions is critical to winning large contracts.

The majority of our orders are generated from existing customers expanding their usage of our solutions they have already deployed or the purchase of new solutions from our portfolio to be deployed in other areas of their operations. Revenue recognized from existing customers was approximately 91% for the year ended January 31, 2026 and approximately 96% and 96% for each of the years ended January 31, 2025 and 2024, respectively, with the remainder of our revenue attributable to new customers. Our sales force provides customers with regular updates on new solutions and assists them in evaluating the benefits of such solutions to address security and other challenges. In many cases, a new order from an existing customer will include both an expansion as well as the addition of new solutions. This high percentage of revenue from existing customers reflects the mission-critical nature of our solutions and the tendency of customers to expand their use of our platform and add new capabilities over time once our solutions are deployed and integrated into their operations. Such expansions are typically driven by the operational value our solutions deliver, including improved investigative efficiency, enhanced threat detection, and measurable impact on mission outcomes, and the need to scale capacity in response to increasing volumes and complexity of mission-related data..

Initial orders from new customers are often small, and over time, as the customer develops trust in our partnership, they expand with larger follow-on orders.

Additionally, as part of our ongoing efforts to enhance our sales strategy, we have implemented changes to our sales team structure and sales processes. We are also expanding our subscription-based offerings to support our long-term growth strategy.

Our government contracts may be subject to renegotiation or termination at the discretion of a government customer under certain conditions because of the unique nature of the terms and conditions generally associated with government contracts. Some of our government customers require us to have security credentials or engage an integrator or other customer approved legal entity. See “Item 3. Key Information—3.D. Risk Factors—Risks Associated with Macroeconomic and Global Conditions” for a more detailed discussion of certain sales and distribution risks that we face.

Services

Our services include customer support, software as a service professional services and integration services.

Customer Support

Our solutions are generally sold with a customer support plan to help customers ensure the ongoing, successful use of our mission-critical solutions in their environment. We offer various customer support plans with varying prices. We also offer support plans to partners where they are responsible for providing support to end users.

Professional Services

Our solutions can be implemented by our professional service organizations, our certified partners, or a customer’s own personnel who have been trained on our solutions.

Our professional services also include user training programs to enable customers to use our solutions effectively and maximize their value. Customer and partner trainings are provided at the customer site, at our training centers around the world, and/or remotely online.

Integration Services

We offer system integration services to integrate our solutions with the customer’s environment, software customization, and the purchase and deployment of third-party hardware components.

We also certify system integrator partners to enable them to sell or deliver system integration services. This provides customers with more choices and is consistent with our open solution strategy.

Seasonality

Our quarterly operating results have been, and are likely to continue to be, influenced by seasonal fluctuations due to certain purchasing patterns of some of our customers. Typically, our revenue and operating income are highest in the fourth quarter. Moreover, in some years, revenue and operating income in the first quarter of a new year may be lower than in the fourth quarter of the preceding year, potentially by a significant margin. In addition, we generally receive a higher volume of orders in the last month of a quarter, with orders concentrated in the latter part of that month. While seasonal factors such as these are common in the software industry, this pattern should not be considered a reliable indicator of our future revenue or financial performance. Many other factors, including general economic conditions, also have an impact on our business and financial results. See “Item 3. Key Information—3.D. Risk Factors” for a more detailed discussion of factors which may affect our business and financial results.

Research and Development

To support our innovation, we make significant investments in research and development (“R&D”) every year. We allocate our R&D resources in response to rapidly evolving technological and customer requirements. We believe our broad base of longstanding customer relationships provide us with valuable insights into our customers’ needs and allow us to focus our R&D efforts accordingly.

Our development team includes highly qualified software engineers, product managers, data scientists, and architects. As of the year ended January 31, 2026 we employed approximately 831 people in product and R&D roles globally, primarily in Brazil, Bulgaria, Cyprus, India, Israel and Romania. See “Item 3. Key Information—3.D. Risk Factors—Market and Strategy Risks— If we cannot retain and recruit qualified personnel, our ability to operate and grow our business may be impaired.”

Our approach to R&D focuses on technological breakthroughs, as well as incrementally enhancing the functionality of our existing solutions and providing customers with frequent software updates.

The majority of our products are developed internally. In some cases, we also acquire or license technologies, products and applications from third parties based on timing and cost considerations. See “Item 3. Key Information—3.D. Risk Factors—Risks Related to Our Business and Operations.”

We have derived benefits from participation in certain government-sponsored programs, including those of the Innovation Authority, formerly the Office of the Chief Scientist of the Ministry of Economy of the State of Israel, and in other jurisdictions for the support of R&D activities conducted in those locations. The Israeli law under which our Innovation Authority grants are made limits our ability to manufacture products, or transfer technologies, developed using such grants outside of Israel without permission from the Innovation Authority.

Intellectual Property Rights

General

Our success depends to a significant degree on the legal protection of our software and other proprietary technology. We rely on a combination of patent, trade secret, copyright and trademark laws, and confidentiality and non-disclosure agreements with employees and third parties to establish and protect our proprietary rights.

Patents

As of January 31, 2026, we had close to 300 patents and patent applications worldwide. We regularly review new areas of technology related to our businesses to determine whether they can and should be patented. We periodically review our patents portfolio and may from time to time, decide to forgo patent protection with respect to certain patents, including for reasons of cost savings and to align with our overall IP protection strategy.

Licenses

Under our customer agreements, we provide our customers with the right to use our proprietary software in exchange for a fee. Under our partner license agreements, we normally provide our partners with the right to re-sell the right to use our proprietary software to designated customers in exchange for a fee. Our customer and partner license agreements prohibit the unauthorized use, copying and reverse engineering of our software technology, and contain customer restrictions and confidentiality terms. These agreements generally warrant that the software and proprietary hardware, as applicable, will materially comply with written documentation and assert that we own or have sufficient rights in the software we sell and distribute and have not violated the intellectual property rights of others.

We license our products in a format that does not permit users to change the software code. See “Item 3. Key Information—3.D. Risk Factors—Intellectual Property Risks” for more detail.

Trademarks and Service Marks

We use registrations to protect many of the trademarks used in our business. We also claim common law protections for other marks we use in our business. Competitors and other companies could adopt similar marks or try to prevent us from using our marks, consequently impeding our ability to build brand identity and possibly leading to customer confusion.

See “Item 3. Key Information—3.D. Risk Factors—Intellectual Property Risks” in this Form 20-F for a more detailed discussion regarding the risks associated with the protection of our intellectual property.

Competition

There are many global and regional security vendors that offer a broad range of solutions to multiple market segments including law enforcement, military and national security customers. These large vendors compete with us across one or multiple solutions in our portfolio. We also face competition from a large number of point solutions vendors addressing only specific security challenges and, in many cases, competing in a limited geography. In addition, our competition includes the internal information technology departments of our customer organizations developing special purpose solutions with internal resources and with assistance from system integrators.

We believe that our deep investigative analytics domain expertise and our ability to effectively address a broad range of security use cases differentiate us from the competition.

Our global and regional large security competitors include, among others, BAE, Cleartrail, DataWalk, Elbit, L3/Harris, Palantir, Rohde Schwarz and Thales. Our point solution competitors include, among others, Cellxion, JSI, Octasic, SS8 and XCI. Our market is competitive with a fragmented set of competitors. We typically see vendors that only compete with us in certain geographies, use cases or point solutions.

When facing competition from our customers' own information technology departments, we differentiate our solutions based on deep domain expertise based on three decades of serving our customers and their changing needs, successful track record in operational deployments, and our significant R&D investment over many years and quicker software and technology updates, including our unique ability to provide value using our innovative AI. In some cases, customers are looking for specific customizations and the open and modular nature of our solutions enables the customer (or their system integrator of choice) to add such customizations to our solutions.

Over the years, we have established a unique investigative analytics expertise and a strong brand reputation which has enabled us to expand within our existing customer base and win competitive deals with new customers.

In addition, consolidation is common in our markets and has in the past and may in the future improve the position of our competitors. See "Item 3. Key Information—3.D. Risk Factors—Risks Related to Our Business and Operations" for a more detailed discussion of the competitive risks we face.

Government Regulations

Export Regulations

We and our subsidiaries are subject to applicable export control regulations in countries from which we export goods and services. These controls may apply by virtue of the country in which the products are located or by virtue of the origin of the content contained in the products. If the controls of a particular country apply, the level of control generally depends on the nature of the goods and services in question. Where controls apply, the export of our products generally requires an export license or authorization or that the transaction qualify for a license exception or the equivalent, and may also be subject to corresponding reporting requirements.

Israel's defense export policy regulates the sale of many of the systems and products that we develop in Israel. Current Israeli policy encourages exports to approved customers of defense systems and products such as ours, as long as the export is consistent with Israeli government policy. Subject to certain exemptions, a license is required to initiate marketing activities for such systems and products. We also must receive a specific export license for defense related hardware, software, services and know-how exported from Israel. Israeli law also regulates export of "dual use" items (items that are typically sold in the commercial market but that also may be used in the defense market), typically to a lesser extent than defense-related items.

Countries in the European Union, such as Cyprus, Germany, Bulgaria and Romania, as well as the United States, the United Kingdom and Brazil, in which our foreign subsidiaries operate, impose similar export controls on some of our systems and products. The controls relate to the defense-related and "dual use" nature of some of our systems and products, and require that we obtain specific permits and/or licenses in order to import or export such systems and products to or from those jurisdictions.

Israeli Security-Related Regulations and Requirements

The Israeli Defense Entities Law (Protection of Defense Interests)—2006 provides for certain restrictions on the operations of, investments in, or transfers of control of any entity that is determined to be an Israeli "defense entity" under the terms of the law. Designation as a "defense entity" may potentially occur through an order that may be issued jointly by the Israeli Prime Minister, Minister of Defense and Minister of Economy. No such order has been issued for Cognyte, nor are we aware that any is planned; however, based on the nature of our business, such an order could be issued in the future.

An order relating to a defense entity may, among other matters: (1) impose restrictions on the ability of non-Israelis to hold "means of control" or to be able to "substantially influence" defense entities; (2) require that senior officers of defense entities have appropriate Israeli security clearances; (3) require that a defense entity's headquarters be located in Israel; and/or (4) require that a defense entity's entry into international joint ventures and transfer of certain technology receive the approval of the Israeli Ministry of Defense. In the case of a publicly traded company like us, such an order may also include a requirement that Israeli government approval will be required for acquisition by any person of a certain level of ownership of the voting securities that provide a "means of control" of the company.

In light of the nature of our solutions and customers (some of which are government security agencies), there are also various other Israeli security classification and data protection measures that are applicable to us and our global operations under relevant legislation or contractual obligations.

Anti-Corruption, Anti-Money-Laundering and Sanctions

We are subject to laws and regulations of the jurisdictions in which we operate or conduct business, including Israel, the United States, and the European Union, that govern or restrict our business and activities in certain countries and with certain persons, including the economic sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. Additionally, we are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws imposed by governments around the world with jurisdiction over our operations, which may include, among others, the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law-2000 and other applicable laws in the jurisdictions in which we operate. See "Risk Factors—Regulatory Risks—Our failure to comply with the anti-corruption, trade compliance, anti-money-laundering and terror finance and economic sanctions laws and regulations of the United States and applicable international jurisdictions could materially adversely affect our reputation and results of operations."

Israeli Tax Considerations and Government Programs

For a summary of the Israeli tax laws applicable to us, and certain Israeli Government programs, see "Item 10.E. Taxation - Material Israeli Tax Considerations- Israeli Tax Considerations and Government Programs".

Internal Oversight

Our solutions are designed for use, primarily by government agencies, as investigative analytics tools aimed at driving actionable intelligence for a Safer World™. Accordingly, our solutions are sold to aid government agencies in preventing and investigating crime and terror. Given the nature of our solutions and customers, internal oversight and trade compliance are integral to how we manage our business and evaluate opportunities.

As part of our business processes, we apply a set of internal compliance policies, guidelines and oversight measures that are aimed to support our goal of having our solutions used solely in a manner that serves their intended purpose and to mitigate the risk of any misuse. We and our board periodically evaluate such policies, guidelines and measures.

As part of such internal compliance policies, guidelines and oversight measures, sale opportunities are reviewed by a dedicated Trade Compliance team that assesses various factors, including whether any sanctions are applied with respect to the customer or the relevant country, and assesses the nature of any regulatory requirements, the contractual arrangements with the customer, and the risk of the use of our solutions in a manner contrary to the purpose for which such solutions were developed. The assessment process and the level of review are based on the characteristics of the opportunity in question. In accordance with our internal guidelines, findings of the Trade Compliance team are presented to senior executive officers tasked with such role, who in turn from time to time, also consult with and report to board members. In the past, we have forgone sales opportunities where we assessed that there is a risk of our solutions being used in a manner inconsistent with the intended goal for which such solutions were developed. In the future, we may also forgo sale opportunities based on similar assessments.

In addition, pursuant to our contracts, customers undertake to use our solutions solely for their intended purpose and, under certain circumstances, we maintain our right to cease providing services or support should it come to our attention that our solutions have been employed in a manner that deviates from our licensing terms.

4.C. ORGANIZATIONAL STRUCTURE**Organizational Structure**

The legal name of our company is Cognyte Software Ltd. and we are incorporated under the laws of the State of Israel.

Significant Subsidiaries

Below is a list of subsidiaries that have total assets exceeding 10% of our combined assets, or revenues in excess of 10% of our combined sales:

Name	Country of Incorporation	% of Equity Interest
Cognyte Technologies Israel Ltd.	Israel	100
SYBORG Informationssysteme b.h. OHG	Germany	100
UTX Technologies Limited	Cyprus	100

4.D. PROPERTY, PLANTS AND EQUIPMENT

Our corporate headquarters is located in Israel. The principal office for our international operations, which is also our registered office, is located in Israel.

We believe that our facilities have adequate capacity for our short and medium-term needs and that, should it be needed, suitable additional space will be available to accommodate any expansion of our operations.

Major Facilities

The following table sets forth our most significant facilities as of January 31, 2026:

Location	Size of Site (in square feet)	Held	Lease Term	Major Activity
Herzliya, Israel ⁽¹⁾	119,050	Leased	2033	Research and development, sales, product delivery, support services and management functions
Limassol, Cyprus	45,058	Leased	2031	Research and development and support services
Sofia, Bulgaria	19,880	Leased	2029	Research and development and support services
Florianopolis, Brazil	17,501	Leased	2026	Research and development, sales, product delivery and support services
Bucharest, Romania	17,278	Leased	2034	Research and development and support services

⁽¹⁾The facility in Israel does not include the additional parking floor space of approximately 70,000 square feet.

We believe that we have satisfactory title to our facilities in accordance with standards generally accepted in our industry. We believe that all of our production facilities are in good operating condition. As of January 31, 2026, the combined net book value of our property and equipment was \$29.1 million.

4.E. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

5.A. OPERATING RESULTS

This operating and financial review should be read together with the section “Item 4, Information on the Company—4.B. Business Overview” and our consolidated financial statements and the related notes to those statements included elsewhere in this Annual Report. Among other things, those financial statements include more detailed information regarding the basis of preparation for the following information. Our consolidated financial statements have been prepared in accordance with GAAP. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under “Risk Factors” and elsewhere in this Form 20-F, our actual results may differ materially from those anticipated in these forward-looking statements. Please see “Special Note About Forward-Looking Statements and Risk Factor Summary” in this Annual Report.

Background and Recent Developments

Separation from Verint

On February 1, 2021 we completed our spin-off from Verint and the related distribution. As a result, we have transitioned to an independent, publicly traded company.

The SIS Divestiture

In December 2022, as part of our ongoing strategic plan to simplify and focus the Company on fewer agendas, we sold our Situational Intelligence Solutions (SIS) business.

Demand Trends

We believe that the following trends are driving demand for our solutions:

- *Data is Growing Rapidly and is Highly Fragmented.* The growing volume and diversity of structured and unstructured data require not only advanced analytical tools but also innovative approaches to manage and analyze this data effectively. Organizations face challenges in consolidating data from diverse sources. As data ecosystems become increasingly complex, there is a growing need for solutions that can seamlessly aggregate, interpret and derive actionable intelligence from highly fragmented information, while maintaining security and governance. As artificial intelligence capabilities continue to evolve, organizations increasingly expect platforms that can not only aggregate and analyze data, but also uncover hidden relationships, surface high-risk signals, and strengthen operational decision-making across large and dynamic intelligence environments. In addition to improving operational efficiency, AI-driven capabilities are increasingly viewed as essential to achieving intelligence advantage and enhancing mission outcomes in complex threat landscapes.
- *Security Threats Are Becoming More Difficult to Detect and Mitigate.* Organizations face increasingly complex investigation challenges, as threats from well-organized and well-funded adversaries continue to evolve. Bad actors are leveraging advanced technologies to avoid detection, making it more difficult to identify and mitigate threats. To stay ahead, organizations must address threats that are more sophisticated and global in scale. Advanced investigative analytics software can help organizations uncover the unknown by revealing patterns and anomalies, providing near real-time insights, and accelerating decision-making. These capabilities are increasingly important as agencies face resource constraints and shortages of experienced analysts, driving demand for AI-driven tools that can reduce time to gain insight and amplify human expertise. The shortage of skilled investigative personnel further increases demand for AI-enabled systems that can reduce cognitive load, automate routine analytical tasks, summarize complex findings, and recommend next investigative steps, while maintaining human oversight and accountability. We are witnessing an ongoing shift toward data-driven intelligence where scalable, easily integrated platforms are essential, especially in areas such as signals intelligence and open-source intelligence, where organizations must process vast and complex data sets with speed and precision. In addition, as generative and AI-assisted technologies become more broadly accessible, organizations increasingly require governed and secure AI capabilities embedded directly within investigative workflows, rather than relying on standalone or general-purpose tools.
- *Organizations Are Transitioning to Modern, Industry-Standard Platforms.* Historically, some organizations relied on proprietary solutions supported by integrators and internal development resources. However, these solutions often struggle to keep pace with rapid technological evolution, limiting adaptability and effectiveness. Moreover, tailor-made, one-off solutions are often more expensive, less flexible, and prevent organizations from benefiting from the collective feedback and continuous improvements that industry-leading platforms incorporate. As digital transformation accelerates, organizations are increasingly shifting to modern, open interface software that adheres to

industry standards and seamlessly integrates into existing environments. This shift extends to areas like lawful interception where advancements are driving the need for modernization, enabling faster resolution times, improved intelligence extraction, and greater operational efficiency. To remain effective in an evolving landscape, organizations benefit from adopting scalable platforms that support agility, efficiency and compliance with regulatory and operational requirements. This transition also reflects a growing preference for solutions that embed advanced analytics and AI capabilities within standardized architectures, enabling continuous enhancement through real-world operational feedback while maintaining governance, auditability and regulatory compliance.

- *Geopolitical Complexity, Advanced Analytics and AI, Are Driving Demand for Our Products.* The rapidly shifting geopolitical environment, marked by heightened global tensions, emerging threats, and increasingly complex security challenges, is fueling the demand for advanced analytics solutions. Governments and other entities face the pressing need to monitor, predict and respond to dynamic scenarios with greater speed and precision. As geopolitical uncertainties intensify, organizations require advanced analytical tools to improve decision-making, and maintain security in an increasingly volatile world, including solutions that can correlate data across domains and jurisdictions. As AI technologies continue to advance, organizations also increasingly require solutions that combine advanced analytics with domain expertise, explainability, and governance controls, ensuring that AI-driven insights are reliable, defensible and aligned with operational and regulatory requirements. This trend favors purpose-built investigative platforms that integrate AI within established investigative methodologies and secure environments.

Basis of Presentation

For further information on the basis of presentation of the consolidated financial statements see “Note 1. Organization, Operations and Basis of Presentation” to our consolidated financial statements included elsewhere in this Annual Report.

Critical Accounting Estimates

An appreciation of our critical accounting policies is necessary to understand our financial results. The accounting policies outlined below are considered to be critical because they can materially affect our operating results and financial condition, as these policies may require us to make difficult and subjective judgments regarding uncertainties. The accuracy of these estimates and the likelihood of future changes depend on a range of possible outcomes and a number of underlying variables, many of which are beyond our control, and there can be no assurance that our estimates are accurate.

Revenue Recognition

We derive and report our revenue in three categories: (a) software revenue, including the sale of subscription (i.e., term-based) or perpetual licenses, and appliances that include software that is essential to the product’s functionality, (b) software service revenue, including support revenue and revenue from cloud-based SaaS subscriptions, and (c) professional service and other revenue, including revenue from installation and integration services, customer specific development work, resale of third-party hardware, and consulting and training services.

We account for revenue in accordance with Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” Our revenue recognition policies require us to make significant judgments and estimates. In applying our revenue recognition policy, we must determine which portions of our revenue are recognized at a point in time (generally software revenue, and the resale of third-party hardware) and which portions have to be deferred and recognized over time (generally software service revenue and professional service revenue). We analyze various factors including, but not limited to, the selling price of undelivered services when sold on a stand-alone basis, our pricing policies, the creditworthiness of our customers, and contractual terms and conditions in helping us to make such judgments about revenue recognition. Changes in judgment on any of these factors could materially impact the timing and amount of revenue recognized in a given period.

Our contracts with customers often include obligations to transfer multiple products and services to a customer. In contracts with multiple performance obligations, we identify each performance obligation and evaluate whether the promised goods or services are distinct within the context of the contract at contract inception. Promised goods or services that are not distinct at contract inception are consolidated. Contracts that include software customization and development services may result in the combination of the customization and development services with the software license as one distinct performance obligation. The transaction price is generally in the form of a fixed fee at contract inception, and excludes taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by us from a customer.

We allocate the transaction price to each distinct performance obligation based on the estimated stand-alone selling price ("SSP") for each performance obligation. Judgment is required to determine the SSP for each distinct performance obligation. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we estimate the SSP of each performance obligation based on an adjusted market assessment approach. We may have more than one SSP for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, we may use information such as the size of the customer and geographic region in determining the SSP.

We then look to how control is transferred to the customer in order to determine the timing of revenue recognition. Software revenue is typically recognized when the software is delivered and/or made available for download as this is the point the user of the software can direct the use of, and obtain substantially all of the remaining benefits from the functional intellectual property. We do not recognize software revenue related to the renewal of software licenses earlier than the beginning of the renewal period. Subscription license revenue is recognized when the software is delivered to the customer over the term of the subscription period. In contracts that include customer substantive acceptance, we recognize revenue when we have delivered the software and received customer acceptance. We recognize support revenue, which includes software updates on a when-and-if-available basis, telephone support, and bug fixes or patches, over the term of the customer support agreement, which is typically between one to three years. Revenue related to professional services is typically recognized over time as the services are performed. Revenue related to the resale of third-party hardware is typically recognized at the point in time control is transferred to the customer, generally upon shipment or delivery.

Some of our customer contracts require specific customer development work to meet the particular requirements of the customer. The contract pricing is stated as a fixed amount and generally results in the transfer of control of the applicable performance obligation over time. We recognize revenue based on the proportion of labor hours expended to the total hours expected to complete the performance obligation. The determination of the total labor hours expected to complete the performance obligation on fixed-fee contracts involves significant judgment. We incorporate revisions to hour and cost estimates when the causal facts become known. We measure our estimate of completion on fixed-price contracts, which in turn determines the amount of revenue we recognize, based primarily on actual hours incurred to date and our estimate of remaining hours necessary to complete the contract.

Our products are generally not sold with a right of return and credits have been minimal in both amount and frequency. Shipping and handling activities that are typically bundled in the total sale price billed to customers and occur after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of revenue. Historically, these expenses have not been material.

Income Taxes

We account for income taxes under the asset and liability method which includes the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our consolidated financial statements. Under this approach, deferred taxes are recorded for the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus deferred taxes. Deferred taxes result from differences between the financial statement and tax bases of our assets and liabilities, and are adjusted for changes in tax rates and tax laws when changes are enacted. The effects of future changes in income tax laws or rates are not anticipated.

We are subject to income taxes in Israel, the United States and numerous foreign jurisdictions. The calculation of our income tax provision involves the application of complex tax laws and requires significant judgment and estimates. We evaluate the realizability of our deferred tax assets for each jurisdiction in which we operate at each reporting date, and establish valuation allowances when it is more likely than not that all or a portion of our deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the same character and in the same jurisdiction. We consider all available positive and negative evidence in making this assessment, including, but not limited to, the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. In circumstances where there is sufficient negative evidence indicating that our deferred tax assets are not more-likely-than-not realizable, we establish a valuation allowance.

We use a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate tax positions taken or expected to be taken in a tax return by assessing whether they are more-likely-than-not sustainable, based solely on their technical merits, upon examination and including resolution of any related appeals or litigation process. The second step is to measure the associated tax benefit of each position as the largest amount that we believe is more-likely-than-

not realizable. Differences between the amount of tax benefits taken or expected to be taken in our income tax returns and the amount of tax benefits recognized in our financial statements represent our unrecognized income tax benefits, which we either record as a liability or as a reduction of deferred tax assets. Our policy is to include interest (expense and/or income) and penalties related to unrecognized income tax benefits as a component of the provision for income taxes.

Business Combination

In accordance with ASC Topic 805, "Business Combination", we allocate the fair value of purchase consideration to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability. In the Company recent acquisition, intangible assets represented the majority of the assets acquired. Assessing fair values of intangible assets acquired in a business combination involves significant judgment about future events and uncertainties and depends on estimates and assumptions. Significant estimates utilized in valuating intangible assets include discount rates and future expected cash flow, which rely upon assumptions such as the useful life of the assets, revenue growth rates and margins projections, technological obsolescence and income tax rate assumptions. Contingent consideration incurred in a business combination is included as part of the consideration transferred and recorded at fair value as of the acquisition date. Estimating the fair value involves significant judgment and is based on significant assumptions relating to the estimate, such as discount rates, internal cash flows forecast for the relevant period during which the financial metrics should be achieved and the timing and amounts of the contingent payments. Amounts recorded in a business combination in certain cases may be subject to revision based on the final determination of fair values during the measurement period, which may be up to one year from the acquisition date, as additional information about conditions existing at the acquisition date may become available. In addition, each reporting period thereafter, the Company revalues the contingent consideration payments which are classified as liabilities and records the changes in their fair value in the Consolidated Statements of Operations. During the year ended January 31, 2026, Cognyte acquired 100% of the equity of GroupSense, Inc., a digital risk protection services company, for total consideration of approximately \$4.4 million. For more information about the acquisition please refer to "Item 5.B. Liquidity and Capital Resources".

Components of Results of Operations

Impact of Inflation and Currency Fluctuations on Results of Operations, Liabilities and Assets

Our financial results, which are reported in U.S. dollars, are affected by changes in foreign currency. Most of our revenue and expenses, primarily labor expenses, are denominated in Euros, New Israeli Shekels, Singapore dollars and U.S. dollars. Additionally, certain assets, especially cash, trade receivables and other accounts receivables, as well as part of our liabilities are denominated in Euros, New Israeli Shekels, Singapore dollars and U.S. dollars. As a result, fluctuations in rates of exchange between the U.S. dollar and non-U.S. dollar currencies may affect our operating results and financial condition. The U.S. dollar cost of our operations in Israel may be adversely affected by the appreciation of the New Israeli Shekel against the U.S. dollar. In addition, the value of our non-U.S. dollar revenue could be adversely affected by the appreciation of the U.S. dollar against Singapore dollars and Euros.

Conditions in Israel

We are incorporated under the laws of Israel, and our principal executive offices and research and development facilities are located in, the State of Israel. See "Item 3. Key Information—3.D. Risk Factors—"Conditions in Israel, including Israel's conflicts with Iran and other hostile actors in the region, as well as political and economic instability, may adversely affect our operations and limit our ability to produce, market and sell our products, which would lead to a decrease in revenues" for a description of governmental, economic, fiscal, monetary and political policies or factors that have materially affected or could materially affect our operations.

Results of Operations

The following discussion includes a comparison of our results of operations and liquidity and capital resources for the years ended January 31, 2026 and 2025. A discussion regarding our financial condition and results of operations for the year ended January 31, 2025 compared to the year ended January 31, 2024 can be found under Item 5 in our [Annual Report on Form 20-F](#) for the fiscal year ended January 31, 2025, filed with the SEC on April 2, 2025, which is hereby incorporated by reference herein and considered part of this Annual Report on Form 20-F only to the extent referenced and is available free of charge on the SEC's website at www.sec.gov and our website at www.cognyte.com/investors.

Overview of Operating Results

The following table sets forth a summary of certain key financial information for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Revenue	\$ 400,041	\$ 350,632	\$ 313,404
Operating (loss) income	\$ 13,261	\$ (5,126)	\$ (18,054)
Net loss attributable to Cognyte Software Ltd.	\$ (638)	\$ (12,051)	\$ (15,570)

Our revenue increased approximately \$49.4 million, or 14.1%, from \$350.6 million in the year ended January 31, 2025 to \$400.0 million in the year ended January 31, 2026. The increase consisted of a \$35.9 million increase in software revenue, a \$6.7 million increase in software service revenue and a \$6.7 million increase in professional service and other revenue. For additional details on our revenue, see "Software Revenue, Software Service Revenue, and Professional Service and Other Revenue." Revenue from end users located in the Americas, EMEA and APAC represented approximately 12%, 54% and 34% of our total revenue, respectively, in the year ended January 31, 2026, compared to approximately 14%, 55% and 31%, respectively, in the year ended January 31, 2025.

Operating profit was \$13.3 million in the year ended January 31, 2026 compared to operating loss of \$5.1 million in the year ended January 31, 2025. This increase in operating profit was due to \$42.8 million increase in gross profit offset by \$24.4 million increase in operating expenses, which primarily consisted of a \$14.1 million increase in net research and development expenses and a \$10.1 million increase in selling, general and administrative expenses.

Net loss attributable to Cognyte was \$0.6 million in the year ended January 31, 2026, compared to net loss attributable to Cognyte of \$12.1 million in the year ended January 31, 2025. The decrease in net loss attributable to Cognyte in the year ended January 31, 2026 was primarily due to a \$18.4 million increase in operating income, as described above, partially offset by a \$3.9 million increase in our provision for income taxes, and a \$2.7 million decrease in total other income, net.

A portion of our business is conducted in currencies other than the U.S. dollar, and therefore our revenue and operating expenses are affected by fluctuations in applicable foreign currency exchange rates. When comparing average exchange rates for the year ended January 31, 2026 to average exchange rates for the year ended January 31, 2025, the U.S. dollar depreciated relative to the Euro, New Israeli Shekel and Singapore dollar and appreciated relative to the Indian Rupee. For the year ended January 31, 2026, had foreign exchange rates remained unchanged from the average rates in effect for the year ended January 31, 2025, our revenue would have been approximately \$6.6 million lower, and the unhedged operating expenses on a combined basis would have been approximately \$7.8 million lower, which would have resulted in about \$1.3 million increase in operating income.

As of January 31, 2026, we employed approximately 1,700 professionals, including part-time employees and certain contractors, compared to approximately 1,600 as of January 31, 2025.

Revenue**Software Revenue, Software Service Revenue, and Professional Service and Other Revenue**

We derive and report our revenue in three categories: (a) software revenue, including the sale of subscription (i.e., term-based) or perpetual licenses, and appliances that include software that is essential to the product's functionality, (b) software service revenue, including support revenue and revenue from cloud-based SaaS subscriptions, and (c) professional service and other revenue, including revenue from installation and integration services, customer specific development work, resale of third-party hardware, and consulting and training services.

The following table sets forth revenue for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Software	\$ 161,760	\$ 125,815	\$ 113,541	29%	11%
Software service	187,589	180,872	165,027	4%	10%
Professional service and other	50,692	43,945	34,836	15%	26%
Total revenue	\$ 400,041	\$ 350,632	\$ 313,404	14%	12%

Software Revenue

Software revenue increased approximately \$35.9 million, or 29%, from \$125.8 million for the year ended January 31, 2025 to \$161.8 million for the year ended January 31, 2026. The increase was primarily driven by higher appliance software deliveries and increased perpetual license revenue, reflecting continued customer investments in expanding and upgrading their investigative analytics capabilities. Appliance software revenue increased by \$28.6 million while perpetual license revenue increased by \$8.6 million.

Software Service Revenue

Software service revenue increased approximately \$6.7 million, or 4%, from \$180.9 million for the year ended January 31, 2025 to \$187.6 million for the year ended January 31, 2026. The increase reflects support revenue due to a larger installed base and support price increases.

Professional Service and Other Revenue

Professional service and other revenue increased approximately \$6.7 million, or 15%, from \$43.9 million for the year ended January 31, 2025 to \$50.7 million for the year ended January 31, 2026. The increase was primarily driven by higher deployment services revenue of \$5.7 million reflecting the timing and scale of customer implementations associated with increased software deliveries.

Cost of Revenue

The following table sets forth cost of revenue by software, software service and professional service and other, as well as amortization of acquired technology for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Cost of software revenue	\$ 24,935	\$ 19,988	\$ 18,919	25%	6%
Cost of software service revenue	44,420	45,184	43,305	(2)%	4%
Cost of professional service and other revenue	40,985	38,538	35,776	6%	8%
Total cost of revenue	\$ 110,340	\$ 103,710	\$ 98,000	6%	6%

Cost of Software Revenue

Cost of software revenue increased approximately \$4.9 million, or 25%, from \$20.0 million for the year ended January 31, 2025 to \$24.9 million for the year ended January 31, 2026, the increase is driven by \$5.0 million higher appliance-related costs, consistent with increased appliance software revenue. Software revenue gross margins increased from 84% in the year ended January 31, 2025 to 85% in the year ended January 31, 2026 primarily due to improved gross margins on appliance software resulting from scaling, cost efficiencies and a higher perpetual license revenue, which has a significantly high gross margin.

Cost of Software Service Revenue

Cost of software service revenue decreased approximately \$0.8 million, or 2%, from \$45.2 million in the year ended January 31, 2025 to \$44.4 million in the year ended January 31, 2026 remaining approximately on the same level. Our software service gross margins increased from 75% in the year ended January 31, 2025 to 76% in the year ended January 31, 2026, reflecting improved operating leverage mainly due to efficiency and scale - while the revenue increased by 4%, the cost structure decreased by 2% year over year.

Cost of Professional Service and Other Revenue

Cost of professional service and other revenue increased by approximately \$2.4 million, or 6%, from \$38.5 million in the year ended January 31, 2025 to \$41.0 million in the year ended January 31, 2026. The increase was primarily due to \$2.6 million related to deployment services and \$1.3 million related to third-party reselling. The increase is a result of incremental professional service revenue. This increase was offset by \$1.5 million decrease related to customer-specific development work costs. Our professional service and other gross margins increased from 12% in the year ended January 31, 2025 to 19% in the year ended January 31, 2026, primarily due to improved deployment efficiency and scale.

Research and Development

The following table sets forth research and development for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Research and development	\$ 122,336	\$ 108,274	\$ 107,283	13%	1%

Research and development increased, by approximately \$14.1 million, or 13%, from \$108.3 million in the year ended January 31, 2025 to \$122.3 million in the year ended January 31, 2026. The increase was primarily driven by \$11.5 million in higher personnel-related expenses and a \$2.3 million reduced capitalized software development cost.

Selling, General and Administrative Expenses

The following table sets forth selling, general and administrative expenses for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Selling, general and administrative	\$ 153,651	\$ 143,516	\$ 125,784	7%	14%

Selling, general and administrative expenses increased approximately \$10.1 million, or 7%, from \$143.5 million in the year ended January 31, 2025 to \$153.7 million in the year ended January 31, 2026.

The selling and marketing expenses increased approximately \$11.6 million, or 12%, from \$95.0 million in the year ended January 31, 2025 to \$106.6 million in the year ended January 31, 2026. The increase is driven by a strategic decision to expand sales and marketing initiatives. The increase was primarily related to \$6.1 million of personnel costs, \$2.8 million related to sales and agent commissions mainly due to increase in revenue and regional mix and \$3.1 million increase related to other sales and marketing activities such as travel, demos and exhibition costs.

The general and administrative expenses decreased approximately \$1.5 million, or 3%, from \$48.5 million in the year ended January 31, 2025 to \$47.1 million in the year ended January 31, 2026. This decrease is driven by absence of certain non-recurring costs incurred in the prior year, primarily legal expenses in respect of shareholder-related matters and provision for taxes other than income taxes.

Amortization of Other Acquired Intangible Assets

The following table sets forth amortization of other acquired intangible assets for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Amortization of other acquired intangible assets	\$ 453	\$ 258	\$ 391	76%	(34)%

Amortization of other acquired intangible assets increased approximately \$0.2 million, or 76%, from \$0.3 million in the year ended January 31, 2025 to \$0.5 million in the year ended January 31, 2026. The increase was attributable to a newly recognized customer relationship intangible asset as part of a business acquisition during the year ended January 31, 2026. See "Item 5.B. Liquidity and Capital Resources—Overview".

Other Income, Net

The following table sets forth total other income, net for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Interest income	\$ 2,033	\$ 2,470	\$ 1,896	(18)%	30%
Interest expense	(194)	(100)	(16)	94%	525%
Other (expense) income, net:					
Gains on business divestiture	\$ —	\$ —	\$ 4,768	—	(100)%
Foreign currency losses	(3,817)	(1,398)	(846)	173%	65%
Gains (losses) on derivatives	595	178	(330)	235%	154%
Other expense, net	(536)	(394)	(677)	36%	(42)%
Other (expense) income, net	(3,758)	(1,614)	2,915	133%	(155)%
Total other (expense) income, net	\$ (1,919)	\$ 756	\$ 4,795	(354)%	(84)%

Total other income, net, decreased by \$2.7 million from income of \$0.8 million in the year ended January 31, 2025 to \$1.9 million expense in the year ended January 31, 2026. This decrease was mainly due to a net increase in foreign currency losses of \$2.4 million resulting from fluctuations in U.S. dollar relative to other foreign currencies, primarily related to the New Israeli Shekel, Euro, Brazilian real and Singapore dollar.

Provision for Income Taxes

The following table sets forth our provision for income taxes for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Provision (benefit) for income taxes	\$ 6,729	\$ 2,864	\$ (1,614)	135%	(277)%

Our effective income tax rate was 59.3% for the year ended January 31, 2026, compared to an effective income tax rate of (65.5)% for the year ended January 31, 2025. For the year ended January 31, 2026, our change in effective income tax rate compared to the U.S. federal statutory income tax rate of 21.0% is primarily due to \$3.1 million increase in valuation allowances related to Israeli entities, \$4.4 million U.S. cross-border taxes, \$1.0 million of stock-based compensation, and \$1.0 million of foreign withholding taxes, net of \$4.8 million of tax credits and other taxes, and the release of \$0.9 million of tax contingencies.

For the year ended January 31, 2025, our change in effective income tax rate compared to the U.S. federal statutory income tax rate of is primarily due to \$7.6 million increase in valuation allowances related to Israeli entities and \$1.0 million of stock-based compensation, net of \$3.7 million of non-U.S. tax rate differential, and the release of \$2.0 million of tax contingencies.

Net income attributable to noncontrolling interest

The following table sets forth the net income attributable to noncontrolling interest for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,			% Change	
	2026	2025	2024	2026-2025	2025-2024
Net income attributable to noncontrolling interest	\$ 5,251	\$ 4,817	\$ 3,925	9%	23%

Total net income attributable to noncontrolling interest, increased by \$0.4 million from \$4.8 million in the year ended January 31, 2025 to \$5.3 million income in the year ended January 31, 2026. This increase was mainly due to higher profit in the relevant joint venture.

5.B. LIQUIDITY AND CAPITAL RESOURCES**Overview**

Our primary recurring source of cash is the collection of proceeds from the sale of products and services to our customers, including cash periodically collected in advance of delivery or performance.

Our primary recurring use of cash is payment of our operating costs, which consist primarily of employee-related expenses, such as compensation and benefits, as well as general operating expenses for material suppliers, travel, marketing, facilities, overhead costs, taxes and capital expenditure. Cash generated from operations, along with our existing cash, cash equivalents, and short-term investments, are our primary sources of operating liquidity.

On December 1, 2022 we completed the sale of our SIS business to Volaris group ("Volaris"). As consideration for the sale, we received \$42.4 million in cash and \$4.7 million in hold back which was paid during the year ended January 31, 2024. The sale included equity interests, assets and liabilities attributable to the SIS business, for a total consideration of \$47.1 million, plus a performance based earn-out which was not achieved. The sale price was subject to adjustment based on changes in actual closing net working capital. The sale price was adjusted during the year ended January 31, 2024 based on changes in actual closing net working capital and the completion of asset transfer which resulted in an additional pre-tax gain of \$4.8 million recorded within other income. For proceeds received during the year ended January 31, 2025 please refer to our "Consolidated Statements of Cash Flows".

Based on past performance and current expectations, we believe that our cash, cash equivalents, short-term investments and cash generated from operations will be sufficient to meet anticipated operating costs, working capital needs, ordinary course capital expenditures, research and development spending, share repurchase programs, and other commitments for at least the next twelve months.

We have historically expanded our business in part by investing in strategic growth initiatives, including acquisitions of products, technologies, and businesses. We have used cash as consideration for all of our historical business acquisitions. There were no business acquisitions during the year ended January 31, 2025. During the year ended January 31, 2026, Cognyte acquired 100% of the equity of GroupSense, Inc., a digital risk protection services company, for total consideration of approximately \$4.4 million, consisting entirely of cash paid at closing. The acquisition agreement also includes contingent consideration of up to \$5.0 million, payable upon the achievement of specified post-closing performance targets. The fair value of the contingent consideration was assessed as zero at the acquisition date and remained zero as of January 31, 2026, as achievement of the relevant targets was not expected.

Our off-balance sheet purchase obligations totaled approximately \$76.5 million as of January 31, 2026. These obligations are associated with agreements for purchases of goods or services generally including agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transactions. Agreements to purchase goods or services that have cancellation provisions with no penalties are excluded from these purchase obligations.

In the normal course of business, we provide certain customers with financial performance guarantees, which are generally backed by bank guarantees and, in certain cases, by standby letters of credit. At January 31, 2026, we had approximately \$31 million of outstanding bank guarantees and letters of credit relating primarily to these performance guarantees. In addition, the Company provided bank guarantees in the amount \$4.3 million related to its offices in Israel and exports transaction towards the Israeli Chamber of Commerce.

We have two revolving credit facilities that are effective through January 31, 2028 which provide for up to \$65.0 million in total borrowings. As of January 31, 2026 and 2025, we do not have any withdrawn funds from the revolving credit facilities. Interest rates on both facilities are based on Term SOFR plus a margin of 3.26% - 3.31%. We did not incur interest expenses related to our revolving credit facilities for the years ended January 31, 2026, 2025 and 2024. In addition, we are required to pay a non-utilization fee with respect to unused credit under the credit facilities. For the years ended January 31, 2026, 2025 and 2024 the non-utilization fee rate was 0.75% per annum. Following the extension of the credit facilities signed in December 2025, the non-utilization fee rate were reduced to 0.3% - 0.35% per annum. The non-utilization fee incurred with respect to unused credit under the credit facilities was \$0.5 million, \$0.5 million and \$0.7 million for the years ended January 31, 2026, 2025 and 2024, respectively.

On November 12, 2024, we announced the adoption of our share repurchase program in an aggregate amount of up to \$20 million, which was authorized for a period of 18 months, through June 12, 2026, and was completed during the fiscal year ended January 31, 2026. On July 14, 2025, we announced that our board of directors approved a new share repurchase program authorizing the repurchase of up to an additional \$20 million of our ordinary shares over a period of 18 months, through January 14, 2027, which may be executed in compliance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act. During the fiscal year ended January 31, 2025, we repurchased 585,728 ordinary shares for an aggregate purchase price of approximately \$5.3 million. During the fiscal year ended January 31, 2026, we repurchased additional 2,253,200 ordinary shares for an aggregate purchase price of approximately \$21.4 million. For more information about the share repurchase programs, see “Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.”

We continually examine our options with respect to terms and sources of existing and future short-term and long-term capital resources to enhance our operating results and to ensure that we retain financial flexibility.

Our consolidated balance sheet at January 31, 2026 included \$5.7 million of non-current tax reserves, including interest and penalties of \$1.4 million, net of related benefits for uncertain tax positions. We regularly assess the adequacy of our provisions for income tax contingencies. As a result, we may adjust the reserves for unrecognized tax benefits for the impact of new facts and developments, such as changes to interpretations of relevant tax law, assessments from taxing authorities, settlements with taxing authorities, and lapses of statutes of expiration.

Our cash balances as of January 31, 2026 include cash and cash equivalents held by our consolidated subsidiaries, including a joint venture where our partner holds a noncontrolling interest. The distribution of dividends to us by our consolidated subsidiaries may be subject to restrictions on the payment of dividends in the jurisdiction in which such subsidiaries are incorporated. In addition, the distribution of dividends by the foregoing joint venture is subject to the consent of our joint venture partner, and upon the distribution of any dividends by such joint venture, a portion of such dividend will be paid to the partner holding the noncontrolling interest. See “Item 5.B. Liquidity and Capital Resources—Financing Activities” and our consolidated financial statements and the related notes to those statements included elsewhere in this Annual Report.

Our future capital requirements will depend on many factors, including our rate of revenue growth, timing of collection, the expansion of our sales and marketing activities, the timing and extent of spending to support product development efforts and expansion into new geographic locations, the timing of introductions of new products and enhancements to existing products, the continuing market acceptance of our offerings, and our use of cash to pay for acquisitions and share repurchase plan, if any.

Our liquidity could be negatively impacted by a decrease in demand for our products and service and support, including the impact of changes in customer buying behavior due to circumstances over which we have no control. If we determine to make additional business acquisitions or otherwise require additional funds, we may need to raise additional capital, which could involve the issuance of equity or debt securities or expansion of our current credit facility.

As of January 31, 2026, we did not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a significant future effect on our changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Cash Flow Activity for the Years Ended January 31, 2026 and 2025

The following table summarizes our total cash, cash equivalents, restricted cash, cash equivalents, and bank time deposits, and short-term investments, as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Cash and cash equivalents	\$ 116,878	\$ 112,719
Restricted cash and cash equivalents, and restricted bank time deposits	—	381
Total cash and cash equivalents, restricted cash and cash equivalents, and restricted bank time deposits	\$ 116,878	\$ 113,100

A summary of the sources and uses of cash, cash equivalents, restricted cash and restricted cash equivalents for the years ended January 31, 2026, 2025, and 2024 is as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Net cash provided by operating activities	\$ 40,331	\$ 46,782	\$ 34,561
Net cash (used in) provided by investing activities	(14,091)	(5,691)	9,358
Net cash used in financing activities	(24,846)	(7,952)	(2,452)
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash, and restricted cash equivalents	2,580	(631)	(115)
Net increase in cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 3,974	\$ 32,508	\$ 41,352

Operating Activities

Net cash generated by operating activities decreased by \$6.5 million, from \$46.8 million generated during the year ended January 31, 2025 to \$40.3 million generated during the year ended January 31, 2026. This decrease was primarily due to unusually high collections of overdue account receivables and accelerated timing of certain customer collections during the year ended January 31, 2025.

Our cash flows from operating activities may vary from period to period as a result of several factors, including fluctuations in operating results; the timing of billings and collections, particularly the collection of overdue receivables; the timing of payments to suppliers and other service providers; the timing of employee bonus payments; and cash tax payments. These factors may cause our operating cash flows to differ materially from our operating income in any given period.

Investing Activities

During the year ended January 31, 2026, our investing activities used \$14.1 million of net cash, including \$10.6 million of payments for purchases of property and equipment, capitalized software development costs and \$4.3 million of payment for acquisition of business, net of cash acquired.

During the year ended January 31, 2025, our investing activities used \$5.7 million of net cash, including \$13.2 million of payments for purchases of property, and equipment, capitalized software development costs. The cash used in these investing activities was partially offset by \$5 million of proceeds received from the divestiture of our SIS business, net of cost, and \$2.4 million cash provided by restricted bank time deposits, including long-term portion.

We had no significant commitments for capital expenditures as of January 31, 2026.

Our cash flow from investing activities can fluctuate from period to period mainly due to purchases of property and equipment and our short-term investment policy.

Financing Activities

For the year ended January 31, 2026, our financing activities used \$24.8 million of net cash, including \$21.4 million related to repurchase of ordinary shares, please see "Item 16.E. Purchases of Equity Securities by The Issuer and Affiliated Purchases", and \$3.1 million related to dividends paid to noncontrolling interest holders in our joint venture.

For the year ended January 31, 2025, our financing activities used \$8.0 million of net cash, including \$5.3 million related to repurchase of ordinary shares, please see "Item 16.E. Purchases of Equity Securities by The Issuer and Affiliated Purchases", and \$2.6 million related to dividends paid to noncontrolling interest holders in our joint venture.

Foreign Currency, Derivatives, and Hedging

From time to time, we enter into foreign currency forward contracts in an effort to reduce the volatility of cash flows primarily related to forecasted payroll and payroll-related expenses denominated in New Israeli Shekels. These contracts are generally limited to durations of approximately twelve months or less. We have also periodically entered into foreign currency forward contracts to manage exposures resulting from forecasted customer collections denominated in currencies other than the respective entity's functional currency and exposures from cash, cash equivalents, short-term investments and accounts payable denominated in currencies other than the applicable functional currency.

During the years ended January 31, 2026 and 2025, we recorded a \$0.6 million net gain and \$0.2 million net gain, respectively, on foreign currency forward contracts not designated as hedges for accounting purposes. We had \$8.6 million of net unrealized gains for the year ended January 31, 2026 and \$2.3 million of net unrealized gains for the year ended January 31, 2025 on outstanding foreign currency forward contracts. The notional amounts of our forward contract totaled \$43.1 million and \$60.9 million for the years ended January 31, 2026 and 2025, respectively.

The counterparties to our foreign currency forward contracts are major commercial banks. While we believe the risk of counterparty nonperformance is not material, past disruptions in the global financial markets have impacted some of the financial institutions with which we do business. A sustained decline in the financial stability of financial institutions as a result of disruption in the financial markets could affect our ability to secure creditworthy counterparties for our foreign currency hedging programs.

5.C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Our gross research and development spending totaled \$122.3 million, \$108.3 million and \$107.3 million for the years ended January 31, 2026, 2025 and 2024 respectively. As described in the “Risk Factors” section and elsewhere in this Form 20-F, government regulations and policies can make developing or marketing new technologies expensive or uncertain due to various restrictions on trade and technology transfers. See “Item 3. Key Information—3.D. Risk Factors” and “Item 4. Information on the Company—4.B. Business Overview—Government Regulations.” For further information on our research and development policies and additional product information, see “Item 4. Information on the Company—4.B. Business Overview.”

5.D. TREND INFORMATION

Please see “—5.A. Operating Results” and “Item 4. Information on the Company—4.B. Business Overview—Demand Trends” for trend information.

5.E. CRITICAL ACCOUNTING ESTIMATES

Please see “—5.A. Operating Results—Critical Accounting Estimates” for critical accounting estimates.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The following table presents information about our directors as of the date of this Annual Report:

Name	Age
Earl Shanks	69
Elad Sharon, Chief Executive Officer	50
Avi Cohen	72
Dafna Sharir	57
Ron Shvili	59
Mr. Matthew O’Neill	50
Ms. Nurit Benjamini	59

Earl Shanks, Chairman of the Board

Mr. Shanks has served as a member of our board of directors since January 18, 2021, shortly before the effective date of the spin-off and as non-executive Chairman of the board of directors since September 6, 2023. Mr. Shanks previously served as a director of Verint until the completion of the spin-off. Since March 2017, Mr. Shanks has served as a director of Gaming & Leisure Properties, Inc. From November 2015 until May 2017, Mr. Shanks served as the Chief Financial Officer of Essendant Inc. Previously, Mr. Shanks served as the Chief Financial Officer at Convergys Corporation, and held various financial leadership roles with NCR Corporation, ultimately serving as its Chief Financial Officer.

Elad Sharon, Chief Executive Officer and Director

Mr. Sharon has served as our Chief Executive Officer and as a member of our board of directors since February 1, 2021, the effective date of the spin-off. Previously, he served as the President of Verint's Cyber Intelligence Solutions business since February 2016. Since joining Verint in 1997, Mr. Sharon held a broad range of management positions in the Cyber Intelligence Solutions business, including Senior Vice President of Products, R&D and Delivery, Senior Vice President of Strategic Programs, and Chief Operating Officer.

Avi Cohen, Director

Mr. Cohen has served as a member of our board of directors since June 4, 2023. Mr. Cohen serves as a member of the board of directors of NOVA Ltd. (Nasdaq: NVMI). Additionally, he is the chairman of ZOOZ Power Ltd. (TASE: ZOOZ TA), as well as a member of the board of directors of Cortica Ltd. and Sight Diagnostics Ltd.

Previously, Mr. Cohen served as Chief Executive Officer of MX1, which was formed in July 2016 following the acquisition of RR Media (Nasdaq: RRM) by SES S.A. followed by the merger of RR Media with SES Platform Services GmbH. Prior to the merger, Mr. Cohen had served as Chief Executive Officer of RR Media since July 2012. Up until March 2012, Mr. Cohen served as President and Chief Executive Officer of Orbit Technologies, a publicly traded company. From September 2006 to December 2008, Mr. Cohen served as ECI Telecom Ltd.'s Chief Operating Officer and deputy to the company's Chief Executive Officer. A variety of executive management positions were held by Mr. Cohen at KLA (Nasdaq: KLAC) prior to joining ECI. From 2003 Mr. Cohen was a Group Vice President and member of the Executive Management Committee. From 1995 Mr. Cohen was President of KLA Israel responsible for the optical metrology division. Prior to that, and after serving as Chief Executive Officer of Allegro Intelligent Systems, which he founded and was acquired by Octel, Mr. Cohen spent three years as Managing Director of Octel Communications, Israel.

Dafna Sharir, Director

Ms. Sharir has served as a member of our board of directors since March, 2022. Ms. Sharir has served as a business advisor to various companies, including BrightCodes Technologies Ltd. from 2018 to 2021. Previously, Ms. Sharir has provided M&A Advisory services to FAM, a U.S. asset management firm, from 2008 to 2010 and to Ofer Group and Israel Corp. from 2005 to 2008. She has held various senior positions, including as Senior Vice President Investments at AMPAL from 2002-2005. Ms. Sharir currently serves as an independent director and chairperson of the compensation committee at Ormat Technologies Inc., as an independent director and a member of the audit committee and of the nomination and governance committee at Gilat Satellite Networks Ltd., and as a director at Minute Media Inc.

Ron Shvili, Director

Mr. Shvili has served as a member of our board of directors since May 1, 2024. He serves as board member of Ankor Insurance Company Ltd. and as an advisor to Phoenix Insurance, a major investment, insurance and asset management group in Israel, where he manages its early stage insurtech portfolio. In this capacity, Mr. Shvili serves as a board member and board observer of some of the portfolio companies. Mr. Shvili is a venture partner at Magenta ventures and advises several tech startups. From 2020 to 2023, Mr. Shvili was Executive Vice President and the Chief Technology, IT and Innovation Officer at Phoenix Insurance, and from 2013-2020, he served as Chief Technology Officer at Cellcom Israel Ltd. Mr. Shvili has also served as a board member of LightCyber (acquired by Palo Alto Networks) and as an advisory board member for Granulate (acquired by Intel) and Imvission (acquired by Intuit). Prior to his transition to the private sector, Mr. Shvili dedicated 23 years to Israel's national security sector, holding senior managerial and technological positions in the Israeli Defense Forces and the Ministry of Defense, including Head of an R&D division in the DDR&D (MAFAT) directorate and Head of the technology department of the elite 8200 unit, both at the rank of Colonel.

Matthew O'Neill, Director

Mr. O'Neill was appointed to serve as a member of our board of directors effective March 1, 2025. Mr. O'Neill is a Co-Founder and Partner at 50H Consulting LLC. and 50A Consulting LLC. Mr. O'Neill served as the Deputy Special Agent in Charge of Cyber Operations at the United States Secret Service (the "Secret Service") until December 2023, where he directed the agency's global cyber investigative strategies and oversaw efforts to dismantle transnational criminal networks. During his tenure at the Secret Service, he also served as the Director of the Asset Forfeiture Branch and as the Director of the Global Investigative Operations Center, where he established the Secret Service's first agency-wide criminal investigative fusion center.

Nurit Benjamini, Director

Ms. Benjamini was appointed to serve as a member of our board of directors effective March 31, 2025. Ms. Benjamini is a Partner and the Chief Financial Officer of F2 Venture Capital and serves as an External Director of Caesarstone Ltd. (Nasdaq: CSTE) since 2020. From December 2013 to November 2022, Ms. Benjamini served as the Chief Financial Officer of Crazy Labs Ltd., a top mobile games developer and publisher. From 2011 to 2013, Ms. Benjamini served as the Chief Financial Officer of Wix.com (Nasdaq: WIX); from 2007 to 2011, she served as the Chief Financial Officer of CopperGate Communications Ltd., and from 2000 to 2007, she served as the Chief Financial Officer of Compugen Ltd. (Nasdaq: CGEN).

Senior Management

The following table sets forth information regarding our executive officers as of the date of this Annual Report.

Name	Age
Elad Sharon, Chief Executive Officer	50
David Abadi, Chief Financial Officer	52
Gil Cohen, Chief Product Officer	55
Efi Nuri, Chief Revenue Officer	64
Sharon Chouli, Chief Customer Officer	56

David Abadi, Chief Financial Officer

Mr. Abadi has served as Chief Financial Officer since the completion of the spin-off. Previously, he served as the Chief Financial Officer of Verint's Cyber Intelligence Solutions division since 2012. Mr. Abadi has more than two decades of finance and accounting experience. Prior to joining Verint, he served as the EMEA Finance Controller for Polycom in Netherlands and as Senior Finance Manager for Polycom in Israel. He also spent over five years in various capacities at PricewaterhouseCoopers in its New York and Israel offices.

Efi Nuri, Chief Revenue Officer

Mr. Nuri has served as our Chief Revenue Officer since February 1, 2023. As Chief Revenue Officer, Mr. Nuri leads Cognyte's global sales team, with responsibility to drive sales, gain market share, and implement Cognyte's revenue growth strategy. Mr. Nuri previously served as a General Manager in the sales business unit at Cognyte, and brings almost 30 years of experience in Cognyte's market, offering, technology, and sales environment. Mr. Nuri joined Cognyte in 1993 and has served in multiple engineering and sales management roles.

Gil Cohen, Chief Product Officer

Mr. Cohen has served as our Chief Product Officer since February 1, 2023. As Chief Product Officer, Mr. Cohen leads our product organization, global R&D centers, and the go-to-market strategy of our investigative analytics platform. Mr. Cohen is a seasoned software executive with a proven track record leading large global organizations, and brings over two decades of experience and expertise in enterprise software, big data, telco and artificial intelligence. Prior to joining the Cognyte business in 2021, Mr. Cohen served as the general manager of the NICE voice recording platform, and Chief Executive Officer of Telefonica Israel.

Sharon Chouli, Chief Customer Officer

Mr. Chouli has served as our Chief Customer Officer since the completion of the spin-off. Since joining Verint in 1997, Mr. Chouli held a broad range of management positions in the Cyber Intelligence Solutions business, culminating in the position of Senior Vice President, Head of Global Customer Operations. Mr. Chouli is an accomplished leader with over two decades of experience in information technology and software. Prior to joining the Cognyte Business, Mr. Chouli held roles in Telrad Networks and in the Israel Aerospace Industries R&D unit.

Arrangements Concerning Election of Directors; Family Relationships

We are not a party to, and are not aware of, any arrangements pursuant to which any of our senior management members or directors was selected as such. In addition, there are no family relationships among our senior management members or directors.

6.B. COMPENSATION

The aggregate compensation expensed, including share-based compensation and other compensation expensed by us and our subsidiaries, with respect to the year ended January 31, 2026, to our directors and senior management that served at any time during the year ended January 31, 2026 was \$16.4 million. This amount includes approximately \$0.7 million set aside or accrued to provide pension, severance, retirement, or similar benefits.

The table below sets forth the compensation earned by our five most highly compensated office holders (as defined below under “—6.C. Board Practices—Compensation Committee—Compensation Policy under the Companies Law”) during or with respect to the year ended January 31, 2026. We refer to the five individuals for whom disclosure is provided herein as our “Covered Executives”. For purposes of the table and the summary below, “compensation” includes base salary, bonuses, equity-based compensation, retirement or termination payments, and any benefits or perquisites such as car, phone and social benefits, as well as any undertaking to provide such compensation in the future.

Summary Compensation Table

Name and Principal Position⁽²⁾	Base Salary (\$)	Benefits and Perquisites (\$)⁽³⁾	Variable compensation (\$)⁽⁴⁾	Equity-Based Compensation (\$)⁽⁵⁾	Total (\$)
	(in thousands, US dollars)⁽¹⁾				
Elad Sharon, Chief Executive Officer	518	165	3,544	1,605	5,832
David Abadi, Chief Financial Officer	426	136	1,540	685	2,787
Gil Cohen, Chief Product Officer	367	123	1,253	514	2,258
Efi Nuri, Chief Revenue Officer	358	122	1,198	502	2,180
Sharon Chouli, Chief Customer Officer	332	116	1,009	476	1,932

(1) All amounts reported in the table are in terms of cost to us accrued with respect to the year ended January 31, 2026, as recorded in our financial statements.

(2) All Covered Executives listed in the table were our full-time employees during the year. Cash compensation amounts denominated in currencies other than the U.S. dollar were converted into U.S. dollars at the average conversion rate for the year ended January 31, 2026.

(3) Amounts reported in this column include car allowance and social benefits accrued by us on behalf of the Covered Executives, convalescence pay, contributions made by the company to an insurance policy or a pension fund, work disability insurance, severance, retirement, educational fund and payments for social security.

(4) Amounts reported in this column refer to incentive and variable compensation payments which were paid or accrued in cash or shares with respect to the year ended January 31, 2026. In accordance with the Company’s compensation policy, we accrued for bonuses to our Covered Executives upon compliance with predetermined performance and other parameters as set by the compensation committee and the board of directors. These amounts were provided for in our financial statements for the year ended January 31, 2026. We also award PSUs to executive officers that vest upon the achievement of specified performance goals. We recognize compensation expenses for the value of the awards, which vest based on service conditions, using the straight-line method, over the requisite service period of each of the awards, net of estimated forfeitures.

(5) Amounts reported in this column represent the expense recorded in our financial statements for the year ended January 31, 2026 with respect to equity-based compensation grants. The relevant amounts underlying the equity awards granted to our Covered Executives will continue to be expensed in our financial statements over a period of time during the years on account of the grants made during the year ended January 31, 2026 in similar annualized amounts. All equity-based compensation grants to our Covered Executives were made in accordance with the parameters of our Company’s compensation policy and were approved by our compensation committee and board of directors.

Share Incentive Plan

The following sets forth certain information with respect to our share incentive plan. The following description is only a summary of the plan and is qualified in its entirety by reference to the full text of the plan, which serves as an exhibit to this Form 20-F.

Upon the expiration of our share incentive plan, no further grants may be made thereunder, although any existing awards will continue in full force in accordance with the terms under which they were granted.

2021 Share Incentive Plan

In connection with the spin-off, we adopted a new 2021 share incentive plan (the "2021 Plan"), under which we are able to grant equity-based incentive awards to attract, motivate and retain the talent for which we compete.

Subject to any increase or decrease, as of March 18, 2026, a total of 2,145,479 ordinary shares were unallocated and available for future grants under the 2021 Plan and 5,499,850 ordinary shares were subject to issued and outstanding Restricted Share Units (RSUs) awards under the 2021 Plan.

The 2021 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Israeli Tax Ordinance, and Section 3(i) of the Israeli Tax Ordinance and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

Section 102 of the Israeli Tax Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares or options, subject to the terms and conditions set forth in the Israeli Tax Ordinance. Our non-employee service providers and controlling shareholders may only be granted options under Section 3(i) of the Israeli Tax Ordinance, which does not provide for similar tax benefits.

The 2021 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares, restricted share units and other share-based awards. Grants may be evidenced by award agreements, other contractual arrangements and/or resolutions of the Compensation Committee of our board of directors. Options granted under the 2021 Plan to our employees who are U.S. residents may qualify as "incentive stock options" within the meaning of Section 422 of the Code or may be non-qualified stock options.

In the event of termination of a grantee's employment or service with the company or any of its affiliates (other than by reason of death or permanent disability), all vested and exercisable awards held by such grantee as of the date of termination may be exercised within three months after such date of termination, unless otherwise determined by the administrator. After such three-month period, all unexercised awards will terminate.

In the event of termination of a grantee's employment or service with the company or any of its affiliates due to such grantee's death or permanent disability, all vested and exercisable awards held by such grantee as of the date of termination may be exercised by the grantee or the grantee's legal guardian, estate, or by a person who acquired the right to exercise the award by bequest or inheritance, as applicable, within twelve months after such date of termination, unless otherwise provided by the administrator. Any awards which are unvested as of the date of such termination or which are vested but not then exercised within the twelve-month period following such date will terminate.

Notwithstanding any of the foregoing, if a grantee commits an act during the course of the grantee's employment or services with the company or any of its affiliates that constitutes or would have constituted "cause," as defined in the 2021 Plan, the Compensation Committee of our board of directors may provide for cancellation or forfeiture of all outstanding awards (whether vested or unvested).

Policy For Recovery of Erroneously Awarded Compensation

In September 2023, the Board adopted the policy for the recovery of erroneously awarded compensation (the “Policy”) in compliance with the SEC rules. The Policy provides for the recovery of erroneously awarded incentive-based compensation from current and former officers when there is an accounting restatement due the Company’s material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

6.C. BOARD PRACTICES**General**

Our board of directors consists of seven members. Our Articles of Association provide that the number of board members (including external directors, if applicable) shall be set by our board of directors from time to time, provided that it will consist of not less than three and not more than eleven members. Pursuant to the Companies Law, the management of our business is vested in our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to management. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our board of directors. Our chief executive officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by our chief executive officer. Their terms of employment are subject to the approval of the Compensation Committee of our board of directors and of our board of directors, and are subject to the terms of any applicable employment agreements that we may enter into with them.

Our board of directors may, subject to the provisions of the Companies Law, delegate any or all of its powers to committees of the board of directors, and it may, from time to time, revoke such delegation or alter the composition of any such committees, subject to certain limitations. Unless otherwise expressly provided by our board of directors, the committees shall not be empowered to further delegate such powers. The composition and duties of our Audit Committee and Compensation Committee are described below.

Our board of directors oversees how management monitors compliance with our risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by us. Our board of directors is assisted in its oversight role by an internal audit department. The internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to our Audit Committee.

Board Structure

Under our Articles of Association, our directors are divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting our entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election.

Our directors are divided among the three classes as follows:

- Class I directors: Mr. Shvili and Ms. Benjamini;
- Class II directors: Mr. Cohen, Ms. Sharir and Mr. O’Neill; and
- Class III directors: Mr. Shanks and Mr. Sharon.

Any amendment to the foregoing structure of our board of directors, or to the authorized range of number of directors set forth in our Articles of Association, requires the approval of at least 65% of the total voting power of our shareholders.

Nomination, Election and Removal of Directors

Each of the directors shall be elected by a vote of the holders of a majority of the voting power present and voting at that meeting (excluding abstentions), provided that in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions for election of directors will be presented to the meeting shall be determined by our board of directors in its discretion. Each director will hold office until the annual general meeting of our shareholders for the year in which his or her term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless he or she is removed from office as described below.

Under our Articles of Association, the approval of the holders of at least 65% of the total voting power of our shareholders will generally be required to remove any of our directors from office, and any amendment to that provision shall require the approval of at least 65% of the total voting power of our shareholders. In addition, vacancies on our board of directors may be filled exclusively by a vote of a simple majority of the directors then in office, or, if determined by the board, by a vote of our shareholders. A director so appointed will hold office until the next annual general meeting of our shareholders for the class in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in the Articles of Association, until the next annual general meeting of our shareholders at which the class to which he or she has been assigned by our board of directors is subject to election. The approval of at least 65% of the total voting power of our outstanding shares is required in order to amend this Articles provision concerning the filling of vacancies on the board.

Under the Companies Law, any shareholder holding at least five percent of our outstanding voting power may nominate a director. However, any such shareholder may make such a nomination only if a written notice of such shareholder's intent to make such nomination has been given to our board of directors. Any such notice must include certain information, including the consent of the proposed director nominee to serve as our director if elected, and a declaration that the nominee signed declaring that he or she possess the requisite skills and has the availability to carry out his or her duties. Additionally, the nominee must provide details of such skills, and demonstrate an absence of any limitation under the Companies Law that may prevent his or her election, and affirm that all of the required election-information is provided to us, pursuant to the Companies Law. Any such shareholder notice (and related documentation) must be delivered to our registered Israeli office within seven days after we publish notice of our upcoming annual general meeting (or within 14 days after we publish a preliminary notification of an upcoming annual general meeting).

Chairman of the Board

Our board of directors may elect one director to serve as the chairman of our board of directors to preside at the meetings of our board of directors, and may also remove that director as chairman. Pursuant to the Companies Law, neither the chief executive officer nor any of his or her relatives is permitted to serve as the chairman of our board of directors, and a company may not vest the chairman or any of his or her relatives with the chief executive officer's authorities. In addition, a person who reports, directly or indirectly, to the chief executive officer may not serve as the chairman of the company; the chairman may not be vested with authorities of a person who reports, directly or indirectly, to the chief executive officer; and the chairman may not serve in any other position in the company or a controlled company, but he or she may serve as a director or chairman of a controlled company. However, the Companies Law permits a company's shareholders to determine, for a period not exceeding three years from each such determination, that the chairman or his or her relative may serve as chief executive officer or be vested with the chief executive officer's authorities, and that the chief executive officer or his or her relative may serve as chairman or be vested with the chairman's authorities. Such determination of a company's shareholders requires either: (1) the approval of at least a majority of the shares of those shareholders present and voting on the matter (other than controlling shareholders and those having a personal interest in the determination) (shares held by abstaining shareholders shall not be considered); or (2) that the total number of shares opposing such determination does not exceed 2% of the total voting power in the company. Currently, we have a separate chairman and chief executive officer.

External Directors

Under the Companies Law, companies incorporated under the laws of the State of Israel that are "public companies," including companies with shares listed on Nasdaq, are required to appoint at least two external directors. Pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the Nasdaq, may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we elected to "opt out" from the Companies Law requirement to appoint

external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors.

Committees of Our Board of Directors

Our board of directors has established three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. In addition, during April 2024, our board of directors established a Strategy Committee.

Audit Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee. The audit committee must be comprised of at least three directors. Because we have opted out from the external director requirement under the Companies Law, we need not comply with this composition requirement for our Audit Committee under the Companies Law (so long as we comply with the corresponding Nasdaq requirement).

Listing Requirements

Under the Nasdaq corporate governance rules, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Our Audit Committee consists of Ms. Sharir, Mr. Cohen and Ms. Benjamini. Ms. Sharir serves as the chairperson of the Audit Committee. All members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq corporate governance rules. Our board of directors has determined that Ms. Sharir is an "audit committee financial expert" as defined by the SEC rules and has the requisite financial experience as defined by the Nasdaq corporate governance rules.

Our board of directors has determined that each member of our Audit Committee is "independent" as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test under Nasdaq rules for independence of board and committee members.

Audit Committee Role

Our board of directors has adopted an audit committee charter setting forth the responsibilities of the Audit Committee consistent with the Companies Law, the SEC rules and the Nasdaq corporate governance rules, which include:

- retaining and terminating our independent auditors, subject to the ratification of our board of directors, and in the case of retention, to that of our shareholders;
- pre-approving of audit and non-audit services and related fees and terms, to be provided by the independent auditors;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing (or submission, as the case may be) to the SEC;
- recommending to our board of directors the retention and termination of the head internal auditor, and the head internal auditor's engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal audit department;

- reviewing with our Chief Legal Officer and/or external counsel, as deemed necessary, legal and regulatory matters that could have a material impact on the financial statements;
- identifying irregularities in our business administration, inter alia, by consulting with the head internal auditor or with the independent auditor, and suggesting corrective measures to our board of directors;
- reviewing policies and procedures with respect to transactions (other than transactions related to the compensation or terms of services) between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not in the ordinary course of the Company's business and deciding whether to approve such acts and transactions if so required under the Companies Law; and
- establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees.

Compensation Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint a compensation committee, which generally must be comprised of at least three directors. Because we have opted out from the external director requirement under the Companies Law, we need not comply with this composition requirement for our Compensation Committee under the Companies Law (so long as we comply with the corresponding Nasdaq requirement).

Listing Requirements

Under the Nasdaq corporate governance rules, we are required to maintain a compensation committee consisting of at least two independent directors.

Our Compensation Committee consists of Ms. Sharir, Mr. Shanks and Mr. Cohen. Ms. Sharir serves as chairperson of the Compensation Committee. Our board of directors has determined that each member of our Compensation Committee is independent under the Nasdaq rules, including the additional independence requirements applicable to the members of a compensation committee.

Compensation Committee Role

In accordance with the Companies Law, the roles of our Compensation Committee are, among others, as follows:

- recommending to our board of directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically recommending to our board of directors with respect to any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our chief executive officer from the approval of the general meeting of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee consistent with the Nasdaq rules, which include among others:

- approving and recommending to our board of directors for its approval a compensation policy in accordance with the requirements of the Companies Law as well as other compensation policies, incentive-based compensation plans and equity-based compensation plans, and overseeing the development and implementation of such policies and recommending to our board of directors any amendments or modifications the committee deems appropriate, including as required under the Companies Law;
- approving and recommending to our board of directors for its approval the granting of options and other incentive awards to our chief executive officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers, including evaluating their performance in light of such goals and objectives;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law; and
- assisting the board of directors in administering our equity-based compensation plans, including without limitation, recommending to our board of directors the adoption and/or amendment of such plans, interpreting such plans and the awards and agreements issued pursuant thereto, and approving and recommending to our board of directors the approval of awards to eligible persons under the plans and the terms of such awards.

Compensation Policy under the Companies Law

In general, under the Companies Law, a public company must have a compensation policy approved by the company's board of directors after receiving and considering the recommendations of its compensation committee. In addition, a compensation policy must be approved at least once every three years, first, by the company's board of directors, upon recommendation of the compensation committee, and second, by a simple majority of the shares present, in person or by proxy, and voting at a shareholders meeting, provided that either:

- such majority includes at least a majority of the shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy and who are present, in person or by proxy, and voting (excluding abstentions); or
- the total number of shares of noncontrolling shareholders and shareholders who do not have a personal interest in the compensation policy and who vote against the policy does not exceed two percent (2%) of the aggregate voting rights in the company.

Under special circumstances, the company's board of directors may approve the compensation policy despite the objection of its shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed grounds and after discussing again the compensation policy, that approval of the compensation policy, despite the objection of shareholders, is for the benefit of the company.

If a company such as ours that adopted a compensation policy in advance of its initial public offering or distribution of its securities, and described it in its prospectus (or similar document, such as the Form 20-F filed in connection with the spin-off) for such offering/distribution, then that compensation policy shall be deemed a validly adopted policy in accordance with the Companies Law requirements described above. Furthermore, that compensation policy will remain in effect for a term of five years from the date on which that company becomes a public company, unless amended or re-approved in accordance with the Companies Law.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated

according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position, responsibilities and prior compensation agreements with him or her;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost to the average and median salary of such employees of the company, as well as the impact of disparities between them on the work relationships in the company;
- if the terms of employment include variable components—the possibility of reducing variable components at the discretion of the board of directors and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation—the term of employment or office of the office holder, the terms of his or her compensation during such period, the company's performance during such period, his or her individual contribution to the achievement of the company goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among other features:

- with regards to variable components:
- with the exception of office holders who report directly to the chief executive officer, determining the variable components on long-term performance basis and on measurable criteria; however, the company may determine that an immaterial part of the variable components of the compensation package of an office holder shall be awarded based on non-measurable criteria, if such amount is not higher than three monthly salaries per annum, while taking into account such office holder's contribution to the company;
- the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their payment, or in the case of equity-based compensation, at the time of grant;
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of his or her terms of employment, if such amounts were paid based on information later discovered to be wrong, and such information was restated in the company's financial statements;
- the minimum holding or vesting period of variable equity-based components to be set in the terms of office or employment, as applicable, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Our compensation policy, which became effective upon the closing of the spin-off, was amended and re-approved by our shareholders and board of directors in September 2025. The policy is designed to promote retention and motivation of directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance and provide a risk management tool. To that end, a portion of our executive officer

compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. On the other hand, our compensation policy includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm us in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officers' individual characteristics (such as the officer's respective position, education, scope of responsibilities and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses and other cash bonuses (such as a signing bonus and special bonuses with respect to any special achievements, such as outstanding personal achievement, outstanding personal effort or outstanding company performance or a unique company transaction), equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers other than our chief executive officer will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our chief executive officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers other than our chief executive officer may alternatively be based entirely on a discretionary evaluation. Furthermore, our chief executive officer will be entitled to approve performance objectives for executive officers who report to him.

The measurable performance objectives of our chief executive officer will be determined annually by our Compensation Committee and our board of directors. A non-material portion of the chief executive officer's annual cash bonus may be based on a discretionary evaluation of the chief executive officer's overall performance by the Compensation Committee and our board of directors, based on quantitative and qualitative criteria.

The equity-based compensation under our compensation policy for our executive officers (including members of our board of directors) is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term. Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and time or performance based restricted share units, in accordance with our share incentive plan then in place. Equity-based incentives granted to executive officers are generally subject to vesting periods in order to promote long-term retention of the awarded executive officers. The equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the executive officer.

In addition, our compensation policy contains compensation recovery provisions which allow us under certain conditions to recover bonuses paid in excess. The policy also enables our chief executive officer to approve an immaterial change in the terms of employment of an executive officer who reports directly him (provided that the changes of the terms of employment are in accordance with our compensation policy) and allows us to exculpate, indemnify and insure our executive officers and directors to the maximum extent permitted by Israeli law, subject to certain limitations set forth therein.

Our compensation policy also provides for compensation to the members of our board of directors either (i) in accordance with the amounts provided in the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time, or (ii) in accordance with the amounts determined in our compensation policy. Pursuant to our compensation policy, the compensation that may be granted to a director may include: an initial "welcome" equity grant for new board members, an annual equity grant, an annual cash retainer, annual cash fees for service on board committees or in board leadership roles, and an annual cash supplement for international directors (who reside outside of Israel).

Nominating and Governance Committee

Companies Law Requirements

The Companies Law does not require that our board of directors appoints a nominating committee or governance committee to address director nominations or corporate governance requirements. We have nevertheless elected to comply with the Nasdaq requirement to appoint such a committee, as described below, rather than to rely upon home country practice.

Listing Requirements

Under the Nasdaq corporate governance rules, we are required to maintain a nominating committee consisting of at least two independent directors.

Our Nominating and Governance Committee consists of Mr. Shanks, Mr. Shvili and Mr. O'Neill. Mr. Shanks serves as chairman of the Nominating and Governance Committee. Our board of directors has determined that each member of our Nominating and Governance Committee is independent under the Nasdaq rules.

Nominating and Governance Committee Role

Our board of directors has adopted a nominating and governance committee charter that sets forth the responsibilities of the Nominating and Governance Committee, which include, among other things:

- evaluating and making recommendations to our board of directors concerning the structure, composition and functioning of our board of directors and any committee thereof, to ensure the board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds;
- recommending to our board of directors for its approval criteria for board and committee membership, including a description of any specific and minimum qualifications that the Nominating and Governance Committee believes must be met by a committee-recommended nominee;
- identifying and evaluating individuals, including individuals proposed by our shareholders, qualified to serve as members of our board of directors, consistent with criteria established by the committee, a new director candidate evaluation process and the qualification requirements set forth under the Companies Law and Nasdaq corporate governance rules;
- recommending to the board candidates for election or reelection by our board of directors at each annual general meeting of shareholders;
- establishing procedures for and oversee performance evaluations of the members of our board of directors and our board of directors and the committees thereof on a collective basis;
- reviewing our board of directors meeting procedures, including the appropriateness and adequacy of the information supplied to directors prior to and during meetings of our board of directors;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to the board a set of corporate governance guidelines applicable to our company; and
- assisting our board of directors in fulfilling its oversight responsibilities relating to corporate responsibility and environmental, social and governance matters.

Strategy Committee

Established by our board of directors in April 2024, our Strategy Committee, is comprised of Mr. Cohen (Chairperson), Ms. Sharir and Mr. Shvili. Our board of directors has adopted a strategy committee charter that sets forth the responsibilities of the Strategy Committee, which include, among other things, responsibility for providing the board of directors with recommendations, in relation to the development and execution of the Company's strategy, including its strategic plans and initiative. In addition, the Strategy Committee shall provide guidance and support to management in the execution of strategic projects and initiatives, including resource allocation and performance management. The Strategy Committee shall assist management in assessing and monitoring external factors such as regulatory changes, technological advancements, and economic conditions that may impact the Company's strategy. The committee shall also maintain a cooperative, interactive planning process with management, including but not limited to, identifying and prioritizing strategic goals.

Internal Auditor

Under the Companies Law, the board of directors of an Israeli public company must also appoint an internal auditor nominated by the audit committee.

The role of the internal auditor is to examine, among other things, whether a company's actions comply with the law and proper business procedure. The Audit Committee is required to oversee the activities, and to assess the performance of the internal auditor as well as to review the internal auditor's work plan. An internal auditor may not be an interested party or office holder, or a relative of any interested party or office holder, and may not be a member of the company's independent accounting firm or its representative. The Companies Law defines an interested party as a holder of 5% or more of the outstanding shares or voting rights of a company, any person or entity that has the right to nominate or appoint at least one director or the general manager of the company or any person who serves as a director or as the general manager of a company. As previously reported, effective November 1, 2024, we replaced our external internal audit firm and appointed an employee of the Company to serve as our Internal Auditor in accordance with the Israeli Companies Law, 5759-1999. Our Internal Auditor continues to meet all independence requirements under Israeli law and remains subject to the approval and oversight of our Audit Committee and Board of Directors.

Fiduciary Duties of Office Holders

The Companies Law imposes a duty of care and a duty of loyalty on all office holders of a company.

The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care of an office holder includes a duty to use reasonable means to obtain:

- information on the advisability of a given action brought for such office holder's approval or performed by him or her by virtue of his or her position; and
- all other important information pertaining to these actions.

The duty of loyalty of an office holder requires an office holder to act in good faith and for the benefit of the company, and includes a duty to:

- refrain from any conflict of interest between the performance of his or her duties in the company and his or her performance of his or her other duties or personal affairs;
- refrain from any action that is competitive with the company's business;
- refrain from exploiting any business opportunity of the company to receive a personal gain for such office holder or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder has received due to his or her position as an office holder.

Approval of Related Party Transactions under Israeli Law

General

Under the Companies Law, we may approve an action by an office holder from which the office holder would otherwise have to refrain, as described above, if:

- the office holder acts in good faith and the act or its approval does not cause harm to the company; and
- the office holder disclosed the nature of his or her interest in the transaction (including any significant fact or document) to the company at a reasonable time before the company's approval of such matter.

Disclosure of Personal Interests of an Office Holder

The Companies Law requires that an office holder disclose to the company, promptly, and, in any event, not later than the board meeting at which the transaction is first discussed, any direct or indirect personal interest that he or she may have and all related material information known to him or her relating to any existing or proposed transaction by the company. If the transaction is an extraordinary transaction, the office holder must also disclose any personal interest held by:

- the office holder's relatives; or
- any corporation in which the office holder or his or her relatives holds 5% or more of the shares or voting rights, serves as a director or general manager or has the right to appoint at least one director or the general manager.

Under the Companies Law, an extraordinary transaction is a transaction:

- not in the ordinary course of business;
- not on market terms; or
- that is likely to have a material effect on the company's profitability, assets or liabilities.

The Companies Law does not specify to whom within Cognyte nor the manner in which required disclosures are to be made. We require our office holders to make such disclosures to our board of directors.

Under the Companies Law, once an office holder complies with the above disclosure requirement, the board of directors may approve a transaction between the company and an office holder, or a third party in which an office holder has a personal interest, unless the articles of association provide otherwise and provided that the transaction is in the company's interest. If the transaction is an extraordinary transaction in which an office holder has a personal interest, first the audit committee and then the board of directors, in that order, must approve the transaction. Under specific circumstances, shareholder approval may also be required. A director who has a personal interest in an extraordinary transaction, which is considered at a meeting of the board of directors or the audit committee, may not be present at that meeting or vote on that matter, unless a majority of the board of directors or the audit committee, as the case may be, has a personal interest. If a majority of the board of directors has a personal interest, then shareholder approval is generally also required.

Under the Companies Law, all arrangements as to compensation of office holders require approval of the compensation committee and board of directors, and compensation of office holders who are directors must be also approved, subject to certain exceptions, by the shareholders, in that order. Where the director is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply.

Disclosure of Personal Interests of a Controlling Shareholder

Under the Companies Law, the disclosure requirements that apply to an office holder also apply to a controlling shareholder of a public company. Extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, including a private placement in which a controlling shareholder has a personal interest, as well as transactions for the provision of services whether directly or indirectly by a controlling shareholder or his or her relative, or a company such controlling shareholder controls, and transactions concerning the terms of engagement of a controlling shareholder or a controlling shareholder's relative, whether as an office holder or an employee, require the approval of the audit committee or the compensation committee, as the case may be, the board of directors and a majority of the shares voted by the shareholders of the company participating and voting on the matter in a shareholders' meeting. In addition, the shareholder approval must fulfill one of the following requirements:

- at least a majority of the shares held by shareholders who have no conflict of interest (referred to under the Companies Law as a "personal interest") in the transaction and are voting at the meeting must be voted in favor of approving the transaction, excluding abstentions; or
- the shares voted by shareholders who have no personal interest in the transaction who vote against the transaction represent no more than 2% of the voting rights in the company.

In addition, any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires the above-mentioned approval every three years; however, such transactions not involving the receipt of services or compensation can be approved for a longer term, provided that the audit committee determines that such longer term is reasonable under the circumstances.

The Companies Law requires that every shareholder that participates, in person, by proxy or by voting instrument, in a vote regarding a transaction with a controlling shareholder, must indicate in advance (via the proxy card or voting instruction form) or in the ballot whether or not that shareholder has a personal interest in the vote in question. Failure to so indicate will result in the invalidation of that shareholder's vote.

The term "controlling shareholder" is defined in the Companies Law as a shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder holds 50% or more of the voting rights in a company or has the right to appoint the majority of the directors of the company or its chief executive officer. In the context of a transaction involving a shareholder of the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated.

Duties of Shareholders

Under the Companies Law, a shareholder has a duty to refrain from abusing its power in the company and to act in good faith and in an acceptable manner in exercising its rights and performing its obligations toward the company and other shareholders, including, among other things, voting at general meetings of shareholders (and at shareholder class meetings) on the following matters:

- amendment of the articles of association;
- increase in the company's authorized share capital;
- merger; and
- the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from oppressing other shareholders.

The remedies generally available upon a breach of contract will also apply to a breach of the above mentioned duties, and in the event of oppression of other shareholders, additional remedies are available to the injured shareholder.

In addition, any controlling shareholder, any shareholder that knows that its vote can determine the outcome of a shareholder vote and any shareholder that, under a company's articles of association, has the power to appoint or prevent the appointment of an office holder, or has another power with respect to a company, is under a duty to act with fairness towards the company. The Companies Law does not describe the substance of this duty except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness, taking the shareholder's position in the company into account.

Code of Conduct and Business Ethics

Our board of directors adopted a written Code of Business Conduct and Ethics reinforcing our guiding principles to act with the highest level of integrity and ethical standards and setting forth our expectations regarding personal and corporate conduct for all of our directors, officers, employees and representatives. For more information, see "Item 16B. Code of Ethics."

Exculpation, Indemnification and Insurance of Directors and Officers

Exculpation of Office Holders

Under the Companies Law, an Israeli company may not exempt an office holder from his or her liability for a breach of the duty of loyalty to the company, but may exempt an office holder, in advance, from his or her liability, in whole or in part, for a breach of his or her duty of care to the company (except with regard to distributions), if the articles of association so provide. Our Articles of Association permit us to exempt our office holders, retroactively or in advance, from his or her liability, in whole or in part, for a breach of his or her duty of care to the company, up to the highest amount permitted by law.

Office Holders' Insurance

As permitted by the Companies Law, our Articles of Association provide that, subject to the provisions of the Companies Law, we may enter into a contract for the insurance of the liability of any of our office holders concerning an act performed by him or her in his or her capacity as an office holder for:

- a breach of his or her duty of care to us or to another person;
- a breach of his or her duty of loyalty to us, provided that the office holder acted in good faith and had reasonable cause to assume that his or her act would not prejudice our interests;
- a financial liability imposed upon him or her in favor of another person;
- expenses he or she incurs as a result of administrative proceedings that may be instituted against him or her under Israeli securities laws, if applicable, and payments made to injured persons under specific circumstances thereunder;
- expenses he or she incurs as a result of administrative proceedings that may be instituted against him or her, including reasonable litigation expenses; and
- any other matter in respect of which it is permitted or will be permitted under applicable law to insure the liability of an office holder in Cognyte.

Indemnification of Office Holders

As permitted by the Companies Law, our Articles of Association provide that we may indemnify any of our office holders for an act performed in his or her capacity as an office holder, retroactively (after the liability has been incurred) or in advance against the following:

- a financial liability incurred by, or imposed on, him or her in favor of another person by any judgment, including a settlement or an arbitration award approved by a court; provided that our undertaking to indemnify with respect to such events on a prospective basis is, according to the Companies Law, limited to events that our board of directors believes are foreseeable in light of our actual operations at the time of providing the undertaking and to a sum or standard that our board of directors determines to be reasonable under the circumstances, and further provided that such events and amount or criteria are set forth in the undertaking to indemnify;
- reasonable litigation expenses, including attorney's fees, incurred by the office holder as a result of an investigation or proceeding instituted against him or her by a competent authority, provided that such investigation or proceeding concluded without the filing of an indictment against him or her or concluded with the imposition of a financial liability in lieu of criminal proceedings with respect to a criminal offense that does not require proof of criminal intent, all according to the law, or in connection with a financial sanction;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or charged to him or her by a court, resulting from the following: proceedings we institute against him or her or instituted on our behalf or by another person; a criminal indictment from which he or she was acquitted; or a criminal indictment in which he or she was convicted for a criminal offense that does not require proof of intent;
- expenses he or she incurs as a result of administrative proceedings that may be instituted against him or her under Israeli securities laws, if applicable, and payments made to injured persons under specific circumstances thereunder;
- expenses paid in connection with the administrative proceeding which was instituted against him or her, including reasonable litigation expenses, such as attorneys' fees; and
- any other matter in respect of which it is permitted or will be permitted under applicable law to indemnify an office holder in Cognyte.

Limitations on Exculpation, Insurance and Indemnification

The Companies Law provides that a company may not indemnify an office holder nor exculpate an office holder nor enter into an insurance contract which would provide coverage for any monetary liability incurred as a result of any of the following:

- a breach by the office holder of his or her duty of loyalty, unless with respect to indemnification and insurance, the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach by the office holder of his or her duty of care if the breach was committed intentionally or recklessly, unless it was committed only negligently;
- any act or omission committed with the intent to derive an illegal personal benefit; or
- any fine levied against the office holder.

In addition, under the Companies Law, exculpation of, an undertaking to indemnify or indemnification of, and procurement of insurance coverage for, our office holders must be approved by our Compensation Committee and our board of directors and, in specified circumstances, such as if the office holder is a director, is generally required to be approved by our shareholders.

We have entered into agreements with each of our directors and executive officers to indemnify them to the fullest extent permitted by law, subject to limited exceptions. The maximum aggregate amount of indemnification that we may pay to

our directors and executive officers based on such indemnification agreements is, generally, in any five year-period, the greatest of:

- twenty-five percent (25%) of our total shareholders' equity based on our most recent financial statements as of the time of the actual payment of indemnification;
- \$200.0 million;
- ten percent (10%) of our total market capitalization (determined based on the average closing price of our shares over the 30 trading days prior to the actual payment of indemnification multiplied by the total number of our issued and outstanding shares as of the date of actual payment); and
- in connection with or arising out of a public offering of our securities, the aggregate amount of proceeds from the sale by us and/or any of our shareholders of securities in such offering.

We also maintain a directors' and officers' liability insurance policy, which we may adjust from time to time. The aggregate coverage limit of the policy we will maintain each year is not currently expected to exceed the greater of \$50.0 million or 50% of our shareholders equity, based on our most recent financial statements at the time of approval by our Compensation Committee. The annual premiums that we pay under that policy will reflect current market conditions and will not materially affect our profitability, assets or liabilities.

6.D. EMPLOYEES

As of January 31, 2026 we employed approximately 1,700 professionals, including certain contractors, with approximately, 44%, 26%, 20% and 10% of our employees and contractors located in Israel, EMEA, APAC and Americas, respectively.

We consider our relationship with our employees to be good and a critical factor in our success. Our employees in Israel are not covered by any collective bargaining agreements, although certain provisions of the collective bargaining agreements between the Histadrut (General Federation of Laborers in Israel) and the Coordinating Bureau of Economic Organizations (including the Manufacturers' Association of Israel) are applicable to our Israeli employees by virtue of expansion orders of the Israeli Ministry of Industry, Trade and Labor. In some cases, our employees outside Israel are automatically subject to certain protections negotiated by organized labor in those countries directly with the government or trade unions, or are automatically entitled to severance or other benefits mandated under local laws. Although in certain countries we have work councils and statutory employee representation obligations, our employees are generally not represented by labor unions on an ongoing basis. We have never experienced a work stoppage.

The table below sets forth the breakdown of the total year-end number of our full-time equivalent employees by main category of activity for the past three years.

	As of January 31,		
	2026	2025	2024
	(full-time equivalents)		
Management and G&A	255	250	245
Product Delivery	94	96	98
Research & Development	831	776	761
Sales & Marketing	318	288	279
Service & Support	212	213	230
Total	1,710	1,623	1,613

6.E. SHARE OWNERSHIP

For information regarding the share ownership of directors and officers, see “Item 7.A. *Major Shareholders and Related Party Transactions—Major Shareholders.*” For information as to our equity incentive plans, see “Item 6.B. *Director, Senior Management and Employees—Compensation—Share Option Plans.*”

6.F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not Applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. MAJOR SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of March 18, 2026 by:

- each person or entity known by us to own beneficially more than 5% of our outstanding shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of ordinary shares is determined in accordance with the SEC rules and generally includes any ordinary shares over which a person exercises sole or shared voting or investment power. For the purposes of the table below, we deem restricted shares units scheduled to vest within 60 days of March 18, 2026, to be outstanding and to be beneficially owned by the person holding restricted shares units for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. The percentage of shares beneficially owned is based on 72,675,955 ordinary shares outstanding as of March 18, 2026.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares. Unless otherwise noted below, each shareholder’s address is 33 Maskit, Herzliya Pituach, 4673333, Israel.

Name of beneficial owner	Shares Beneficially Owned	
	Number	%
<i>Directors and executive officers</i>		
Elad Sharon	1,738,397	2.39%
Earl Shanks	272,101	0.37%
Dafna Sharir	105,476	0.15%
Avi Cohen	76,775	0.11%
Ron Shvili	51,248	*
Matthew O'Neill	19,048	*
Nurit Benjamini	19,048	*
David Abadi	844,118	1.16%
Gil Cohen	469,371	0.65%
Sharon Chouli	548,364	0.75%
Efi Nuri	481,319	0.66%
All directors and executive officers as a group (11 persons)	4,625,265	6.36%
<i>Major Shareholders</i>		
Topline Capital Management, LLC (1)	7,238,153	9.96%
ValueBase Ltd. and affiliates (2)	6,852,674	9.43%
American Capital Management, Inc. (3)	6,665,590	9.17%
Edenbrook Capital, LLC (4)	6,075,551	8.36%
1 Neuberger Berman, LLC(5)	5,038,357	6.93%

* Less than 0.1%

(1) As reported in a Schedule 13G/A filed with the SEC on February 13, 2026 by Topline Capital Management, LLC ("TCM"), Collin McBirney and Topline Capital Partners, LP ("TCP"). Each of these entities have shared voting and dispositive power over 7,238,153 Cognyte ordinary shares. The address of each of these reporting persons is 544 Euclid Street, Santa Monica, CA 90402.

(2) Based on information available to the Company and as reported in a Schedule 13D filed on September 16, 2024, the Ordinary Shares beneficially owned by this shareholder consist of (i) 1,114,585 Ordinary Shares held directly by Harmony LP, (ii) 3,123,122 Ordinary Shares held directly by VBF LP, and (iii) 1,469,213 Ordinary Shares owned directly by Value Base. As the sole owner of Harmony GP and the controlling shareholder of VBF GP, Value Base may be deemed the indirect beneficial owner of the Ordinary Shares beneficially owned by Harmony LP and VBF LP. In total, Value Base is deemed to beneficially own 5,706,920 Ordinary Shares, representing approximately 7.94% of the number of Ordinary Shares outstanding.

Mr. Victor Shamrich, who directly owns 671,354 Ordinary Shares, and Mr. Ido Nouberger, who directly owns 472,400 Ordinary Shares, together control Value Base. They may be deemed the indirect beneficial owners of the Ordinary Shares beneficially owned by Value Base. In total, Mr. Shamrich is deemed to beneficially own 6,378,274 Ordinary Shares, representing approximately 8.87% of the number of Ordinary Shares outstanding, and Mr. Nouberger is deemed to beneficially own 6,179,320 Ordinary Shares, representing approximately 8.59% of the number of Ordinary Shares outstanding.

Mr. Tal Yaacobi owns 2,000 Ordinary Shares through a wholly-owned company, representing approximately 0.003% of the number of Ordinary Shares outstanding.

Because Mr. Shamrich, Mr. Nouberger, Mr. Yaacobi, Harmony GP, VBF GP, and Value Base may be deemed to constitute a "group" for purposes of Section 13(d) of the Exchange Act, each may share the power to vote, or direct the voting of, and share the power to dispose of, or direct the disposition of, the 6,852,674 Ordinary Shares held in the aggregate by the Reporting Persons.

(3) As reported on Schedule 13G/A filed with the SEC on May 15, 2025 by American Capital Management, Inc. (“ACMI”). ACMI has sole voting power over 3,070,681 Cognyte ordinary shares and sole dispositive power over 6,665,590 Cognyte ordinary shares. The address of ACMI is 575 Lexington Avenue, 30th Floor, New York, NY 10022.

(4) According to a Schedule 13D/A filed on October 13, 2022 by Edenbrook Capital, LLC (“Edenbrook Capital”) and Jonathan Brolin, each had shared voting and dispositive power over 6,538,998 Cognyte ordinary shares. The number of shares set forth in the table is based on 6,075,551 shares reported in a Form 13F-HR filed with the SEC on February 13, 2024 by Edenbrook Capital and Jonathan Brolin. The address of each of the reporting persons is 116 Radio Circle, Mt. Kisco, NY 10549.

(5) As reported on Schedule 13G/A filed with the SEC on February 12, 2024 by Neuberger Berman Group, LLC (“NB Group”) and Neuberger Berman Investment Advisers LLC (“NBIA”). NB Group has shared voting power over 4,098,684 shares and shared dispositive power over 5,038,357 shares. NBIA has shared voting power over 4,005,531 and shared dispositive power over 4,880,459 shares. Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, and NBIA and certain affiliated persons may be deemed to beneficially own these Cognyte ordinary shares in their various fiduciary capacities. NB Group, through its subsidiaries Neuberger Berman Investment Advisers Holdings LLC and Neuberger Trust Holdings LLC controls Neuberger Berman Trust Co N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, Neuberger Berman Trust Co of Delaware N.A. and NBIA and certain affiliated persons. Each of NB Group, NBIA, Neuberger Trust Holdings LLC, Neuberger Berman Trust Co N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, Neuberger Berman Trust Co of Delaware N.A. and Neuberger Berman Investment Advisers LLC and certain affiliated persons disclaim beneficial ownership of these Cognyte ordinary shares. The address of each of these reporting persons is 1290 Avenue of the Americas, New York, NY 10104.

Registered Holders

Based on a review of the information provided to us by our transfer agent, as of January 31, 2026, there were 1,462 United States registered holders of our shares, one of which (Cede & Co., the nominee of the Depository Trust Company) held approximately 96.3% of our outstanding ordinary shares.

7.B. RELATED PARTY TRANSACTIONS

The following is a description of material transactions, or series of related material transactions, since February 1, 2022, that are required to be disclosed under Item 7.B of Form 20-F. For information relating to our policies on approval of related party transactions, since “Item 6.C. Board Practices—Approval of Related Party Transactions under Israeli Law.”

The summaries of the material transactions described below set forth the terms of the agreements that we believe are material. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are incorporated by reference into this Annual Report.

Separation and Distribution and Tax Matter Agreements with Verint

In connection with the spin-off we entered into a Separation and Distribution Agreement (the “Separation and Distribution Agreement”) with Verint related to the separation and distribution, and we entered into several other agreements with Verint prior to completion of the spin-off to effect the separation and provide a framework for our relationship with Verint after the spin-off. These agreements govern the relationship between Verint and us following the completion of the spin-off and established the separation of the assets, employees, liabilities and obligations (including investments, property and employee benefits and tax liabilities) of Verint and its subsidiaries that constituted the Cognyte Business. In addition to the Separation and Distribution Agreement (which contains many of the key provisions related to our separation from Verint and the distribution of our shares to holders of Verint shares) we entered into the Tax Matters Agreement with Verint under which we and Verint each agreed to share the obligation to pay any taxes as shown on tax returns filed by Verint (or any member of its group), on one hand, and us (or any member of our group), on the other hand, such that we will be primarily responsible for any taxes related to, or arising in connection with Cognyte, and Verint will be responsible for any taxes related to, or arising in connection with, the Customer Engagement Business, regardless of which party prepares and files any such tax return and whether such taxes arise prior to or after the spin-off. As a result of such undertaking, we have recorded in the fiscal year that ended on January 31, 2023 a \$4.7 million tax contingency in connection with a tax position that should have been recognized by Verint beginning with 2019, prior to the spin-off, and related primarily to Cognyte. During the fourth quarter of fiscal year January 31, 2024, the uncertain tax positions associated with Verint, as well as the corresponding indemnification asset, were reversed due to the expiration of the statute of limitations. For further information, please see “Item 5.A. Operating Results—Components of Results of Operations—Provision for Income Taxes”. We and Verint also agreed to share responsibility for preparing relevant tax returns, which responsibility will depend on the type of the tax return and the period for which such tax return is being filed. We and Verint agreed to indemnify each other under the Tax Matters Agreement for certain actions or inactions that cause the distribution of our stock to fail to qualify as tax-free for U.S. federal income and Israeli tax purposes. If the distribution fails to

qualify as tax-free due to no fault of either Verint or us, Verint and we will jointly be responsible for any resulting tax. We and Verint agree generally to cooperate in preparing and filing tax returns and will retain and make available tax records to the other party. Contests with taxing authorities are generally controlled by whichever of us or Verint bears the potential liability for the contested tax. However, with respect to certain income tax returns of Verint group, Verint has an exclusive right to control any contest with taxing authorities regarding tax liabilities in connection with such income tax returns, even if we are allocated all or a portion of such taxes under the terms of the Tax Matters Agreement. If any tax contest relates to a failure of the spin-off to qualify as tax-free due to the fault of Verint or us, then the party at fault will control such tax contest. If neither party is at fault, Verint and we will jointly control any tax contest relating to the failure of the distribution to qualify as tax-free for U.S. federal income or Israeli tax purposes. Disputes among the parties to the Tax Matters Agreement will be referred to independent tax counsel in the event the parties are unable to resolve such disputes in a timely manner without the engagement of independent tax counsel.

7.C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Consolidated Financial Statements

See “Item 18. Financial Statements”.

Policy on Dividend Distributions

We do not anticipate paying any cash dividends on our ordinary shares in the future except in the form of our share repurchases. Other than in connection with our existing share repurchase programs, which we may increase from time to time, we currently intend to retain all future earnings to finance our operations and to expand our business. Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects and other factors our board of directors may deem relevant.

8.B. SIGNIFICANT CHANGES

A discussion of significant changes in our business can be found under Item 4.A. “Information on the Company—History and Development of the Company;” Item 4.B. “Information on the Company—Business Overview” and Item 5.A. “Operating and Financial Review and Prospects—Results of Operations.”

ITEM 9. THE OFFER AND LISTING

9.A. OFFER AND LISTING DETAILS

Our ordinary shares commenced trading on Nasdaq under the symbol “CGNT” on February 2, 2021. Prior to this, no public market existed for our ordinary shares.

9.B. PLAN OF DISTRIBUTION

Not Applicable.

9.C. MARKETS

Our ordinary shares commenced trading on Nasdaq on February 2, 2021 under the symbol “CGNT”.

9.D. SELLING SHAREHOLDERS

Not Applicable.

9.E. DILUTION

Not Applicable.

9.F. EXPENSES OF THE ISSUE

Not Applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. SHARE CAPITAL

Not Applicable.

10.B. MEMORANDUM AND ARTICLES OF ASSOCIATION

A copy of our amended and restated articles of association is attached as [Exhibit 1.1](#) to this Annual Report. The information called for by this Item is set forth in [Exhibit 2.1](#) to this Annual Report and is incorporated by reference into this Annual Report.

10.C. MATERIAL CONTRACTS

For information concerning our material contracts, see “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects.” and “Item 7. Major Shareholders and Related Party Transactions— 7.B. Related Party Transactions.”

10.D. EXCHANGE CONTROLS

Israeli law and regulations do not impose any material foreign exchange restrictions on non-Israeli holders of our shares. There are currently no Israeli currency control restrictions on payments of dividends or other distributions with respect to our shares or the proceeds from the sale of the shares, except for the obligation of Israeli residents to file reports with the Bank of Israel regarding certain transactions. However, legislation remains in effect pursuant to which currency controls can be imposed by administrative action at any time.

The ownership or voting of our shares by non-residents of Israel, except with respect to citizens of countries which are in a state of war with Israel, is not restricted in any way by our Articles of Association or by the laws of the State of Israel.

10.E. TAXATION

Material U.S. Federal Income Tax Considerations

The following summary of United States federal income tax considerations is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Form 20-F. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the descriptions and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of our shares. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of our shares. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the receipt, ownership, and disposition of our shares, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as of the date of this Form 20-F, and of any actual changes in applicable tax laws after such date.

The following summarizes the material U.S. federal income tax considerations relating to the ownership and disposition of our shares by U.S. Holders (as defined below). This summary applies only to U.S. Holders that hold our ordinary shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment) and that have the U.S. dollar as their functional currency for U.S. federal income tax purposes.

This summary is based on the Code, U.S. Treasury regulations promulgated thereunder and on judicial and administrative interpretations of the Code and the Treasury regulations, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Except with respect to the U.S. Tax Ruling, as discussed below under "Treatment of Cognyte as a U.S. Corporation for U.S. Federal Income Tax Purposes," Cognyte has not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS will not take or a court will not sustain a contrary position regarding the tax consequences discussed below. This summary does not purport to be a complete description of the consequences of the transactions described in this Annual Report, nor does it address the application of estate, gift or non-income U.S. federal tax laws or any state, local or foreign tax laws. The tax treatment of a holder of our shares may vary depending upon that holder's particular situation. Moreover, this summary does not address certain holders that may be subject to special rules not discussed below, such as (but not limited to):

- persons that are not U.S. Holders (as defined below);
- persons that are subject to alternative minimum taxes;
- insurance companies;
- tax-qualified retirement plans;
- tax-exempt entities;
- governmental organizations;
- banks and other financial institutions;
- real estate investment trusts, grantor trusts or regulated investment companies;
- U.S. expatriates or former citizens or long-term residents of the U.S.;
- broker-dealers;
- dealers or traders subject to a mark-to-market method of accounting with respect to the securities;
- partnerships or other entities or arrangements classified as partnerships or other pass-through entities for U.S. federal income tax purposes (including S-corporations) or holders of equity interests therein;
- a U.S. Holder that owns shares through a non-U.S. broker or other non-U.S. intermediary;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons that actually or constructively own 10% or more of the total combined voting power or value of all classes of our ordinary shares;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an applicable financial statement;
- traders in securities that elect to apply a mark-to-market method of accounting, holders that hold our shares as part of a "hedge," "straddle," "constructive sale," "wash sale," "conversion," or other risk reduction transaction for U.S. federal income tax purposes;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax (and their shareholders); and
- individuals who receive our shares upon the exercise of compensatory options or otherwise as compensation.

HOLDERS AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE RECEIPT, OWNERSHIP AND DISPOSITION OF OUR SHARES.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of our shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity or arrangement taxable as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of a partner in such partnership will generally depend upon the status of the partner, the status and activities of the partnership, and certain determinations made at the partner level. If you are a partner in a partnership or such other entity or arrangement taxable as a partnership for U.S. federal income tax purposes holding our shares, you should consult your tax advisor.

THIS DISCUSSION IS ONLY A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF COGNYTE’S SECURITIES. EACH HOLDER OF COGNYTE’S SECURITIES IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF COGNYTE’S SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS AND APPLICABLE TAX TREATIES.

Treatment of Cognyte as a U.S. Corporation for U.S. Federal Income Tax Purposes

Although Cognyte is organized as an Israeli limited company, Verint obtained a U.S. Tax Ruling that Cognyte will be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code. As a result, we have been treating Cognyte as a U.S. corporation for U.S. federal income tax purposes and, therefore, we do not intend to treat Cognyte as a “passive foreign investment company,” as such rules apply only to non-U.S. corporations that are treated as such for U.S. federal income tax purposes.

The remainder of this discussion assumes that Cognyte is treated as a U.S. corporation for all U.S. federal income tax purposes.

In general, Cognyte is subject to the 21% federal corporate tax rate. In addition, following the TCJA, Cognyte is subject to the Global Intangible Low-Taxed Income (GILTI) earned by foreign subsidiaries owned by U.S. shareholder. The computation of GILTI is complex and generally intended to impose tax on the annual earnings of a foreign corporation that are deemed to exceed a certain threshold return relative to the underlying business investment. Generally, the effective tax rate on the GILTI income is 10.5% instead of the normal federal tax rate of 21%. In accordance with guidance issued by FASB, Cognyte made a policy election to treat future taxes related to GILTI as a current period expense in the reporting period in which the tax is incurred.

Effective in 2022, the TCJA requires all U.S. companies to capitalize, and subsequently amortize, R&D expenses that fall within the scope of Section 174 over five years for research activities conducted in the United States and over fifteen years for research activities conducted outside of the United States, rather than deducting such costs in the year incurred for tax purposes. The annual GILTI inclusion for Cognyte, mainly in respect of its Israeli operations increased significantly resulting in higher income taxes paid in the U.S. In July 2025, the United States enacted significant tax legislation commonly referred to as the One Big Beautiful Bill Act (“OBBBA”). The OBBBA makes many permanent provisions of the Tax Cuts and Jobs Act of 2017 and introduces additional changes affecting individuals and businesses. The OBBBA amendments to Section 174 removed the requirements to amortize over five years if expenses incurred in U.S. This change to Section 174 doesn’t have a material impact on fiscal year 2026.

Distributions

Distributions of cash or property that we pay in respect of our ordinary shares will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) and will be includible in gross income by a U.S. holder upon receipt. Any such dividend will be eligible for the dividends received deduction if received by an otherwise qualifying corporate U.S. Holder that meets the holding period and other requirements for the dividends received deduction. With certain exceptions (including, but not limited to, dividends treated as investment income for purposes of investment interest deduction limitations), dividends paid by us to certain non-corporate U.S. Holders (including individuals) are eligible for U.S. federal income taxation at the rates generally applicable to long term capital gains for individuals (currently at a maximum tax rate of 20%), provided that the U.S. Holder receiving the dividend satisfies the applicable holding period and other requirements. A U.S. Holder may be eligible to claim a foreign tax credit with respect to any Israeli withholding tax imposed on dividends paid by us. However, the foreign tax credit rules are complex, and their application in connection with Section 7874 of the Code in the presence of the U.S.-Israel Double Tax Treaty, are not entirely clear at this time. U.S. Holders should consult their own tax advisors with respect to any benefits they may be entitled to under the foreign tax credit rules and the U.S.-Israel Double Tax Treaty.

If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the U.S. Holder's tax basis in our shares, and thereafter will be treated as capital gain.

Sale, Exchange or Other Taxable Disposition

Upon a sale, exchange or other taxable disposition of our ordinary shares, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange or other taxable disposition and the U.S. Holder's adjusted tax basis in our shares disposed of. Such capital gain or loss will be long term capital gain or loss if the U.S. Holder has held our shares for more than one year at the time of disposition. Long term capital gains of certain non-corporate U.S. Holders (including individuals) are currently subject to U.S. federal income taxation at a maximum rate of 20%. The deductibility of capital losses is subject to limitations under the Code.

A U.S. Holder may be eligible to claim a foreign tax credit with respect to any Israeli withholding tax imposed on gain from the sale or other disposition of our ordinary shares. However, the foreign tax credit rules are complex, and their application in connection with Section 7874 of the Code in the presence of the U.S.-Israel Double Tax Treaty are not entirely clear at this time. U.S. Holders should consult their own tax advisors with respect to any benefits they may be entitled to under the foreign tax credit rules and the U.S.-Israel Double Tax Treaty.

Medicare Surtax

Certain U.S. Holders who are individuals, trusts or estates are required to pay a 3.8% tax on "net investment income" including, among other things, dividends on and net capital gains from the sale or other disposition of shares of stock. U.S. Holders should consult their own advisors regarding the effect, if any, of this legislation on their ownership and disposition of our ordinary shares.

Backup Withholding and Information Reporting

United States backup withholding tax and information reporting requirements may apply to certain payments to certain U.S. Holders of stock. Information reporting requirements generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, our ordinary shares made within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder of our ordinary shares, other than an exempt recipient. A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ordinary shares within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder, other than an exempt recipient, if such U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will generally be allowed as a credit against the beneficial owner's United States federal income tax liability, if any, and any excess amounts withheld under the backup withholding rules may be refunded, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

Material Israeli Tax Considerations

Israeli Tax Considerations and Government Programs

The following is a summary of certain aspects of the current tax structure applicable to companies in Israel, with special reference to its effect on us (and our operations, in particular). The following also contains a discussion of the Israeli government programs benefiting us. To the extent that the discussion is based on new tax legislation that has not been subject to judicial or administrative interpretation, we cannot assure you that the tax authorities or the courts will accept the views expressed in this discussion. This discussion does not address all of the Israeli tax provisions that may be relevant to our company.

Corporate Tax in Israel—General

Israeli resident companies are generally subject to the ordinary corporate tax on their taxable income at the rate of 23% (as of 2025). However, the effective tax rate payable by a company that derives income from a Preferred Technology Enterprise, Preferred Enterprise, or a Beneficial Enterprise (as discussed below) may be considerably lower. In general, Capital gains derived by an Israeli resident company are subject to tax at the ordinary corporate tax rate (except in some cases according to the Law for the Encouragement of Capital Investments, 1959 (the “Investment Law”), where the relevant conditions are met - as described below).

A company’s income that is attributed to its Beneficial Enterprise is subject to a lower tax rate. These tax benefits are available to us provided that we meet various conditions. These tax benefits may be terminated or reduced in the future, which could increase our costs and taxes. In 2018, Cognyte obtained a ruling from the ITA providing that Cognyte, subject to certain conditions, shall continue benefiting from the tax benefits applicable to the Beneficial Enterprise, as further detailed below.

Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969 (the “Industry Encouragement Law”), provides certain tax benefits for an “Industrial Company”. The Industry Encouragement Law defines an “Industrial Company” as an Israeli resident company incorporated in Israel, which 90% or more of its income in the tax year, other than income from certain government loans, is derived from an “Industrial Enterprise” owned by it and located in Israel or in the “Area,” in accordance with the definition in section 3A of the Israeli Tax Ordinance. An “Industrial Enterprise” is defined as an enterprise which is held by an Industrial Company whose principal activity in any given tax year is production activity.

Some of tax benefits available to Industrial Companies include, inter-alia, the following:

- amortization over an eight-year period of the cost of patents, or rights to use a patent or know-how that were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, commencing from the tax year in which the Industrial Company began to use them;
- under certain conditions, the right to elect to file consolidated tax returns with Israeli Industrial Companies controlled by it; and
- Expenses for the issuance of shares listed for trading on the stock exchange are deductible in equal amounts over three years commencing in the year of which such expenses were incurred.

Eligibility for benefits under the Industry Encouragement Law is subject to compliance with the terms defined under law but is not contingent upon the approval of any governmental authority.

Tax Benefits under the Law for the Encouragement of Capital Investments, 1959

The Investment Law provides certain incentives for capital investments in production facilities (or other eligible assets). Pursuant to the 2005 amendment of the Investment Law (the “2005 Amendment”), tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force, but any benefits granted subsequently are subject to the provisions of the amended Investment Law. Similarly, the amendment of the Investment Law made effective as of January 2011 (the “2011 Amendment”) introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The amendment of the Investment Law made effective as of 2017 (the “2017Amendment”) introduced new benefits for Technological Enterprises (as defined in the 2017 Amendment), alongside the existing tax benefits.

Tax Benefits Subsequent to the 2005 Amendment

The 2005 Amendment applies to new investment programs and investment programs commencing after 2004. We do not have investment programs preceding the 2005 Amendment. In order to receive the tax benefits, the 2005 Amendment states that a company must make an investment which meets all of the conditions, including exceeding a minimum investment amount specified in the Investment Law. Such investment allows a company to receive "Beneficial Enterprise" status, and may be made over a period of no more than three tax years which ended in the end of the year in which the company requested to have the tax benefits apply to its Beneficial Enterprise (the "Year of Election"). Where the company requests to apply the tax benefits to an expansion of existing facilities, for which the benefit period has expired, only the expansion will be considered to be a Beneficial Enterprise and the company's effective tax rate will be the weighted average of the applicable rates. In that case, the minimum investment required in order to qualify as a Beneficial Enterprise is required to exceed a certain percentage of the value of the company's production assets as it was at the end of the tax year preceding the year in which the minimum investment was started.

The extent of the tax benefits available under the 2005 Amendment to qualifying income of a Beneficial Enterprise depend on, among other things, the geographic location in Israel of the Beneficial Enterprise. The location will also determine the period for which tax benefits are available. Such tax benefits include an exemption from corporate tax on income that is not distributed to the shareholders as a dividend for a period of between two to ten years (and under certain conditions for additional period), depending on the geographic location of the Beneficial Enterprise in Israel, and a reduced corporate tax rate of between 10% to 25% for the remainder of the benefits period, depending on the percentage of non-Israeli ownership and investment in the company each year. A company qualifying for tax benefits under the 2005 Amendment that pays a dividend out of income derived by its Beneficial Enterprise during the tax exemption period will be subject to corporate tax in respect of the gross amount of the dividend at the otherwise applicable rate of 25%, or a lower rate depending on the percentage of non-Israeli shareholding. Dividends paid out of income attributed to a Beneficial Enterprise are generally subject to withholding tax at source at the rate of 15% (in the case of non-Israeli shareholders - subject to the receipt in advance of a valid certificate from the ITA, allowing for a reduced tax rate) or a lower rate as may be applicable according to the relevant tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate) during the benefits period and actually paid at any time up to 12 years thereafter (except with respect to a Foreign Investor's Company, in which case the 12-year limit does not apply).

On November 15, 2021 the Investment Law was amended to provide, on a temporary basis, a reduced corporate income tax upon the distribution or release, within a year from such amendment, of tax-exempt profits derived by Beneficial Enterprises. The reduced tax rate will be determined based on a formula, by up to 60% reduction, but not less than 6% corporate income tax rate. In order to qualify for the reduction, the taxpayer will also have to invest certain amounts in productive assets and research and development in Israel. Cognyte did not elect to apply for the aforementioned temporary order.

In addition to the temporary amendment, the Investment Law was also amended to reduce the ability of companies to retain the tax-exempt profits while distributing dividend from previously taxed profits. Accordingly, effective August 15, 2021, dividend distributions will be treated as if made on a pro-rata basis from all types of earnings, including exempt profits, thus triggering additional corporate income tax. It should be noted that as of November 15, 2021, Cognyte did not distribute any dividend and does not intend to do so in the near future.

The benefits available to a Beneficial Enterprise are subject to the fulfillment of conditions stipulated in the Investment Law and its regulations. If a company does not meet those conditions, it may be required to refund the amount of tax benefits, as adjusted by the Israeli consumer price index, and interest, or other monetary penalties.

The benefit period begins in the year in which taxable income is first earned, limited to 12 years from the beginning of the "Year of Election" (except for exception cases according to the Investment Law).

Tax Benefits under the 2011 Amendment

The 2011 Amendment introduced new tax benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes, inter-alia, a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise and is controlled and managed from Israel.

A Preferred Company is entitled to a reduced corporate tax rate with respect to the income attributed to the Preferred Enterprise, at the following rates:

Tax Year	Development Region "A"	Other Areas within Israel
2011-2012	10 %	15 %
2013	7 %	12.50 %
2014-2016	9 %	16 %
2017 onwards ⁽¹⁾	8 %	16 %

(1) In December 2016, the Israeli Parliament (the Knesset) approved an amendment to the Investment Law pursuant to which the tax rate applicable to Preferred Enterprises in Development Region "A" would be reduced to 7.5% as of January 1, 2017.

The classification of income generated from the provision of usage rights in know-how or software that was developed in the Preferred Enterprise, as well as royalty income received with respect to such usage - subject to the issuance of a pre-ruling from the ITA that stipulates that such income is associated with the productive activity of the Preferred Enterprise in Israel.

Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to withholding tax at source at the following rates: (i) Israeli resident corporations will be subject to a rate of 0%; (ii) Israeli resident individuals will be subject to a tax rate of 20% (until 2013 – 15%); and (iii) non-Israeli residents (individuals and corporations) will be subject to a tax rate of 20% (until 2013 – 15%), subject to a reduced tax rate under the provisions of an applicable double tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate).

New Tax Benefits under the 2017 Amendment that Became Effective on January 1, 2017

The 2017 Amendment provides, inter alia, new tax benefits for "Technological Enterprises," as described below, and is in addition to the other existing tax beneficial programs under the Investment Law.

The new incentives regime applies to a company having a "Preferred Technological Enterprises" that meet certain conditions, including, inter-alia, the following: (1) the R&D expenses in each of the three years preceding the tax year were at least 7% on average of the company's turnover or exceeded NIS 75 million (approximately \$22 million); and (2) one of the following: (a) at least 20% of the workforce (or at least 200 employees) are employees whose full salary has been paid and reported in the company's financial statements as R&D expenses; (b) a venture capital investment approximately equivalent to at least NIS 8 million (approximately \$2.1 million) was previously made in the company and the company did not change its line of business; (c) growth in sales by an average of 25% or more over the three years preceding the tax year, compared to the previous tax year, provided that the turnover was at least NIS 10 million (approximately \$2.7 million), in the tax year and in each of the preceding three years; or (d) growth in workforce by an average of 25% or more over the three years preceding the tax year, compared to the previous tax year, provided that the company employed at least 50 employees, in the tax year and in each of the preceding three years.

"Preferred Technological Enterprise" will enjoy a reduced corporate tax rate of 12% on income that qualifies as "Preferred Technological Income", (with respect to Preferred Technological Enterprise which is not located in development area A), as defined in the Investment Law. In addition, a Preferred Technology Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefited Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefited Intangible Assets were acquired from a foreign company on or after January 1, 2017 for at least NIS 200 million (approximately \$60 million), and the sale receives prior approval from the Israel Innovation Authority ("IIA").

Dividends distributed to Israeli shareholders by a Preferred Technological Enterprise, paid out of Preferred Technological Income, are generally subject to withholding tax at source at the rate of 20%, or a lower tax rate as may be applicable according to the relevant tax treaty (in case of non-Israeli shareholders, subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate). However, if such dividends are paid to an Israeli company, no tax is required to be withheld. If such dividends are being distributed to a foreign company and other conditions are met (including that the distributing company is held by non-Israeli companies which hold at least 90% of such distributing company), the withholding tax rate will be 4% (or a lower rate under a tax treaty, if applicable, subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate).

Taxation of our Shareholders

Cognyte is treated as a domestic corporation for Israeli income tax purposes (notwithstanding it being a domestic corporation also for U.S. Federal tax purposes). The following summary of Israeli income tax consequences is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Form 20-F. Any legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to holders of our shares. Some parts of this discussion are based on tax legislation which has not been subject to judicial or administrative interpretation. This summary does not purport to be a legal opinion or advice or to address all Israeli tax aspects that may be relevant to a holder of our shares. Examples of this kind of investor include traders in securities or persons that own, directly or indirectly, 10% or more of our outstanding voting capital, not for profit organizations, pension funds and other exempt institutional investors, partnerships and other transparent entities, individuals under the tax regime for "new immigrants" or "returning residents" and other taxpayers who are subject to special tax regimes not covered in this discussion. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the receipt, ownership, and disposition of our shares, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as of the date of this Form 20-F, and of any actual changes in applicable tax laws after such date.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE ISRAELI TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR SHARES.

Capital Gains

This discussion is limited to investors for whom disposition of our shares is treated as a capital gain within the meaning of Part E of the Israeli Tax Ordinance (generally, disposition of an asset held for passive investment). Further, this discussion does not purport to consider all aspects of Israeli income taxation that may be relevant to shareholders in light of their particular circumstances. Israeli capital gain tax is imposed on the sale of assets by an Israeli resident, and on the sale of such assets by a non-Israel resident if, inter-alia, those assets are either (i) located in Israel, (ii) are shares or a right to a share in an Israeli resident corporation, or (iii) represent, directly or indirectly, rights that are primarily for assets located in Israel. It should be noted, that under certain conditions, the non-Israel resident may be exempt from capital gain tax in Israel, according to the Israeli Tax Ordinance (as described below). In addition, the relevant tax treaty between Israel and the seller's country of residence may provide tax reliefs in this regard. The Israeli Tax Ordinance distinguishes between "Real Capital Gain" and the "Inflationary Surplus". Real Capital Gain is the excess of the total capital gain over Inflationary Surplus computed generally on the basis of the increase in the Israeli Consumer Price Index or, in certain circumstances, according to the change in the foreign currency exchange rate, between the date of purchase and the date of the sale of the asset.

The Real Capital Gain accrued by individuals on the sale of our shares (that were purchased after January 1, 2012, whether listed on a stock exchange or not) will be taxed at the rate which will not exceed 25% (in addition to excess tax as described below). However, if such shareholder is a "Controlling Shareholder" (i.e., a person who holds, directly or indirectly, alone or together with such person's relative or another person who collaborates with such person on a permanent basis, at least 10% of one or more of the Israeli resident company's means of control) at the time of the sale or at any time during the preceding twelve (12) months period, such gain will be taxed at a rate which will not exceed 30% (in addition to excess tax as described below).

The Real Capital Gain derived by corporations will be generally subject to the ordinary corporate income tax rate (23% in 2025).

An individual shareholder dealing in securities, or to whom such income is otherwise taxable as ordinary business income, is taxed in Israel at the marginal tax rates applicable to business income (up to 47% in 2025 - in addition to excess tax as described below), unless the benefiting provisions of an applicable tax treaty apply.

Notwithstanding the foregoing, capital gain derived from the sale of our shares by a non-Israeli resident (whether an individual or a corporation) shareholder may be exempt under the Israeli Tax Ordinance from Israeli taxation provided that the following cumulative conditions are met (regarding shares that were purchased on or after January 1, 2009): (i) such capital gain was not derived from a permanent business or business activity that the non-Israeli resident maintains in Israel, (ii) the purchase of such shares was not from related party (as it defined in the Israeli Tax Ordinance), (iii) the provisions of chapter E2 of the Income Tax Ordinance did not apply on the purchase of such shares (the tax ruling issued by the ITA with respect to the separation from Verint provides that our shares received as part of the separation will not be deemed as purchased in accordance with Chapter E2 of the Income Tax Ordinance) and also the provisions of section 70 of the Real Estate Tax Law did not apply on the purchase of such shares, and (iv) the shares are not traded on the Israel Stock Exchange at the time of the sale. These provisions dealing with capital gain are not applicable to a person whose gains from selling or otherwise disposing of the

shares are deemed to be business income. It should be noted, that with respect to shares that were purchased before January 1, 2009, the conditions are different, and the exemption also depends on the purchase day. In addition, according to the tax ruling which was issued by the ITA with respect to the separation from Verint, for shareholders who received their shares as a result of the separation, such an exemption is applicable only in the case that the seller would have been exempt on the sale of its shares in Verint before the separation from Verint was occurred. However, non-Israeli corporations will not be entitled to the foregoing exemptions if Israeli residents (i) are controlling shareholders in such non-Israeli corporation (shareholders who hold, directly or indirectly, alone, together with another, or together with another Israeli resident, one or more of the means of control at a rate exceeding 25%) or (ii) are the beneficiaries or entitled to 25% or more of the non-Israeli corporation's revenue or profits, directly or indirectly. A non-Israeli resident who derives capital gains from the sale of shares of an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel will generally be exempt from Israeli capital gains tax so long as the capital gain is not attributed to a permanent establishment that the non-Israeli resident maintains in Israel and the gain is not subject to the Israeli Income Tax Law (Inflationary Adjustments) 5745-1985.

In addition, the sale of shares may be exempt from Israeli capital gain tax under the provisions of an applicable tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for an exemption). For example, the U.S.-Israel Double Tax Treaty exempts a U.S. resident holding the shares as a capital asset who is entitled to claim the benefits afforded to such a resident by the U.S.-Israel Double Tax Treaty from Israeli capital gain tax in connection with such sale, exchange or other disposition, provided that (i) the U.S. resident owned, directly or indirectly, less than 10% of an Israeli resident company's voting power at any time within twelve-month period preceding such sale, exchange or other disposition, subject to certain conditions; (ii) the seller, being an individual, is present in Israel for a period or periods of less than 183 days in the aggregate during the taxable year; (iii) the capital gain from the sale, exchange or other disposition is not treated as industrial or commercial profit attributable to a permanent establishment that the U.S. resident maintains in Israel; (iv) the capital gains arising from such sale, exchange or other disposition is not attributed to real estate located in Israel or (v) the capital gains arising from such sale, exchange or other disposition is not attributed to royalties; and (vi) the shareholder is a U.S. resident (for purposes of the U.S.-Israel Double Tax Treaty) who is holding the shares as a capital asset. If any of the above conditions is not met, the sale, exchange or other disposition of our shares would be subject to Israeli tax, to the extent applicable.

In some instances where our shareholders may be liable for Israeli tax on the sale of their shares, the payment of the consideration may be subject to withholding of Israeli tax at source. Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding tax at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the ITA may require from shareholders who are not liable for Israeli tax to sign on declarations in forms specified by this authority or obtain a specific exemption from the ITA to confirm their status as non-Israeli residents, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

Either the purchaser or the Israeli stockbroker or financial institution through which the shares are held is obliged, subject to the above-mentioned exemptions, to withhold tax upon the sale of securities from the amount of the consideration paid upon the sale of the securities at the rate of 25% from the real capital gain amount in respect of an individual, or at a rate of the ordinary corporate income tax, in respect of a corporation (currently 23%), from the real capital gain amount or from the consideration amount, as applicable.

Upon the sale of securities traded on a stock exchange, a detailed return, including a computation of the tax due, must be filed and an advance payment must be paid on January 31 and July 31 of every tax year in respect of sales of securities made within the previous six months. However, if all tax due was withheld at source according to applicable provisions of the Israeli Tax Ordinance and regulations promulgated thereunder, the aforementioned return need not be filed and no advance payment must be paid, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed and an advance payment does not need to be made, and (iii) the taxpayer is not obligated to pay excess tax (as further explained below). Capital gain is also reportable in the annual income tax return.

Dividends

A distribution of dividends from income, which is not attributed to a Beneficial Enterprise or a Technological Enterprise, to an Israeli resident individual, will generally be subject to income tax at a rate of 25%. However, a 30% tax rate will apply if the dividend recipient is a "Controlling Shareholder" (as defined above) at the time of the distribution or at any time during the preceding twelve-month period.

In addition, if the recipient of the dividend is an Israeli resident corporation, such dividend will be generally exempt from income tax, provided that the income from which such dividend is distributed was derived or accrued within Israel and such dividend was received directly or indirectly from a corporation that is subject to Israeli corporate income tax.

Furthermore, the Israeli Tax Ordinance generally provides that a non-Israeli resident (either individual or corporation) is subject to Israeli income tax on dividends at the rate of 25% (30% if the dividend recipient is a "Controlling Shareholder" (as defined above), at the time of distribution or at any time during the preceding twelve-month period); Those rates are subject to a reduced tax rate under the provisions of an applicable double tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate).

For example, under the U.S.-Israel Double Tax Treaty, the following rates will apply in respect of dividends distributed by an Israeli resident company to a U.S. resident who is entitled to the U.S.-Israel Double Tax Treaty benefits: (i) if the U.S. resident is a corporation which holds during the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10% of the outstanding shares of the voting stock of the Israeli resident paying corporation and not more than 25% of the gross income of the Israeli resident paying corporation for such prior taxable year (if any) consists of certain type of interest or dividends—the withholding tax rate is 12.5% of the gross amount of the dividend paid and could be 15% if the dividend is distributed from income derived during any period for which the paying corporation is entitled to the reduced tax rate applicable to an Approved Enterprise, and (ii) in all other cases, the tax rate is 25%, or the domestic rate (if such is lower). The aforementioned rates under the U.S.-Israel Double Tax Treaty will not apply if the dividend income was derived through a permanent establishment that the U.S. resident maintains in Israel. U.S. residents who are subject to Israeli withholding tax on a dividend may be entitled to a credit or deduction for United States federal income tax purposes in the amount of the taxes which were withheld, subject to detailed rules contained in the U.S. tax legislation.

A non-Israeli resident that receives dividend income derived from or accrued from Israel, from which the full amount of tax was withheld at source, is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from a business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the taxpayer is not obliged to pay excess tax (as further explained below).

Intermediary payers of dividends on our shares, including the financial institution through which the securities are held, are generally required, subject to (i) any of the foregoing exemptions, (ii) reduced tax rates, or (iii) the demonstration of a shareholder of his, her or its foreign residency, to withhold taxes upon the distribution of dividends at a rate of 25%, provided that the shares are registered with a nominee company (for corporations and individuals).

Distribution of dividends from income attributed to a Beneficial Enterprise / Preferred Enterprise / Preferred Technological Enterprise may generally be subject to a lower tax rate, as detailed described in section 4.B. BUSINESS OVERVIEW - *Israeli Tax Considerations and Government Programs*.

Excess Tax

Individuals who are subject to tax in Israel are also subject to an additional tax at a rate of 3% on annual income exceeding a certain threshold (NIS 698,280 for 2023 and NIS 721,560 for 2024 and for 2025), including, but not limited to income derived from dividends, interest and capital gains. The threshold is generally linked to the annual change in the Israeli consumer price index (with the exception that based on Israeli new legislation such amount, and certain other statutory amounts will not be linked to the Israeli consumer price index for the years 2025-2027). According to new legislation effective as of January 1, 2025, an additional 2% excess tax will be imposed on Capital-Sourced Income (defined as income from any source other than employment income, business income, or income from "personal effort"), provided that the Individual's Capital Sourced Income exceeds the specified threshold of NIS 721,560. This new excess tax applies, among other things, to income from capital gains, dividends, interest, rental income, or the sale of real property.

Estate and Gift Tax

Israeli law presently does not impose estate or gift taxes.

10.F. DIVIDENDS AND PAYING AGENTS

Not Applicable.

10.G. STATEMENT BY EXPERTS

Not Applicable.

10.H. DOCUMENTS ON DISPLAY

We report under the Exchange Act as an FPI. Thus, we are exempt from certain provisions of the Exchange Act applicable to U.S. domestic public companies, which are more expansive and require more frequent filings, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act and the content of proxy statements, (ii) the rules under Section 16 of the Exchange Act subjecting officers, directors and principal shareholders to short-swing profit recovery subjecting principal shareholders to beneficial ownership reporting, and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing full unaudited financial statements and notes thereto and other specified information, and current reports on Form 8-K, which are due upon the occurrence of specified significant events.

However, we will file with the SEC, within 120 days after the end of each subsequent fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and have furnished and intend to continue furnishing to the SEC reports on Form 6-K containing unaudited quarterly financial information after the end of each fiscal quarter.

The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. In addition, copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from our website at www.cognyte.com/investors/. The information contained on our website is not a part of this Form 20-F.

10.I. SUBSIDIARY INFORMATION

Not Applicable.

10.J. ANNUAL REPORT TO SECURITY HOLDERS

Not Applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in exchange rates, interest rates and inflation. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. The following analysis provides additional information regarding these risks.

Interest Rate Risk

As of January 31, 2026, we had \$116.9 million of Cash and cash equivalents and Restricted cash and cash equivalents and restricted bank time deposits. Interest-earning instruments carry a degree of interest rate risk. A hypothetical 10% change in interest rates would not have a material impact on our financial results for the years ended January 31, 2026 and 2025. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Foreign Currency Exchange Risk

Our reporting currency and the functional currency in most of our non-U.S. subsidiaries is U.S. dollar. The majority of our revenues were denominated in U.S. dollars and the remainder in other currencies. However, a significant portion of our operating costs in Israel, consisting principally of salaries and employee-related costs are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS.

To reduce the impact of foreign currency exchange risks associated with forecasted future cash flows and certain existing assets and liabilities and the volatility in our consolidated statements of operations, we have established a hedging policy. We utilize foreign currency contracts, primarily forward, with financial institutions to protect against foreign currency exchange risks, mainly the exposure to changes in the exchange rate of the NIS and SGD against the U.S. dollar that are

associated with future cash flows denominated in NIS and SGD. Please also see the information set forth under “Note 14. Derivative Financial Instruments” of our consolidated financial statements. We account for our derivative instruments as either assets or liabilities and carry them at fair value in the consolidated balance sheets. The accounting for changes in the fair value of the derivative depends on the intended use of the derivative and the resulting designation. Our hedging activities reduce but do not eliminate the impact of currency exchange rate movements. We may in the future enter into other derivative financial instruments if it is determined that such hedging activities are appropriate to further reduce our foreign currency exchange risk.

The effect of a hypothetical 10% weakening of the U.S. dollar compared to other currencies would have impacted our results of operation by \$2.9 million increase for the year ended January 31, 2026.

The major financing risks faced by us will be managed by our treasury function. For information about the effects of currency and interest rate fluctuations and how we manage currency and interest risk, see “Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources.” Please also see the information set forth under “Note 14. Derivative Financial Instruments” of our consolidated financial statements and related notes included elsewhere in this Form 20-F.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. DEBT SECURITIES

Not Applicable.

12.B. WARRANTS AND RIGHTS

Not Applicable.

12.C. OTHER SECURITIES

Not Applicable.

12.D. AMERICAN DEPOSITARY SHARES

Not Applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of January 31, 2026. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of January 31, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us, including our consolidated subsidiaries, in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act). Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404(a) of the Sarbanes-Oxley Act of 2002 and related rules promulgated by the SEC, our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of internal control over financial reporting as of January 31, 2026 based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of January 31, 2026.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, Kesselman & Kesselman, an independent registered public accounting firm in Israel and a member of PricewaterhouseCoopers International Limited, to which we refer as PwC Israel, has audited the consolidated financial statements for the year ended January 31, 2026 included in this annual report on Form 20-F, and as part of its audit, has issued its audit report on the effectiveness of our internal control over financial reporting as of January 31, 2026. The report of PwC Israel is included with our consolidated financial statements included elsewhere in this annual report and is incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE AND FINANCIAL EXPERT

Our Board has determined that Dafna Sharir, Avi Cohen and Nurit Benjamini each satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. Our board of directors has also determined that Dafna Sharir shall be considered an “audit committee financial expert” as defined in Item 16A of Form 20-F under the Exchange Act.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Conduct that applies to all of our employees, officers and directors, including our principal executive, principal financial and principal accounting officers. Our Code of Conduct addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, company funds and assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Conduct,

employee misconduct, conflicts of interest or other violations. Our Code of Conduct is intended to meet the definition of “code of ethics” under Item 16B of 20-F under the Exchange Act.

We will disclose on our website any amendment to, or waiver from, a provision of our Code of Conduct that applies to our directors or executive officers to the extent required under the rules of the SEC or Nasdaq. Our Code of Conduct is available on our website at www.cognyte.com/investors. The information contained on our website is not incorporated by reference in this Annual Report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The consolidated financial statements of Cognyte Software Ltd. as of January 31, 2026 and 2025 and for the years ended January 31, 2026 and 2025, appearing in this Annual Report have been audited by Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited (“PwC”), an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein.

The consolidated financial statements of Cognyte Software Ltd. as of January 31, 2024, and for the year ended January 31, 2024, appearing in this Annual Report have been audited by Brightman Almagor Zohar & Co., Certified Public Accountants, a firm in the Deloitte Global Network (“Deloitte”).

The table below sets out the total amount of fees for services rendered to us by PwC for services performed in the years ended January 31, 2026 and 2025, and breaks down these amounts by category of service:

(\$ in thousands)	Year Ended January 31,	
	2026	2025
Audit Fees (1)	\$ 593	\$ 565
Audit-Related Fees (2)	1	35
Tax Fees (3)	69	74
All Other Fees	2	2
Total	\$ 665	\$ 676

(1) “Audit fees” include fees for professional services rendered for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements, including consents and assistance with and review of documents filed with the SEC.

(2) “Audit-related fees” include fees which are for assurance and related services other than those included in Audit fees. Audit services related to other statutory or regulatory filings, accounting consultations and due diligence.

(3) “Tax fees” include fees for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice and tax planning on actual or contemplated transactions.

(4) “All Other fees” include license fees for use of accounting research tools.

Pre-Approval Policies and Procedures

The advance approval of the Audit Committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors. All audit and non-audit services provided by our auditors were approved in accordance with this requirement.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On November 12, 2024, we announced the adoption of our share repurchase program in an aggregate amount of up to \$20 million, which was authorized for a period of 18 months, through June 12, 2026, and was completed during the fiscal year ended January 31, 2026. On July 14, 2025, we announced that our board of directors approved a new share repurchase program

authorizing the repurchase of up to an additional \$20 million of our ordinary shares over a period of 18 months, through January 14, 2027, which may be executed in compliance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act. On March 2, 2026, our board of directors approved an additional share repurchase program authorizing the repurchase of up to a further \$20 million of our ordinary shares, also through January 14, 2027, on the same terms. During the fiscal year ended January 31, 2025, we repurchased 585,728 ordinary shares for an aggregate purchase price of approximately \$5.3 million. During the fiscal year ended January 31, 2026, we repurchased 2,253,200 ordinary shares for an aggregate purchase price of approximately \$21.4 million.

The table below summarizes the repurchases we made in the periods indicated.

Month	Total Number of Ordinary Shares Purchased	Average Price Paid Per Ordinary Share	Total Number of Ordinary Shares Purchased as Part of Share Repurchase Program	Approximate Dollar Value of Ordinary Shares that May Yet Be Purchased Under Share Repurchase Program ⁽¹⁾ (in millions)
February 2025	85,965	\$ 9.73	85,965	\$ 13.9
March 2025	97,307	\$ 8.16	97,307	\$ 13.1
April 2025	768,708	\$ 9.52	768,708	\$ 5.8
May 2025	477,542	\$ 10.25	477,542	\$ 0.9
June 2025	79,288	\$ 10.89	79,288	\$ —
September 2025	75,000	\$ 8.42	75,000	\$ 19.4
October 2025	76,957	\$ 8.27	76,957	\$ 18.7
November 2025	60,112	\$ 8.31	60,112	\$ 18.2
December 2025	155,422	\$ 9.43	155,422	\$ 16.8
January 2026	376,899	\$ 9.28	376,899	\$ 13.3
Total	2,253,200	\$ 9.51	2,253,200	

(1) All shares were purchased through publicly announced share repurchase programs. Our share repurchase program adopted in November 2024 authorized the repurchase of up to 20 million USD of our ordinary shares over a period of 18 months, through June 12, 2026, and was completed during the fiscal year ended January 31, 2026. Our share repurchase program adopted in July 2025 authorizes the repurchase of up to an additional 20 million USD of our ordinary shares over a period of 18 months, through January 14, 2027. On March 2, 2026, our board of directors approved an additional share repurchase program authorizing the repurchase of up to a further 20 million USD of our ordinary shares, also through January 14, 2027.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

N/A

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act) and our ordinary shares are listed on Nasdaq. We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the Nasdaq rules. Under the Nasdaq rules, listed companies that are foreign private issuers are permitted to follow home country practice in lieu of the corporate governance provisions specified by Nasdaq with limited exceptions. We rely on this "home country practice exemption" with respect to the quorum requirement for shareholder meetings, certain of the Nasdaq shareholder approval requirements and the distribution of annual and interim reports. As permitted under the Companies Law, pursuant to our amended and restated articles of association, the quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Companies Law, who hold at least 25% of the voting power of our shares (and in an adjourned meeting, with some exceptions, any number of shareholders), instead of 33.33% of the issued share capital required under the Nasdaq rules. Additionally, we currently follow home country practices in Israel in lieu of compliance with the Nasdaq requirements for shareholder approval of certain significant issuances of shares pursuant to a private placement or merger/acquisition, and for shareholder approval for adoption and material amendments to share incentive plans. For further information please see Exhibit 2.3 to this Annual Report. Finally, unlike Nasdaq rules, which requires listed issuers to make

annual reports on Form 20-F available to shareholders in one of a number of specific manners, Israeli law does not require us to distribute such reports directly to shareholders, and the generally accepted business practice in Israel is not to distribute such reports to shareholders but to make such reports available through a public website. In addition, we will make our annual report on Form 20-F containing audited financial statements available to our shareholders at our offices (in addition to a public website).

We otherwise comply with and intend to continue to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may in the future, however, decide to use other foreign private issuer exemptions with respect to some or all of the other Nasdaq rules. Following our home country governance practices may provide less protection than is accorded to investors under the Nasdaq rules applicable to domestic issuers.

ITEM 16H. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an Insider Trading Policy which governs the purchase, sale and other dispositions of our securities by our directors, officers, employees and contractors that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations and the listing standards of Nasdaq. A copy of our Insider Trading Policy is filed as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program, intended to protect the confidentiality, integrity and availability of our critical systems and information. We design and assess our program using the ISO/IEC 27001:2022 standard as a guide to help us identify, assess and manage cybersecurity risks relevant to our business. Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, operational and financial risk areas. Furthermore, our cybersecurity risk management program includes processes to manage and monitor cybersecurity risks associated with our use of third-party service providers, including requiring third-party service providers to implement certain cybersecurity requirements and assessing service providers' adherence to such requirements.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment, which in turn allow us to develop remediation plans for risks to ensure we are responsive to an ever-evolving cybersecurity threat landscape;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our cyber security controls, and (3) our response to cybersecurity incidents;
- the use of internal and external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls, including penetration testing and audits against NIST standards;
- cybersecurity awareness training of our employees, incident response personnel and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents, tabletop exercises at least annually and management's response and procedures to follow, to ensure relevant actions are taken in case an incident occurs and all relevant stakeholders are involved in incident response activities.

As described in Item 3.D “Risk Factors,” our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Computer viruses, hackers, employee or vendor misconduct, and other external hazards could expose our information systems and those of our vendors to cybersecurity breaches, incidents or other disruptions, any of which could materially and adversely affect our business. While we have experienced cybersecurity incidents, to date, we are not aware that we have experienced a material cybersecurity incident during the fiscal year.

The sophistication of cybersecurity threats, including through the use of artificial intelligence, continues to increase, and the controls and preventative actions we take to reduce the risk of cybersecurity incidents and to protect our systems, including the testing of our cybersecurity incident response plan, may be insufficient. In addition, new technology that could result in greater operational efficiency, such as our use of AI, may further expose our computer systems to the risk of cybersecurity incidents.

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the “Committee”) oversight of cybersecurity. The Committee, comprised of independent directors, oversees management’s implementation of our cybersecurity risk management program.

The Committee receives updates from management on our cybersecurity risk management program and posture. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents.

The Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cyber risk management program. Board members receive presentations on cybersecurity topics from our Chief Information Security Officer (“CISO”), who brings over 20 years of extensive experience in the areas of information security, security compliance and risk management. Board members also receive presentations from external experts as part of the Board’s continuing education on topics that impact public companies.

Our CISO and VP of InfoSec, Risk & Compliance, as well as our management team, including our Chief Customer Officer, our Chief Legal Officer and our Chief Information Officer, is responsible for assessing and managing our material risks from cybersecurity threats. This team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants.

Our CISO and our management team supervise efforts to prevent, detect, mitigate and remediate cybersecurity risks and incidents through various means, which may include briefings from internal cyber security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

At the employee level, we maintain an experienced cybersecurity team, managed by our CISO, who are tasked with implementing our cybersecurity program and support the CISO in carrying out reporting, security and mitigation functions. We also hold employee trainings on privacy, cybersecurity, AI, compliance, records and information management, conduct phishing tests and generally seek to promote awareness of cybersecurity risk through communication and education of our management and employee population.

PART III

ITEM 17. FINANCIAL STATEMENTS

Consolidated Financial Statements

Please refer to pages F-1 through F-43 of this Form 20-F.

ITEM 18. FINANCIAL STATEMENTS

Not Applicable.

ITEM 19. EXHIBITS

We have filed the following documents as exhibits to this Form 20-F:

Exhibit Number	Description	Incorporation by Reference			
		Form	File No.	Filing Date	Filed / Furnished
1.1	Articles of Association of Cognyte Software Ltd.	20FR12B/A	001-39829	January 14, 2021	
2.1	Specimen of Share Certificate for Cognyte's Ordinary Shares	20FR12B/A	001-39829	January 14, 2021	
2.2	Form of Separation and Distribution Agreement	20FR12B/A	001-39829	January 14, 2021	
2.3	Description of Securities	20-F	001-39829	April 9, 2024	**
4.1	Form of Tax Matters Agreement	20FR12B/A	001-39829	January 14, 2021	
4.6	Form of Cognyte Software Ltd. 2021 Share Incentive Plan	20FR12B/A	001-39829	January 14, 2021	***
4.6A	Amendment No. 1 to Cognyte Software Ltd. 2021 Share Incentive Plan	20-F/A	001-39829	April 19, 2024	**
4.6B	Amendment No. 2 to Cognyte Software Ltd. 2021 Share Incentive Plan	20-F	001-39829	April 2, 2025	**
4.6C	Amendment No. 3 to Cognyte Software Ltd. 2021 Share Incentive Plan				*
4.7	Form of Indemnification Agreement	20FR12B/A	001-39829	January 14, 2021	***
4.8	Amended and Restated Compensation Policy for Executive Officers and Directors (as amended and approved at the September 2025 annual general meeting) (incorporated by reference to Exhibit 99.1 to the Company's form 6-K filed on July 30, 2025)	6-K	001-39829	July 30, 2025	***
4.9	Credit Facility, dated December 27, 2020, among Cognyte Technologies Israel Ltd., as borrower, Cognyte Software Ltd., as guarantor, and Bank Leumi Le-Israel B.M., as lender ("Leumi Credit Facility")	20FR12B/A	001-39829	January 14, 2021	
4.9A	Amendment No. 1 to the Leumi Credit Facility dated July 28, 2022	20-F	001-39829	April, 11, 2023	*†
4.9B	Amendment No. 2 to the Leumi Credit Facility dated January 31, 2023	20-F	001-39829	April, 11, 2023	*†
4.9C	Amendment No. 3 to the Leumi Credit Facility dated December 31, 2023 (incorporated by reference, Exhibit 99.1)	6-K	001-39829	January 3, 2024	**
4.10D	Credit Facility, dated January 24, 2024, among Cognyte Software Ltd., as borrower or guarantor, Cognyte Technologies Israel Ltd., as borrower or guarantor, and Bank Hapoalim B.M., as lender (incorporated by reference, Exhibit 99.1)	6-K	001-39829	January 25, 2024	**

4.10E	Amended and Restated Deed of Undertaking dated January 24, 2024, among Cognyte Software Ltd., Cognyte Technologies Israel Ltd. and Bank Hapoalim B.M. (incorporated by reference, Exhibit 99.1A).	6-K	001-39829	January 25, 2024	**
4.11	Update to terms of the Credit Facility Dated December 30, 2025, among Cognyte Technologies Israel Ltd., Cognyte Software Ltd. and Bank Hapoalim B.M.	6-K	001-39829	December 30, 2025	**
4.12	Amendment no.4 to the Commitment Letter Dated December 7, 2020, among Cognyte Technologies Israel Ltd., Cognyte Software Ltd., and Bank Leumi Le-Israel B.M.	6-K	001-39829	December 30, 2025	**
8.1	List of Subsidiaries				*
11.1	Global Insider Trading Policy of Cognyte Software Ltd.				*
12.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				*
12.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				*
13.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				*
13.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				*
15.1	Consent of Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, an independent registered public accounting firm				*
15.2	Consent of Brightman Almagor Zohar & Co.				*
97.1	Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards.	20-F	001-39829	April 9, 2024	**
101.INS	Inline XBRL Instance Document.				*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).				*

* Filed herewith.

** Furnished herewith.

*** Management contract or compensatory plan, arrangement or contract.

† Certain confidential information contained in this document, has been redacted in accordance with Instructions as to Exhibits to Form 20-F, because (i) the company customarily and actually treats that information as private or confidential and (ii) the omitted information is not material. “[***]” indicates where the information has been omitted from this exhibit.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

COGNYTE SOFTWARE LTD.

By: /s/ Elad Sharon
Name: Elad Sharon
Title: Chief Executive Officer

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

Date: March 25, 2026

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Cognyte Software Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Cognyte Software Ltd. and its subsidiaries (the "Company") as of January 31, 2026 and 2025, and the related consolidated statements of operations, of comprehensive loss, of equity and of cash flows, for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Purchase Price Allocation of GroupSense Acquisition

As described in Notes 2 and 7 to the consolidated financial statements, on May 20, 2025, the Company completed the acquisition of GroupSense, Inc., a U.S.-based digital risk protection firm, through the purchase of 100% of its outstanding shares for a total consideration of \$4.4 million paid in cash and a contingent consideration payable upon the achievement of certain financial targets of up to \$5 million. This resulted in an intangible asset of \$4.8 million being recorded. Management allocated the purchase price of the acquired business to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. Fair value of the intangible asset was estimated by management using a multi-period excess earnings method. Management applied significant judgment in estimating the fair value of intangible asset acquired, which involved the use of significant estimates and assumptions with respect to the timing and amounts of cash flow projections, revenue growth rates, customer attrition rate and discount rate.

The principal considerations for our determination that performing procedures relating to the Purchase Price Allocation of GroupSense Acquisition is a critical audit matter are (i) there was a high degree of auditor judgment and subjectivity in applying procedures relating to the fair value measurement of the intangible asset acquired and contingent consideration, due to the significant judgment by management when developing the estimates; (ii) significant audit effort was required in evaluating the significant assumptions relating to the estimates, such as cash flow projections, revenue growth rates, customer attrition rate and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Purchase Price Allocation of GroupSense Acquisition, including controls over management's valuation of the intangible asset and contingent consideration, as well as controls over development of the assumptions related to the valuation of the intangible asset including cash flow projections, revenue growth rates, customer attrition rate and discount rate. These procedures also included, among others, (i) reading the acquisition agreement; (ii) and testing management's process for estimating the fair value of the intangible asset. Testing management's process included evaluating the appropriateness of the valuation method and the reasonableness of significant assumptions, including revenue growth rates, customer attrition rate and discount rate for the intangible asset. Evaluating the reasonableness of the revenue growth rates and customer attrition rate involved considering the past performance of the acquired businesses, as well as economic and industry forecasts. The discount rate was evaluated by considering the cost of capital of comparable businesses and other industry factors. Professionals with specialized skill and knowledge were used to assist in evaluating: (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate assumption.

/s/ Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

Tel Aviv, Israel
March 25, 2026

We have served as the Company's auditor since 2024.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cognyte Software Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations, comprehensive loss, statements of equity and cash flows of Cognyte Software Ltd. and subsidiaries (the "Company") for the year ended January 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, such financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended January 31, 2024, in conformity with principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel
April 9, 2024

We began serving as the Company's auditor in 2021. In 2024 we became the predecessor auditor.

Cognyte Software Ltd.
Consolidated Balance Sheets

(in thousands except share data)	January 31	
	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 116,878	\$ 112,719
Restricted cash and cash equivalents and restricted bank time deposits	—	381
Accounts receivable, net of allowance for credit losses of \$1.0 million and \$1.1 million as of January 31, 2026 and 2025, respectively	122,548	109,374
Contract assets, net of allowance for credit losses of \$0.0 million and \$1.0 million as of January 31, 2026 and 2025, respectively	3,284	6,941
Inventories	16,414	18,988
Prepaid expenses and other current assets	39,145	37,750
Total current assets	298,269	286,153
Property and equipment, net	29,128	28,316
Operating lease right-of-use assets, net	40,376	35,214
Goodwill	126,605	126,148
Intangible assets, net	4,380	—
Deferred income taxes	6,068	3,094
Other assets	16,240	18,895
Total assets	\$ 521,066	\$ 497,820
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 26,915	\$ 25,216
Accrued expenses and other current liabilities	94,590	86,694
Contract liabilities	102,538	107,451
Total current liabilities	224,043	219,361
Long-term contract liabilities	21,211	22,868
Deferred income taxes	1,037	1,006
Operating lease liabilities	36,542	29,806
Other liabilities	9,370	7,676
Total liabilities	292,203	280,717
Commitments and Contingencies		
Stockholders' equity:		
Common stock - \$0 par value; Authorized 300,000,000 shares. Issued 75,917,304 and 72,642,930 at January 31, 2026 and January 31, 2025, respectively; Outstanding 73,078,376 and 72,057,202 shares at January 31, 2026 and January 31, 2025, respectively	—	—
Additional paid-in capital	395,374	374,126
Treasury stock, at cost, 2,838,928 and 585,728 shares at January 31, 2026 and January 31, 2025, respectively	(26,712)	(5,276)
Accumulated deficit	(157,281)	(156,643)
Accumulated other comprehensive loss	(4,837)	(14,015)
Total Cognyte Software Ltd. stockholders' equity	206,544	198,192
Noncontrolling interest	22,319	18,911
Total stockholders' equity	228,863	217,103
Total liabilities and stockholders' equity	\$ 521,066	\$ 497,820

See notes to consolidated financial statements.

Cognyte Software Ltd.
Consolidated Statements of Operations

(in thousands except per share data)	Year Ended January 31,		
	2026	2025	2024
Revenue:			
Software	\$ 161,760	\$ 125,815	\$ 113,541
Software service	187,589	180,872	165,027
Professional service and other	50,692	43,945	34,836
Total revenue	400,041	350,632	313,404
Cost of revenue:			
Software	24,935	19,988	18,919
Software service	44,420	45,184	43,305
Professional service and other	40,985	38,538	35,776
Total cost of revenue	110,340	103,710	98,000
Gross profit	289,701	246,922	215,404
Operating expenses:			
Research and development	122,336	108,274	107,283
Selling, general and administrative	153,651	143,516	125,784
Amortization of other acquired intangible assets	453	258	391
Total operating expenses	276,440	252,048	233,458
Operating income (loss)	13,261	(5,126)	(18,054)
Other (expenses) income, net:			
Interest income	2,033	2,470	1,896
Interest expense	(194)	(100)	(16)
Other (expenses) income, net	(3,758)	(1,614)	2,915
Total other (expenses) income, net	(1,919)	756	4,795
Income (loss) before provision for income taxes	11,342	(4,370)	(13,259)
Provision (benefit) for income taxes	6,729	2,864	(1,614)
Net income (loss)	4,613	(7,234)	(11,645)
Net income attributable to noncontrolling interest	5,251	4,817	3,925
Net loss attributable to Cognyte Software Ltd.	\$ (638)	\$ (12,051)	\$ (15,570)
Net loss per share attributable to Cognyte Software Ltd.:			
Basic and diluted	\$ (0.01)	\$ (0.17)	\$ (0.22)
Weighted-average shares outstanding:			
Basic and diluted	72,910	71,797	70,081

See notes to consolidated financial statements.

Cognyte Software Ltd.
Consolidated Statements of Comprehensive Loss

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Net income (loss)	\$ 4,613	\$ (7,234)	\$ (11,645)
Other comprehensive income (loss):			
Foreign currency translation adjustments	4,123	(2,202)	196
Net increase from foreign exchange contracts designated as hedges	6,324	630	2,228
Other comprehensive income (loss)	10,447	(1,572)	2,424
Comprehensive income (loss)	15,060	(8,806)	(9,221)
Comprehensive income attributable to noncontrolling interest	6,520	4,630	3,665
Comprehensive income (loss) attributable to Cognyte Software Ltd.	\$ 8,540	\$ (13,436)	\$ (12,886)

See notes to consolidated financial statements.

Cognyte Software Ltd.
Consolidated Statements of Equity

(in thousands)	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Cognyte Software Ltd. Equity	Non-controlling Interest	Total Equity
Balances as of January 31, 2023	\$ —	\$ 338,465	\$ —	\$ (129,022)	\$ (15,314)	\$ 194,129	\$ 15,645	\$ 209,774
Net (loss) income	\$ —	\$ —	\$ —	\$ (15,570)	\$ —	\$ (15,570)	\$ 3,925	\$ (11,645)
Other comprehensive income (loss)	\$ —	\$ —	\$ —	\$ —	\$ 2,684	\$ 2,684	\$ (260)	\$ 2,424
Share-based compensation activity	\$ —	\$ 16,632	\$ —	\$ —	\$ —	\$ 16,632	\$ —	\$ 16,632
Dividends to noncontrolling interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2,452)	\$ (2,452)
Balances as of January 31, 2024	\$ —	\$ 355,097	\$ —	\$ (144,592)	\$ (12,630)	\$ 197,875	\$ 16,858	\$ 214,733
Net (loss) income	\$ —	\$ —	\$ —	\$ (12,051)	\$ —	\$ (12,051)	\$ 4,817	\$ (7,234)
Other comprehensive loss	\$ —	\$ —	\$ —	\$ —	\$ (1,385)	\$ (1,385)	\$ (187)	\$ (1,572)
Share-based compensation activity	\$ —	\$ 19,029	\$ —	\$ —	\$ —	\$ 19,029	\$ —	\$ 19,029
Repurchase of shares	\$ —	\$ —	\$ (5,276)	\$ —	\$ —	\$ (5,276)	\$ —	\$ (5,276)
Dividends to noncontrolling interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2,577)	\$ (2,577)
Balances as of January 31, 2025	\$ —	\$ 374,126	\$ (5,276)	\$ (156,643)	\$ (14,015)	\$ 198,192	\$ 18,911	\$ 217,103
Net (loss) income	\$ —	\$ —	\$ —	\$ (638)	\$ —	\$ (638)	\$ 5,251	\$ 4,613
Other comprehensive income	\$ —	\$ —	\$ —	\$ —	\$ 9,178	\$ 9,178	\$ 1,269	\$ 10,447
Share-based compensation activity	\$ —	\$ 21,248	\$ —	\$ —	\$ —	\$ 21,248	\$ —	\$ 21,248
Repurchase of shares	\$ —	\$ —	\$ (21,436)	\$ —	\$ —	\$ (21,436)	\$ —	\$ (21,436)
Dividends to noncontrolling interest	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (3,112)	\$ (3,112)
Balances as of January 31, 2026	\$ —	\$ 395,374	\$ (26,712)	\$ (157,281)	\$ (4,837)	\$ 206,544	\$ 22,319	\$ 228,863

See notes to consolidated financial statements.

Cognyte Software Ltd.
Consolidated Statements of Cash Flows

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Cash flows from operating activities:			
Net income (loss)	\$ 4,613	\$ (7,234)	\$ (11,645)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	11,977	13,652	13,816
Allowance for credit losses	718	1,416	2,508
Gain from business divestiture, see Note 7	—	—	(4,768)
Stock-based compensation, excluding cash-settled awards	21,248	19,029	12,167
Benefit from deferred income taxes	(1,955)	(1,356)	(3,196)
Non-cash (gains) losses on derivative financial instruments, net	(595)	(179)	330
Other non-cash items, net	1,139	32	(685)
Changes in operating assets and liabilities:			
Accounts receivable	(6,265)	10,573	12,436
Contract assets	(1,790)	(6,722)	(7,340)
Inventories	2,416	4,570	(960)
Prepaid expenses and other assets	5,308	(7,804)	5,307
Accounts payable and accrued expenses	10,471	14,294	4,332
Contract liabilities	(8,855)	7,962	13,897
Other liabilities	944	(1,552)	(2,904)
Other, net	957	101	1,266
Net cash provided by operating activities	40,331	46,782	34,561
Cash flows from investing activities:			
Purchases of property and equipment	(10,396)	(10,587)	(7,035)
Purchases of short-term investments	—	—	(58,695)
Maturities of short-term investments	—	—	75,906
Settlements of derivative financial instruments not designated as hedges	623	117	(977)
Cash paid for capitalized software development costs	(243)	(2,601)	(2,034)
Proceeds from Business divestiture, net of cost	—	4,943	4,975
Acquisition of business, net of cash acquired	(4,275)	—	—
Change in restricted bank time deposits, including long-term portion	200	2,437	(2,782)
Net cash (used in) provided by investing activities	(14,091)	(5,691)	9,358
Cash flows from financing activities:			
Dividends paid to noncontrolling interest	(3,112)	(2,577)	(2,452)
Purchases of treasury stock	(21,436)	(5,276)	—
Repayment of principal portion of finance lease liability	(298)	(99)	—
Net cash used in financing activities	(24,846)	(7,952)	(2,452)
Foreign currency effects on cash, cash equivalents, restricted cash, and restricted cash equivalents	2,580	(631)	(115)
Net increase in cash, cash equivalents, restricted cash and restricted cash equivalents	3,974	32,508	41,352
Cash, cash equivalents, restricted cash, and restricted cash equivalents, beginning of period	112,904	80,396	39,044
Cash, cash equivalents, restricted cash, and restricted cash equivalents, end of period	\$ 116,878	\$ 112,904	\$ 80,396
Reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents at end of period:			
Cash and cash equivalents	\$ 116,878	\$ 112,719	\$ 74,477
Restricted cash and cash equivalents included in restricted cash and cash equivalents and restricted bank time deposits	—	185	5,825
Restricted cash and cash equivalents included in other assets	—	—	94
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 116,878	\$ 112,904	\$ 80,396

See notes to consolidated financial statements.

Cognyte Software Ltd.
Notes to Consolidated Financial Statements

1. ORGANIZATION, OPERATIONS AND BASIS OF PRESENTATION**Description of Business**

Cognyte Software Ltd. (the “Company”, “Cognyte”, “we”, “us” and “our”) is a leading software-driven technology company, focused on investigative analytics solutions that help customers generate actionable intelligence from large volumes of complex data, across diverse operational domains, in order to enhance public safety and security. Our solutions are used primarily by law enforcement, national security, national and military intelligence agencies, and other organizations to address a wide range of investigative and operational challenges. Drawing on decades of investigative analytics domain expertise, our platforms and solutions enable customers to ingest, fuse and analyze structured and unstructured data from multiple sources, uncover hidden patterns and connections, and make faster, better-informed decisions. Our offerings leverage state-of-the-art Artificial Intelligence (AI), including big data analytics and advanced machine learning, as well as generative and AI-assisted capabilities that enhance user productivity and accelerate investigative workflows, together with proven investigative methodologies, to support retrospective investigations and real-time, near real-time and predictive decision-making. Hundreds of customers rely on our solutions to accelerate investigations, improve resolution rates and better anticipate, predict and mitigate threats with greater precision.

Separation from Verint

On February 1, 2021 we completed our spin-off from Verint and the related distribution. As a result, we have transitioned to an independent, publicly traded company.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

The accompanying consolidated financial statements include a joint venture in which we hold a 50% equity interest. The joint venture is a variable interest entity (“VIE”) in which we are the primary beneficiary as we have the power to direct the activities that are most significant to the VIE. The joint venture’s activities primarily include promoting transactions with end customers as well as negotiating their commercial terms, providing local technical support and interfacing with customers. The noncontrolling interest in the less than wholly owned subsidiary is reflected within equity in our consolidated balance sheets, but separately from our equity.

Equity investments in companies in which we have less than a 20% ownership interest and cannot exercise significant influence, and which do not have readily determinable fair values, are accounted for under the measurement alternative. Under this method, the investments are carried at their original cost, less any impairment and adjusted for observable price changes for identical or similar instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions. The Company’s management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. We believe our judgments, estimates and assumptions associated with revenue recognition, income taxes and business combination may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments having an original maturity of three months or less. Our cash and cash equivalents includes marketable debt securities with remaining maturities of less than 90 days at the time of purchase.

Restricted Cash and Cash Equivalents, and Restricted Bank Time Deposits

Restricted cash and cash equivalents, and restricted bank time deposits are mainly pledged as collateral for performance guarantees.

Investments

Our investments generally consist of bank time deposits with remaining maturities in excess of 90 days at the time of purchase. We held no marketable debt securities with remaining maturities in excess of 90 days at the time of purchase at January 31, 2026 and 2025. Investments with maturities in excess of one year are included in other assets.

Accounts Receivable, net

Accounts receivable are comprised of invoiced amounts due from customers for which we have an unconditional right to collect and are not interest-bearing. Credit is extended to customers based on an evaluation of their financial condition and other factors. We generally do not require collateral or other security to support accounts receivable. The Company performs ongoing credit evaluations of its customers for the purpose of determining the appropriate allowance for credit losses.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents, bank time deposits, accounts receivable, and contract assets. We invest our cash in bank accounts and bank time deposits. By policy, we seek to limit credit exposure on investments through diversification and by restricting our investments to highly rated securities.

We grant credit terms to our customers in the ordinary course of business. Concentrations of credit risk with respect to accounts receivable and contract assets are generally limited due to the large number of customers comprising our customer base and their dispersion across different industries and geographic areas. We have both direct and indirect contracts with a significant government outside the United States, which accounted for \$25.8 million of our aggregated accounts receivable and contract assets, at January 31, 2026. In prior year, we had both direct and indirect contracts with two significant governments outside the United States, which combined accounted for \$36.6 million of our aggregated accounts receivable and contract assets at January 31, 2025. We believe our contracts with these governments present insignificant credit risk.

Allowance for Credit Losses

Our allowance for credit losses represents the current estimate of lifetime expected credit losses over the remaining duration of existing accounts receivable based on current conditions as of the balance sheet date. The estimate is a result of the Company's ongoing evaluation of collectability, customer creditworthiness, historical levels of credit losses and economic and market conditions. We write-off an account receivable and charge it against its recorded allowance at the point when it is considered uncollectible. We assess the adequacy of the allowance for credit losses on a quarterly basis. The Company elected to apply the practical expedient provided in ASU 2025-05 as described below.

The following table summarizes the activity in our credit losses for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Allowance for credit losses, beginning of year	\$ 2,056	\$ 4,091	\$ 1,583
Provisions charged to expense	718	1,416	2,578
Amounts written off	(1,837)	(3,404)	(7)
Business divestiture	—	—	(62)
Other, including fluctuations in foreign exchange rates	30	(47)	(1)
Allowance for credit losses, end of year	\$ 967	\$ 2,056	\$ 4,091

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted-average method of inventory accounting. The valuation of our inventories requires us to make estimates regarding excess or obsolete inventories, including making estimates of the future demand for our products. Although we make every effort to ensure the accuracy of our forecasts of future product demand, any significant unanticipated changes in demand, price, or technological developments could have a significant impact on the value of our inventory and reported operating results. Charges for excess and obsolete inventories are included within cost of revenue.

Property and Equipment, net

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method based over the estimated useful lives of the assets. The vast majority of equipment, furniture and other is depreciated over periods ranging from three to six years. Software is typically depreciated over a period of four years. Buildings are typically depreciated over fifty years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease term.

The cost of maintenance and repairs of property and equipment is charged to operations as incurred. When assets are retired or disposed of, the cost and accumulated depreciation or amortization thereon are removed from the consolidated balance sheet and any resulting gain or loss is recognized in the consolidated statement of operations.

Long-Lived Assets impairment

The Company reviews long-lived assets for their impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value of the asset exceeded the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset, a write-down would be recorded to reduce the related asset to its estimated fair value.

Segment Reporting

We evaluated segment reporting in accordance with Accounting Standards Codification (“ASC”) Topic 280, *Segment Reporting*. For additional details please refer to note 6, “Segment Information”.

Goodwill and Other Acquired Intangible Assets

For business combinations, the purchase prices are allocated to the tangible assets and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition dates, with the remaining unallocated purchase prices recorded as goodwill.

We test goodwill for impairment at the reporting unit level on an annual basis usually as of January 31, or more frequently if changes in facts and circumstances indicate that impairment in the value of goodwill may exist.

We operate as one reporting unit. In testing for goodwill impairment, we may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of our reporting unit is less than its carrying amount. Qualitative assessment includes industry and market considerations, overall financial performance, and other relevant events and factors affecting the reporting unit. If we elect to bypass a qualitative assessment, or if our qualitative assessment indicates that goodwill impairment is more likely than not, we perform quantitative impairment testing. If our quantitative testing determines that the carrying value of the reporting unit exceeds its fair value, goodwill impairment is recognized in an amount equal to that excess, limited to the total goodwill allocated to our reporting unit.

The Company’s quantitative impairment test may consider both the income approach and the market approach to estimate a reporting unit’s fair value. Significant estimates for the income approach include financial projections, terminal growth rate, and discount rate based on a reporting unit’s weighted average cost of capital. The estimated fair value using a market approach is based on a number of assumptions, including current market capitalization as corroboration of fair value. Forecasts and estimates are based on assumptions that are consistent with the plans and estimates used to manage the business. Changes in these estimates could change the conclusion regarding an impairment of goodwill.

For the Company's annual impairment test during fiscal years ended January 31, 2026, 2025 and 2024, the Company opted to bypass the qualitative assessment and performed the quantitative analysis by comparing the Company's market capitalization, which is determined by multiplying the outstanding number of shares of Common Stock by the Company's stock price at the impairment test date with the reporting unit's carrying value. As the market capitalization significantly exceeded the carrying value of the Company's single reporting unit, the Company concluded that no goodwill impairment should be recognized for any of the fiscal years ended January 31, 2026, 2025 and 2024.

Acquired identifiable intangible assets include identifiable acquired technologies, customer relationships and distribution networks. We amortize the cost of finite-lived identifiable intangible assets over their estimated useful lives, which are periods of 8 years or less. Amortization is based on the pattern in which the economic benefits of the intangible asset are expected to be realized, which typically is on a straight-line basis. The fair values assigned to identifiable intangible assets acquired in business combinations are determined primarily by using the income approach, which discounts expected future cash flows attributable to these assets to present value using estimates and assumptions determined by management.

Fair Value Measurements

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This fair value hierarchy consists of three levels of inputs that may be used to measure fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: unobservable inputs that are supported by little or no market activity.

We review the fair value hierarchy classification of our applicable assets and liabilities at each reporting period. Changes in the observability of valuation inputs may result in transfers within the fair value measurement hierarchy.

Fair Values of Financial Instruments

Our recorded amounts of cash and cash equivalents, restricted cash and cash equivalents, and restricted bank time deposits, accounts receivable, contract assets, and accounts payable approximate fair value, due to the short-term nature of these instruments. We measure certain financial assets and liabilities at fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

Derivative Financial Instruments

The Company accounts for derivatives and hedging based on ASC 815, *Derivatives and Hedging*. Derivatives are recognized on the balance sheet at fair value. If the derivatives meet the criteria of a cash flow hedge under ASC 815 and are so designated, depending on the nature of the hedge, the gain or loss of the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period, or periods, during which the hedged transaction affects earnings.

As part of our risk management strategy, when considered appropriate, we use derivative financial instruments including foreign currency forward contracts to hedge against certain foreign currency exposure. Our intent is to mitigate gains and losses caused by the underlying exposures with offsetting gains and losses on the derivative contracts. It should be noted that the company might execute hedging transactions using derivatives which don't qualify as hedge accounting under ASC 815.

For instance, to protect against the increase in value in USD terms of expected foreign currency cash flows resulting mainly from salaries and related benefits paid in NIS during the year, the Company hedges portions of its anticipated cash flow in NIS generally for periods of up to twelve months with forward contracts (the "Hedging Contracts"). Accordingly, when the USD depreciates against the NIS, the increase in salaries and related expenses in USD is offset by gains in the fair value of the

Hedging Contracts. Conversely, when the USD appreciates against the NIS, the decrease in salaries and related expenses in USD is offset by losses in the fair value of the Hedging Contracts. These Hedging Contracts are designated as cash flow hedges.

We also periodically utilize foreign currency forward contracts to manage exposures resulting from expected inflows denominated in currencies other than the applicable functional currency, and exposures from cash, cash equivalents and short-term investments denominated in currencies other than the applicable functional currency.

The counterparties to our derivative financial instruments consist of two major financial institutions. We regularly monitor the financial strength of these institutions. While the counterparties to these contracts expose us to credit-related losses in the event of a counterparty's non-performance, the risk would be limited to the unrealized gains on such affected contracts. We do not anticipate any such losses.

Revenue Recognition

We account for revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. For additional details please refer to note 4, "Revenue Recognition".

Cost of Revenue

Our cost of revenue includes costs of materials, compensation and benefit costs for operations and service personnel, subcontractor costs, royalties and license fees related to third-party software included in our products and third-party SaaS providers, cloud infrastructure costs, depreciation of equipment used in operations and service, amortization of capitalized software development costs, provision for slow moving inventory, travel expenses associated with provision of installation, training, consulting and development services resources dedicated to project management and an allocation of overhead costs, such as facility, information technology, operations costs, stock-based compensation and other overhead expenses. Costs that relate to materials and software are generally expensed upon shipment and costs related to travel, subcontractors, and personnel and related expenses are generally expensed as incurred in the period in which the personnel related services are performed. Refer to Note 4, "Revenue Recognition" under the heading "Costs to Obtain and Fulfill Contracts" for further details regarding customer contract costs.

Research and Development

With the exception of certain software development costs, all research and development costs are expensed as incurred, and consist primarily of personnel and consulting costs, travel, depreciation of research and development equipment, and related overhead and other costs associated with research and development activities.

Software Development Costs

Costs incurred to acquire or develop software to be sold, leased or otherwise marketed are capitalized after technological feasibility is established, and continue to be capitalized through the general release of the related software product. Amortization of capitalized costs begins in the period in which the related product is available for general release to customers and is recorded on a straight-line basis, which approximates the pattern in which the economic benefits of the capitalized costs are expected to be realized, over the estimated economic lives of the related software products, generally over a period of up to 4 years.

Internal-Use Software

We capitalize costs associated with software that is acquired, internally developed or modified solely to meet our internal needs. Capitalization begins when the preliminary project stage has been completed and management with the relevant authority authorizes and commits to the funding of the project. These capitalized costs include external direct costs utilized in developing or obtaining the applications and expenses for employees who are directly associated with the development of the applications. Capitalization of such costs continues until the project is substantially complete and is ready for its intended purpose. Capitalized costs of computer software developed for internal use are generally amortized over estimated useful lives of four years on a straight-line basis, which best represents the pattern of the software's use.

Income Taxes

We account for income taxes under the asset and liability method which includes the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our consolidated financial statements. Under this approach, deferred taxes are recorded for the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus deferred taxes. Deferred taxes result from differences between the financial statement and tax bases of our assets and liabilities, and are adjusted for changes in tax rates and tax laws when changes are enacted. The effects of future changes in income tax laws or rates are not anticipated.

We are subject to income taxes in Israel, the United States and numerous foreign jurisdictions. The calculation of our income tax provision involves the application of complex tax laws and requires significant judgment and estimates. We evaluate the realizability of our deferred tax assets for each jurisdiction in which we operate at each reporting date, and establish valuation allowances when it is more likely than not that all or a portion of our deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the same character and in the same jurisdiction. We consider all available positive and negative evidence in making this assessment, including, but not limited to, the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. In circumstances where there is sufficient negative evidence indicating that our deferred tax assets are not more-likely-than-not realizable, we establish a valuation allowance.

We use a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate tax positions taken or expected to be taken in a tax return by assessing whether they are more-likely-than-not sustainable, based solely on their technical merits, upon examination and including resolution of any related appeals or litigation process. The second step is to measure the associated tax benefit of each position as the largest amount that we believe is more-likely-than-not realizable. Differences between the amount of tax benefits taken or expected to be taken in our income tax returns and the amount of tax benefits recognized in our financial statements represent our unrecognized income tax benefits, which we either record as a liability or as a reduction of deferred tax assets. Our policy is to include interest (expense and/or income) and penalties related to unrecognized income tax benefits as a component of the provision for income taxes.

Functional Currencies and Foreign Currency Transaction Gains and Losses

Our functional currency, and the functional currency of most of our subsidiaries, is the U.S. dollar, although we have some subsidiaries with functional currencies that are their local currency.

Transactions denominated in currencies other than a functional currency are converted to the functional currency on the transaction date, and any resulting assets or liabilities are further remeasured at each reporting date and at settlement in accordance with ASC 830, "Foreign Currency Matters". Gains and losses recognized upon such remeasurements are included within Other (expenses) income, net in the consolidated statements of operations. We recorded net foreign currency losses of \$3.8 million, \$1.4 million and \$0.8 million for the years ended January 31, 2026, 2025, and 2024, respectively.

For consolidated reporting purposes, in those instances where a subsidiary has a functional currency other than the U.S. dollar, revenue and expenses are translated into U.S. dollars using average exchange rates for the reporting period, while assets and liabilities are translated into U.S. dollars using period-end rates. The effects of foreign currency translation adjustments are included in stockholders' equity as a component of accumulated other comprehensive income or loss in the accompanying consolidated balance sheets.

Stock-Based Compensation

Certain Company employees and non-employees participate in a stock-based compensation plan sponsored by Cognyte. Awards granted under the plan are based on Cognyte's common shares and, as such, are included in Additional Paid in Capital. The Company accounts for share-based compensation under ASC 718, *Compensation - Stock Compensation*, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based payment awards made to employees and directors. ASC 718 requires companies to estimate the fair value of equity-based awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations. The Company estimates the expected forfeitures as of the awards grant date, and revised if necessary in subsequent periods, if actual forfeitures differ from those estimates.

The Company recognizes compensation expenses for the value of its awards, which vest in tranches based on service conditions, using the straight-line method, over the requisite service period of each of the awards, net of estimated forfeitures. Estimated forfeitures are based on actual historical pre-vesting forfeitures. For performance-based share units, the Company recognizes compensation expenses for the value of such awards, if and when the Company concludes that it is probable that a performance condition will be achieved over the requisite service period. The Company reassesses the probability of vesting at each reporting period for awards with performance conditions and adjusts compensation cost based on its probability assessment.

Leases

We are accounting for leases according to ASC 842, *Leases*. We determine if an arrangement is a lease at inception.

Operating Leases

Operating lease assets are presented as operating lease right-of-use ("ROU") assets, and corresponding operating lease liabilities are presented within accrued expenses and other current liabilities (current portions), and as operating lease liabilities (long-term portions), on our consolidated balance sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the remaining lease payments over the lease term at commencement date. Our leases do not provide an implicit interest rate. We calculate the incremental borrowing rate to reflect the interest rate that we would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term, and consider our historical borrowing activities and market data in this determination. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which we account for as a single lease component. Some of our leases contain variable lease payments, which are expensed as incurred unless those payments are based on an index or rate. Variable lease payments based on an index or rate are initially measured using the index or rate in effect at lease commencement and included in the measurement of the lease liability; thereafter, changes to lease payments due to rate or index updates are recorded as rent expense in the period incurred. We have elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of twelve months or less. The effect of short-term leases on our ROU assets and lease liabilities was not material. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. In addition, we do not have any related party leases.

Finance Leases

Finance leases are recognized when we obtain control over the underlying asset. Finance lease assets are recorded within Property and Equipment, net, and the corresponding finance lease liabilities are presented within Accrued Expenses and Other Current Liabilities (current portion) and Other Liabilities (long-term portion) on our consolidated balance sheets.

Finance lease assets and liabilities are measured at the present value of the future lease payments at the lease commencement date, using our incremental borrowing rate unless the rate implicit in the lease is readily determinable. Finance lease assets are amortized over the shorter of the asset's useful life or the lease term. Interest expense on finance lease liabilities is recognized using the effective interest method over the lease term. Lease payments are allocated between the finance lease liability and interest expense.

Legal Contingencies

From time to time, the Company becomes involved in legal proceedings or is subject to claims arising in its ordinary course of business. Such matters are generally subject to many uncertainties and outcomes that are not predictable with certainty. The Company accrues for contingencies when the loss is probable, and it can reasonably estimate the amount of any such loss. Loss contingencies considered to be remote by the Company are generally not disclosed. The respective legal fees are expensed as incurred.

Tax indemnification

Income tax indemnifications are contractual arrangements established between two parties whereby one party will reimburse the other for income taxes paid to a taxing authority related to tax positions that arose (typically) prior to a transaction. If we are a primary obligor to the taxing authority, we should account for any tax exposure pursuant to the uncertain tax provision guidance of ASC 740 *Income taxes*. If we are not a primary obligor to the taxing authority, we should account for the tax risk pursuant to ASC 460, *Guarantees*, which requires the use of the greater of the fair value of the indemnity or the contingent liability required to be recognized under ASC 450, *Contingencies*.

In the year ended January 31, 2024, we incurred net income of \$4.7 million in relation to the Tax Matters Agreement with Verint. See also note “17. Commitments and Contingencies”.

Business Combinations

The Company accounts for business combinations in accordance with ASC 805, *Business Combinations*. ASC 805 requires recognition of assets acquired, liabilities assumed, and any non-controlling interest at the acquisition date, measured at their fair values as of that date. Any excess of the fair value of net assets acquired over the purchase price is allocated to goodwill and any subsequent changes in estimated contingencies are recorded in earnings. In addition, changes in valuation allowance related to acquired deferred tax assets and in changes in acquired income tax positions are recognized in earnings.

Contingent consideration obligations that are classified as liabilities, are recorded at fair value as of the acquisition date and remeasured each subsequent reporting period until the contingencies have been resolved, with any adjustments in fair value recognized in earnings.

Acquisition related costs are expensed to the consolidated statements of operations in the periods incurred.

Treasury shares

The Company accounts for repurchases of its ordinary shares with no par value (“ordinary shares”) as of the trade date. Such repurchases are carried at cost and are presented as reduction of Shareholders' equity, under treasury shares. Treasury shares are included in authorized and issued shares but excluded from outstanding shares.

On November 12, 2024, we announced the adoption of our share repurchase program in an aggregate amount of up to \$20 million, which was authorized for a period of 18 months, through June 12, 2026, and was completed during the fiscal year ended January 31, 2026. On July 14, 2025, we announced that our board of directors approved a new share repurchase program authorizing the repurchase of up to an additional \$20 million of our ordinary shares over a period of 18 months, through January 14, 2027, which may be executed in compliance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act. During the fiscal year ended January 31, 2025, we repurchased 585,728 ordinary shares for an aggregate purchase price of approximately \$5.3 million. During the fiscal year ended January 31, 2026, we repurchased 2,253,200 ordinary shares for an aggregate purchase price of approximately \$21.4 million.

Basic and diluted net loss per share

Basic net income (loss) per share is computed by dividing net income (loss) attributable to shareholders by the weighted-average number of ordinary shares outstanding and vested RSUs during the period. Diluted net income (loss) per share is computed by giving effect to all potential weighted average dilutive ordinary shares, including restricted stock units and performance stock units. The dilutive potential shares are computed using the treasury stock method or the as-if converted method, as applicable.

Diluted loss per share for the years ended January 31, 2026, 2025 and 2024 was the same as the basic loss per share, since there was a net loss for those periods, and inclusion of potential ordinary shares was anti-dilutive.

Recent Accounting Pronouncements**New Accounting Pronouncements Recently Adopted**

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosure*. The amendments in this update intended to address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments should be applied on a prospective basis with the option to apply the standard retrospectively. The amendments are effective for annual periods beginning after December 15, 2024. The adoption of this guidance, as of February 1, 2025 which was done prospectively, resulted in expanded disclosures in the Company's consolidated financial statements. For additional details please refer to note 12, "INCOME TAXES".

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient when estimating credit losses on accounts receivable and contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. The ASU is effective for annual periods beginning after December 15, 2025. Effective February 1, 2025, the Company early adopted ASU 2025-05 on a prospective basis. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements and related disclosures.

New Accounting Pronouncements Not Yet Effective

In November 2024, the FASB issued ASU 2024-03 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The new guidance requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The guidance should be applied on either a prospective or retrospective basis. The amendments are effective for annual periods beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating these amendments to determine the impact it may have on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06 *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Target Improvements to the Accounting for Internal-Use Software*. The new guidance clarifies and modernizes the accounting for costs related to internal-use software. The guidance should be applied on either a prospective or retrospective basis. The amendments are effective for annual periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating these amendments to determine the impact it may have on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09 to amend the guidance in "Derivatives and Hedging" (Topic 815). The update provides targeted improvements intended to enhance the application of hedge accounting, including expanded eligibility of forecasted transactions, additional flexibility in measuring hedge effectiveness, and clarifications related to hedging non-financial items. The guidance is effective for fiscal years beginning after December 15, 2026. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

3. RELATED PARTY TRANSACTIONS**Related party transactions with Bank Leumi**

During October 2022, Zvika Naggan, who served as a member of our board of directors from the time of the spin-off until May 1, 2024, was appointed to serve as member of the board of directors of Bank Leumi. Accordingly, Bank Leumi was considered a related party during the period of Mr. Naggan's overlapping service, but ceased to be a related party following his departure from our board on May 1, 2024. Effective as of December 31, 2023 we have extended the revolving credit facility with Bank Leumi Le-Israel B.M. ("Bank Leumi"), an Israeli bank. Under the credit facility with Bank Leumi, we were provided with a total of up to \$35 million in borrowings, made available to the Company for two years, through January 2026. Our obligations under the credit facility are guaranteed by certain customary affirmative and restrictive covenants for credit facilities of this type. The credit facilities also contain financial covenants which are measured at the end of each quarter.

During the years ended January 31, 2026, 2025 and 2024, we did not withdraw any funds from the credit facility with Bank Leumi.

Related party transactions with Verint

In connection with the spin-off we entered into a Separation and Distribution Agreement with Verint related to the separation and distribution. In addition, we entered into several other agreements with Verint prior to completion of the spin-off to effect the separation and provide a framework for our relationship with Verint after the spin-off, including a Tax Matters Agreement, an Employee Matters Agreement, an Intellectual Property Cross License Agreement, and a Trademark Cross License Agreement. In the year ended January 31, 2024, we incurred net income of \$4.7 million in relation to the Tax Matters Agreement with Verint. See also note "17. Commitments and Contingencies". There were no transactions related to Verint during the years ended January 31, 2026 and 2025.

4. REVENUE RECOGNITION

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. When an arrangement contains multiple performance obligations, we account for individual performance obligations separately if they are distinct. We recognize revenue through the application of the following five steps:

1) Identify the contract(s) with a customer

A contract with a customer exists when (i) we enter into an enforceable contract with the customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to these goods or services, (ii) the contract has commercial substance, and (iii) we determine that collection of substantially all consideration for goods or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. We apply judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or in the case of a new customer, published credit and financial information pertaining to the customer. Our customary business practice is to enter into legally enforceable written contracts with our customers, which set forth the general terms and conditions between the parties. Typically, our customers also submit a purchase order to specify the different goods and services, and the associated prices. Multiple contracts with a single counterparty entered into at or near the same time are evaluated to determine if the contracts should be combined and accounted for as a single contract.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the goods or services either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised goods or services, we must apply judgment to determine whether promised goods or services are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. Generally, our contracts do not include non-distinct performance obligations, but certain contracts require design, development, or significant customization of our products to meet the customer's specific requirements, in which case the products and services promised do not represent a distinct performance obligation and are combined into one distinct performance obligation. Additionally, our subscription license offerings provide customers with access to and the right to utilize ongoing support to ensure our software is continuously up-to-date with the latest cyber security capabilities. We consider our software subscription licenses and access to critical support to be a single performance obligation.

3) Determine the transaction price

The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring goods or services to the customer. We assess the timing of transfer of goods and services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, we do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less, which is the case in the majority of our customer contracts. The primary purpose of our invoicing terms is not to receive or provide financing from or to customers. Certain contracts may require an advance payment to encourage customer commitment to the project and protect us from early termination of the contract. To the extent the transaction price includes variable consideration, we estimate the amount of variable consideration that should be included in the transaction price, utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price, if we assessed that a significant future reversal of cumulative revenue under the contract will not

occur. Typically, our contracts do not provide our customers with any right of return or refund, and we do not constrain the contract price as it is probable that there will not be a significant revenue reversal due to a return or refund.

4) Allocate the transaction price to the performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. However, if a series of distinct goods or services that are substantially the same qualifies as a single performance obligation in a contract with variable consideration, we must determine if the variable consideration is attributable to the entire contract or to a specific part of the contract. We allocate the variable amount to one or more distinct performance obligations but not all or to one or more distinct services that forms a part of a single performance obligation, when the payment terms of the variable amount relate solely to our efforts to satisfy that distinct performance obligation and it results in an allocation that is consistent with the overall allocation objective of ASC 606. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative stand-alone selling price basis unless the transaction price is variable and meets the criteria to be allocated entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation. We determine stand-alone selling price (“SSP”) based on the price at which the performance obligation is sold separately. If the SSP is not observable through past transactions, we estimate the SSP taking into account available information such as market conditions, including geographic or regional specific factors, competitive positioning, internal costs, profit objectives, and internally approved pricing guidelines related to the performance obligation.

5) Recognize revenue when (or as) the entity satisfies a performance obligation

We satisfy performance obligations either over time or at a point in time depending on the nature of the underlying promise. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised good or service to a customer. In certain contracts that include customer substantive acceptance criteria, revenue is not recognized until we can objectively conclude that the product or service meets the agreed-upon specifications in the contract.

We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to our customers. Revenue is measured based on consideration specified in a contract with a customer, and excludes taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by us from a customer.

Shipping and handling activities that occur after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of revenue. Historically, these expenses have not been material.

We do not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between the time of transfer of the promised goods or services to the customer and the time the customer pays for these goods or services to be generally one year or less, based on the practical expedient. The Company’s credit terms to customers are, on average, between 30 and 60 days.

Nature of Goods and Services

We derive and report our revenue in three categories: (a) software revenue, including the sale of subscription (i.e., term-based) or perpetual licenses, and appliances that include software that is essential to the product’s functionality, (b) software service revenue, including support revenue and revenue from cloud-based software-as-a-service subscriptions (“SaaS”), and (c) professional service and other revenue, including revenue from installation and integration services, customer specific development work, resale of third-party hardware, and consulting and training services.

Software revenue licenses either provide our customers a perpetual right to use our software or the right to use our software for only a fixed term, in most cases between one and three-year time frame. Generally, our contracts do not provide significant services of integration and customization and installation services are not required to be purchased directly from us. For the majority of our software licenses, we have concluded that the licenses are distinct as our customers can benefit from the software on its own. Software revenue is typically recognized when the software is delivered or made available for download to the customer. We rarely sell our software licenses on a stand-alone basis and as a result SSP is not directly observable and must be estimated. We apply the adjusted market assessment approach, considering both market conditions and entity specific factors such as assessment of historical data of bundled sales of software licenses with other promised goods and services in order to maximize the use of observable inputs. Software SSP is established based on an appropriate discount from our established list price, taking into consideration whether there is certain stratification of the population with different pricing practices.

Software service revenue is derived from cloud-based SaaS revenue and, providing technical support services, bug fixes and unspecified software updates to customers on a when-and-if-available basis. Each of these performance obligations provide benefit to the customer on a stand-alone basis and are distinct in the context of the contract. Each of these distinct performance obligations represent a stand ready obligation to provide service to a customer, which is concurrently delivered and has the same pattern of transfer to the customer, which is why we account for these support services as a single performance obligation. We recognize support services ratably over the contractual term, which typically is one year and develop SSP for support services based on stand-alone renewal contracts. Some of our subscription software licenses are not distinct from our support services as the utility of the software to the customer will significantly degrade during the license term. Subscription license revenue is recognized over the term of the subscription period beginning when the software is delivered to the customer.

Our solutions are generally sold with warranties that typically range from 1 year to 3 years. These warranties do not represent an additional performance obligation as services beyond assuring that the software license and hardware comply with agreed-upon specifications are not provided.

Professional service revenues primarily consist of fees for installation and integration, deployment and optimization services, as well as consulting and training, and are generally recognized over time as the customer simultaneously receives and consumes the benefits of the professional service as the services are performed. For contracts billed on a fixed price basis, revenue is recognized over time using an input method based on labor hours expended to date relative to the total labor hours expected to be required to satisfy the related performance obligation. Additionally, other revenues consist of the resale of third-party hardware including servers, laptops and communication equipment, and are recognized at a point in time generally upon shipment or delivery. We rarely sell professional services and third-party hardware on a stand-alone basis and as a result SSP is not directly observable and must be estimated. We apply the adjusted market assessment approach, considering both market conditions and entity specific factors such as assessment of historical data of bundled sales of professional services and resale of third-party hardware with other promised goods and services in order to maximize the use of observable inputs. Professional services SSP and resale of third-party hardware SSP is established based on an appropriate discount from our established list price, taking into consideration whether there is certain stratification of the population with different pricing practices.

Certain contracts require us to significantly customize our software and these contracts are generally recognized over time as we perform because our performance does not create an asset with an alternative use and we have an enforceable right to payment plus a reasonable profit for performance completed to date. Revenue is recognized over time based on the extent of progress towards completion of the performance obligation. We use labor hours incurred to measure progress for these contracts because it best depicts the transfer of the asset to the customer. Under the labor hours incurred measure of progress, the extent of progress towards completion is measured based on the ratio of labor hours incurred to date to the total estimated labor hours at completion of the distinct performance obligation. Due to the nature of the work performed in these arrangements, the estimation of total labor hours at completion is complex, subject to many variables and requires significant judgment. If circumstances arise that change the original estimates of revenues, costs, or extent of progress toward completion, revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in revenue on a cumulative catch-up basis in the period in which the circumstances that gave rise to the revision become known. We use an appropriate discount from our established list price, taking into consideration whether there is certain stratification of the population with different pricing practices, to estimate the SSP of our significantly customized solutions.

Disaggregation of Revenue

The following table provides information about disaggregated revenue by the recurring or nonrecurring nature of revenue. 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:

- Recurring revenue primarily consists of initial and renewal support, subscription software licenses, and cloud-based SaaS in certain transactions.
- Nonrecurring revenue primarily consists of our perpetual licenses, appliances, custom development, installation and integration services, consulting and training, and the resale of third-party hardware.

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Revenue by recurrence:			
Recurring revenue	\$ 192,118	\$ 186,592	\$ 167,634
Nonrecurring revenue	207,923	164,040	145,770
Total revenue	\$ 400,041	\$ 350,632	\$ 313,404

Contract Balances

The following table provides information about accounts receivable, contract assets, and contract liabilities from contracts with customers:

(in thousands)	January 31,	
	2026	2025
Accounts receivable, net	\$ 122,548	\$ 109,374
Contract assets, net	\$ 3,284	\$ 6,941
Contract liabilities	\$ 102,538	\$ 107,451
Long-term contract liabilities	\$ 21,211	\$ 22,868

We receive payments from customers based upon contractual billing schedules, and accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets are rights to consideration in exchange for goods or services that we have transferred to a customer when that right is conditional on something other than the passage of time. Our contract assets represent unbilled amounts related to arrangements where our right to consideration is subject to the contractually agreed upon billing schedule. We expect billing and collection of our contract assets to occur within the next twelve months. We wrote off \$0.9 million of contract assets during the year ended January 31, 2026, and did not write off any contract assets during the year ended January 31, 2025. During the years ended January 31, 2026 and 2025, we transferred \$5.8 million and \$9.0 million, respectively, to accounts receivable from contract assets recognized at the beginning of each period, as a result of the right to the transaction consideration becoming unconditional. We recognized \$2.1 million and \$6.7 million in revenues of contract assets during the years ended January 31, 2026 and 2025, respectively.

We grant credit terms to our customers in the ordinary course of business. For additional information regarding the concentrations of credit risk with respect to accounts receivable and contract assets, see note "Summary of Significant Accounting Policies—Concentrations of Credit Risk"

Contract liabilities represent consideration received or consideration which is unconditionally due from customers prior to transferring goods or services to the customer under the terms of the contract. Revenue recognized during the years ended January 31, 2026 and 2025 from amounts included in contract liabilities at the beginning of each period was \$94.7 million and \$84.8 million, respectively.

Remaining Performance Obligations

Transaction price allocated to remaining performance obligations ("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. RPO balance is influenced by several factors such as sales cycles, subscription deals, deployment timelines, contract length, renewal timing, and seasonality.

The timing and amount of revenue recognition for our RPO is influenced by several factors, such as timing of renewals, revenue recognition criteria 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 unilaterally cancel outstanding orders and reduce the RPO when there have been extended delays by customers to pay the agreed upon down payments or due to other reasons.

The following table provides information about our RPO:

(in thousands)	January 31,	
	2026	2025
RPO:		
Expected to be recognized within 1 year	\$ 369,549	\$ 335,301
Expected to be recognized in more than 1 year	187,631	210,492
Total RPO	\$ 557,180	\$ 545,793

Costs to Obtain and Fulfill Contracts

We capitalize commissions paid to internal sales personnel and agent commissions that are incremental to obtaining customer contracts. We have determined that these commissions are in fact incremental and would not have occurred absent the customer contract. Our sales and agent commissions paid on annual renewals of support are commensurate with the commission paid on the initial contract. Capitalized sales and agent commissions are amortized over the period the goods or services are transferred to the customer to which the assets relate.

Total capitalized costs to obtain contracts were \$11.9 million as of January 31, 2026, of which \$9.0 million is included in prepaid expenses and other current assets and \$2.9 million is included in other assets on our consolidated balance sheet. Total capitalized costs to obtain contracts were \$14.0 million as of January 31, 2025, of which \$11.8 million is included in prepaid expenses and other current assets and \$2.2 million is included in other assets on our consolidated balance sheet. During the years ended January 31, 2026, 2025, and 2024, we expensed \$22.4 million, \$19.3 million, and \$15.6 million, respectively, of sales and agent commissions, which are included in selling, general and administrative expenses.

We capitalize costs incurred to fulfill our contracts when the costs relate directly to the contract and are expected to generate resources that will be used to satisfy the performance obligation under the contract and are expected to be recovered through revenue generated under the contract. Costs to fulfill contracts are expensed to cost of revenue as we satisfy the related performance obligations. Total capitalized costs to fulfill contracts were \$3.2 million as of January 31, 2026, of which \$2.9 million is included in prepaid expenses and other current assets and \$0.3 million is included in other assets on our consolidated balance sheet. Total capitalized costs to fulfill contracts were \$3.6 million as of January 31, 2025, of which \$2.8 million is included in prepaid expenses and other current assets and \$0.8 million is included in other assets on our consolidated balance sheet. Costs to fulfill are classified as current or long-term based on whether the related revenue will be recognized within twelve months of the origination date of the arrangement. The amounts capitalized primarily relate to prepaid third-party cloud costs. During the years ended January 31, 2026, 2025, and 2024, we amortized \$2.8 million, \$1.8 million, and \$2.3 million, respectively, of contract fulfillment costs.

5. CREDIT FACILITY

We have two revolving credit facilities that are effective through January 31, 2028 which provide for up to \$65 million in total borrowings. As of January 31, 2026 and 2025, we have not withdrawn any funds from the revolving credit facilities. Interest rates on both facilities are based on Term SOFR plus a margin of 3.26% - 3.31%. We did not incur interest expenses related to our revolving credit facilities for the years ended January 31, 2026, 2025 and 2024. In addition, we are required to pay a non-utilization fee with respect to unused credit under the credit facilities. For the years ended January 31, 2026, 2025 and 2024, the non-utilization fee rate was 0.75% per annum. Following the extension of the credit facilities signed in December 2025, the non-utilization fee rates were reduced to 0.3% - 0.35% per annum effective from February 2026. The non-utilization fee incurred with respect to unused credit under the credit facilities was \$0.5 million, \$0.5 million and \$0.7 million for the years ended January 31, 2026, 2025 and 2024, respectively.

Our obligations under both credit facilities are guaranteed by certain customary affirmative and restrictive covenants for credit facilities of this type. The credit facilities also contain financial covenants which are measured at the end of each quarter. The financial covenants are:

1. The equity shall not decrease below \$165 million or below 30% of Cognyte's total consolidated assets.
2. Cognyte shall maintain, on consolidated basis, an amount of unrestricted cash and cash equivalents (including short term investments) of at least \$25 million.
3. The current assets shall be higher than current liabilities.
4. The unrestricted net cash (total cash, cash equivalents and short term investments less total debt) shall be higher than \$15 million.

The limitations imposed by the covenants are subject to certain exceptions.

The credit facility agreements provide for default events with corresponding grace periods that are customary for credit facilities of this nature. Upon a default event, all of our obligations owed under the credit facilities may be declared immediately due and payable, and the lenders' commitments to provide loans under the credit facility agreements may be terminated.

As of January 31, 2026 and 2025 we met all the financial covenants.

6. SEGMENT INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the enterprise's chief operating decision maker ("CODM"), or decision-making group, in deciding how to allocate resources and in assessing performance. We evaluated segment reporting in accordance with ASC 280, *Segment Reporting*. We concluded that we operate in a single operating segment and a single reportable segment based on the operating results available and evaluated regularly by the CODM to make decisions about resource allocation and performance assessment.

The CODM is the company's chief executive officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated net income to assess segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes budget to actual functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. The Company's significant segment expenses and other segment items align with the financial statements line items presented in its the consolidated statements of operations.

Significant segment expenses are presented in the Company's consolidated statements of operations. Additional disaggregated significant segment expenses on a functional basis, that are not separately presented on the Company's consolidated statements of operations, are presented below.

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Sales and marketing	\$ 106,592	\$ 94,969	\$ 81,610
General and administrative	\$ 47,059	\$ 48,547	\$ 44,174
Total Selling, general and administrative	\$ 153,651	\$ 143,516	\$ 125,784

7. DIVESTITURE & ACQUISITIONS

On December 1, 2022 Cognyte sold Situational Intelligence Solutions ("SIS") business to Volaris group ("Volaris"). As consideration for the sale, Cognyte received \$42.4 million in cash and \$4.7 million in hold back which was paid during the year ended January 31, 2024. The sale included equity interests, assets and liabilities attributable to the SIS business for a total consideration of \$47.1 million, plus a performance based earn-out which was not achieved. The sale price was subject to adjustments based on changes in actual closing net working capital. The sale price was adjusted during the year ended January 31, 2024 based on changes in actual closing net working capital and the completion of asset transfer which resulted in an additional pre-tax gain of \$4.8 million recorded within other income. Proceeds from the divestiture were \$4.9 million and \$5.0 million during the years ended January 31, 2025 and 2024, respectively.

On May 20, 2025, Cognyte acquired 100% of the equity of GroupSense, Inc., a digital risk protection services company, for total consideration of approximately \$4.4 million, consisting entirely of cash paid at closing. The transaction is reflected in accordance with ASC Topic 805, "Business Combinations", using the acquisition method of accounting with Cognyte as the acquirer. The acquisition agreement also includes contingent consideration of up to \$5.0 million, payable upon the achievement of specified post-closing performance targets. The fair value of the contingent consideration was assessed as zero at the acquisition date and remained zero as of January 31, 2026, as achievement of the relevant targets was not expected. Accordingly, no contingent consideration liability was recognized in the consolidated financial statements.

Cognyte allocated the purchase price to the identifiable assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The fair value estimate of the customer relationship was determined using a variation of the income approach known as the “Multi-Period Excess Earnings Approach”. This valuation technique estimates the fair value of an asset based on market participants’ expectations of the cash flows the asset would generate over its remaining useful life. The net cash flows were discounted to present value.

The significant components of the purchase price allocation were as follows:

(in thousands)	Fair Value	
Customer relationships (finite-lived intangible)	\$	4,833
Deferred tax asset, net		909
Other net liabilities ⁽¹⁾		(1,519)
Goodwill ⁽²⁾		191
Total consideration	\$	4,414

⁽¹⁾ Other net liabilities includes cash, receivables, payables, deferred revenue and accrued liabilities, which were not significant individually.

⁽²⁾ Goodwill was recorded as the residual amount by which the purchase price exceeded the fair value of the net assets acquired.

Pro forma information giving effect to the acquisition has not been provided, as the results would not be material.

8. INTANGIBLE ASSETS AND GOODWILL

Acquisition-related intangible assets consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31, 2026		
	Cost	Accumulated Amortization	Net
Intangible assets with finite lives:			
Acquired technology	\$ 53,118	\$ (53,118)	\$ —
Customer relationships	4,833	(453)	4,380
Distribution network	2,000	(2,000)	—
Total intangible assets	\$ 59,951	\$ (55,571)	\$ 4,380

(in thousands)	January 31, 2025		
	Cost	Accumulated Amortization	Net
Intangible assets with finite lives:			
Acquired technology	\$ 53,118	\$ (53,118)	\$ —
Distribution network	2,000	(2,000)	—
Total intangible assets	\$ 55,118	\$ (55,118)	\$ —

Total amortization expense recorded for acquisition-related intangible assets was \$0.5 million, \$0.3 million and \$0.4 million for the years ended January 31, 2026, 2025, and 2024, respectively.

Estimated future amortization expense on finite-lived acquisition-related intangible assets is as follows:

(in thousands)		Amount
Years Ending January 31,		
2027		\$ 604
2028		604
2029		604
2030		604
2031		604
Thereafter		1,360
Total		\$ 4,380

No impairments of acquired intangible assets were recorded during the years ended January 31, 2026, 2025 and 2024. We wrote-off fully amortized and no longer in use intangibles in the amount of \$1.5 million during the year ended January 31, 2025.

The change in the net carrying amount of goodwill activity for the years ended January 31, 2026 and 2025 was as follows:

(in thousands)		Amount
Goodwill at January 31, 2024		\$ 126,563
Foreign currency translation		(415)
Goodwill at January 31, 2025		\$ 126,148
Business combination		191
Foreign currency translation		266
Goodwill at January 31, 2026		\$ 126,605

No goodwill impairment was identified for the years ended January 31, 2026, 2025 and 2024.

9. SUPPLEMENTAL CONSOLIDATED FINANCIAL STATEMENT INFORMATION

Consolidated Balance Sheets

Inventories consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Raw materials	\$ 11,839	\$ 10,459
Work-in-process	3,168	3,759
Finished goods	1,407	4,770
Total inventories	\$ 16,414	\$ 18,988

Property and equipment, net consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Land and buildings	\$ 2,854	\$ 2,854
Leasehold improvements	12,469	9,230
Software	14,627	24,828
Equipment, furniture and other	56,007	57,399
Total cost	85,957	94,311
Less: accumulated depreciation and amortization	(56,829)	(65,995)
Total property and equipment, net	\$ 29,128	\$ 28,316

We wrote-off fully amortized and no longer in use property and equipment in the amount of \$18.0 million during the year ended January 31, 2026, of which \$13.3 million related to software write-offs.

Depreciation and amortization expense on property and equipment was \$8.5 million, \$10.4 million and \$9.9 million in the years ended January 31, 2026, 2025, and 2024, respectively.

Prepaid expenses and other current assets consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Prepaid expenses	\$ 23,123	\$ 26,847
Deferred cost of revenue	976	1,084
Income tax receivables	5,657	6,487
Foreign currency forward contracts	8,555	2,522
Other	834	810
Total prepaid expenses and other current assets	\$ 39,145	\$ 37,750

Other assets consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Long-term restricted cash and time deposits	\$ 248	\$ 252
Capitalized software development costs, net	5,394	8,113
Deferred commissions	2,852	2,230
Long-term deferred cost of revenue	190	590
Long-term security deposits	182	128
Long-term prepaid expenses	337	954
Noncontrolling investments accounted under ASC 321	6,907	6,410
Other	130	218
Total other assets	\$ 16,240	\$ 18,895

Accrued expenses and other current liabilities consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Compensation and benefits	\$ 59,125	\$ 50,096
Distributor and agent commissions	9,842	10,919
Operating lease liabilities - current portion	5,370	5,004
Income taxes	4,127	4,418
Taxes other than income taxes	11,507	11,061
Fair value of derivatives - current portion	—	262
Other	4,619	4,934
Total accrued expenses and other current liabilities	\$ 94,590	\$ 86,694

Other liabilities consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Unrecognized tax benefits, including interest and penalties	\$ 5,683	\$ 4,776
Obligations for severance compensation	2,560	2,180
Finance lease liabilities - long-term portion	1,127	720
Total other liabilities	\$ 9,370	\$ 7,676

Consolidated Statements of Operations

Other (expense) income, net consisted of the following for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Gains from business divestiture	\$ —	\$ —	\$ 4,768
Foreign currency losses, net	(3,817)	(1,398)	(846)
Gains (losses) on derivative financial instruments, net	595	179	(330)
Other expenses, net	(536)	(395)	(677)
Total other (expense) income, net	\$ (3,758)	\$ (1,614)	\$ 2,915

Consolidated Statements of Cash Flows

The following table provides supplemental information regarding our consolidated cash flows for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Cash paid for interest, including non-utilization fee	\$ 491	\$ 504	\$ 663
Non-cash investing and financing transactions:			
Accrued but unpaid purchases of property and equipment	\$ 596	\$ 1,995	\$ 163
Extinguishment of liability with stocks	\$ —	\$ —	\$ 3,856
Inventory transfers to property and equipment	\$ 158	\$ 1,025	\$ 1,639

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss includes items such as foreign currency translation adjustments and unrealized gains and losses on derivative financial instruments designated as hedges. Accumulated other comprehensive loss is presented as a separate line item in the equity section of our consolidated balance sheets. Accumulated other comprehensive loss items have no impact on our net income as presented in our consolidated statements of operations.

The following table summarizes changes in the components of our accumulated other comprehensive loss for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Unrealized Gains (Losses) on Derivative Financial Instruments Designated as Hedges	Foreign Currency Translation Adjustments	Total
Balance at January 31, 2023	\$ (626)	\$ (14,687)	\$ (15,314)
Other comprehensive (loss) income	(4,256)	456	(3,800)
Amounts reclassified out of accumulated other comprehensive income	(6,484)	—	(6,484)
Net current period OCI	2,228	456	2,684
Balance at January 31, 2024	1,602	(14,231)	(12,630)
Other comprehensive income (loss)	1,654	(2,015)	(361)
Amounts reclassified out of accumulated other comprehensive income	1,025	—	1,025
Net current period OCI	630	(2,015)	(1,385)
Balance at January 31, 2025	2,231	(16,246)	(14,015)
Other comprehensive income	17,468	2,854	20,322
Amounts reclassified out of accumulated other comprehensive income	11,144	—	11,144
Net current period OCI	6,324	2,854	9,178
Balance at January 31, 2026	\$ 8,555	\$ (13,392)	\$ (4,837)

All amounts presented in the table above are net of income taxes, if applicable. The accumulated net income in foreign currency translation adjustments during the year ended January 31, 2026 primarily reflect the weakening of the U.S. dollar against the Brazilian real and Singapore dollar, which has resulted in higher U.S. dollar-translated balances of Brazilian real and Singapore dollar. For the year ended January 31, 2025, the accumulated net loss in foreign currency translation adjustments primarily reflect the strengthening of the U.S. dollar against the Brazilian real and Singapore dollar, which has resulted in lower U.S. dollar-translated balances of Brazilian real and Singapore dollar.

The amounts reclassified out of accumulated other comprehensive loss into the consolidated statements of operations, with presentation location, for the years ended January 31, 2026, 2025, and 2024, were as follows:

(in thousands)	Year Ended January 31,			Financial Statement Location
	2026	2025	2024	
Unrealized gains (losses) on derivative financial instruments:				
Foreign currency forward contracts	\$ —	\$ —	\$ (10)	Cost of software revenue
	351	21	(97)	Cost of software service revenue
	841	90	(643)	Cost of professional service and other revenue
	5,175	474	(2,893)	Research and development
	4,777	440	(2,841)	Selling, general and administrative
	<u>\$ 11,144</u>	<u>\$ 1,025</u>	<u>\$ (6,484)</u>	Total

11. RESEARCH AND DEVELOPMENT

Our research and development expenses for the years ended January 31, 2026, 2025, and 2024, were \$122.3 million, \$108.3 million and \$107.3 million, respectively.

We capitalize certain costs incurred to develop our commercial software products, and we then recognize those costs within cost of software revenue as the products are available for sale. Activity for our capitalized software development costs for the years ended January 31, 2026, 2025, and 2024, was as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Capitalized software development costs, net, beginning of year	8,113	8,370	9,706
Software development costs capitalized during the year	243	2,601	2,034
Amortization of capitalized software development costs	(2,962)	(2,858)	(3,370)
Capitalized software development costs, net, end of year	<u>\$ 5,394</u>	<u>\$ 8,113</u>	<u>\$ 8,370</u>

During the years ended January 31, 2026, 2025 and 2024 there were no write-offs of unamortized capitalized software development costs.

12. INCOME TAXES

The components of income (loss) before provision for income taxes for the years ended January 31, 2026, 2025, and 2024 were as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
U.S.	(19,527)	(15,635)	(11,360)
Non-U.S.	30,869	11,265	(1,899)
Total income (loss) before provision for income taxes	<u>\$ 11,342</u>	<u>\$ (4,370)</u>	<u>\$ (13,259)</u>

The provision (benefit) for income taxes for the years ended January 31, 2026, 2025, and 2024 consisted of the following:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Current provision (benefit) for income taxes:			
U.S. Federal	\$ 97	\$ (988)	\$ (4,116)
U.S. State	(74)	265	(120)
Non-U.S.	8,569	4,939	5,738
Total current provision for income taxes	8,592	4,216	1,502
Deferred provision (benefit) for income taxes:			
U.S. Federal	24	(1,422)	(199)
U.S. State	303	(101)	(52)
Non-U.S.	(2,190)	171	(2,865)
Total deferred benefit for income taxes	(1,863)	(1,352)	(3,116)
Total provision (benefit) for income taxes	\$ 6,729	\$ 2,864	\$ (1,614)

Although Cognyte is organized as an Israeli limited company, on November 24, 2020 Verint obtained a U.S. Tax Ruling that Cognyte will be treated as a United States corporation for U.S. federal income tax purposes. The reconciliation of the U.S. federal statutory rate to our effective tax rate on income before provision for income taxes for the year ended January 31, 2026, after the adoption of ASU 2023-09, was as follows:

(dollars in thousands)	Year Ended January 31,	
	2026	
U.S. federal statutory income tax rate	\$	21.0 %
Effect of cross-border tax laws		
Global intangible low-taxed income	4,419	39.0 %
Nontaxable or nondeductible items		
Share based payment awards	(301)	(2.7) %
Other	12	0.1 %
Other adjustments	77	0.7 %
U.S. state and local income taxes, net of federal effect (a)	243	2.1 %
Foreign Tax Effects		
Brazil		
Statutory tax rate difference	370	3.3 %
Nontaxable or nondeductible items	(607)	(5.4) %
Other	(195)	(1.7) %
Bulgaria		
Foreign withholding taxes	159	1.4 %
Other	5	— %
Cyprus		
Statutory tax rate difference	(436)	(3.8) %
Tax incentives	(512)	(4.5) %
Other	175	1.5 %
Germany		
Statutory tax rate difference	(225)	(2.0) %
Local income taxes	664	5.9 %
Other	(148)	(1.3) %
Israel		
Statutory tax rate difference	(367)	(3.2) %
Tax rate difference - preferred technological enterprise	1,176	10.4 %
Dual source income	(3,883)	(34.2) %
Foreign withholding taxes	815	7.2 %
Changes in valuation allowances	3,066	27.0 %
Share based payment awards	1,302	11.5 %
Capital loss on subsidiary liquidation	133	1.2 %
Nontaxable or nondeductible items	711	6.3 %
Tax credits	(3,041)	(26.8) %
Other taxes	2,116	18.7 %
Other	(79)	(0.7) %
Singapore		
Statutory tax rate difference	(514)	(4.5) %
Other	(38)	(0.3) %
Other foreign jurisdictions	145	1.3 %
Changes in unrecognized tax benefits	\$	(7.9) %
Effective tax rate	\$	59.3 %

(a) State taxes in New York made up the majority (greater than 50 percent) of the tax effect in this category.

The reconciliation of the U.S. federal statutory rate to our effective tax rate on income before provision for income taxes for the years ended January 31, 2025 and 2024, prior to the adoption of ASU 2023-09, was as follows:

(dollars in thousands)	Year Ended January 31,	
	2025	2024
U.S. federal statutory income tax rate	21.0 %	21.0 %
Income tax provision at the U.S. federal statutory rate	\$ (918)	\$ (2,785)
U.S. State income tax provision (benefit)	117	(172)
Non-U.S. tax rate differential	(3,657)	1,187
Tax incentives	(692)	(196)
Valuation allowances	7,601	2,267
Non-deductible expenses/non-taxable income	673	46
Business divestiture	548	111
Tax contingencies	(1,994)	(5,136)
Stock based and other compensation	971	954
U.S. tax effects of non-U.S. operations	236	2,162
Other, net	(21)	(52)
Total provision for income taxes	\$ 2,864	\$ (1,614)
Effective income tax rate	(65.5)%	12.2 %

The change in gross unrecognized tax benefits during fiscal year 2023 included an uncertain tax position that should have been recognized beginning in fiscal year 2019. The net unrecognized tax benefit associated with this uncertain tax position amounted to \$4.7 million as of January 31, 2023, which was recognized as an out-period-correction in the fourth quarter of fiscal year January 31, 2023. In addition, as disclosed in Note "17. COMMITMENTS AND CONTINGENCIES", since the uncertain tax position originated prior to the Spin-Off Date, we recorded a provision for indemnification for this amount under the Tax Matters Agreement between Verint and Cognyte that became effective on the Spin-Off Date. The rollover impact of this out-of-period correction was not material, individually or in the aggregate, to any of the Company's previously reported net loss, comprehensive loss, or basic and fully diluted loss per common share. During the fourth quarter of fiscal year ending January 31, 2024, the uncertain tax positions associated with Verint, as well as the corresponding indemnification asset, were reversed due to the expiration of the statute of limitations.

Cognyte is treated as a United States corporation for U.S. federal income tax purposes and is subject to the 21% federal corporate tax rate. In addition, following the TCJA, Cognyte is subject to the Global Intangible Low-Taxed Income (GILTI) earned by foreign subsidiaries owned by a U.S. shareholder. The computation of GILTI is complex and generally intended to impose tax on the annual earnings of a foreign corporation that are deemed to exceed a certain threshold return relative to the underlying business investment. Generally, the effective tax rate on the GILTI income is 10.5% instead of the normal federal tax rate of 21%. In accordance with guidance issued by FASB, Cognyte made a policy election to treat future taxes related to GILTI as a current period expense in the reporting period in which the tax is incurred.

Effective in 2022, the TCJA requires all U.S. companies to capitalize, and subsequently amortize, R&D expenses that fall within the scope of Section 174 over five years for research activities conducted in the United States and over fifteen years for research activities conducted outside of the United States, rather than deducting such costs in the year incurred for tax purposes. The annual GILTI inclusion for Cognyte, mainly in respect of its Israeli operations, increased significantly resulting in higher income taxes paid in the U.S. In July 2025, the United States enacted significant tax legislation commonly referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA makes permanent many provisions of the Tax Cuts and Jobs Act of 2017 and introduces additional changes affecting individuals and businesses. The OBBBA amendments to Section 174 removed the requirements to amortize over five years if expenses incurred in U.S. This change to Section 174 doesn't have a material impact on fiscal year 2026.

Our operations in Israel have been granted "Approved Enterprise" ("AE") status by the Investment Center of the Israeli Ministry of Industry, Trade and Labor, and "Beneficial Enterprise" ("BA") (after the 2005 Amendment) which makes us eligible for tax benefits under the Israeli Law for Encouragement of Capital Investments, 1959 (the "Investment Law"). Under the terms of the programs, income attributable to an "AE" or "BA" is exempt from income tax for a period of two years and is subject to a reduced income tax rate for the subsequent five to eight years, depending on the geographic location of the enterprise in Israel (generally 10% - 25%, depending on the percentage of non-Israeli investment in the company). Pursuant to Amendment 73 to the Investment Law adopted in 2017, a company located in the center of Israel which meets the conditions for Preferred Technological Enterprise ("PTE"), is subject to a 12% tax rate on the eligible income. Income not eligible for PTE benefits is taxed at the regular corporate income tax rate of 23%. We have examined the impact of Amendment 73 and the degree to which we will qualify as a PTE and have elected to adopt it to the extent we will generate taxable income as of

January 31, 2021 onwards in which case we will enjoy reduced corporate tax rate of 12% on income that qualifies as “Preferred Technological Income”. The company did not benefit from the Preferred Technological Enterprise tax regime since no taxable income in excess of net operating losses was generated in Israel during the years ended January 31, 2026, 2025, and 2024. In addition, certain operations in Cyprus qualify for favorable tax treatment under the Cypriot Intellectual Property Regime (“IP Regime”). This legislation exempts 80% of income and gains derived from patents, copyrights, and trademarks from taxation.

The Company elected to compute its taxable income in accordance with Income Tax Regulations (Rules for Accounting for Foreign Investors Companies and Certain Partnerships and Setting their Taxable Income), 1986. Accordingly, the Company’s taxable income or loss is calculated in U.S. dollars. Applying these regulations reduces the effect of foreign exchange rate fluctuations (of the NIS in relation to the U.S. dollar) on the Company’s Israeli taxable income.

The following table provides supplemental information regarding cash paid, net of refunds received, for income taxes for the year ended January 31, 2026:

(in thousands)	Year Ended January 31, 2026	
U.S. Federal	\$	(184)
U.S. State and local		35
Non-U.S.		
Brazil		1,076
Cyprus		1,014
Germany - Federal		2,251
Germany - Bexbach		674
Israel		924
Singapore		1,861
Other		830
Subtotal Non-U.S.		8,630
Total cash payments of income taxes, net	\$	8,481

The amount of cash paid, net of refunds received, for income taxes for the years ended January 31, 2025 and 2024 was \$7,153 and \$6,766, respectively.

Deferred tax assets and liabilities consisted of the following at January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Deferred tax assets:		
Loss carryforwards	\$ 28,901	\$ 25,300
Accrued compensation	14,736	13,796
Capitalized research and development	7,072	6,225
Inventory	305	860
Accrued expenses	1,010	1,299
Deferred revenue	1,294	—
Exchange rate differences	1,165	778
Total deferred tax assets	54,483	48,258
Deferred tax liabilities:		
Deferred revenue	—	(1,172)
Goodwill and other intangible assets	(8,644)	(7,676)
Other, net	—	(256)
Total deferred tax liabilities	(8,644)	(9,104)
Valuation allowance	(40,808)	(37,066)
Net deferred tax assets	\$ 5,031	\$ 2,088
Recorded as:		
Deferred tax assets	\$ 6,068	\$ 3,094
Deferred tax liabilities	(1,037)	(1,006)
Net deferred tax assets	\$ 5,031	\$ 2,088

We had net operating loss carryforwards of approximately \$164.6 million as at January 31, 2026, of which \$2.6 million related to U.S. carryforwards and \$162.0 million related to non-U.S. carryforwards. We had \$0.1 million of non-U.S. carryforwards that may begin to expire in the next ten years, which are expected to be fully utilized.

We believe that it is more likely than not that the benefit from certain indefinite non-U.S. NOL carryforwards will not be realized. In recognition of this risk, we have provided a full valuation allowance on the deferred tax assets related to these non-U.S. NOL carryforwards. We believe that it is more likely than not that the benefit from certain U.S. state NOL carryforwards will not be realized. In recognition of this risk, we have provided a full valuation allowance on the deferred tax assets related to these U.S. state NOL carryforwards.

As required by the authoritative guidance on accounting for income taxes, we evaluate the realizability of deferred tax assets on a jurisdictional basis at each reporting date. Accounting for income taxes guidance requires that a valuation allowance be established when it is more likely than not that all or a portion of the deferred tax assets will not be realized. Management assesses positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. In circumstances where there is sufficient negative evidence indicating that the deferred tax assets are not more likely than not realizable, we establish a valuation allowance.

A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended January 31, 2026 for our major operations in Israel. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. On the basis of this evaluation, as of January 31, 2026, a valuation allowance of \$3.7 million has been recorded against the deferred tax assets that we do not believe are more likely than not to be realized in the foreseeable future. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income are increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth. For the year ended January 31, 2026, we recorded a net valuation allowance release of \$1.0 million on the basis of management's reassessment of the amount of its deferred tax assets that are more likely than not to be realized. In the current year we achieved three years of cumulative pretax income at one of our Israeli entities and management concluded that there is sufficient positive evidence to conclude that it is more likely than not that additional deferred taxes of \$1.0 million are realizable and reduced the valuation allowance accordingly. We have recorded valuation allowances in the amount of \$40.8 million and \$37.1 million at January 31, 2026 and 2025, respectively.

Activity in the recorded valuation allowance consisted of the following for the years ended January 31, 2026 and 2025:

(in thousands)	Year Ended January 31,	
	2026	2025
Valuation allowance, beginning of year	\$ (37,066)	\$ (28,293)
Income tax provision	(3,742)	(8,773)
Valuation allowance, end of year	\$ (40,808)	\$ (37,066)

We currently intend to continue to indefinitely reinvest the earnings of our non-U.S. subsidiaries to finance non-U.S. activities to the extent distributions would result in an incremental tax cost. We have not provided tax on the outside basis difference of non-U.S. subsidiaries nor have we provided for any additional withholding or other tax that may be applicable should a future distribution be made from any unremitted earnings of non-U.S. subsidiaries. Due to complexities in the laws of the non-U.S. jurisdictions and the assumptions that would have to be made, it is not practicable to estimate the total amount of income and withholding taxes that would have to be provided on such earnings.

In accordance with the authoritative guidance on accounting for uncertainty in income taxes, differences between the amount of tax benefits taken or expected to be taken in our income tax returns and the amount of tax benefits recognized in our financial statements, determined by applying the prescribed methodologies of accounting for uncertainty in income taxes, represent our unrecognized income tax benefits, which we either record as a liability or as a reduction of deferred tax assets.

For the years ended January 31, 2026, 2025, and 2024 the aggregate changes in the balance of gross unrecognized tax benefits were as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Gross unrecognized tax benefits, beginning of year	\$ 5,669	\$ 7,283	\$ 10,893
Increases related to tax positions taken during the year	423	1,421	104
Increases related to tax positions taken during prior years	1,125	—	—
Increases (decreases) related to foreign currency exchange rates	782	101	(467)
Reductions for tax positions of prior years	(526)	—	(3,167)
Lapses of statutes of limitations	(2,551)	(3,136)	(80)
Gross unrecognized tax benefits, end of year	\$ 4,922	\$ 5,669	\$ 7,283

As of January 31, 2026, we had \$4.9 million of unrecognized tax benefits, \$4.3 million of which, if recognized, would impact the effective income tax rate in future periods. If the remaining \$0.6 million is recognized, it would be in the form of a net operating loss carryforward, which is expected to require a full valuation allowance based on present circumstances. We recorded \$0.3 million of net tax expense for interest and penalties related to uncertain tax positions in our provision for income taxes for the year ended January 31, 2026 and \$0.3 million and \$0.1 million of net tax benefit for interest and penalties related to uncertain tax positions in our provision for income taxes for the years ended January 31, 2025 and 2024, respectively. The reduction of \$2.6 million of uncertain tax positions relates to the lapses of statutes of limitations in the year ended January 31, 2026. The reduction of \$3.1 million of uncertain tax positions of prior periods relates primarily to liabilities associated with tax assets that are not expected to be utilized prior to their expiration in the year ended January 31, 2025. Accrued liabilities for interest and penalties were \$1.4 million and \$0.9 million at January 31, 2026 and 2025, respectively. Interest and penalties (expense and/or benefit) are recorded as a component of the provision for income taxes in the consolidated financial statements.

Our income tax returns are subject to ongoing tax examinations in several jurisdictions in which we operate. In Israel, we are no longer subject to income tax examination for years prior to January 31, 2022. In the U.S., our federal returns are no longer subject to income tax examination for years prior to January 31, 2023.

We regularly assess the adequacy of our provisions for income tax contingencies. As a result, we may adjust the reserves for unrecognized tax benefits for the impact of new facts and developments, such as changes to interpretations of relevant tax law, assessments from taxing authorities, settlements with taxing authorities, and lapses of statutes of limitation.

13. FAIR VALUE MEASUREMENTS**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

Our assets and liabilities measured at fair value on a recurring basis consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31, 2026		
	Fair Value Hierarchy Category		
	Level 1	Level 2	Level 3
Assets:			
Foreign currency forward contracts	\$ —	\$ 8,555	\$ —
Total assets	\$ —	\$ 8,555	\$ —
(in thousands)	January 31, 2025		
	Fair Value Hierarchy Category		
	Level 1	Level 2	Level 3
Assets:			
Foreign currency forward contracts	\$ —	\$ 2,522	\$ —
Total assets	\$ —	\$ 2,522	\$ —
Liabilities:			
Foreign currency forward contracts	\$ —	\$ 262	\$ —
Total liabilities	\$ —	\$ 262	\$ —

Fair Value Measurements

Foreign Currency Forward Contracts - The estimated fair value of foreign currency forward contracts is based on quotes received from the counterparties thereto. These quotes are reviewed for reasonableness by discounting the future estimated cash flows under the contracts, considering the terms and maturities of the contracts and market foreign currency exchange rates using readily observable market prices for similar contracts.

Contingent Consideration Asset or Liability—Business Combinations and Divestitures - The fair value of the contingent consideration related to business combinations and divestitures is estimated using a probability-adjusted discounted cash flow model. These fair value measurements are based on significant inputs not observable in the market. The key internally developed assumptions used in these models are discount rates and the probabilities assigned to the milestones to be achieved. We remeasure the fair value of the contingent consideration at each reporting period, and any changes in fair value resulting from either the passage of time or events occurring after the acquisition date, such as changes in discount rates, or in the expectations of achieving the performance targets, are recorded within selling, general, and administrative expenses. Increases or decreases in discount rates would have inverse impacts on the related fair value measurements, while favorable or unfavorable changes in expectations of achieving performance targets would result in corresponding increases or decreases in the related fair value measurements.

Other Financial Instruments

The carrying amounts of accounts receivable, short-term investments, contract assets, accounts payable, and accrued expenses and other current liabilities approximate fair value due to their short maturities.

Assets and Liabilities Not Measured at Fair Value on a Recurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we also measure certain assets and liabilities at fair value on a nonrecurring basis. Our non-financial assets, including goodwill, intangible assets, operating lease ROU assets, and property and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's fair value. These assets are recorded at fair value only when an impairment charge is recognized. Further details regarding our regular impairment reviews appear in Note 2, "Summary of Significant Accounting Policies".

The carrying amount of our noncontrolling investments in privately-held companies without readily determinable fair values was \$6.9 million and \$6.4 million, on January 31, 2026 and 2025, respectively. These investments are included within other assets on the consolidated balance sheets. We did not recognize any impairments during the years ended January 31, 2026, 2025 and 2024.

14. DERIVATIVE FINANCIAL INSTRUMENTS

Our primary objective for holding derivative financial instruments is to manage foreign currency exchange rate risk when deemed appropriate. We enter into these contracts in the normal course of business to mitigate risks and not for speculative purposes.

Foreign Currency Forward Contracts

Under our risk management strategy, we periodically use foreign currency forward contracts to manage our short-term exposures to fluctuations in operational cash flows resulting from changes in foreign currency exchange rates. These cash flow exposures result from portions of our forecasted operating expenses, primarily compensation and related expenses, which are transacted in currencies other than the U.S. dollar, most notably the New Israeli Shekel. We also periodically utilize foreign currency forward contracts to manage exposures resulting from forecasted customer collections to be remitted in currencies other than the applicable functional currency, and exposures from cash, cash equivalents, short-term investments and accounts payable denominated in currencies other than the applicable functional currency. These foreign currency forward contracts generally have maturities of no longer than twelve months.

We held outstanding foreign currency forward contracts with notional amounts of \$43.1 million and \$60.9 million as of January 31, 2026 and 2025, respectively.

Fair Values of Derivative Financial Instruments

The fair values of our derivative financial instruments and their classifications in our consolidated balance sheets as of January 31, 2026 and 2025 were as follows:

(in thousands)	Balance Sheet Classification	January 31,	
		2026	2025
Derivative assets:			
Foreign currency forward contracts:			
Designated as cash flow hedges	Prepaid expenses and other current assets	\$ 8,555	\$ 2,490
Not designated as hedging instruments	Prepaid expenses and other current assets	—	32
Total derivative assets		\$ 8,555	\$ 2,522
Derivative liabilities:			
Foreign currency forward contracts:			
Designated as cash flow hedges	Accrued expenses and other current liabilities	\$ —	\$ 259
Not designated as hedging instruments	Accrued expenses and other current liabilities	—	3
Total derivative liabilities		\$ —	\$ 262

Derivative Financial Instruments in Cash Flow Hedging Relationships

The effects of derivative financial instruments designated as cash flow hedges on accumulated other comprehensive loss (“AOCL”) and on the consolidated statements of operations for the years ended January 31, 2026, 2025, and 2024, were as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Net gains recognized in AOCL:			
Foreign currency forward contracts	\$ 6,324	\$ 630	\$ 2,228
Net gains (losses) reclassified from AOCL to the consolidated statements of operations:			
Foreign currency forward contracts	\$ 11,144	\$ 1,025	\$ (6,484)

For information regarding the line item locations of the net gains (losses) on derivative financial instruments reclassified out of AOCL into the consolidated statements of operations, see Note 10, “Accumulated Other Comprehensive Loss.”

All of the foreign currency forward contracts underlying the \$8.6 million of net unrealized gains recorded in our accumulated other comprehensive loss at January 31, 2026 mature within twelve months, and therefore we expect all such gains to be reclassified into earnings within the next twelve months.

Derivative Financial Instruments Not Designated as Hedging Instruments

Gains (losses) recognized on derivative financial instruments not designated as hedging instruments in our consolidated statements of operations for the years ended January 31, 2026, 2025, and 2024, were as follows:

(in thousands)	Classification in Consolidated Statements of Operations	Year Ended January 31,		
		2026	2025	2024
Foreign currency forward contracts	Other (expense) income, net	\$ 595	\$ 178	\$ (330)

15. STOCK-BASED COMPENSATION AND OTHER BENEFIT PLANS**Stock-Based Compensation Expense**

We recognized stock-based compensation expense in the following line items on the consolidated statements of operations for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Component of income (loss) before provision for income taxes:			
Cost of revenue:			
Software	\$ 32	\$ 25	\$ (9)
Software service	1,730	1,553	1,071
Professional service and other	538	501	355
Research and development	1,872	1,633	2,232
Selling, general and administrative	17,076	15,317	8,539
Total stock-based compensation expense	21,248	19,029	12,188
Income tax benefits related to stock-based compensation (before consideration of valuation allowances)	3,143	2,798	1,615
Total stock-based compensation, net of taxes	\$ 18,105	\$ 16,231	\$ 10,573

As of January 31, 2026, there was approximately \$22.6 million of total unrecognized compensation expense, net of estimated forfeitures, related to unvested restricted stock units, which is expected to be recognized over a weighted-average period of 1.35 years.

The following table summarizes stock-based compensation expense by type of award for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Restricted stock units and restricted stock awards	\$ 21,248	\$ 19,029	\$ 12,777
Stock bonus program and bonus share program	—	—	(610)
Total equity-settled awards	21,248	19,029	12,167
Phantom stock units (cash-settled awards)	—	—	21
Total stock-based compensation expense	\$ 21,248	\$ 19,029	\$ 12,188

Stock-Based Awards Granted by Cognyte and Verint

Cognyte periodically awards restricted stock units (“RSU”) to directors, officers, and other employees. The fair value of these awards is equivalent to the market value of Cognyte’s common stock on the grant date. RSUs are not shares of Cognyte common stock and do not have any of the rights or privileges thereof, including voting or dividend rights. On the applicable vesting date, the holder of an RSU becomes entitled to a share of Cognyte common stock. RSUs are subject to certain restrictions and forfeiture provisions prior to vesting.

The Company recognizes compensation expenses for the value of its awards, which vest in tranches based on service conditions, using the straight-line method, over the requisite service period of each of the awards, net of estimated forfeitures.

Cognyte periodically awards performance stock units (“PSU”) to executive officers that vest upon the achievement of specified performance goals and service period.

Once a performance vesting condition has been defined and communicated, and the requisite service period has begun, the Company recognizes compensation expenses for the value of such awards, if and when the Company concludes that it is probable that a performance condition will be achieved over the requisite service period. The Company reassesses the probability of vesting at each reporting period for awards with performance conditions and adjusts its compensation expenses based on its probability assessment.

RSUs that are expected to be settled in cash upon vesting, if any, are reflected as liabilities on our consolidated balance sheets. Such RSUs were insignificant as of January 31, 2024 and no such RSUs were outstanding as of January 31, 2026, or 2025.

The following table (“Award Activity Table”) summarizes activity for RSUs and PSUs to Company personnel that reduce available plan capacity under the plans for the year ended January 31, 2026:

(in thousands, except grant date fair values)	Year Ended January 31,	
	2026	
	Shares or Units	Weighted-Average Grant-Date Fair Value
Opening balance	4,088	\$ 6.40
Granted	3,538	\$ 8.27
Released	(3,274)	\$ 5.91
Forfeited	(193)	\$ 7.79
Closing balance	4,159	\$ 8.31

Other Benefit Plans**Severance Pay**

We are obligated to make severance payments for the benefit of certain employees of Israel and our foreign subsidiaries. Severance payments made to Israeli employees are considered significant compared to all other subsidiaries with severance payment arrangements. Under Israeli law, we are obligated to make severance payments to certain employees of our Israeli entities, subject to certain conditions. In most cases, our liability for these severance payments is fully provided for by regular deposits to funds administered by insurance providers and by an accrual for the amount of our liability which has not yet been deposited.

Severance expenses for our Israeli employees for the years ended January 31, 2026, 2025, and 2024 were \$7.6 million, \$6.7 million, and \$6.3 million respectively.

16. LEASES

We have entered into operating leases primarily for corporate offices, research and development facilities, and automobiles. Our leases have remaining lease terms of 1 year to 8 years. Our finance lease includes primarily lab equipment. We do not have any finance leases as of January 31, 2024.

The components of lease expenses for the years ended January 31, 2026, 2025 and 2024 were as follows:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
Operating lease expenses	\$ 6,768	\$ 6,360	\$ 6,401
Finance lease expenses:			
Amortization of right-of-use assets	345	83	—
Interest on lease liabilities	118	30	—
Total finance lease expenses	463	113	—
Variable lease expenses	264	146	1,480
Short-term lease expenses	671	456	78
Other lease related expenses	5,842	4,479	4,207
Sublease income	(24)	(159)	(875)
Total lease expenses	\$ 13,984	\$ 11,395	\$ 11,290

Other information related to leases was as follows:

(dollars in thousands)	Year Ended January 31,		
	2026	2025	2024
Supplemental cash flow information			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 7,972	\$ 7,916	\$ 7,201
Financing cash flows from finance leases	\$ 298	\$ 99	\$ —
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 11,678	\$ 7,124	\$ 23,293
Finance leases	\$ 878	\$ 958	\$ —
Weighted average remaining lease terms			
Operating leases	7 years	8 years	8 years
Finance leases	4 years	5 years	—
Weighted average discount rates			
Operating leases	6.8 %	7.2 %	6.5 %
Finance leases	7.9 %	7.8 %	— %

Maturities of lease liabilities as of January 31, 2026 were as follows:

(in thousands)	January 31, 2026	
	Operating Leases	Finance Leases
Year Ending January 31,		
2027	\$ 8,557	\$ 444
2028	8,167	444
2029	7,532	444
2030	7,154	345
Thereafter	21,922	25
Total future minimum lease payments	53,332	1,702
Less imputed interest	(11,420)	(234)
Total	\$ 41,912	\$ 1,468
Reported as of January 31, 2026:		
Accrued expenses and other current liabilities	\$ 5,370	\$ 341
Operating lease liabilities	36,542	—
Other liabilities	—	1,127
Total	\$ 41,912	\$ 1,468

17. COMMITMENTS AND CONTINGENCIES

Unconditional Purchase Obligations

In the ordinary course of business, we enter into certain unconditional purchase obligations, which are agreements to purchase goods or services that are enforceable, legally binding, and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. Our purchase orders are based on current needs and are typically fulfilled by our vendors within a relatively short time horizon. As of January 31, 2026, our unconditional purchase obligations totaled approximately \$76.5 million.

Licenses and Royalties

As discussed in Note 2, "Summary of Significant Accounting Policies", we have received non-refundable grants from the IIA that have funded a portion of our research and development expenditures. The Israeli law under which the IIA grants are made limits our ability to manufacture products, or transfer technologies, developed using these grants outside of Israel. If we were to seek approval to manufacture products, or transfer technologies, developed using these grants outside of Israel, we could be subject to royalty requirements or be required to pay certain redemption fees. If we were to violate these restrictions, we could be required to refund any grants previously received, together with interest and penalties, and may be subject to criminal penalties.

Off-Balance Sheet Risk

In the normal course of business, we provide certain customers with financial performance guarantees, which are generally backed by bank guarantees and, in certain cases, by standby letters of credit. In general, we would only be liable for the amounts of these guarantees in the event that our nonperformance permits termination of the related contract by our customer, which we believe is remote. At January 31, 2026, we had approximately \$31 million of outstanding bank guarantees and letters of credit relating primarily to these performance guarantees. As of January 31, 2026, we believe we were in compliance with our performance obligations under all contracts for which there is a financial performance guarantee, and the ultimate liability, if any, incurred in connection with these guarantees will not have a material adverse effect on our consolidated results of operations, financial position, or cash flows. Our historical non-compliance with our performance obligations has been insignificant. In addition the Company provided bank guarantees in the amount \$4.3 million related to its offices in Israel and exports transaction towards the Israeli Chamber of Commerce.

Indemnifications

In the normal course of business, we provide indemnifications of varying scopes to customers against claims of intellectual property infringement made by third parties arising from the use of our products. Historically, costs related to these indemnification provisions have not been significant and we are unable to estimate the maximum potential impact of these indemnification provisions on our future results of operations.

To the extent permitted under Israeli law or other applicable law, we indemnify our directors, officers, employees, and agents against claims they may become subject to by virtue of serving in such capacities for us. We also have contractual indemnification agreements with our directors, officers, and certain senior executives. The maximum amount of future payments we could be required to make under these indemnification arrangements and agreements is potentially unlimited; however, we have insurance coverage that limits our exposure and enables us to recover a portion of any future amounts paid. We are not able to estimate the fair value of these indemnification arrangements and agreements in excess of applicable insurance coverage, if any.

In connection with the spin-off, we entered into a tax matters agreement (the "Tax Matters Agreement") with Verint under which we and Verint each agreed to share the obligation to pay any taxes as shown on tax returns filed by Verint (or any member of its group), on one hand, and us (or any member of our group), on the other hand, such that we will be primarily responsible for any taxes related to, or arising in connection with Cognyte, and Verint will be responsible for any taxes related to, or arising in connection with, the remaining business of Verint, regardless of which party prepares and files any such tax return and whether such taxes arise prior to or after the spin-off.

We and Verint agreed to indemnify each other under the Tax Matters Agreement for certain actions or inactions that cause the distribution of our stock to fail to qualify as tax-free for U.S. federal income and Israeli tax purposes. If the distribution fails to qualify as tax-free due to no fault of either Verint or us, Verint and we will jointly be responsible for any resulting tax.

Under the terms of the Tax Matters Agreement, we and Verint agree generally to cooperate in preparing and filing tax returns and will retain and make available tax records to the other party. Contests with taxing authorities are generally controlled by whichever of us or Verint bears the potential liability for the contested tax. However, with respect to certain income tax returns of Verint group, Verint has an exclusive right to control any contest with taxing authorities regarding tax liabilities in connection with such income tax returns, even if we are allocated all or a portion of such taxes under the terms of the Tax Matters Agreement. If any tax contest relates to a failure of the spin-off to qualify as tax-free due to the fault of Verint or us, then the party at fault will control such tax contest. The change in gross unrecognized tax benefits during fiscal year 2023 includes an uncertain tax position that should have been recognized beginning in fiscal year 2019. The net unrecognized tax benefit associated with this uncertain tax position amounted to \$4.7 million as of January 31, 2023, which has been recognized as an out-period-correction in the fourth quarter of fiscal year January 31, 2023. In addition, since the uncertain tax position originated prior to the Spin-Off Date, we recorded a provision for indemnification for this amount under the Tax Matters Agreement between Verint and Cognyte that became effective on the Spin-Off Date. The rollover impact of this out-of-period correction was not material, individually or in the aggregate, to any of the Company's previously reported net income (loss), comprehensive income (loss), or basic and fully diluted earnings (loss) per common share. During the fourth quarter of fiscal year ending January 31, 2024, the uncertain tax positions associated with Verint, as well as the corresponding indemnification asset, were reversed due to the expiration of the statute of limitations.

Legal Proceedings

On March 1, 2023, a putative securities class action complaint (the "Complaint") was filed in the U.S. District Court for the Southern District of New York against Cognyte, its Chief Executive Officer and its Chief Financial Officer (collectively, "Defendants") on behalf of all purchasers of the Company's ordinary shares during the period between February 2, 2021, and June 28, 2022, and seeking unspecified damages. On November 10, 2023, the plaintiff filed an amended complaint (the "Amended Complaint"). The Amended Complaint asserts claims on behalf of all purchasers of the Company's ordinary shares during the period between February 2, 2021, and January 19, 2023, and alleges that Cognyte and its Chief Executive Officer purportedly issued false and misleading statements and made omissions in violation of U.S. federal securities laws.

On September 30, 2024, the court granted Defendants' motion to dismiss, holding that (1) none of the alleged misstatements were actionable; (2) Cognyte's CEO did not act with scienter; and (3) plaintiff failed to adequately allege that any purported losses were caused by the alleged misstatements.

On October 21, 2024, plaintiff filed a letter motion seeking leave to amend its operative complaint. The proposed second amended complaint raises substantially the same claims as the Amended Complaint. On October 28, 2024, Defendants filed a letter opposing leave to amend. The plaintiff filed a reply letter on November 7, 2024.

On June 6, 2025, the court denied leave to amend, concluding that amendment would be futile, and ordered the case closed. No liability or monetary accruals were recorded by the Company in connection with this proceeding. The Company maintains that the claims were without merit and notes that the court's dismissal and denial of leave to amend resolved the matter without any finding of liability against the Company or its officers.

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. While we believe that the ultimate outcome of any such current matters will not have a material adverse effect on us, their outcomes are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations.

In addition, under the Separation and Distribution Agreement we entered into with Verint in connection with the spin-off, the parties have agreed to certain other indemnification arrangements with respect to litigation claims and liabilities allocated in the spin-off.

18. GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

Geographic Information

Revenue by major geographic region is based on the location of our contracting subsidiary, which often differ from the geographic location of the customer.

The information below summarizes revenue by major geographic region for the years ended January 31, 2026, 2025, and 2024:

(in thousands)	Year Ended January 31,		
	2026	2025	2024
EMEA:			
Israel	\$ 279,132	\$ 242,932	\$ 215,312
Germany	57,962	53,966	53,480
Other	19,774	19,002	14,950
Total EMEA	356,868	315,900	283,743
Americas:			
United States	15,168	14,237	10,029
Other	8,449	6,673	7,147
Total Americas	23,617	20,910	17,176
APAC	19,556	13,822	12,486
Total revenue	\$ 400,041	\$ 350,632	\$ 313,404

Our long-lived assets primarily consist of net property and equipment, operating lease ROU assets, goodwill and other intangible assets. We believe that our tangible long-lived assets, which consist of our net property and equipment and operating lease ROU assets, are exposed to greater geographic area risks and uncertainties than goodwill, intangible assets and long-term cost deferrals, because these tangible assets are difficult to move and are relatively illiquid.

Property and equipment, net and operating lease right-of-use assets, net by geographic area consisted of the following as of January 31, 2026 and 2025:

(in thousands)	January 31,	
	2026	2025
Israel	\$ 51,273	\$ 52,336
United States	551	441
Other countries	17,680	10,753
Total property and equipment and operating lease right-of-use assets, net	\$ 69,504	\$ 63,530

Significant Customers

The Company's largest customers accounted for the following percentage of total revenue:

	Year Ended January 31,		
	2026	2025	2024
Customer A	18.1 %	19.6 %	16.5 %
Customer B	8.3 %	10.8 %	11.0 %

In making this determination of significant customers, we define a customer as an organization from which we have recognized revenue in a reporting period. In situations where a governmental organization acts on behalf of multiple agencies or departments, we treat that organization as the customer for reporting purposes notwithstanding that each of the underlying agencies or departments is generally making its own independent purchasing decisions.

19. EARNINGS PER SHARE

Basic net earnings per share are computed based on the weighted average number of ordinary shares outstanding and vested RSUs during each year. Diluted net earnings per share are computed based on the weighted average number of ordinary shares outstanding during each year plus dilutive potential equivalent ordinary shares considered outstanding during the year, in accordance with ASC 260, "Earnings per Share".

The following table summarizes the calculation of basic and diluted net loss per ordinary share attributable to Cognyte for the years ended January 31, 2026, 2025, and 2024:

(in thousands except per share data)	Year Ended January 31,		
	2026	2025	2024
Net income (loss)	\$ 4,613	\$ (7,234)	\$ (11,645)
Net income attributable to noncontrolling interest	5,251	4,817	3,925
Net loss attributable to Cognyte Software Ltd.	\$ (638)	\$ (12,051)	\$ (15,570)
Weighted-average shares outstanding:			
Basic and diluted	72,910	71,797	70,081
Net loss per share attributable to Cognyte Software Ltd.:			
Basic and diluted	\$ (0.01)	\$ (0.17)	\$ (0.22)

For the years ended January 31, 2026, 2025, and 2024 we had 1,926 thousand, 1,711 thousand and 733 thousand potentially dilutive shares, respectively.

20. SUBSEQUENT EVENTS

Subsequent to January 31, 2026, and through March 18, 2026, we repurchased according to the share repurchase program an additional 442,064 ordinary shares for an aggregate purchase price of approximately 3.4 million.

On March 2, 2026, our board of directors approved an additional share repurchase program authorizing the repurchase of up to a further \$20 million of our ordinary shares over a period of 18 months, through January 14, 2027.

In February 2026, Social Navigator Inc. (d/b/a Liferaft), a company in which we hold a Noncontrolling minority investments, entered into a definitive agreement to be acquired for a total transaction value of approximately CAD 123 million, subject to customary adjustments and closing conditions. The transaction closed on March 13, 2026. We are evaluating the financial impact of the transaction, including any potential gain related to our Noncontrolling investments.

**AMENDMENT NO. 3 TO
COGNYTE SOFTWARE LTD.
2021 SHARE INCENTIVE PLAN**

This Amendment No. 3 (this “Amendment”) to the Cognyte Software Ltd. 2021 Share Incentive Plan, as previously amended (the “2021 Plan”), effective as of March 16, 2026, is adopted by the board of directors (the “Board”) of Cognyte Software Ltd., an Israeli company (the “Company”) on March 16, 2026. All capitalized terms used but not defined herein shall have the meanings given such terms in the 2021 Plan.

WHEREAS, the Company has adopted and maintains the 2021 Plan, as previously amended by Amendment No. effective March 26, 2024, and Amendment No. 2, effective as of March 24, 2025, which is administered by the Compensation Committee (the “Committee”) of the Board.

WHEREAS, pursuant to Sections 2.1 and 23.1 of the 2021 Plan, the Committee or the Board at any time and from time to time may amend the 2021 Plan, subject only to certain limitations set forth therein; and

WHEREAS, the Board, with the recommendation of the Committee, has determined that it is advisable and in the best interests of the Company and its shareholders to further amend the 2021 Plan as set forth in this Amendment, to increase the shares available under the 2021 Plan.

NOW, THEREFORE, the 2021 Plan, as amended, is hereby further amended as follows:

1. Section 4.1.1. of the 2021 Plan, as previously amended, is hereby further amended and restated in its entirety as follows:

“4.1.1. Subject to adjustment as provided in Section 13, following March 16, 2026, the number of Shares with respect to which Awards may be granted from time to time under the Plan shall, in the aggregate, not exceed, at any time, 7,645,329 Shares. Subject to adjustment as provided in Section 13, the maximum number of Shares with respect to which Awards may be granted to any Grantee in any fiscal year shall be 2,000,000.”

2. Except as expressly set forth in this Amendment, all other terms and conditions of the Plan, including all amendments thereto, shall remain in full force and effect.

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Subsidiaries of Cognyte Software Ltd.

<u>Name</u>	<u>Jurisdiction of Incorporation or Organization</u>
Cognyte Analytics India Private Limited	India
Cognyte Brasil S.A.	Brazil
Cognyte Bulgaria EOOD	Bulgaria
Cognyte Software LP	Delaware
Cognyte Software México, S.A. de C.V.	Mexico
Cognyte Systems Ltd.	Israel
Cognyte Taiwan Ltd.	Taiwan (Republic of China)
Cognyte Technologies Israel Ltd.	Israel
Cognyte Technology Inc.	Delaware
Gita Technologies Ltd.	Israel
Syborg GmbH	Germany
Syborg Grundbesitz GmbH	Germany
Syborg Informationssysteme b.h. OHG	Germany
VSS Engineering PTE. Ltd.*	Singapore
UTX Technologies Limited	Cyprus
Cognyte Netherlands B.V.	The Netherlands
Cognyte Romania S.R.L.	Romania
Cognyte Software (Thailand) Limited	Thailand

*We own a 50% equity interest in this entity.

Cognyte Global Insider Trading Policy
Ethics Promote Policy

Revision 4.0, March 2026

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Introduction

The purpose of this Insider Trading Policy (this "**Policy**") is to promote compliance with applicable securities laws by Cognyte Software Ltd. (together with its subsidiaries, the "**Company**" or "**Cognyte**") and its personnel related to the trading of securities, in order to preserve the reputation and integrity of Cognyte, as well as that of all persons affiliated with it. Questions regarding this Policy should be directed to the Company's Chief Legal Officer (the "**Chief Legal Officer**").

Both the United States Securities and Exchange Commission (the "**SEC**") and Congress are very concerned about maintaining the fairness of the U.S. securities markets. The U.S. securities laws, which apply to the Company as a U.S.-listed company, are continually reviewed and amended to prevent people from taking unfair advantage of material nonpublic information and to increase the punishment for those who do. These laws strongly encourage publicly-traded companies to have clear policies on insider trading. In addition, as the Company is incorporated in Israel, trading in the securities of the Company is subject to the laws of Israel.

Applicability

This Policy applies to all Cognyte directors, executive officers and employees, as well as independent contractors and consultants devoting all or substantially all of their time to the Company, and their Related Persons (collectively, "**Covered Persons**" or "**You**").

Penalties for Insider Trading

Penalties for trading on or communicating (known as *tipping*, discussed below) material nonpublic information are severe, both for the individuals involved in such unlawful conduct and for their employers. A person can be subject to some or all of the penalties below even if he or she does not financially benefit from the violation. Penalties include but are not limited to:

- + jail sentences of up to 20 years and criminal fines of up to \$5 million per violation;
- + civil fines for the person who committed the violation of up to three times the profit gained, or the loss avoided, whether or not the person actually benefited from the violation;
- + bars from serving as a director or officer of a U.S. public company;
- + fines for the employer or other controlling/supervisory person of up to the greater of \$1 million or three times the amount of the profit gained, or loss avoided, plus, in the case of entities only, a criminal penalty of up to \$25 million; and
- + criminal penalties of up to 25 years in prison for knowingly executing a "scheme or artifice to defraud any person" in connection with any registered securities.

In addition, any violation of this Policy will result in serious disciplinary action by the Company, up to and including dismissal of the persons involved.

No Trading While in Possession of Material Nonpublic Information

It is the policy of the Company that no Covered Person who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) trade (as defined below) in securities of the Company (including the purchase or sale of puts, calls and options), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including to family and friends.

In addition, it is the policy of the Company that no Covered Person who, in the course of working for the Company, becomes aware of material nonpublic information (i) about a company with which Cognyte does business, including a customer or supplier of Cognyte, or (ii) that could affect the share price of that company (even if Cognyte does not do business with that company) and was obtained as a result of the insider's employment with, service to or other relationship with Cognyte (including indirectly as a Related Person of a Covered Person), may trade in that company's securities until the information becomes public or is no longer material.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for emergency expenditure) are not excepted from the Policy. The securities laws do not recognize such mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

As noted above, if a Covered Person holds material nonpublic information, he or she may not disclose that material nonpublic information to others, even to family members or to other employees of Cognyte, except to such other employees whose job responsibilities require them to know such information.

Definitions/Explanations

Who is an "Insider"?

The concept of "insider" under securities laws is broad. Any person who possesses material nonpublic information is considered an insider as to that information. For purposes of this Policy, insiders include all "Covered Persons" as defined above. Practically speaking, the definition of an "insider" is transaction-specific; that is, an individual is an insider with respect to the material nonpublic information of which he or she is aware.

What is "Trading in Securities"?

The term "trade" or "trading" broadly means any purchase, sale or other transaction to acquire, transfer or dispose of securities, including gifts or other contributions, sales of shares acquired upon the exercise of options (including sales to pay the exercise price of options) and trades made under an employee benefit plan, such as a 401(k) plan.

The term "security" or "securities" is defined very broadly by securities laws and includes shares (ordinary and preferred), stock options, warrants, bonds, notes, debentures, convertible instruments, put or call options (i.e., exchange-traded options), and other similar instruments.

The prohibitions set forth in this Policy do not apply to:

- Transferring securities to an entity that does not involve a change in the beneficial ownership of the securities (for example, to an inter vivos trust of which you are the sole beneficiary during your lifetime).
- The exercise of stock options pursuant to our stock plans; however, the market sale of any such stock acquired upon such exercise, including as part of a broker-assisted cashless exercise of an option, is subject to this Policy.
- The exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares to satisfy tax withholding requirements; *however, the market sale of any shares to satisfy tax requirements is subject to this Policy.*
- The execution of transactions pursuant to a Trading Plan that complies with SEC Rule 10b5-1 and which has been approved by the Company.

- The purchase of shares through the Company's employee share purchase plan (to the extent that the Company has such a plan) through regular payroll deductions; however, the sale of any such shares and the establishing or changing of instructions regarding the level of withholding contributions which are used to purchase shares are subject to this Policy.
- The purchase of shares through the Company's 401(k) plan through regular payroll deductions (to the extent that the Company has such a plan); however, the sale of any such shares and the election to transfer, increase or decrease funds into or out of, or a loan with respect to amounts invested in, the stock fund is subject to this Policy.

In addition, this Policy does not apply to any other transaction, where the specific facts are reviewed by the Legal Department and determined by the Legal Department not to constitute a violation of applicable insider trading law.

What is "Material" Information?

The materiality of a piece of information depends on the circumstances. Under applicable securities laws, a fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, including debt or equity securities. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- + unpublished financial results or statistics (including guidance on earnings estimates and changes to guidance or confirmation of earlier guidance);
- + news of a pending or proposed significant company transaction (including but not limited to significant events regarding such company's securities, such as defaults on securities, calls of securities for redemption, share repurchase plans, share splits, public or private sales of securities, changes in dividends and changes to the rights of security-holders);
- + news of a pending or proposed significant merger, acquisition, tender offer, joint venture or disposition;
- + major litigation or regulatory issues;
- + changes in strategic objectives;
- + a change in control or a significant change in management;
- + significant developments regarding major customers or suppliers that have a broad impact on the business, including the acquisition or loss of an important contract;
- + dividend information;
- + key changes in compensation policy;
- + a change in the Company's independent registered public accounting firm or notification that the Company may no longer rely on such firm's report;
- + significant write-offs;
- + bankruptcy, corporate restructuring, receivership, other liquidity problems or layoffs; and
- + cyberattacks, breaches or other incidents.

The above list is only illustrative, and many other types of information may be considered "material" depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis. When in doubt, please contact the Legal Department.

What is "Nonpublic" Information?

Information is "nonpublic" if it is not available to the general public. In order for information to be considered public, it must meet three criteria:

1. The information must be widely disseminated by or on behalf of the owner of such information in a manner making it generally available to investors either (1) through a filing with the SEC or (2) through a press release or media article distributed through a widely disseminated news or wire service (e.g., Dow Jones, Reuters Economic Services, The Wall Street Journal, Associated Press, or United Press International). Disclosure to a large group of financial analysts, other market professionals or investors, or comments made in interviews or via social media generally does not constitute wide dissemination.
2. The information disseminated must be some form of "official" disclosure or announcement. In other words, the fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered widely disseminated, even when the information is accurate.
3. Even after a public announcement of material information by or on behalf of the owner of the information, a reasonable period of time generally must elapse for the market to react to the information before it is considered publicly available. As a general rule, at least 48 hours (several of which must be hours during which The Nasdaq Stock Market LLC is open for trading) must elapse between the dissemination of the information and when that information may be considered public. If you have any questions as to whether information is publicly available, please err on the side of caution and direct an inquiry to the Chief Legal Officer.

Who is a "Related Person"?

For purposes of this Policy, "**Related Persons**" include (1) family members who reside with you, anyone else who lives in your household and any family members who do not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control; (2) partnerships in which you are a general partner; (3) corporations in which you either singly or together with other "**Related Persons**" own a controlling interest; (4) trusts of which you are a trustee, settlor or beneficiary; (5) estates of which you are an executor or beneficiary; or (6) any other group or entity where you have or share with others the power to decide whether to buy Company securities. Although a person's parent, non-minor child, sibling or other family member whether by blood, marriage or adoption may not be considered a Related Person (unless living in the same household or subject to your influence or control), such family members may be "tippees" for securities laws purposes. See below for a discussion on the prohibition on "tipping."

Additional Guidelines***Non-Disclosure of Material Nonpublic Information***

Although the Company is not subject to Regulation FD (a rule under the U.S. federal securities laws) as a foreign private issuer, the Company is committed to the fair disclosure of information consistent with the principles underlying Regulation FD in connection with its public communications. Regulation FD provides that, when a company discloses material nonpublic information about the company to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), the company must also disclose the information to the broader public. "Securities market professionals" generally include analysts, certain institutional investors, broker-dealers and other investment advisors. Accordingly, the Company has established procedures intended to ensure the Company complies with Regulation FD (as if the Company were subject to it) by releasing material information in a manner that is designed to achieve broad public

dissemination of the information immediately upon its release and limiting the universe of individuals who are authorized to make such disclosures.

“Tipping” Information to Others

Covered Persons may be liable for communicating (or “**tipping**”) material nonpublic information to any third party (“**tippee**”), whether or not such third party is a Related Person of a Covered Person. Persons other than Covered Persons can also be liable for insider trading, including tippees who trade on material nonpublic information tipped to them and individuals who trade on material nonpublic information that has been misappropriated. Tippees inherit an insider’s duties and are liable for trading on material nonpublic information received from an insider.

Similarly, just as insiders are liable for the insider trading of their tippees, so too are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider.

Tippees can obtain material nonpublic information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

Margin Accounts and Pledges

Securities held in a margin account or pledged as collateral for a loan may be sold without the consent of the owner of the securities by the broker if there is a failure to meet a margin call or by the lender in foreclosure if there is a default on the loan. A margin or foreclosure sale that occurs when the owner of the pledged securities is aware of material nonpublic information may, under some circumstances, result in unlawful insider trading even if the owner of the securities did not initiate the trade. Because of this danger, no Covered Persons or any of their Related Persons may hold Company securities in a margin account or pledge Company securities as collateral for a loan.

Blackout Periods / Trading Windows

Quarterly Blackout Periods

The Company has adopted certain additional procedures related to the trading in the Company’s securities, which apply to all directors, executive officers, and certain designated employees and their Related Persons (“**Designated Persons**”). The Company has determined that these Designated Persons are likely to have access to material nonpublic information from time to time by virtue of their positions with the Company. These additional procedures apply regardless of the dollar amount of the trade or the source of the material nonpublic information. Designated Persons are notified of their status as such via email by the Legal Department.

In addition to being subject to all of the other limitations in this Policy, Designated Persons may not conduct any transactions involving Company securities (other than as specified by this Policy) during any “**Quarterly Blackout Period**,” which generally begins two weeks before the last day of the last month of each fiscal quarter (e.g., January 17th, April 16th, July 17th and October 17th) and generally ends at the beginning of the third full trading day (bearing in mind that markets open at 9:30 a.m., Eastern Time) following the date of the public release of the Company’s earnings results for that quarter. For reference, if the release of quarterly or annual earnings is disclosed at 8:00 a.m., Eastern Time, on Monday, then trading may commence when markets open at 9:30 a.m., Eastern Time, on Wednesday. If the release of quarterly or annual earnings is disclosed at 10:00 a.m., Eastern Time, on Monday, then trading may commence when markets open at 9:30 a.m., Eastern Time, on Thursday.

While the above sets forth the rules that we will use to determine the duration of each Quarterly Blackout Period, a Quarterly Blackout Period does not end until formally terminated by the Legal Department. Designated Persons may only conduct transactions in Company securities during a “**Quarterly Trading Window**”, which is the period outside of a Quarterly Blackout Period.

Special Blackout Periods

From time to time, the Company, through the Legal Department, may also close trading in light of developments that could involve material nonpublic information (a “**Special Blackout Period**”). In these situations, the Legal Department will notify particular Covered Persons (who may or may not be Designated Persons) that they should not engage in trading of Company securities and should not disclose to others the fact that a Special Blackout Period has been initiated.

Trading Windows

The period of time during which a particular Covered Person may trade, taking into account Quarterly Blackout Periods and Special Blackout Periods, is referred to in this Policy as an “**Open Trading Window**.”

If a Covered Person’s employment with, service to or other relationship with the Company should terminate while not in an Open Trading Window with respect to that Covered Person, the trading prohibition will continue to apply until the Legal Department gives notice that the Quarterly Blackout Period or Special Blackout Period has been lifted.

It should be noted that even during Open Trading Windows, any Covered Person possessing material nonpublic information concerning the Company should not engage in any transactions in the Company’s securities until such information has been publicly disclosed by the Company in line with this Policy (or until such time as the information ceases to be material, as determined in consultation with the Legal Department). Each Covered Person is individually responsible at all times for compliance with the prohibitions on insider trading. Trading in the Company’s securities outside the Quarterly Blackout Period or Special Blackout Period should not be considered a “safe harbor,” and all Covered Persons should use good judgment at all times.

Prior Clearance Procedures

The following persons must obtain prior clearance before they or their Related Persons carry out any trades in Company securities, including gifts involving the transfer of Company securities, regardless of whether the Company is in an Open Trading Window: (i) members of the Company’s Board of Directors; (ii) the Company’s executive officers and officers for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”); and (iii) the Chief Legal Officer (CLO), Chief People Officer (CPO), and Chief Marketing Officer (CMO) and any other employees designated by the Chief Legal Officer as requiring prior clearance (collectively, the “**Prior Clearance Group**”). Members of the Prior Clearance Group must obtain prior clearance on behalf of their Related Persons. The Company has determined that the individuals in this Prior Clearance Group are likely to have, or be perceived to have, the greatest access to material nonpublic information from time to time by virtue of their positions with the Company. These additional procedures apply regardless of the dollar amount of the trade or the source of the material nonpublic information.

Clearance shall be requested from the Legal Department at least three business days in advance of the proposed transaction, through delivery of an email to Preclearance_requests@cognyte.com and

completion of the "Request for Clearance to Trade Company Securities" form, attached herein as **Annex A**. Trades by the Chief Legal Officer will receive prior clearance from the Chief Financial Officer.

Additionally, all members of the Prior Clearance Group are strongly encouraged (but not required) to carry out trades in Company securities through a brokerage firm designated by the Company and, regardless of whether they use such designated brokerage firm or their own broker, to deliver a broker instruction/representation in a form satisfactory to the Company, to ensure compliance with the prior clearance requirements.

Clearance for transactions in the Company's securities will generally be granted only during an Open Trading Window. The transaction for which clearance is received may only be performed during an Open Trading Window in which the clearance was granted and, in any event, within three business days from the date of clearance.

Unless notified otherwise by the Company, a member of the Prior Clearance Group remains subject to these prior clearance requirements after his/her termination for as long as he/she is in possession of material nonpublic information, as more fully set forth in **Additional Guidelines: Post-Termination Transactions**.

Pre-arranged Trading Plans

To the extent the Legal Department has permitted pre-arranged trading plans under Rule 10b5-1 under the Exchange Act (a "**Trading Plan**"), such Trading Plans must meet the specified conditions set forth below. For purposes of this Policy, references to a "Trading Plan" include the adoption, modification and termination of a Trading Plan, unless the context indicates otherwise. All Trading Plans, and any modifications or terminations thereof, must be reviewed and approved by the Legal Department before being implemented, and must be entered into (or modified or terminated, as applicable) during an Open Trading Window (as applicable to the particular Covered Person under this Policy) and at a time when the Covered Person involved is not aware of any material nonpublic information. All Trading Plans, and any modifications thereto, must include a cooling-off period of: (i) with respect to Covered Persons who are directors or executive officers, the later of 90 days following the adoption or modification of the Trading Plan or two (2) business days following the filing of the Company's Form 20-F or Form 6-K with financial results covering the fiscal quarter in which the Trading Plan was adopted or modified (but in no event later than 120 days following adoption or modification); and (ii) with respect to other Covered Persons (other than the Company, directors and executive officers), 30 days following the adoption or modification of the Trading Plan (or, in each case, a longer period, as may be required by applicable regulations or imposed by the Legal Department). In addition, for directors and executive officers, each Trading Plan (including any modification) must include a written representation, made at the time of adoption or modification, that such director or executive officer is (i) not aware of any material nonpublic information about the Company or its securities; and (ii) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5. Each person entering into a Trading Plan must act in good faith with respect to such Trading Plan. Subject to any exceptions permitted by applicable law and approved in advance by the Legal Department, no Covered Person (other than the Company)

may (i) enter into or maintain multiple overlapping Trading Plans, or (ii) adopt a Trading Plan that is designed to effect the open-market purchase or sale of the total amount of securities as a single transaction if such Covered Person has adopted another such single-transaction Trading Plan during the prior 12-month period.

Reporting of Transactions Required

To facilitate timely reporting under Section 16(a) of the Exchange Act, Section 16 officers are required to **on the same day as the trade date**, or, with respect to transactions effected pursuant to a Rule 10b5-1 plan, on the day the Section 16 officer is advised of the terms of the transaction, (a) report the details of each transaction to the Legal Department and (b) arrange with persons whose trades must be reported by the Section 16 officer under Section 16 (such as immediate family members living in the officer's household) to immediately report directly to the Company and to the Section 16 officer the following transaction details:

- Transaction date (trade date);
- Number of shares involved;
- Price per share at which the transaction was executed (before addition or deduction of brokerage commission and other transaction fees);
- For stock option exercises, the specific option exercised;
- Contact information for the broker who executed the transaction; and
- Specific representation that the Section 16 officer is not in possession of material nonpublic information.

The transaction details must be reported to the Legal Department, with copies to Company personnel who will assist the Section 16 officer in preparing their Forms 4 and 5, as applicable. Such report must include (i) whether the transaction was effected pursuant to, or intended to satisfy the affirmative defense conditions of, a Rule 10b5-1 Trading Plan, and (ii) whether the transaction constitutes a bona fide gift.

Additional Prohibited Transactions

The Company considers it improper and inappropriate for any Covered Person to engage in short-term or speculative transactions in the Company's securities. It is therefore the Company's policy that Covered Persons may not engage in any of the following transactions:

Short-term Trading

Short-term trading of the Company's securities may be distracting and place undue focus on the Company's short-term stock market performance instead of the Company's long-term business objectives. For these reasons, any Covered Person who purchases Company securities in the open market may not sell any Company securities of the same class during the six months following the purchase. Note: While the receipt of shares from the Company pursuant to a Company stock plan is exempt from short-term trading rules, subsequent transactions (such as open market sales of such shares, including those done for tax purposes) are subject to short-term trading rules.

Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities by Covered Persons are prohibited by this Policy.

Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's securities and therefore may create the appearance that trading is based on inside information. Transactions in options may also focus attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities relating to the Company's securities, on an exchange or in any other organized market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the section below captioned **Hedging Transactions**.)

Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a holder of the Company's securities to lock in much of the value of his or her securities holdings, often in exchange for all or part of the potential for upside appreciation in the securities. These transactions allow a security-holder to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the security-holder may no longer have the same objectives as the Company's other security-holders. Therefore, Covered Persons are prohibited by this Policy from engaging in any form of hedging transactions.

Post-Termination Transactions

As a Covered Person, if you are in possession of material nonpublic information (which you obtained in the course of your employment with, service to or other relationship with the Company) when such employment, service or relationship terminates, you may not trade in Company securities until that information has become public or is no longer material, notwithstanding your separation from the Company. There are also additional post-termination obligations for certain Designated Persons and Covered Persons who may be subject to Special Blackout Periods, as discussed in **Additional Guidelines: Blackout Periods / Trading Windows** and **Additional Guidelines: Prior Clearance Procedures**.

Questions

Questions about this Policy or its application to any proposed transaction should be directed to the Chief Legal Officer. Ultimately, however, the responsibility for adhering to this Policy and avoiding unlawful transactions rests with each Covered Person.

No Circumvention

No circumvention of this Policy is permitted. You should not try to accomplish indirectly what is prohibited directly by this Policy.

Annex A

Cognyte Software Ltd. ("Cognyte") – Request for Clearance to Trade Company Securities

Number of Shares: _____

Proposed Date of Transaction: _____

Type of Transaction

Purchase

Sale

Gift

Other _____

Broker Contact Information (in case of privately held securities)

Company Name: _____

Contact Name: _____

Telephone: _____

Email Address: _____

Account Number: _____

Current Status at Cognyte (check all applicable boxes and complete blanks)

Executive Officer

Board Member

Other (please specify): _____

Family Member of an Executive Officer, Board Member or Other

Controlled Entity of an Executive Officer, Board Member or Other

Filing and Other Information (check all applicable boxes and complete blanks)

Are you a Section 16 Insider? Yes No

Is a Form 144 necessary to effect the trade for which you seek prior clearance here?

Date of last Form 144 filing: _____

I am not currently in possession of any material non-public information relating to Cognyte and its subsidiaries. I hereby certify that the statements made on this form are true and correct.

I understand that clearance may be rescinded prior to effectuating the above transaction if material non-public information regarding Cognyte arises and, in the reasonable judgment of Cognyte, the completion of my trade would be inadvisable. I also understand that the ultimate responsibility for compliance with the insider trading and other relevant provisions of the federal securities laws rests with me and that clearance of any proposed transaction should not be construed as a guarantee that I will not later be found to have been in possession of material non-public information.

I also hereby certify that if the trade requires a filing under Section 16

(Forms 3, 4, or 5) or a Rule 144 (Form 144), I will provide the Legal

Department with all transaction details no later than the end of the day on which the trade occurs. I acknowledge that I am responsible for ensuring these filings are made timely and will coordinate closely with my broker and the Legal Department to satisfy all reporting obligations under the Securities Act of 1933, as amended (the "Securities Act"), and make reasonable best efforts to file

or cause my broker to file timely a Form 144 under the Securities Act and the Securities Exchange Act of 1934, as amended.

Signature _____ Date _____

Print Name _____

Telephone Number and Email Address Where You May Be Reached _____

[FOR COGNYTE USE ONLY]

Request Cleared (transaction must be completed **during an Open Trading Window** (as defined in Cognyte's Global Insider Trading Policy) in which this clearance was granted and in any event **within three business days** after clearance).

Request Denied

Request Cleared with the following modification

Additional details to the extent requested

Employee ID: _____

Clearance Start Date: _____

Clearance End Date: _____

Subject to Section 16 (Y/N): __

Subject to Rule 144 (Y/N): __

Signature _____ Date _____

COGNYTE SOFTWARE LTD.
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Elad Sharon, certify that:

1. I have reviewed this Annual Report on Form 20-F of Cognyte Software Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 25, 2026

By: /s/ Elad Sharon

Elad Sharon

Chief Executive Officer (Principal Executive Officer)

COGNYTE SOFTWARE LTD.
CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Abadi, certify that:

1. I have reviewed this Annual Report on Form 20-F of Cognyte Software Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 25, 2026

By: /s/ David Abadi

David Abadi

Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report on Form 20-F of Cognyte Software Ltd. (the "Company") for the year ended January 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elad Sharon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2026

By: /s/ Elad Sharon
Elad Sharon
Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report on Form 20-F of Cognyte Software Ltd. (the "Company") for the year ended January 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Abadi, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2026

By: /s/ David Abadi

David Abadi

Chief Financial Officer (Principal Financial Officer)



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-252565, 333-278837 and 333-286330) of Cognyte Software Ltd. of our report dated March 25, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

Tel-Aviv, Israel
March 25, 2026

/s/ Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-252565, No. 333-278837 and No. 333-286330 on Form S-8 of our report dated April 9, 2024, relating to the consolidated financial statements of Cognyte Software Ltd. appearing in this Annual Report on Form 20-F for the year ended January 31, 2026.

/s/ Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A firm in the Deloitte Global Network

Tel Aviv, Israel
March 25, 2026