
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of December 2025

Commission File No.: 0-28584

Check Point Software Technologies Ltd.

(Translation of registrant's name into English)

5 Shlomo Kaplan Street, Tel Aviv 6789159, Israel

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

EXPLANATORY NOTE

On December 2, 2025, Check Point Software Technologies Ltd. (NASDAQ:CHKP) (the “Company”) issued a press release announcing a proposed offering of \$1.5 billion principal amount of 0.00% convertible senior notes due 2030 in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). A copy of the press release is attached as Exhibit 99.1 to this Report on Form 6-K.

The unaudited financial statements of the Company for the nine months ended September 30, 2024 and 2025 and as of September 30, 2025 are furnished herewith as Exhibit 99.2 to this Report on Form 6-K.

Supplemental disclosure related to the Company’s results of operations and liquidity and capital resources for the nine months ended September 30, 2025 is attached as Exhibit 99.3 to this Report on Form 6-K.

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

Exhibits 99.2 and 99.3 to this Report on Form 6-K are hereby incorporated by reference into the Company’s registration statements on Form S-8 filed with the Securities and Exchange Commission on the following dates: September 9, 2025 (File No. 333-290131); March 17, 2025 (File No. 333-285866); April 2, 2024 (File No. 333-278473); January 16, 2024 (File No. 333-276518); July 28, 2020 (File No. 333-240141); December 2, 2019 (File No. 333-235322); October 31, 2018 (File No. 333-228075); May 4, 2016 (File No. 333-211113); October 8, 2015 (File No. 333-207335); and April 3, 2006 (File No. 333-132954).

EXHIBIT INDEX

The following exhibits are filed as part of this Form 6-K:

Exhibit	Description
99.1	Press release dated December 2, 2025 entitled "Check Point Software Announces Proposed Private Offering of \$1.5 Billion of 0.00% Convertible Senior Notes due 2030."
99.2	Unaudited financial statements for Check Point Software Technologies Ltd. for the nine months ended September 30, 2024 and 2025 and as of September 30, 2025.
99.3	Supplemental Company Disclosure.

SIGNATURE

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

Date: December 2, 2025

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

By: /S/ ROEI GOLAN

Name: Roei Golan

Title: Chief Financial Officer

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Check Point Software Announces Proposed Private Offering of \$1.5 Billion of 0.00% Convertible Senior Notes due 2030

TEL AVIV, ISRAEL, Dec. 2, 2025 – Check Point Software Technologies Ltd. (NASDAQ: CHKP), a pioneer and global leader of cyber security solutions, today announced its intention to offer, subject to market conditions and other factors, \$1.5 billion aggregate principal amount of 0.00% Convertible Senior Notes due 2030 (the “Notes”) in a private offering (the “Offering”) to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). In connection with the Offering, Check Point expects to grant the initial purchasers of the Notes an option to purchase, for settlement within a 13-day period beginning on, and including, the date on which the Notes are first issued, up to an additional \$225 million aggregate principal amount of the Notes.

The final terms of the Notes, including the initial conversion price and certain other terms, will be determined at the time of pricing of the Offering. When issued, the Notes will be senior, unsecured obligations of Check Point. The Notes will not bear regular interest, and the principal amount will not accrete. The Notes will mature on December 15, 2030, unless earlier repurchased, redeemed or converted in accordance with their terms prior to such date. Prior to September 16, 2030, the Notes will be convertible at the option of the holders of Notes only upon the satisfaction of certain conditions and during certain periods. Thereafter, the Notes will be convertible at any time until the close of business on the second scheduled trading day immediately prior to the maturity date. Upon conversion, Check Point will pay cash up to the aggregate principal amount of the Notes to be converted and pay or deliver, as the case may be, cash, ordinary shares or a combination of cash and ordinary shares, at Check Point’s election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of Notes being converted.

Check Point may redeem for cash (1) all of the Notes at any time on or prior to the 30th scheduled trading day immediately preceding the maturity date if certain tax-related events occur and (2) all or any portion (subject to certain limitations) of the Notes, at any time, and from time to time, on or after December 20, 2028, and on or before the 30th scheduled trading day immediately before the maturity date, at its option at any time and from time to time, if (i) the notes are freely tradable and (ii) the last reported sale price per share of Check Point’s ordinary shares has been at least 130% of the conversion price for a specified period of time and certain other conditions are satisfied. The redemption price will be equal to the principal amount of the Notes to be redeemed, plus any accrued and unpaid special interest, if any, to, but excluding, the redemption date.

If the last reported sale price of Check Point’s ordinary shares on the trading day immediately preceding the business day immediately preceding December 15, 2028 is less than 110% of the conversion price, holders may require Check Point to repurchase the Notes for cash on December 15, 2028 at a purchase price equal to the principal amount thereof plus accrued and unpaid special interest, if any. In addition, if certain corporate events that constitute a “fundamental change” (as defined in the indenture governing the Notes) occur, then, subject to a limited exception, noteholders may require Check Point to repurchase all or a portion of their Notes for cash. The repurchase price will be equal to the principal amount of the Notes to be repurchased, plus any accrued and unpaid special interest, if any, to, but excluding, the applicable repurchase date.

Check Point intends to use the net proceeds of the offering to (1) pay the cost of the capped call transactions described below, and (2) repurchase Check Point ordinary shares pursuant to Check Point's existing share repurchase program in an amount that could, subject to market and other conditions, be up to \$225 million. If the initial purchasers exercise their option to purchase additional Notes, Check Point expects to use a portion of the net proceeds from the sale of such additional Notes to enter into additional capped call transactions with the Option Counterparties (as defined below). Check Point intends to use the remainder of the net proceeds from the Offering for general corporate purposes, which may include additional share repurchases, potential mergers and acquisitions, business development, and the development of new products and technologies. However, Check Point has not entered into any agreements for or otherwise committed to any specific acquisitions at this time.

In connection with the pricing of the Notes, Check Point expects to enter into privately negotiated capped call transactions with one or more of the initial purchasers of the Offering and/or their respective affiliates and/or other financial institutions (the "Option Counterparties"). The capped call transactions are expected to cover, subject to customary anti-dilution adjustments substantially similar to those applicable to the Notes, the number of ordinary shares that will initially underlie the Notes. If the initial purchasers exercise their option to purchase additional Notes, then Check Point expects to enter into additional capped call transactions with the Option Counterparties. The capped call transactions are expected generally to reduce the potential dilution to the ordinary shares upon any conversion of Notes and/or to offset any cash payments Check Point is required to make in excess of the principal amount of the converted Notes, as the case may be, with such reduction of potential dilution and/or offset of cash payments subject to a cap.

Check Point has been advised that, in connection with establishing their initial hedges of the capped call transactions, the Option Counterparties or their respective affiliates expect to enter into various derivative transactions with respect to the ordinary shares concurrently with or shortly after the pricing of the Notes. This activity could have the effect of increasing (or reducing the size of any decrease in) the market price of the ordinary shares or the Notes at that time. In addition, Check Point has been advised that the Option Counterparties or their respective affiliates may modify or unwind their hedge positions by entering into or unwinding various derivatives with respect to the ordinary shares and/or by purchasing or selling ordinary shares or other securities of Check Point in secondary market transactions following the pricing of the Notes and from time to time prior to the maturity of the Notes (and are likely to do so following any early conversion, repurchase or redemption of the Notes to the extent Check Point unwinds a corresponding portion of the capped call transactions, or if it otherwise unwinds all or a portion of the capped call transactions, and during the final observation period for the conversion of the Notes). This activity could also cause or prevent an increase or a decrease in the market price of Check Point's ordinary shares or the Notes, which could affect the ability of holders of Notes to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, it could affect the number of ordinary shares, if any, and value of the consideration that holders of Notes will receive upon conversion of the Notes. Additionally, any concurrent repurchases of ordinary shares described above may result in the ordinary shares trading at prices that are higher than would be the case in the absence of such repurchases, which may result in a higher initial conversion price for the Notes.

The Notes will be offered only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the Notes and the ordinary shares potentially issuable upon conversion of the Notes, if any, have not been, and will not be, registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and unless so registered, the Notes and such ordinary shares of Check Point, if any, may not be offered or sold in the United States except pursuant to an applicable exemption from such registration requirements.

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any offer or sale of, the Notes (or any ordinary shares of Check Point issuable upon conversion of the Notes) in any state or jurisdiction in which the offer, solicitation, or sale would be unlawful prior to the registration or qualification thereof under the securities laws of any such state or jurisdiction.

CHECK POINT SOFTWARE TECHNOLOGIES LTD. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025

(UNAUDITED)

IN U.S. DOLLARS

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CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

In millions

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 619.9	\$ 506.2
Short-term bank deposits	176.9	134.0
Marketable securities	672.2	731.7
Trade receivables, net	436.9	728.8
Prepaid expenses and other assets	125.2	92.7
Total current assets	<u>2,031.1</u>	<u>2,193.4</u>
LONG-TERM ASSETS:		
Marketable securities	1,348.2	1,411.9
Property and equipment, net	83.1	80.8
Deferred tax asset, net	62.4	74.7
Intangible assets, net	175.7	201.4
Goodwill	1,754.1	1,695.7
Other assets	245.0	96.6
Total long-term assets	<u>3,668.5</u>	<u>3,561.1</u>
Total assets	<u>\$ 5,699.6</u>	<u>\$ 5,754.5</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (CONT'D) (UNAUDITED)

In millions (except share and per share data)

	September 30, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 44.5	\$ 54.8
Employees and payroll accruals	194.3	241.5
Deferred revenues	1,317.3	1,471.3
Accrued expenses and other liabilities	156.5	176.6
Total current liabilities	1,712.6	1,944.2
LONG-TERM LIABILITIES:		
Deferred revenues	569.5	529.0
Income tax accrual	304.7	459.6
Other liabilities	33.0	32.3
Total long-term liabilities	907.2	1,020.9
Total liabilities	2,619.8	2,965.1
SHAREHOLDERS' EQUITY:		
Ordinary shares, NIS 0.01 par value, 500,000,000 shares authorized at September 30, 2025 and December 31, 2024; 261,223,970 shares issued at September 30, 2025 and December 31, 2024; 107,354,722 and 108,368,523 shares outstanding at September 30, 2025 and December 31, 2024, respectively	0.8	0.8
Additional paid-in capital	3,424.1	3,049.5
Treasury shares at cost, 153,869,248 and 152,855,447 ordinary shares at September 30, 2025, and December 31, 2024, respectively	(15,144.0)	(14,264.4)
Accumulated other comprehensive income (loss)	32.7	(10.3)
Retained earnings	14,766.2	14,013.8
Total shareholders' equity	3,079.8	2,789.4
Total liabilities and shareholders' equity	\$ 5,699.6	\$ 5,754.5

The accompanying notes are an integral part of the consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

In millions (except share and per share data)

	Nine Months Ended	
	September 30,	
	2025	2024
Revenues:		
Products and licenses	\$ 376.4	\$ 337.3
Security subscriptions	893.9	812.0
Software updates and maintenance	710.2	712.0
Total revenues	1,980.5	1,861.3
Operating expenses:		
Cost of products and licenses *)	73.8	68.2
Cost of security subscriptions *)	67.1	52.9
Cost of software updates and maintenance *)	99.2	90.5
Amortization of technology	23.7	17.4
Total cost of revenues	263.8	229.0
Research and development	332.4	293.8
Selling and marketing	691.2	630.8
General and administrative	94.9	86.0
Total operating expenses	1,382.3	1,239.6
Operating income	598.2	621.7
Financial income, net	84.5	71.6
Income before taxes on income	682.7	693.3
Taxes on income (tax benefit)	(69.7)	105.1
Net income	\$ 752.4	\$ 588.2
Basic earnings per ordinary share	\$ 7.00	\$ 5.28
Number of shares used in computing basic earnings per share	107,456,414	111,385,823
Diluted earnings per ordinary share	\$ 6.81	\$ 5.16
Number of shares used in computing diluted earnings per share	110,430,202	114,115,903

*) Not including amortization of technology shown separately.

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

In millions (except share and per share data)

	Nine Months Ended	
	September 30,	
	2025	2024
Net income	\$ 752.4	\$ 588.2
Other comprehensive income		
Change in unrealized gains on marketable securities:		
Unrealized gains arising during the period, net of tax	21.3	37.8
Gains reclassified into earnings, net of tax	0.1	*)
	<u>21.4</u>	<u>37.8</u>
Change in unrealized gains (losses) on cash flow hedges:		
Unrealized gains (losses) arising during the period, net of tax	36.8	(3.1)
Gains (losses) reclassified into earnings, net of tax	(15.2)	3.3
	<u>21.6</u>	<u>0.2</u>
Other comprehensive income, net of tax	<u>43.0</u>	<u>38.0</u>
Comprehensive income	<u>\$ 795.4</u>	<u>\$ 626.2</u>

*) Represents an amount lower than \$0.1

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

In millions (except share and per share data)

	Ordinary shares	Additional paid-in capital	Treasury shares at cost	Accumulated other comprehensive income (loss)	Retained earnings	Total shareholders' equity
Balance as of December 31, 2023	\$ 0.8	\$ 2,732.5	\$ (13,041.2)	\$ (39.2)	\$ 13,168.1	\$ 2,821.0
Issuance of treasury shares under stock purchase plans, upon exercise of options and vesting of restricted stock units (2,961,049 ordinary shares)	-	163.9	69.5	-	-	233.4
Treasury shares at cost (5,927,437 ordinary shares)	-	-	(975.0)	-	-	(975.0)
Stock-based compensation	-	119.9	-	-	-	119.9
Other comprehensive income, net of tax	-	-	-	38.0	-	38.0
Fair value of awards attributable to pre-acquisition services	-	3.1	-	-	-	3.1
Net income	-	-	-	-	588.2	588.2
Balance as of September 30, 2024	\$ 0.8	\$ 3,019.4	\$ (13,946.7)	\$ (1.2)	\$ 13,756.3	\$ 2,828.6
Balance as of December 31, 2024	\$ 0.8	\$ 3,049.5	\$ (14,264.4)	\$ (10.3)	\$ 14,013.8	\$ 2,789.4
Issuance of treasury shares under stock purchase plans, upon exercise of options and vesting of restricted stock units (3,635,843 ordinary shares)	-	223.5	95.4	-	-	318.9
Treasury shares at cost (4,649,644 ordinary shares)	-	-	(975.0)	-	-	(975.0)
Stock-based compensation	-	149.2	-	-	-	149.2
Other comprehensive income, net of tax	-	-	-	43.0	-	43.0
Fair value of awards attributable to pre-acquisition services	-	1.9	-	-	-	1.9
Net income	-	-	-	-	752.4	752.4
Balance as of September 30, 2025	\$ 0.8	\$ 3,424.1	\$ (15,144.0)	\$ 32.7	\$ 14,766.2	\$ 3,079.8

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

In millions

	Nine Months Ended	
	September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 752.4	\$ 588.2
Adjustments required to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	17.2	17.7
Amortization of premium and accretion of discount on marketable securities, net	(8.9)	(4.0)
Amortization of intangible assets	57.9	40.4
Stock-based compensation	149.2	119.9
Deferred taxes	(11.1)	(1.3)
Decrease in trade receivables, net	293.4	270.5
Decrease (increase) in prepaid expenses and other assets	6.4	(12.3)
Increase (decrease) in trade payables	(10.1)	8.6
Decrease in employees and payroll accruals	(48.4)	(31.8)
Decrease in income tax accrual and accrued expenses and other liabilities	(167.6)	(15.0)
Decrease in deferred revenues	(116.4)	(175.3)
Other	0.9	0.2
Net cash provided by operating activities	<u>914.9</u>	<u>805.8</u>
Cash flows from investing activities:		
Proceeds from short-term bank deposits	259.8	170.0
Proceeds from maturity of marketable securities	785.2	861.7
Proceeds from sale of marketable securities	6.9	18.0
Investment in marketable securities	(631.3)	(701.4)
Investment in short-term bank deposits	(302.7)	(202.0)
Cash paid in conjunction with acquisitions, net of acquired cash	(83.7)	(185.8)
Lease prepayment	(159.9)	-
Purchase of property and equipment	(19.4)	(17.7)
Net cash used in investing activities	<u>(145.1)</u>	<u>(57.2)</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) (UNAUDITED)

In millions

	Nine Months Ended	
	September 30,	
	2025	2024
<u>Cash flows from financing activities:</u>		
Proceeds from issuance of treasury shares upon exercise of options	\$ 338.5	\$ 249.6
Purchase of treasury shares at cost	(975.0)	(975.0)
Payments related to shares withheld for taxes	(19.6)	(17.1)
Net cash used in financing activities	(656.1)	(742.5)
Increase in cash and cash equivalents	113.7	6.1
Cash and cash equivalents at the beginning of the period	506.2	537.7
Cash and cash equivalents at the end of the period	\$ 619.9	\$ 543.8
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid during the year for taxes on income	\$ 140.4	\$ 93.3
<u>Non-cash activity</u>		
Fair value of awards attributable to pre-acquisition services	1.9	3.1
Operating lease liabilities arising from obtaining right of use assets	\$ 5.8	\$ 11.5

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 1:- GENERAL

- a. Check Point Software Technologies Ltd., an Israeli corporation (“Check Point Ltd.”), and subsidiaries (collectively, the “Company” or “Check Point”), develop, market and support wide range of products and services for IT security, by offering a multilevel security architecture that defends enterprises’ cloud, network and mobile device held information.
- b. During each of the nine months ended September 30, 2025, and 2024, approximately 39%, of the Company’s revenues were derived from three channel partners. Revenues derived from one channel partner in the nine months ended September 30, 2025, and 2024, were 15% and 14%, respectively, and revenues derived from the second channel partner were 13% and 13%, respectively, and revenues derived from the other channel partner were 11% and 12% of the Company’s revenues in such periods. Trade receivable balances from these three channel partners aggregated \$153.3 and \$331.5 as of September 30, 2025, and December 31, 2024, respectively.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of presentation:

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the U.S. (“US GAAP”), and include the accounts of Check Point Ltd. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet as of December 31, 2024, was derived from the audited consolidated financial statements as of that date, but does not include all of the disclosures, including certain notes required by US GAAP on an annual reporting basis. Certain information and note disclosures normally included in the financial statements prepared in accordance with US GAAP have been condensed or omitted. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2024, included in the Company’s Annual Report on Form 20-F for the year ended December 31, 2024 filed with the SEC on March 17, 2025.

In management’s opinion, the unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company’s financial position as of September 30, 2025 and the Company’s condensed consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for the nine months ended September 30, 2025 and 2024. The results for the nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025, or any other future interim or annual period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

b. Use of estimates:

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments 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. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

c. Significant Accounting Policies:

For a summary of the Company's significant accounting policies refer to "Note 2. Significant Accounting Policies" of its Annual Report on Form 20-F for the fiscal year ended December 31, 2024. There have been no material changes in the significant accounting policies from those that were disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2024, included in the Annual Report on Form 20-F other than those noted below.

d. Revenue recognition:

Deferred revenues represent mainly the unrecognized revenue billed to customers for security subscriptions and for software updates and maintenance. Such revenues are recognized ratably over the term of the related agreement. The amount of revenues recognized in the period that was included in the opening deferred revenues balance was \$1,229.1 and \$1,184.7 for the nine months ended September 30, 2025 and September 30, 2024, respectively.

Revenues expected to be recognized from remaining performance obligations were \$2,400.2 as of September 30, 2025. Of the balance as of September 30, 2025 the Company expects to recognize approximately \$1,492.4 over the next 12 months and the remainder thereafter.

For information regarding disaggregated revenues, please refer to Note 12 below.

e. Trade Receivables:

Trade receivables are recorded net of credit losses allowance for any potential uncollectible amounts.

The Company makes estimates of expected credit and collectability trends for the allowance for credit losses based upon its assessment of various factors, including historical collectability experience, the age of the trade receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The allowance for credit loss was immaterial for all periods presented.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

f. Concentrations of credit risk:

Financial instruments that could potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term bank deposits, marketable securities, trade receivables and foreign currency derivative contracts.

The majority of the Company's cash and cash equivalents and short-term bank deposits are deposited in major banks in the U.S., Israel and Europe. Deposits in the U.S. may be in excess of federal insured limits and are not insured in other jurisdictions. Generally, these investments may be redeemed upon demand or at maturity, and the Company believes that the financial institutions that hold the Company's cash deposits are financially sound and, accordingly, bear minimal risk. Marketable securities are held mainly by Check Point Ltd., the Company's Singaporean subsidiary, Canadian subsidiary and the U.S. subsidiary, and are invested in securities denominated in US dollar.

The Company's marketable securities consist mainly of investments in government, corporate and government sponsored enterprises debentures. The Company's investment policy, approved by the Board of Directors, limits the amount that the Company may invest in any one type of investment, or issuer, thereby reducing credit risk concentrations.

The Company's trade receivables are geographically dispersed, and the majority is derived from sales to channel partners mainly in the United States, Europe and Asia. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures.

g. Derivatives and hedging:

The Company accounts for derivatives and hedging based on ASC No. 815, "Derivatives and Hedging" ("ASC No. 815"). ASC No. 815 requires the Company to recognize all derivatives on the balance sheets at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, as well as the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. If the derivatives meet the definition of a hedge and are designated as such, depending on the nature of the hedge, changes in the fair value of such derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings, or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company entered into forward contracts to hedge the fair value of assets and liabilities denominated in several foreign currencies. As of September 30, 2025 and December 31, 2024, the Company had outstanding forward contracts that did not meet the requirement for hedge accounting, in the notional amount of \$194.9 and \$253.6, respectively. The Company measured the fair value of the contracts in accordance with ASC No. 820, "Fair Value Measurement" ("ASC No. 820") (classified as level 2 of the fair value hierarchy). The net gains (losses) resulting from these forward contracts recognized in financial income, net during the nine months ended September 2025 and 2024 were \$24.3 and \$(5.6), respectively.

The Company entered into forward contracts to hedge against the risk of overall changes in future cash flow from payments of payroll and related expenses denominated in New Israeli Shekel, in Euro, and in British Pound. As of September 30, 2025 and December 31, 2024, the Company had outstanding forward contracts for payroll and related expenses in the notional amount of \$335.5 and \$359.4, respectively. These contracts were for a period of up to twelve months.

The Company measured the fair value of the contracts in accordance with ASC No. 820 (classified as level 2 of the fair value hierarchy). These contracts met the requirement for cash flow hedge accounting and, as such, gains (losses) on the contracts are recognized initially as components of Accumulated Other Comprehensive Income in the balance sheets and reclassified to the statements of income in the period the related hedged items affect earnings.

During the nine months ended, 2025 and 2024 gains (losses) were reclassified when the related expenses were incurred and recognized in the operating expenses as follow:

	Nine Months Ended	
	September 30,	
	2025	2024
Cost of revenues	\$ 0.9	\$ (0.2)
Research and development	9.5	(2.7)
Selling and marketing	4.5	(0.2)
General and administrative	2.3	(0.7)
	<u>\$ 17.2</u>	<u>\$ (3.8)</u>

Net unrealized gains (losses) of foreign currency contracts designated as hedging instruments, net of tax, are recorded in AOCI. All of net deferred gains or losses in AOCI as of September 30, 2025 are expected to be recognized as cost of revenue or operating expenses in the same financial statement line item in the to which the derivative relates over the next twelve months.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

h. Basic and diluted earnings per share:

Basic earnings per share are computed based on the weighted average number of ordinary shares outstanding during each year. Diluted earnings per share are computed based on the weighted average number of ordinary shares outstanding during each year, plus dilutive potential ordinary shares outstanding during the year, in accordance with ASC No. 260, "Earnings Per Share".

The total weighted average number of shares related to the outstanding options, RSUs and PSUs excluded from the calculations of diluted earnings per share, since it would have an anti-dilutive effect, was 419,565, and 527,783 for the nine-months ended September 30, 2025 and September 30, 2024, respectively.

i. Fair value of financial instruments:

The Company measures its investments in money market funds (classified as cash equivalents), short-term bank deposits, marketable securities and its foreign currency derivative contracts at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1 -Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 -Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 -Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying value of trade receivables, prepaid expenses and other assets, trade payables, employees and payroll accruals, and accrued expenses and other liabilities approximate fair value due to the short-term maturities of these instruments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

j. Recently Issued Accounting Pronouncements, not yet adopted:

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

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, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

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 expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under *Topic 606, Revenue from Contracts with Customers*. The practical expedient assumes that current conditions as of the balance sheet date do not change for the remaining life of the assets. The guidance is effective for the Company for the first quarter beginning January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-05.

In September 2025, the FASB issued ASU 2025-06, Intangible - Goodwill and Other Internal-Use Software (Subtopic 350-40), Targeted Improvements to the Accounting for Internal-Use Software, which modernizes the accounting guidance for costs to develop software for internal use. It removes the previous development stage model and introduces a more judgment-based approach. The guidance is effective for the Company for the first quarter beginning January 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-06.

NOTE 3:- ACQUISITIONS

The Company accounted for the following transaction as a business combination and allocated the purchase consideration to assets acquired and liabilities assumed based on their estimated fair values.

In addition, the transactions included additional consideration related to compensation for post combination services which were recorded as prepaid expenses and other long-term assets and will be recognized over the requisite service period.

a. On September 30, 2024, the Company completed the acquisition of all outstanding shares of Cyberint Ltd. ("Cyberint"), a privately held Israeli-based company, specializes in threat intelligence, digital risk protection, and attack surface management. The Company acquired Cyberint for total consideration of approximately \$188.6. Cyberint cloud security technology platform, especially in the areas of security from external risks, Security operations center (SecOps) and users protection, will enable the Company to expand the threat prevention capabilities of its Infinity platform and enter new markets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 3:- ACQUISITIONS (Cont.)

The Company allocated the purchase price to tangible and identified intangible assets acquired and liabilities assumed based on the estimates of their fair values, which were determined using generally accepted valuation techniques based on estimates and assumptions made by management.

Goodwill arising from the Cyberint acquisition is primarily attributed to synergies. Goodwill is not expected to be deductible for income tax purposes.

	Weighted Average Useful Life	Amount
Goodwill		\$ 133.4
Core technology	7 Years	51.2
Customer relationship	1 Years	15.7
Net assumed liabilities		(11.7)
Total		\$ 188.6

The fair value of Core technology was determined using the income approach, specifically the multi-period excess earnings method.

Customer relationships represent the fair value of existing contractual relationships and customer loyalty determined based on existing relationships using the income approach, specifically the with and without method.

The fair value of the identified intangible assets subject to amortization are amortized over the assets' estimated useful lives based on the pattern in which the economic benefits are expected to be received to cost of revenues and operating expenses.

Cyberint acquisition-related costs were immaterial and recorded on the Company's Consolidated Statements of Income. Acquisition-related costs are primarily comprised of direct transaction costs.

Unaudited Pro forma results of operations related to this acquisition have not been presented because they are not material to the Company's consolidated statements of income.

- b. On June 9, 2025, the Company completed the acquisition of all outstanding shares of Veriti security Ltd. ("Veriti"), a privately held Israeli-based company, which develops and markets a cyber software platform that combines AI and machine learning and provides a holistic understanding of security and risk posture. The Company acquired Veriti for total consideration of approximately \$92. Veriti introduces preemptive exposure management, delivering automated remediation of threat exposure risks and collaborative threat prevention across complex multi-vendor environments, which would enable the Company to expand its product portfolio.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 4:- CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND MARKETABLE SECURITIES

	September 30, 2025	December 31, 2024
Cash and cash equivalents:		
Cash	\$ 65.3	\$ 54.5
Money market funds	356.3	158.1
Short term deposits	198.3	293.6
Total Cash and cash equivalents	619.9	506.2
Short-term bank deposits:	176.9	134.0
Marketable securities:		
Debt securities issued by the U.S. Treasury and other U.S. government agencies	480.9	518.4
Debt securities issued by other governments	40.3	55.4
Corporate debt securities	1,499.2	1,569.8
Total Marketable securities	2,020.4	2,143.6
Total Cash and cash equivalents, short-term bank deposits and marketable securities	<u>\$ 2,817.2</u>	<u>\$ 2,783.8</u>

The following table classifies the Company's marketable securities by contractual maturities:

	September 30, 2025			
	Amortized Cost	Gross unrealized gain	Gross unrealized loss	Fair Value
Contractual maturity year:				
Within one year	\$ 674.1	\$ 1.0	\$ (2.9)	\$ 672.2
After one year through five years	1,334.8	14.6	(1.2)	1,348.2
Total	<u>\$ 2,008.9</u>	<u>\$ 15.6</u>	<u>\$ (4.1)</u>	<u>\$ 2,020.4</u>
	December 31, 2024			
	Amortized Cost	Gross unrealized gain	Gross unrealized loss	Fair Value
Contractual maturity year:				
Within one year	\$ 736.3	\$ 0.3	\$ (4.9)	\$ 731.7
After one year through five years	1,424.5	2.8	(15.4)	1,411.9
Total	<u>\$ 2,160.8</u>	<u>\$ 3.1</u>	<u>\$ (20.3)</u>	<u>\$ 2,143.6</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 4:- CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND MARKETABLE SECURITIES (Cont.)

From the total of \$4.1 and \$20.3 unrealized losses as of September 30, 2025, and December 31, 2024, \$1.2 and \$9.7 were in continuous unrealized loss for more than 12 months, respectively. The unrealized losses are mainly driven by the higher interest rate environment and the interest rate hikes by global central banks during 2022-2023, which was due mainly to elevated inflation rates, therefore negatively impacted the fair value of securities in the Company's portfolio. The allowance for credit loss was immaterial for all periods presented.

As of September 30, 2025 and December 31, 2024, interest receivable amounted to \$17.8 and \$17.7, respectively, and is included within prepaid expenses and other assets in the balance sheets.

NOTE 5:- FAIR VALUE MEASUREMENTS

In accordance with ASC No. 820, the Company measures its money market funds, short-term bank deposits, marketable securities and foreign currency derivative contracts at fair value. Money market funds are classified within Level 1. Marketable securities are classified within Level 2 or Level 3. This is because these assets are mostly valued using quoted market prices or alternative pricing sources and models utilizing market observable inputs or based on unobservable inputs. Foreign currency derivative contracts are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments.

The Level 3 Corporate debt security was structured and issued by a global financial institution and valued based on issuer risk, sovereign credit risk and interest rates. The Financial income related to the instrument during the nine months period ended September 30, 2025, was insignificant.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 5:- FAIR VALUE MEASUREMENTS (Cont.)

The Company's financial assets measured at fair value on a recurring basis, excluding accrued interest components, consisted of the following types of instruments as of the following dates:

	September 30, 2025				December 31, 2024			
	Fair value measurements using input type				Fair value measurements using input type			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	\$ 65.3	\$ -	\$ -	\$ 65.3	\$ 54.5	\$ -	\$ -	\$ 54.5
Cash equivalents								
Money market funds	356.3	-	-	356.3	158.1	-	-	158.1
Short term deposits	198.3	-	-	198.3	293.6	-	-	293.6
Short-term bank deposits	176.9	-	-	176.9	134.0	-	-	134.0
Marketable securities:								
Debt securities issued by the U.S.								
Treasury and other U.S. government agencies	-	480.9	-	480.9	-	518.4	-	518.4
Debt securities issued by other governments	-	40.3	-	40.3	-	55.4	-	55.4
Corporate debt securities	-	1,479.0	20.2	1,499.2	-	1,549.6	20.2	1,569.8
Foreign currency derivative contracts	-	29.6	-	29.6	-	3.3	-	3.3
Total financial assets	<u>\$ 796.8</u>	<u>\$ 2,029.8</u>	<u>\$ 20.2</u>	<u>\$ 2,846.8</u>	<u>\$ 640.2</u>	<u>\$ 2,126.7</u>	<u>\$ 20.2</u>	<u>\$ 2,787.1</u>

NOTE 6:- LEASES

The Company has a lease that has not yet commenced, for its new campus site in Israel. The lease is expected to commence during fiscal 2026 with a lease term of approximately 83 years. As of September 30, 2025 the Company has prepaid lease payments in connection with the lease of \$159.9, which are included within other assets in the condensed consolidated balance sheets.

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES

Litigations:

The Company is the defendant in various lawsuits, including employment-related litigation claims, construction claims and other legal proceedings in the normal course of its business. Litigation and governmental proceedings can be expensive, lengthy and disruptive to normal business operations, and can require extensive management attention and resources, regardless of their merit. While the Company intends to defend the aforementioned matters vigorously, it believes that a loss in excess of its accrued liability with respect to these claims is not probable.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 8:- TAXES ON INCOME

The Company's interim tax provision or benefit is determined using an annual effective tax rate, adjusted for year-to-date discrete items, as prescribed under ASC 740 ("Income Taxes").

On July 15, 2025, the Israeli Tax Authority and the Company signed a tax settlement agreement in which the Company will pay a total tax demand of NIS 223.2 (approximately \$66) with respect to tax years 2016-2020. The settlement agreement was ratified by the court on July 16, 2025. The Company settled the tax demand payment to the ITA on the July 31, 2025.

The Company recorded an income tax benefit of \$69.7 for the nine months ended September 30, 2025, representing an effective tax rate of (10.2)%, compared with an income tax expense of \$105.1 for the nine months ended September 30, 2024, representing an effective tax rate of 15.2%.

For the nine months ended September 30, 2025, income tax benefit was primarily due to a change in unrecognized tax benefits related to the settlement with the Israeli Tax Authority.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted. OBBBA amends U.S. tax law, including provisions related to bonus depreciation, research and development and foreign derived intangible income. The Company is currently evaluating the impact of the OBBBA on its condensed consolidated financial statements.

A reconciliation of the beginning and ending amount of unrecognized tax benefits related to uncertain tax positions is as follows:

	September 30, 2025	December 31, 2024
Beginning balance	\$ 477.8	\$ 453.0
Settlement and decrease related to tax positions taken during prior years	(189.7)	(65.5)
Increase related to tax positions taken during prior years	-	36.4
Increase related to tax positions taken during the current year	37.4	53.9
Ending balance	\$ *)325.5	\$ *)477.8

*) As of September 30, 2025, and December 31, 2024, unrecognized tax benefit in the amounts of \$20.8 and \$18.3 was presented net from deferred tax asset.

Substantially all the balance of unrecognized tax benefits, if recognized, would reduce the Company's effective tax rate.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 9:- SHAREHOLDERS' EQUITY

a. General:

Ordinary shares confer upon their holders the right to receive notice to participate and vote in general meetings of the Company, and the right to receive dividends if declared.

b. Shares repurchase:

On July 11, 2024, the Company announced the expansion of the Company's on-going share repurchase program by an additional \$2,000. Under the share repurchase program, as extended, the Company is authorized to continue to repurchase up to \$325 each quarter.

As of September 30, 2025, the Company repurchased ordinary shares for an aggregate amount of \$16,647.6. During the nine months ended September 30, 2025, and 2024, the Company repurchased 4,649,644, and 5,927,437 shares for an aggregate amount of \$975 and \$975, respectively.

c. Stock Options, RSUs and PSUs:

In 2005, the Company adopted two new equity incentive plans, which were subsequently amended in January 2014 and in July 2018: the 2005 United States Equity Incentive Plan and the 2005 Israel Equity Incentive Plan together are referred to as the Equity Incentive Plans.

Under the Equity Incentive Plans, the Company may grant options to employees, officers and directors at an exercise price equal to at least the fair market value of the ordinary shares at the date of grant and are granted for periods not to exceed seven years. The Company grants under the Equity Incentive Plans options, Restricted Stock Units ("RSUs") and Performance stock units ("PSUs") and can also grant a variety of other equity incentives. Options granted under the Equity Incentive Plans generally vest over a period of four years of employment. Options, RSUs and PSUs that are cancelled or forfeited before expiration become available for future grants. RSUs generally vest over a four years period of employment from the grant date while PSUs generally vest over a two to four years period of employment from the grant date. PSUs are subject to certain performance criteria; accordingly, compensation expense is recognized for such awards when it becomes probable that the related performance condition will be satisfied.

Under the Equity Incentive Plans, the Company's non-employee directors receive on an annual basis options and RSUs grant. Following the amendments to the Equity Incentive Plans in July 2018, commencing December 31, 2018, on December 31 of each year, the number of Reserved and Authorized Shares (as defined below) under both Equity Incentive Plans together shall be annually reset on such date to equal 10% of the sum of (i) the number of ordinary shares issued and outstanding on such date and (ii) the number of ordinary shares reserved and authorized under the Equity Incentive Plans for outstanding awards granted under the Equity Incentive Plans as of such date (provided, however, that in no event shall the number of Reserved and Authorized Shares be less than the number of ordinary shares reserved and authorized under the Equity Incentive Plans for outstanding awards granted under the Equity Incentive Plans as of such date).

The number of "Reserved and Authorized Shares" under the Equity Plans shall equal the sum of (i) the number of ordinary shares reserved and authorized under the Equity Incentive Plans for outstanding options, RSUs, PSUs and other awards granted under the Equity Incentive Plans as of such date, and (ii) the number of ordinary shares reserved, authorized and available for issuance under the Equity Incentive Plans on such date.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 9:- SHAREHOLDERS' EQUITY (Cont.)

The following table set forth the weighted average assumptions used in computation of the options granted for the nine months period ended September 30, 2025:

	Year ended September 30, 2025
Employee Stock Options	
Expected volatility	25.61%
Risk-free interest rate	3.74%
Dividend yield	0.0%
Expected term (years)	4.42

As of September 30, 2025, the number of Reserved and Authorized Shares under the Equity Incentive Plans is as detailed below:

Stock Options outstanding	3,487,522
RSU outstanding	2,291,890
PSU outstanding	479,938
Ordinary shares available for issuance under the Equity Incentive Plans	5,102,685
Total Reserved and Authorized Shares as of September 30, 2025	11,362,035

As of September 30, 2025, the aggregate number of shares, stock options, RSU and PSU outstanding is 113,620,345.

A summary of the Company's stock option activity and related information is as follows:

	Number of options	Weighted average exercise price	Aggregate intrinsic value	Weighted Average Remaining Contractual Life (Years)
	September 30, 2025			
Outstanding at beginning of year	5,712,254	\$ 122.42	\$ 367.18	2.72
Granted	418,246	\$ 194.71		
Exercised	(2,575,062)	\$ 114.18		
Forfeited	(67,916)	\$ 132.72		
Outstanding at September 30, 2025	3,487,522	\$ 136.77	\$ 245.18	3.65
Exercisable at September 30, 2025	2,334,030	\$ 122.26	\$ 197.58	2.59

The weighted average fair values at grant date of options granted for the nine months ended September 30, 2025 and the year ended December 31, 2024 with an exercise price equal to the market value at the date of grant were \$54.1, and \$51.7 per share, respectively.

The total intrinsic value of options exercised during the nine months ended September 30, 2025 and the year ended December 31, 2024 was \$254.8 and \$81.0, respectively.

The aggregate intrinsic value of the outstanding stock options as of September 30, 2025, and December 31, 2024, represents the intrinsic value of 3,434,686 and 5,712,254 outstanding options that are in-the-money as of such dates. As of September 30, 2025, 52,836 outstanding options are out-of-the-money and their intrinsic value was considered to be zero. As of December 31, 2024, all outstanding options are in-the-money.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 9:- SHAREHOLDERS' EQUITY (Cont.)

A summary of the Company's RSUs and PSUs activity is as follows:

	September 30, 2025			Weighted-Average Grant Date Fair Value Per Share	
	RSUs	PSUs	Total	RSUs	PSUs
Unvested at beginning of year	2,120,275	384,498	2,504,773	\$ 138.1	\$ 144.3
Granted	1,140,736	270,104	1,410,840	\$ 212.0	\$ 207.9
Vested	(748,661)	(42,546)	(791,207)	\$ 212.6	\$ 217.4
Forfeited	(220,460)	(132,118)	(352,578)	\$ 156.2	\$ 142.6
	<u>2,291,890</u>	<u>479,938</u>	<u>2,771,828</u>	<u>\$ 175.0</u>	<u>\$ 181.9</u>

The weighted average fair values at grant date of RSUs and PSUs granted for the nine months ended September 30, 2025, and the year ended December 31, 2024, were \$211.3 and \$161.0 per share, respectively.

The total fair value of shares vested during the nine months ended September 30, 2025 and the year ended December, 31 2024 was \$168.4, and \$158.4, respectively.

As of September 30, 2025, the Company had approximately \$480.0 of unrecognized compensation expense related to non-vested stock options and non-vested RSU's and PSU's, expected to be recognized over a weighted average period of 1.76 years.

d. Employee Stock Purchase Plan ("ESPP"):

In 1996, the Company adopted an ESPP, which was subsequently amended in 2015. Following these amendments, starting with the purchase period on February 1, 2017, a total of 568,478 ordinary shares were designated for issuance under the US ESPP. On June 19, 2019, the allocation for the US ESPP was increased to 750,000 shares. As well, following amendments of 2015 year, for employees outside the United States, 1,096,795 ordinary shares were authorized for issuance under the Non-US ESPP. On January 16, 2024, the Non-US ESPP was increased by 700,000 ordinary shares, bringing the total allocation for the Non-US ESPP to 1,796,795 ordinary shares.

On September 3, 2025, the Non-US ESPP was increased by 1,000,000 ordinary shares, bringing the total allocation for the Non-US ESPP to 2,796,795 ordinary shares. As well, on September 3, 2025, the US ESPP was increased by 500,000 ordinary shares, bringing the total allocation for the Non-US ESPP to 1,250,000 ordinary shares.

As of September 30, 2025, 3,400,717 ordinary shares had been issued under the amended ESPP plan.

Eligible employees may use up to 15% of their salaries to purchase ordinary shares but no more than 1,250 single shares per participant on any purchase date. The ESPP is implemented through an offering every six months. The price of an ordinary share purchased under the ESPP is equal to 85% of the lower of the fair market value of the ordinary share on the subscription date of each offering period or on the purchase date.

The following table set forth the weighted average assumptions used in computation of the ESPP for the nine months period ended September 30, 2025:

	Year ended September 30, 2025
Employee Stock Purchase Plan	
Expected volatility	35.33%
Risk-free interest rate	4.27%
Dividend yield	0.0%
Expected term (years)	0.5

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 9:- SHAREHOLDERS' EQUITY (Cont.)

During the nine months ended September 30, 2025, and the year ended December 31, 2024, employees purchased 362,533 and 381,859 ordinary shares at average prices of \$156.5 and \$124.8 per share, respectively.

In accordance with ASC No. 718, the ESPP is compensatory and as such results in recognition of compensation cost. For the nine months ended September 30, 2025, and for the year ended December 31, 2024, the Company recognized \$15.0 and \$13.7, respectively, of compensation expense in connection with the ESPP.

e. Stock-Based Compensation:

Stock-based compensation expense related to stock options, RSUs, PSUs and ESPP is included in the consolidated statements of income as follows:

	Nine Months Ended	
	September 30,	
	2025	2024
Cost of revenues	\$ 10.0	\$ 6.5
Research and development	55.7	42.3
Selling and marketing	57.1	46.2
General and administrative	26.4	24.9
	<u>\$ 149.2</u>	<u>\$ 119.9</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 10: - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Nine Months Ended September 30,	
	2025	2024
Net income	\$ 752.4	\$ 588.2
Weighted average ordinary shares outstanding	107,456,414	111,385,823
Dilutive effect:		
Employee stock options, RSUs and PSUs	2,973,788	2,730,080
Diluted weighted average ordinary shares outstanding	110,430,202	114,115,903
Basic earnings per ordinary share	\$ 7.00	\$ 5.28
Diluted earnings per ordinary share	\$ 6.81	\$ 5.16

NOTE 11:- ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Unrealized Gains (losses) on marketable securities	Unrealized Gains (losses) on cash flow hedges	Total
Beginning balance	\$ (13.2)	\$ 2.9	\$ (10.3)
Other comprehensive income before reclassifications	21.3	36.8	58.1
Amounts reclassified from accumulated other comprehensive income	0.1	(15.2)	(15.1)
Net current period other comprehensive income	21.4	21.6	43.0
Ending balance	\$ 8.2	\$ 24.5	\$ 32.7

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 12:- GEOGRAPHIC INFORMATION AND SELECTED STATEMENTS OF INCOME DATA

a. Summary information about geographical areas:

The Company operates in one reportable segment (see Note 1 for a brief description of the Company's business). The total revenues are attributed to geographic areas based on the location of the Company's channel partners which are considered as end customers, as well as direct customers of the Company.

The following tables presents total revenues, by geographic area:

1. Revenues based on the channel partners' location:

	Nine Months Ended September 30,	
	2025	2024
Americas, principally the U.S.	\$ 840.2	\$ 786.1
EMEA *)	836.8	800.7
Israel	55.5	52.5
Asia Pacific	248.0	222.0
	<u>\$ 1,980.5</u>	<u>\$ 1,861.3</u>

*) Includes Europe, the Middle East (excluding Israel) and Africa

b. Summary information about product lines:

The Company's products can be classified by three main product lines. The following table presents total revenues for the nine months ended September 30, 2025, and 2024 by product line:

	Nine Months Ended September 30,	
	2025	2024
Product and licenses:		
Network security Gateways	\$ 350.9	\$ 310.2
Other *)	25.5	27.1
	376.4	337.3
Security subscriptions	893.9	812.0
Software updates and maintenance	710.2	712.0
Total revenues	<u>\$ 1,980.5</u>	<u>\$ 1,861.3</u>

*) Comprised of Endpoint security, Mobile security and Security management products, each comprising less than 10% of products and licenses revenues.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In millions (except share and per share data)

NOTE 13:- SEGMENT

The Company's chief operating decision maker ("CODM"), the Chief Executive Officer, manages the Company's business activities as a single operating and reportable segment at the consolidated level. Accordingly, our CODM uses consolidated net income and operating income as shown in the consolidated financial statements to allocate resources and to assess the performance of the segment. There is no expense or asset information that is supplemental to those disclosed in these consolidated financial statements, that are regularly provided to the CODM. Since the Company operates as one operating segment, financial segment information, including profit or loss and asset information, can be found in the consolidated financial statements.

NOTE 14:- SUBSEQUENT EVENTS

On October 22, 2025, the Company completed the acquisition of all outstanding shares of Lakera AI AG ("Lakera") for total net cash consideration of approximately \$187. Lakera is a leading AI-native security platform for agentic AI applications. With this acquisition, the Company enhances its ability to deliver an end-to-end AI security stack designed to protect enterprises as they accelerate their AI adoption.

Financial Results for the Nine Months Ended September 30, 2025

On October 28, 2025, we announced our financial results for the third quarter ended September 30, 2025, and on December 2, 2025, we furnished our unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2025, and 2024. You should read the following in conjunction with the unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2025 and 2024 and related notes in our Current Report on Form 6-K furnished to the Securities and Exchange Commission (the "SEC") on December 2, 2025, our audited consolidated financial statements and other financial information as of and for the year ended December 31, 2024, appearing in our Annual Report on Form 20-F for the year ended December 31, 2024 (the "Annual Report") and Item 5—"Operating and Financial Review and Prospects" of the Annual Report. The following may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the information provided under the caption "Risk Factors" in our Annual Report and other factors discussed in our subsequent public filings with the SEC, which are hereby incorporated by reference. Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Results for the nine months ended September 30, 2025 are not necessarily indicative of results that may be expected for the year ending December 31, 2025.

- Total Revenues grew to \$1,980.5 million for the first nine months of 2025, up 6% from \$1,861.3 million in the first nine months of 2024, primarily driven by Product demand and Subscription services.
- Security Subscriptions Revenues grew to \$893.9 million, up 10% from \$812.0 million in the first nine months of 2024. Our subscription services performance continues to be driven by adoption of our emerging technologies and recent acquisition products, with key offerings such as Harmony SASE, Harmony Email & Collaboration, and External Risk Management delivering over 40% ARR growth year over year and becoming an increasingly significant part of our business.
- GAAP Operating expenses in the first nine months of 2025 were \$1,382.3 million, an increase of 12%, primarily driven by our continued organic investments as well as the added impact of the Cyberint and Veriti acquisitions, which were not included in first nine months of 2024.
- Non-GAAP Operating expenses in the first nine months of 2025 were \$1,168.9 million, an increase of 9%, primarily driven by our continued organic investments as well as the added impact of the Cyberint and Veriti acquisitions, which were not included in first nine months of 2024.
- GAAP Operating Income for the first nine months of 2025 was \$598.2 million, representing 30% of total revenues, compared to \$621.7 million in the first nine months of 2024.
- Non-GAAP Operating Income for the first nine months of 2025 was \$811.6 million, representing 41% of total revenues, compared to \$791.1 million in the first nine months of 2024.
- Diluted GAAP earnings per share for the first nine months of 2025 was \$6.81 compared to \$5.16 in the first nine months of 2024.
- Diluted Non-GAAP earnings per share for the first nine months of 2025 was \$8.50 compared to \$6.45 in the first nine months of 2024.

Liquidity and Capital Resources

During the nine months ended September 30, 2025, and the year ended December 31, 2024, we financed our operations through cash generated from operations. Our total cash and cash equivalents, short-term investments and long-term interest bearing investments, were \$2,817 million as of September 30, 2025 and \$2,784 million as of December 31, 2024. Our cash and cash equivalents and short-term investments were \$1,469 million as of September 30, 2025 and \$1,372 million as of December 31, 2024. Our long-term interest bearing investments were \$1,348 million as of September 30, 2025 and \$1,412 million as of December 31, 2024. The majority of our financial assets are held and managed through the parent company in Israel and our subsidiaries in Canada and the U.S. In October 2025 we used total net cash consideration of \$187 million in connection with the closing of the acquisition of Lakera discussed below.

Our investments in marketable securities are classified as AFS. AFS securities are carried at fair value, with the unrealized gains and losses, net of tax, recorded in other comprehensive income (loss). Amortization of premium, discount and interest is recorded in our statements of income.

Our liquidity could be negatively affected by a decrease in demand for our products and services or increase in employment costs. Also, if the financial system or the credit markets deteriorate or remain volatile, our investment portfolio may be impacted, and the values and liquidity of our investments could be adversely affected.

Our principal sources of liquidity consist of our cash and cash equivalents, short-term bank deposits and marketable securities (which aggregated \$2,817 million as of September 30, 2025) and our cash flow from operations. We believe that these sources of liquidity will be sufficient to meet our normal operating requirements during the next 12 months and the foreseeable future and to fund capital expenditures.

Recent Developments

In October 2025, we completed the acquisition of Lakera, a AI-native security platforms for Agentic AI applications, and in June 2025, we completed the acquisition of Verity Security Ltd., a company that develops and markets cyber software platforms that combines AI and machine learning.

Use of Non-GAAP Financial Information

In addition to reporting financial results in accordance with GAAP, we use non-GAAP measures of operating income, net income and earnings per diluted share, which are adjustments from results based on GAAP to exclude, as applicable, stock-based compensation expenses, amortization of intangible assets and acquisition related expenses and the related tax affects. Our management believes the non-GAAP financial information provided in this report is useful to investors' understanding and assessment of our ongoing core operations and prospects for the future. Historically, we have also publicly presented these supplemental non-GAAP financial measures to assist the investment community to see the company "through the eyes of management," and thereby enhance understanding of its operating performance. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures discussed in this report to the most directly comparable GAAP financial measures is included with the financial statements contained in the report below. Management uses both GAAP and non-GAAP information in evaluating and operating business internally and as such has determined that it is important to provide this information to investors.

Legal Notice Regarding Forward-Looking Statements

This report contains forward-looking statements. Forward-looking statements generally relate to future events or our future financial or operating performance. Our expectations and beliefs regarding these matters may not materialize, and actual results or events in the future are subject to risks and uncertainties that could cause actual results or events to differ materially from those projected. These risks include our ability to continue to develop platform capabilities and solutions; customer acceptance and purchase of our existing solutions and new solutions; the market for IT security continuing to develop; competition from other products and services; appointments and departures of our executive officers; and general market, political, economic, and business conditions, including acts of terrorism or war. The forward-looking statements contained in this report are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including our Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 17, 2025. The forward-looking statements in this report are based on information available to us as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law.

CHECK POINT SOFTWARE TECHNOLOGIES LTD.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

(Unaudited, in millions, except per share amounts)

	Nine Months Ended	
	September 30,	
	2025	2024
GAAP operating income	\$ 598.2	\$ 621.7
Stock-based compensation (1)	149.2	119.9
Amortization of intangible assets and acquisition related expenses (2)	64.2	49.5
Non-GAAP operating income	<u>\$ 811.6</u>	<u>\$ 791.1</u>
GAAP net income	\$ 752.4	\$ 588.2
Stock-based compensation (1)	149.2	119.9
Amortization of intangible assets and acquisition related expenses (2)	64.2	49.5
Taxes on the above items (3)	(26.8)	(21.7)
Non-GAAP net income	<u>\$ 939.0</u>	<u>\$ 735.9</u>
Diluted GAAP Earnings per share	\$ 6.81	\$ 5.16
Stock-based compensation (1)	1.35	1.04
Amortization of intangible assets and acquisition related expenses (2)	0.58	0.44
Taxes on the above items (3)	(0.24)	(0.19)
Diluted Non-GAAP Earnings per share	<u>\$ 8.50</u>	<u>\$ 6.45</u>
Number of shares used in computing diluted Non-GAAP earnings per share	<u>110.4</u>	<u>114.1</u>
(1) Stock-based compensation:		
Cost of products and licenses	\$ 0.3	\$ 0.3
Cost of software updates and maintenance	9.7	6.2
Research and development	55.7	42.3
Selling and marketing	57.1	46.2
General and administrative	26.4	24.9
	<u>149.2</u>	<u>119.9</u>
(2) Amortization of intangible assets and acquisition related expenses:		
Amortization of technology-cost of revenues	23.7	17.4
Research and development	2.7	4.8
Selling and marketing	37.8	27.3
	<u>64.2</u>	<u>49.5</u>
(3) Taxes on the above items	<u>(26.8)</u>	<u>(21.7)</u>
Total, net	<u>\$ 186.6</u>	<u>\$ 147.7</u>