

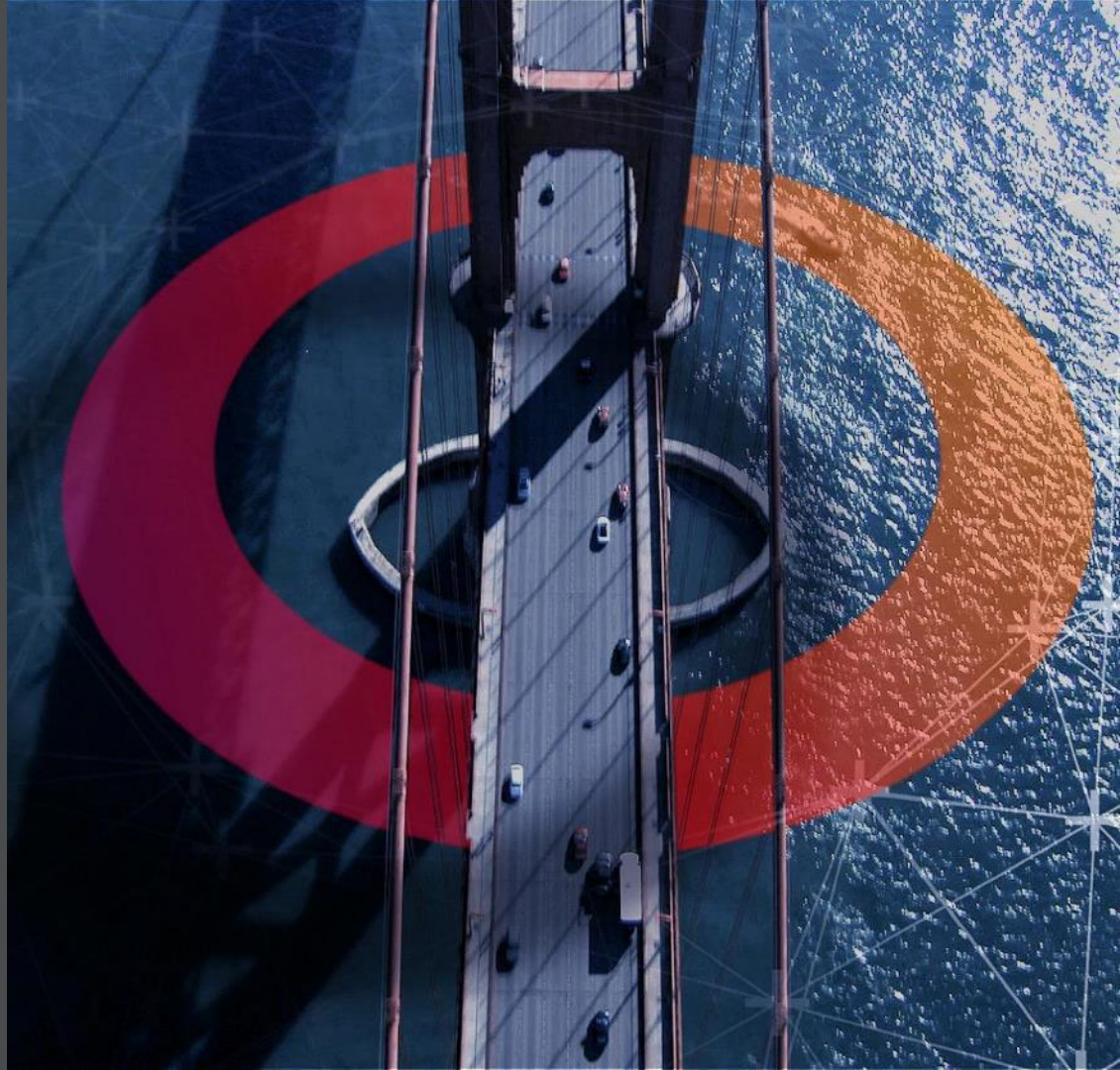


# Allot Investor Presentation

(NASDAQ, TASE: ALLT)

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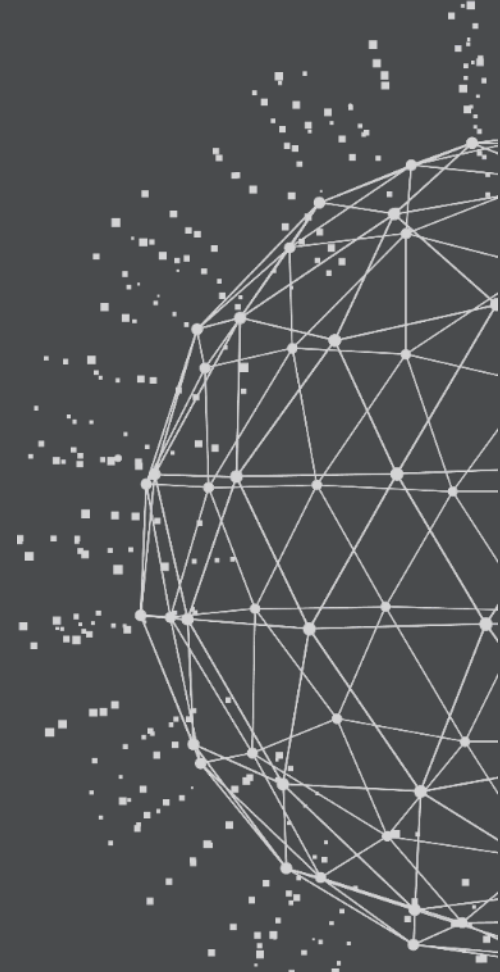
December 2019




# Forward Looking Statements

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This presentation contains forward-looking statements, which express the current beliefs and expectations of Company management. Such statements involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements set forth in such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our ability to compete successfully with other companies offering competing technologies; the loss of one or more significant customers; the impact of government regulation on demand for our products; our failure to increase the functionality and features of our products; our ability to keep pace with advances in technology and to add new features and value-added services; the failure of our products adversely impacting customers' networks; managing lengthy sales cycles; greater operational risk associated with large projects; our dependence on third party channel partners for a material portion of our revenues; our failure to comply with regulatory requirements; our dependence on traffic management systems and network management application suites for the substantial majority of our revenues; the loss of rights to use third-party solutions integrated into our products; undetected errors in our products; our dependence on a single third-party subcontractor for a significant portion of our products; and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this release are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.





Allot is a provider of leading innovative **network intelligence** and **security solutions** for service providers and enterprises worldwide, enhancing value to their customers.

### Markets

- Communication Service Providers (CSPs)
- Mid – Large Enterprises

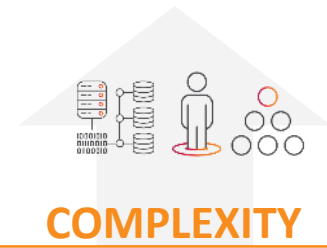
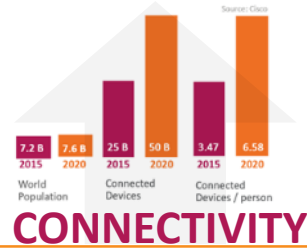
### Installed Base

- Hundreds of CSPs
- Tier-1 operators
- Global Presence

### Company Highlights

- ALLT (NASDAQ, TASE)
- 2018 revenues \$96M
- 2019 revenue guidance \$106M - \$110M
- Expect accelerated growth in 2020
- Strong Balance Sheet

## The Market Trends



## The CSP

**top priority**  
drive growth via digital media,  
IT services, IoT and security<sup>1</sup>

## The Consumer

**54% - 68%**  
care about privacy & security when  
accessing the internet via mobile phones<sup>2</sup>  
**45%**  
will to pay for security services<sup>3</sup>

## The Opportunity

**The next big thing for CSPs...**  
**Not just broadband, Secured Broadband**

# The Allot Opportunity

## OECD Connectivity Revenue

Mobile and Fixed Broadband

**\$600B**

**1.7B Consumers**

## CSP Potential Revenues from Security

**\$30B**

(5% incremental revenue)

## Addressable Market

**\$6B**

(20%)



# Allot Secure

anywhere, any device, any threat protection



## HomeSecure

Protecting all device,  
including IoT, in smart  
homes and offices

- Integrates with existing home router
- Full home network visibility

Unified Customer Centric Experience  
across all platforms

## IoTSecure

Network-based IoT  
Security

- Protects against malware, botnets and DDoS attacks
- Behavior profiling
- Behavior assurance

## NetworkSecure

Network based security  
from Malware, Phishing,  
Ransomware, crypto  
mining, and harmful sites

- Frictionless Onboarding
- ~50% penetration
- Mass activation
- Customer engagement:  
Periodic personalized reports

## EndpointSecure

Continuous  
Off-Net Security

- Protects when accessing public WI-FI
- Integrates 3<sup>rd</sup> party client

## DDoS Secure

Inline mitigation of  
DDoS attacks

- Inbound and Outbound
- Detection and mitigation under a minute
- Protects network elements from overload



# Protecting Mobile Users

NetworkSecure

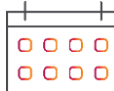


>21M

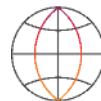
Mobiles



Up to 50%  
Adoption



€1  
Monthly



10  
Markets  
Globally



High NPS



*In the first nine months of 2016 Vodafone Secure Net blocked 154 million threats, 50,000 of them ransomware attacks”*

Economia El Pais, Madrid Oct. 31, 2016



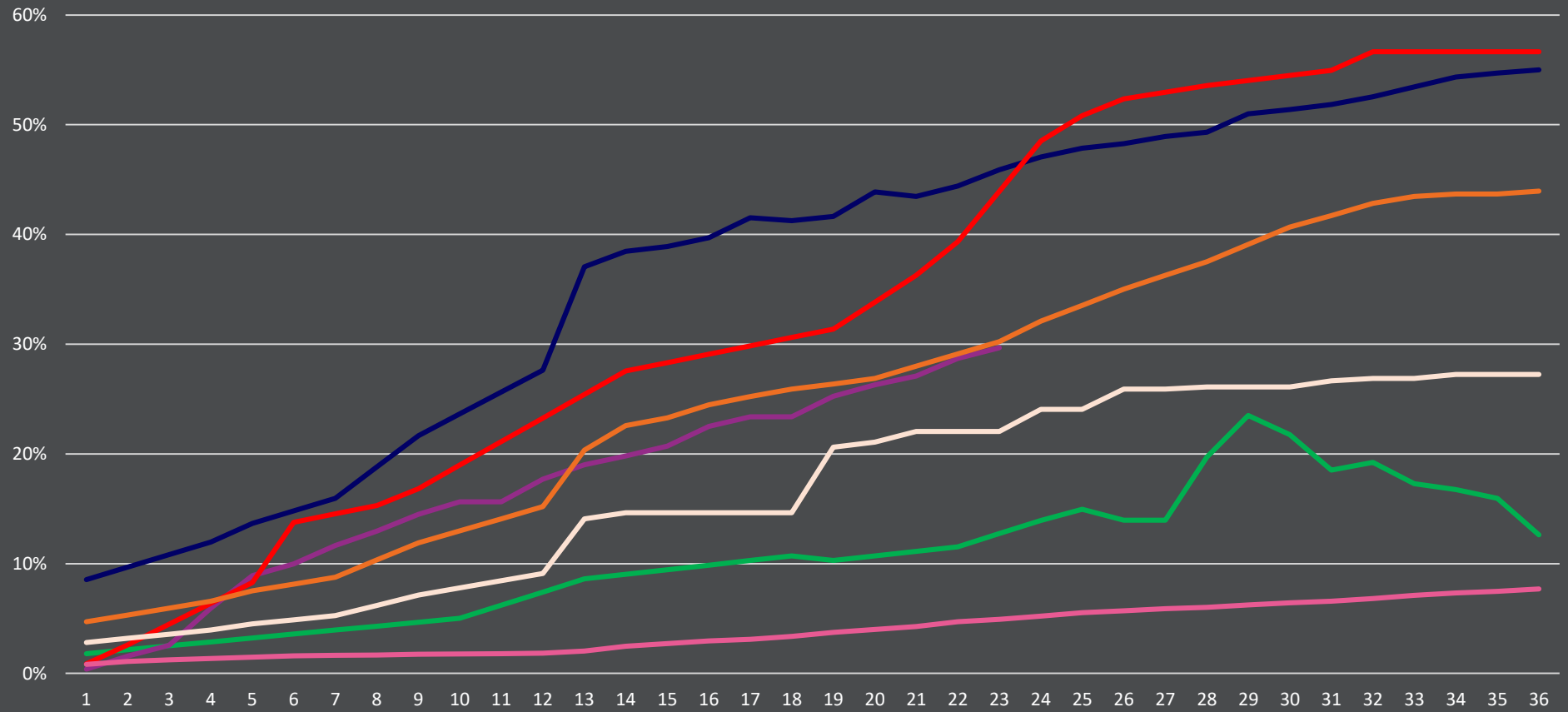
*Our Secure Net product is already €160 million in revenue... we have been building quietly and we will leverage on”*

Vodafone CEO Vittorio Colao, May 15, 2018





# Penetration Rates by Markets



# Security Traction

**TiER1**  
US OPERATOR

*Telefonica*  
 **movistar**

  
**vodafone**

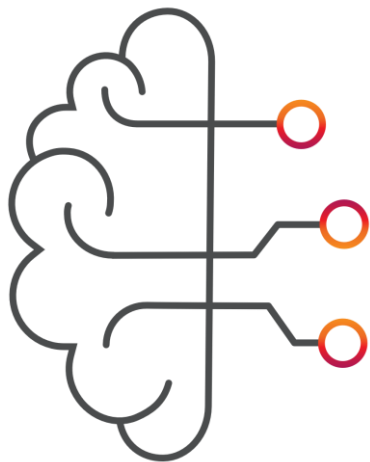


Hutchison Group

**Rakuten**

  
**Safaricom**

 **SWIFTEL  
NETWORKS**



# Allot Smart

insightful, inline, intelligence

# Allot Smart



## Core Technology

- DPI (Deep Packet Inspection) for very large pipes
- Leverages Machine Learning and Artificial Intelligence
- COTS hardware
- NFV compatible
  - VMware and OpenStack



## Allot Solutions



Policy Control & Charging



Network Intelligence



Intelligent Traffic Management



QoE (Encrypted)



Regulatory Compliance



## Highlighted Products



**SmartVisibility (ClearSee)**

- custom reports
- target customer segments
- facilitate real-time trouble shooting
- detailed data records



**SmartTraffic QoE**

- reduce congestion
- save 10 – 15% of access bandwidth costs
- defer capacity expansion by 1- 2 years



Reliance Jio Infocomm Ltd

- 216+ Million subscribers
- 18 Tbps

\*partial customer list

Rakuten



Telefonica

Swiftel



VIVO



OPTUS



Viasat



DIGI mobil

TELMEX





## Moving Forward

DPI	→	<b>SECURITY &amp; DPI</b>
CAPEX	→	<b>OPEX</b>
Preset	→	<b>Machine Learning &amp; Artificial Intelligence</b>
Appliance	→	<b>Virtualization</b>
4G	→	<b>5G</b>

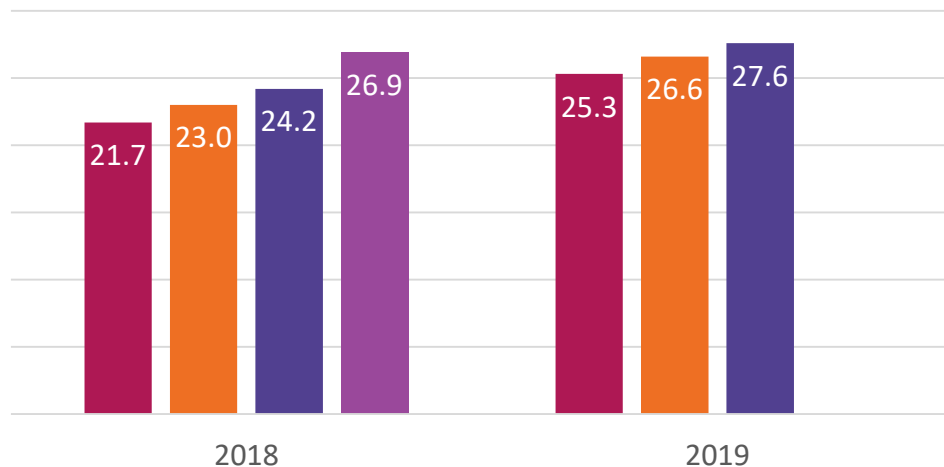


# Financials

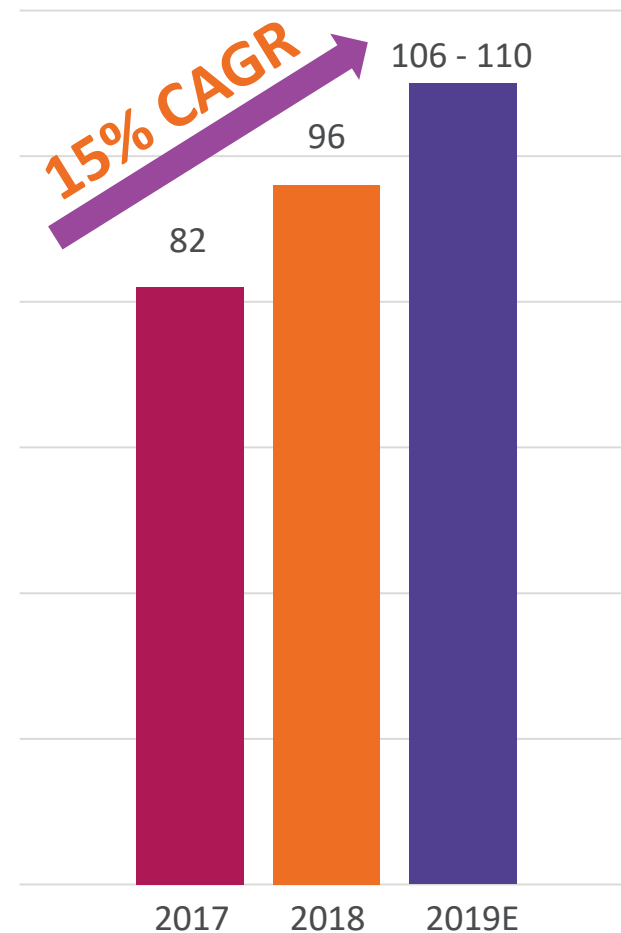
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# Revenues (\$USM)



Cash (30.10.19) \$114.8







2017

2018

2019E

Booking

95

110

Book to Bill >1

Revenues

82

96

106 - 110

Gross Margin

68%

71%

69% - 71%

Operating Loss

(8.6)

(4.8)

Non-GAAP, In millions of US\$



Q2 2019

Q3 2019

Revenues

26.6

27.6

Gross Margin

70%

70%

Operating  
Expenses

20.6

21.7

Operating Loss

(2.1)

(2.2)

Non GAAP, in millions of US\$

An aerial photograph of a complex multi-level highway interchange with several overpasses and ramps. The image is overlaid with a large, semi-transparent circular graphic. The left half of the circle is red, and the right half is orange. The words "THANK YOU" are written in large, white, sans-serif capital letters across the center of the image, partially obscured by the circular graphic.

# THANK YOU