See. Control. Secure.
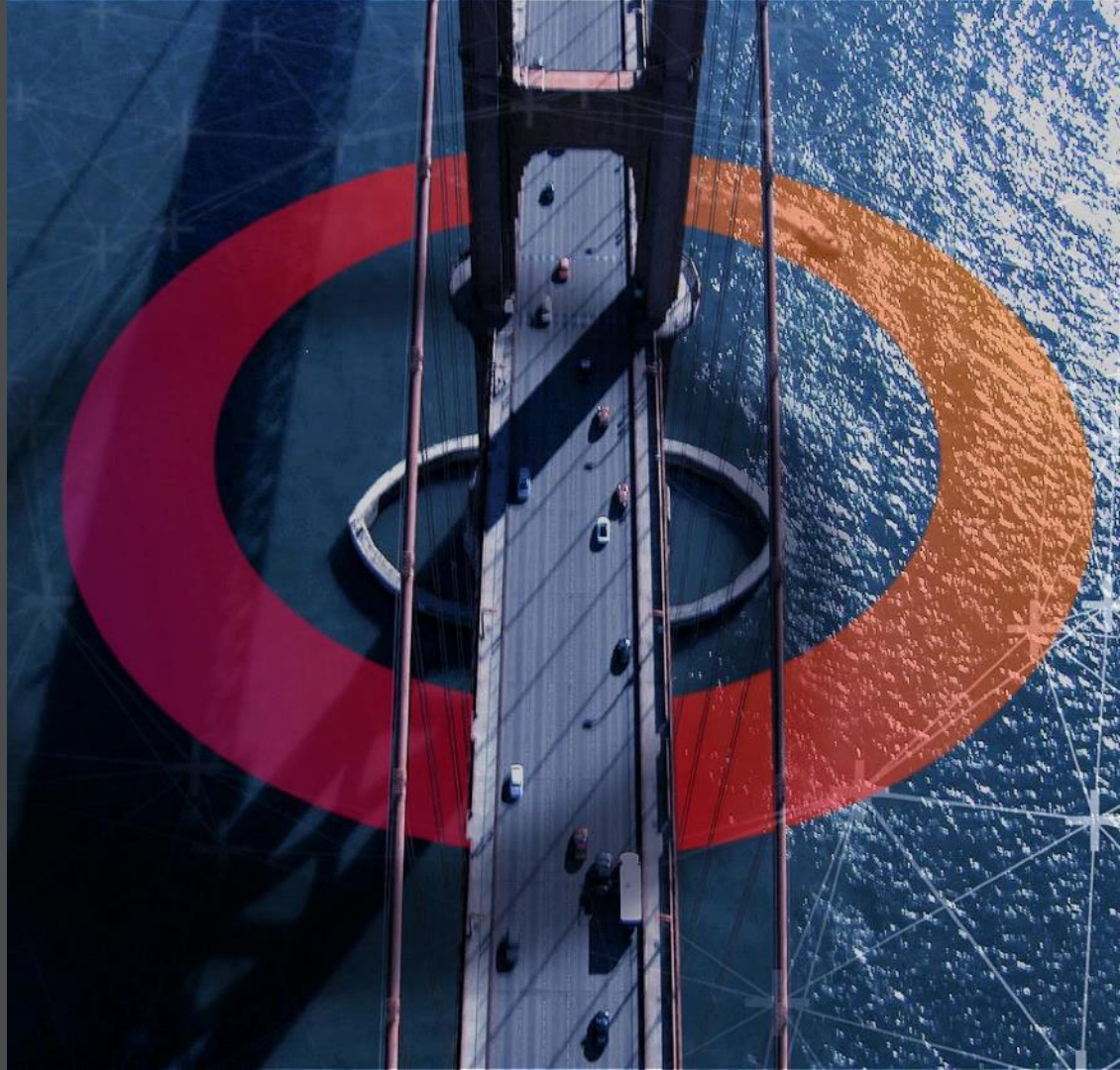
Allot Investor Presentation

(NASDAQ, TASE: ALLT)

May 2019

Forward Looking Statements

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

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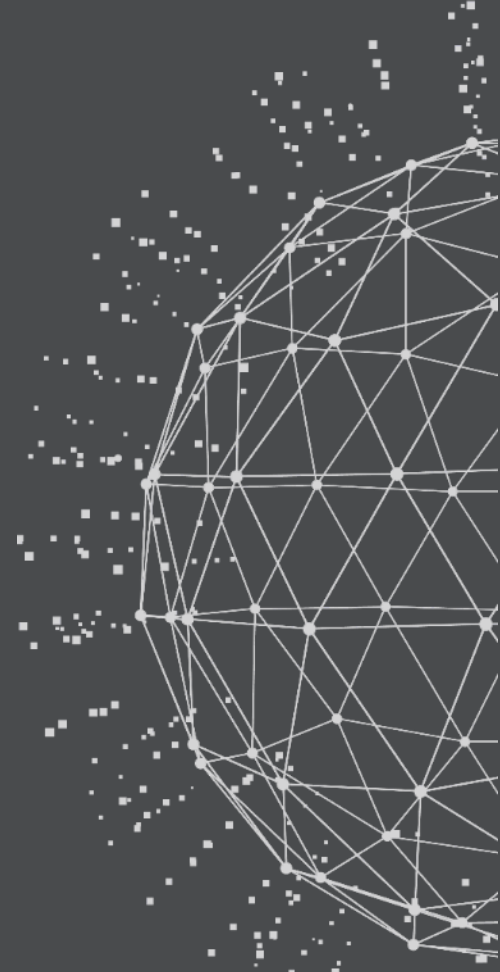
Allot is a provider of leading innovative network intelligence and security solutions for service providers worldwide, enhancing value to their customers.

Markets

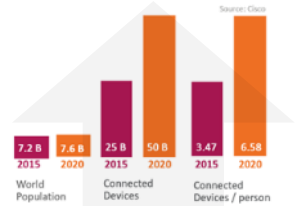- Communication Service Providers
- Mid – Large Enterprises

Installed Base

- Hundreds of CSPs
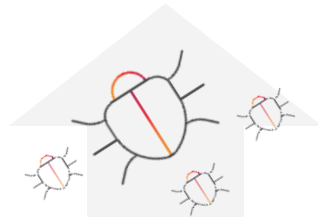- Tier-1 operators
- Global Presence
- 1000's of Enterprises

Company Highlights

- ALLT (NASDAQ, TASE)
- 2018 revenues $96M
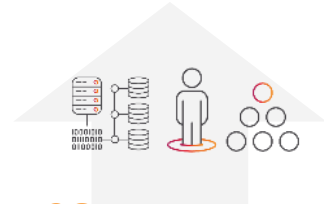- 2019 revenue guideline $106M - $110M
- Strong Balance Sheet

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The Market Trends	**CONNECTIVITY**	**VULNERABILITY**	**COMPLEXITY**

The CSP

top priority
drive growth via digital media,
IT services, IoT and security[1]

The Consumer

54% - 68%
care about privacy & security when
accessing the internet via mobile phones[2]

45%
will to pay for security services[3]

The Opportunity

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

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The Allot Opportunity

OECD Connectivity Revenue
Mobile and Fixed Broadband

$600B   **1.7B Consumers**

CSP Potential Revenues from Security

$30B   **5%** incremental revenue
Up to **50% adoption**

Allot Potential Total Addressable Market
(from CSP revenues)

$6B
(20%)

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* OECD.org June 2017

AllotSecure

anywhere, any device, any threat protection

allot Secure

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 3rd party client

DDoS Secure

Inline mitigation of DDoS attacks

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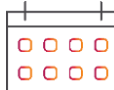- Protects network elements from overload

Protecting Mobile Users

vodafone

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"
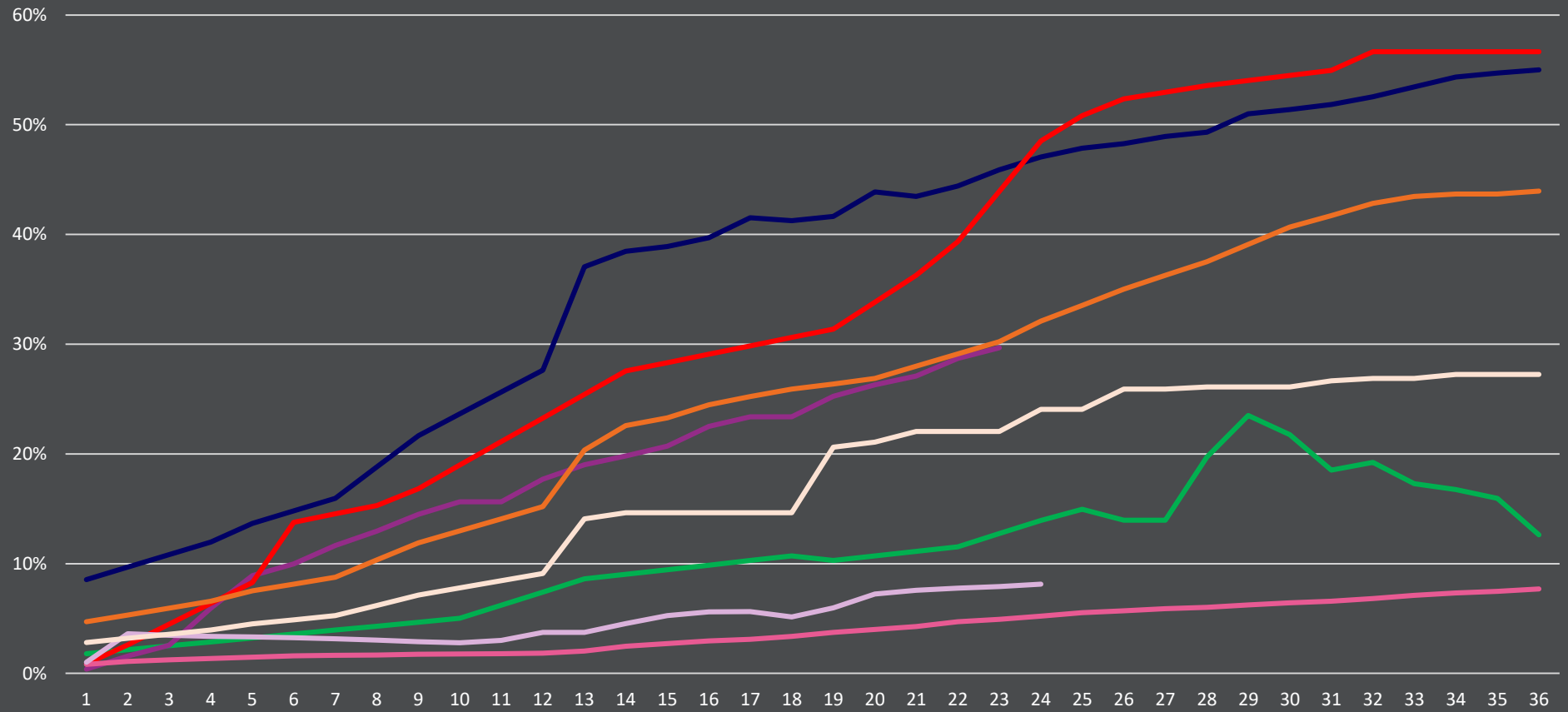
Economia El Pais, Madrid Oct. 31, 2016

"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

SAMSUNG

🛡 Vodafone Secure Net ⌄

Settings

My Vodafone Secure Net

Select your product

My childs device

Protection settings

High

Internet Security to My childs device

Viruses and other threats
Blocked Sites

Profile control for My childs device

Blocking content
Blocked content: 11 categories

Alerts transfers

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Penetration Rates by Markets

TiER1
US OPERATOR

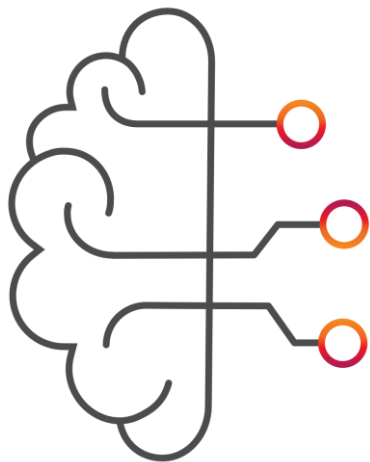**vodafone**

Telefónica
movistar

TiER1
EU OPERATOR

Rakuten

Safaricom

Swiftel

Security
Traction

AllotSmart

insightful, inline, intelligence

AllotSmart

Core Technology

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

New 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

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Reliance Jio Infocomm Ltd

- 216+ Million subscribers
- 18 Tbps

*partial customer list

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allot **Moving Forward**

DPI ⟶ **SECURITY & DPI**

CAPEX ⟶ **OPEX**

Preset ⟶ **Machine Learning & Artificial Intelligence**
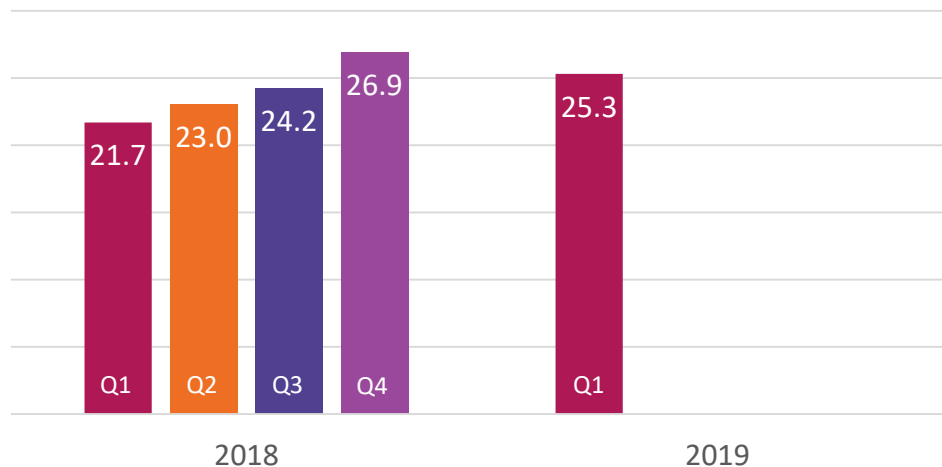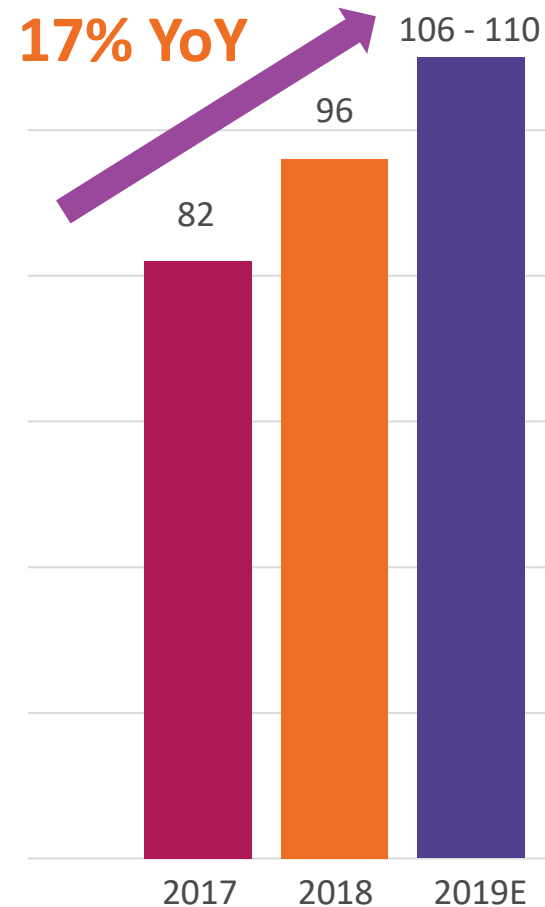
Appliance ⟶ **Virtualization**

4G ⟶ **5G**

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Financials

	2017	2018	2019E
Booking	95	110	Book to Bill >1
Revenues	82	96	106 - 110
Gross Margin	68%	71%	69% - 71%
Operating Expenses	64	73	79 - 80

In millions of US$

	Q1 2018	Q1 2019
Revenues	21.7	25.3
Gross Margin	70%	72%
Operating Expenses	17.5	20.2
Operating Losses	-2.4	-1.8

Non GAAP, in millions of US$

THANK YOU

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