

alot

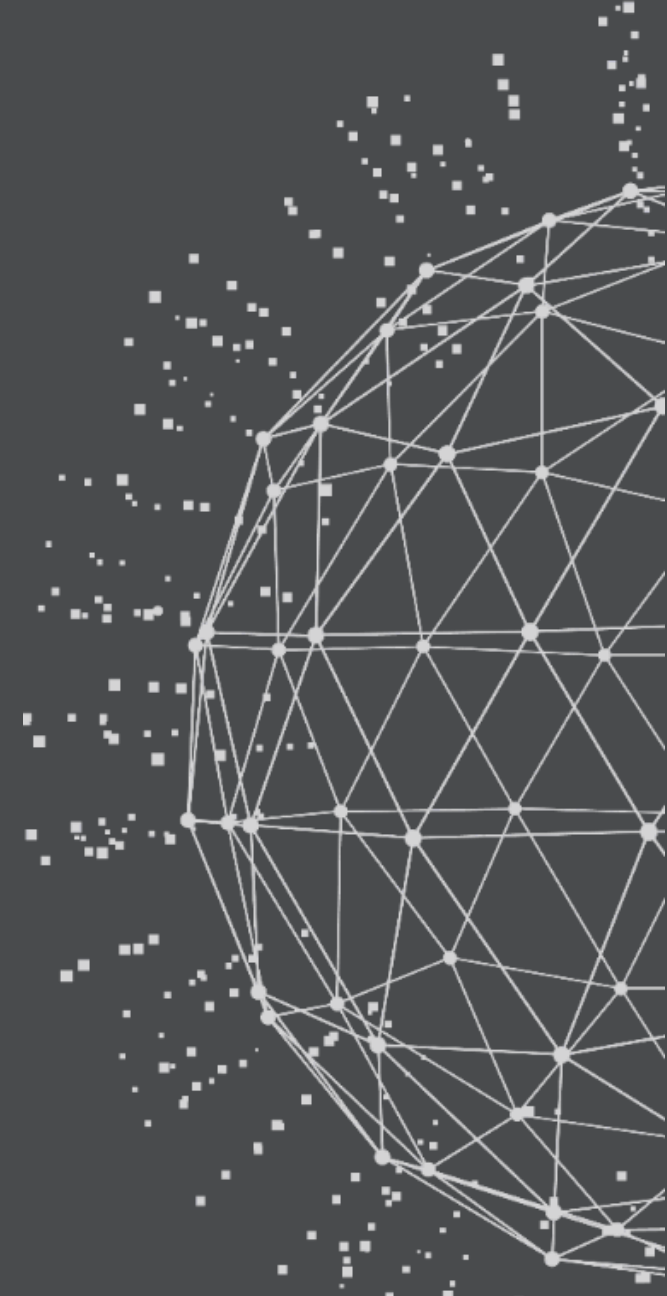
Revolutionizing Consumer Cybersecurity

Aug. 2021



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.





Allot Overview

MARKET

Communication Service Providers (CSPs)

CUSTOMER BASE

- Hundreds of CSPs globally
- Tier-1 operators

COMPANY HIGHLIGHTS

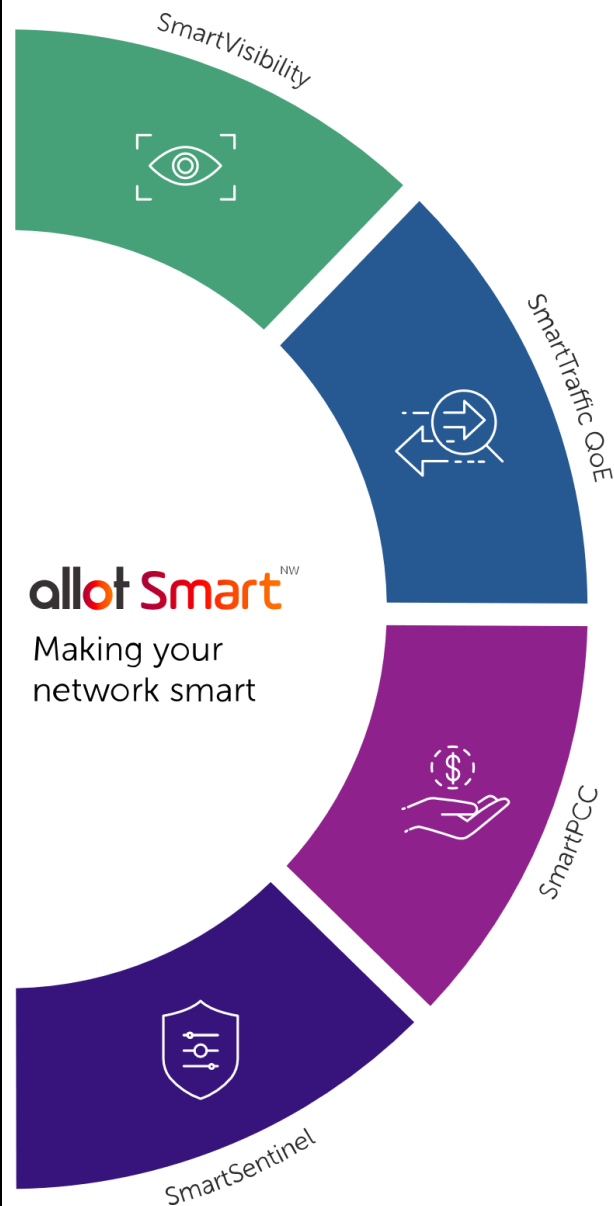
- ALLT (NASDAQ, TASE)
- 2020 revenue: \$136M
- 2020 Cybersecurity revenues: \$23M
- 2017-2020 revenue growth CAGR: 18%

PROVEN MANAGEMENT TEAM

Decades of experience in CSPs and Cybersecurity



* Logos relate to end users of our Allot Smart technology.



Allot Smart Technology Heritage

- Deployed with hundreds of CSPs worldwide
- Telco grade solutions
 - High throughput
 - Multitenancy
 - Quality
- 5G, cloud native and virtual
- AI technology



Allot Secure CSP Customers

More than 20 million global subscribers protected
Tier-1 operators trust Allot

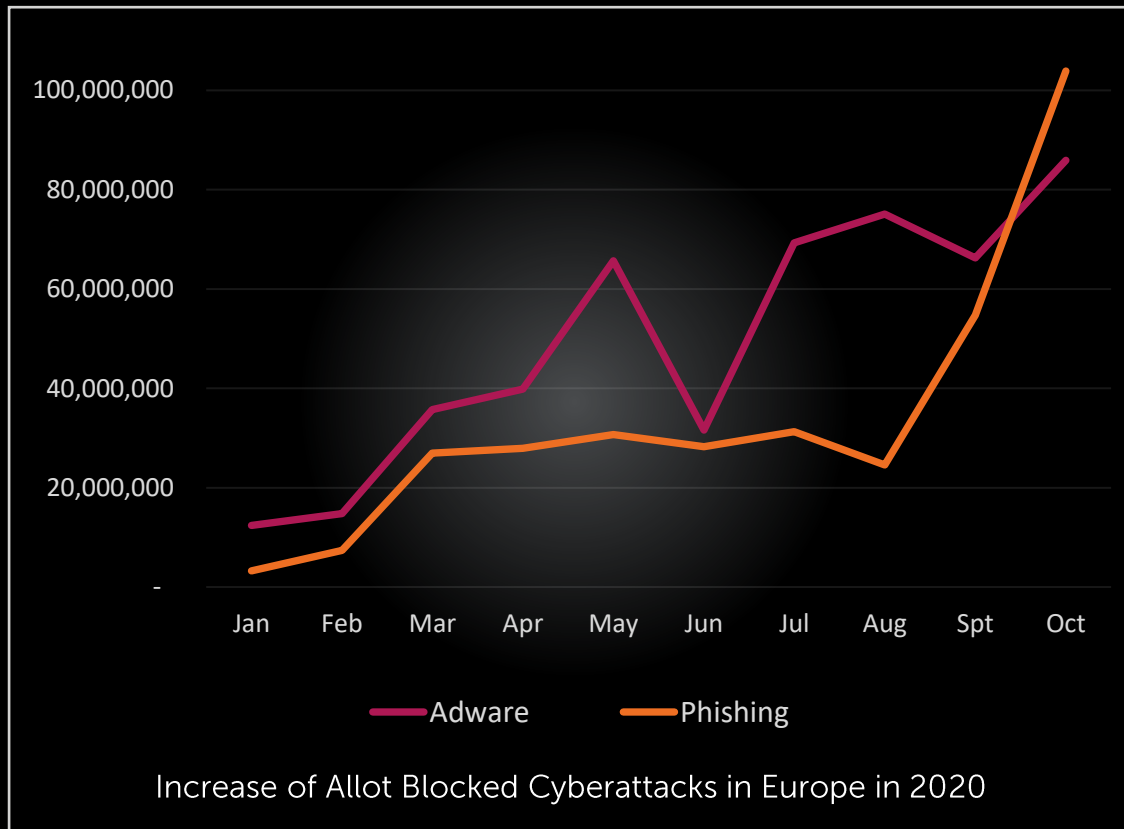


The Consumer & SMB Cybersecurity Challenge

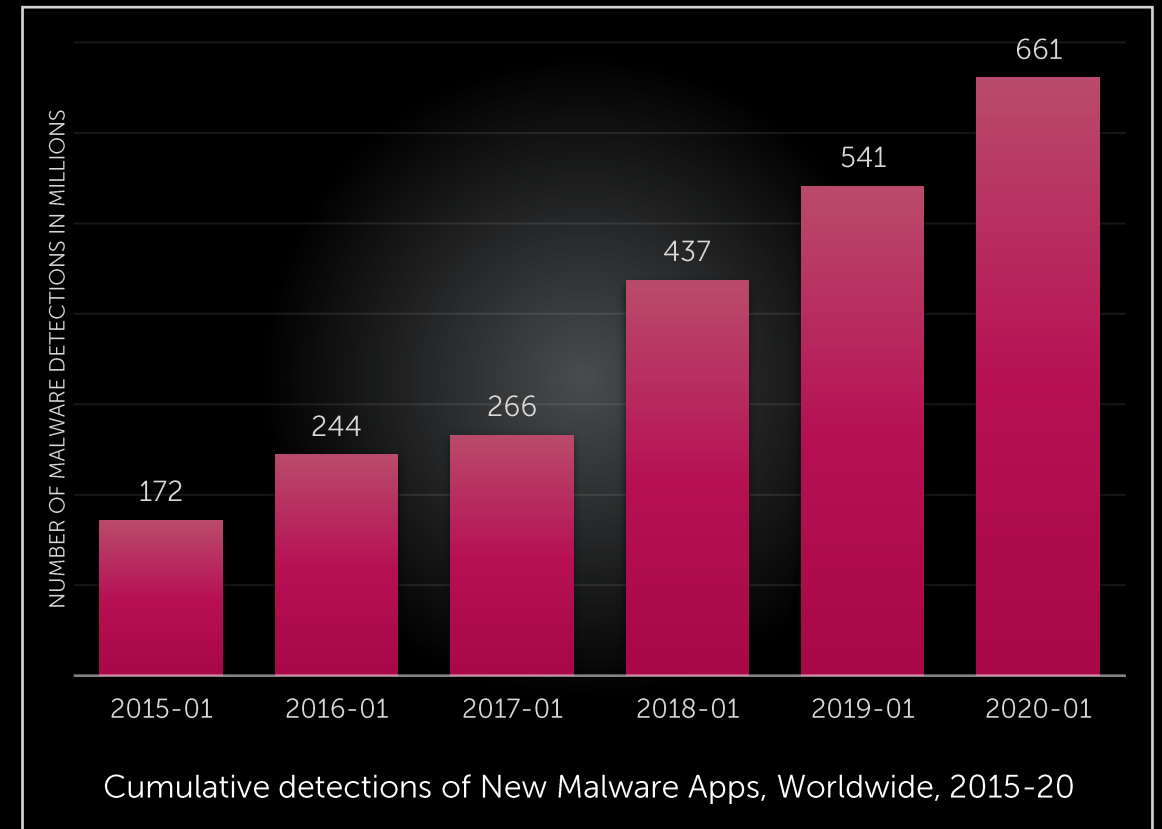


Consumer & SMB Cyberthreats Exponentially Growing

- Border between office and work has blurred
- COVID accelerated this change
- 5G will accelerate it further



Allot Cyber Threat Report, Europe Edition, February 2021

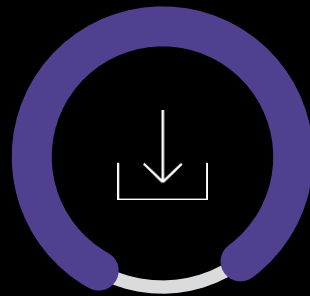


Source: Development of malware worldwide 2015-2020
Published by Joseph Johnson, AV-Test, Jan 25, 2021

Security Apps Don't Protect Consumers



Consumers don't want to implement security apps on all their devices



Few* consumers actually download security apps

Despite this, many CSPs today are reselling endpoint Apps with limited success

* Based on conversations with CSPs



Consumers & SMBs cannot be their own CISO

The Opportunity



Consumers & SMBs are Aware of Threats and Expect CSPs to Provide Solution

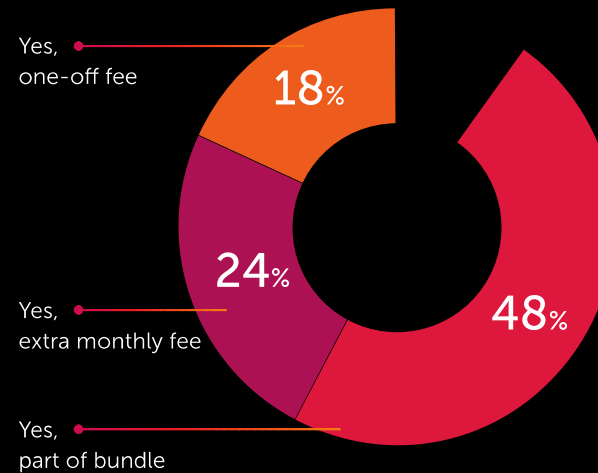
72%

of US consumers worry about personal or financial data being hacked

66%

of US consumers worry about being a victim of identity theft

Based on Gallup survey of 1,035 American participants in October 2020



90%

of consumers think the CSP should provide a security solution

Based on survey of 11,400 global participants as reported in Allot's December 2020 Global Consumer Security Survey, conducted by Coleman Parkes Research

US Consumers are Willing to Pay to be Protected

MOBILE USERS

68%

are willing to pay
\$3* per month
for security

FIXED BROADBAND USERS

64%

are willing to pay
\$6* per month
for home security

*Average price willing to be paid by users.

Based on survey of 2,500 American participants in April 2021 Survey on US Mobile and Broadband Security, conducted by Coleman Parkes Research

CSPs Well Positioned to Provide Security Services



Sole provider of access to the network.



Capable of blocking attacks before they reach the customer



Multiple touch points with customers: trusted brand, billing, frequent interactions

Network-Based Cybersecurity is the “Next Big Thing” for CSPs



Value #1

Brand
recognition

Value #2

New
revenues

Value #3

Customer loyalty
helps reduce churn*

* Based on conversations with CSPs

CSPs will be
Consumer & SMB
Cybersecurity Heroes





Allot Revolutionizing Consumer & SMB Cybersecurity

The Allot Secure Solution





Allot Secure

Protecting consumers from threats/crime on the network

- Any threat
- Anywhere
- Any device

Allot Secure 360

The only company to offer a full unified "security blanket"



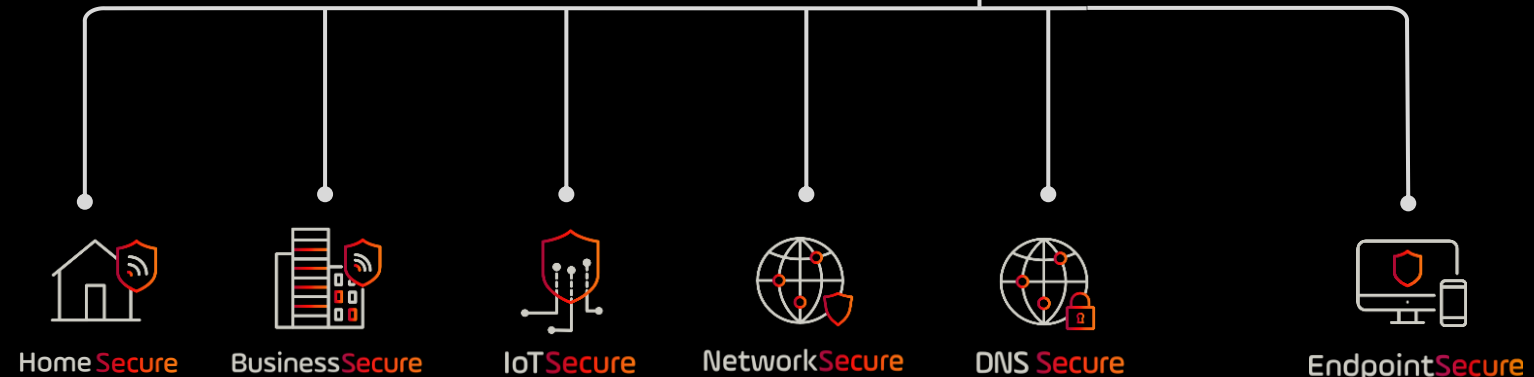
Allot Cloud

- Threat Intelligence
- Web Categorization
- Device Fingerprinting



Allot Secure Management

- One seamless security experience
- Subscriber Oriented



On-Net : Zero touch onboarding

No need to download / install

Off-Net

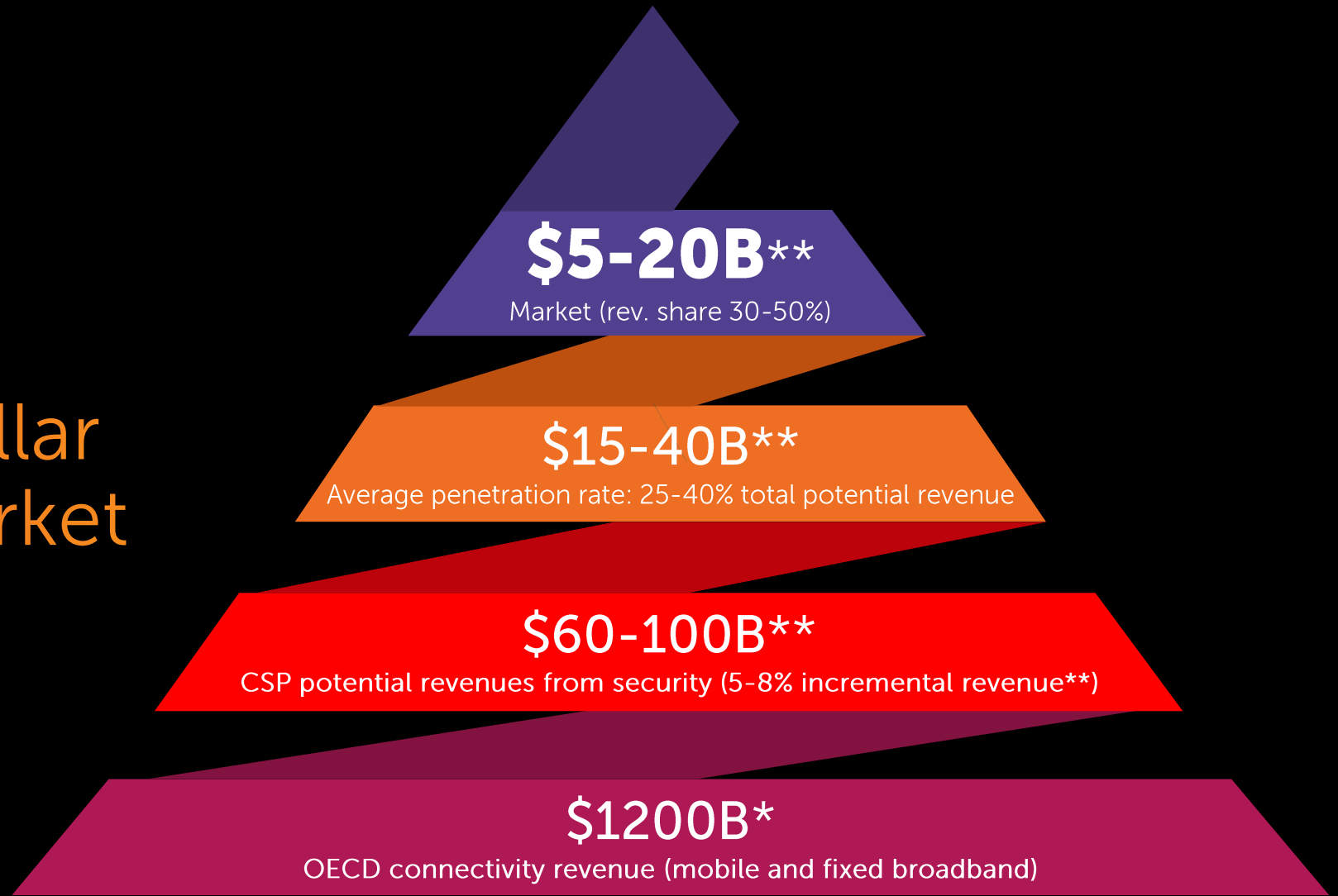
App per device



The Economics



Multi-Billion Dollar Addressable Market

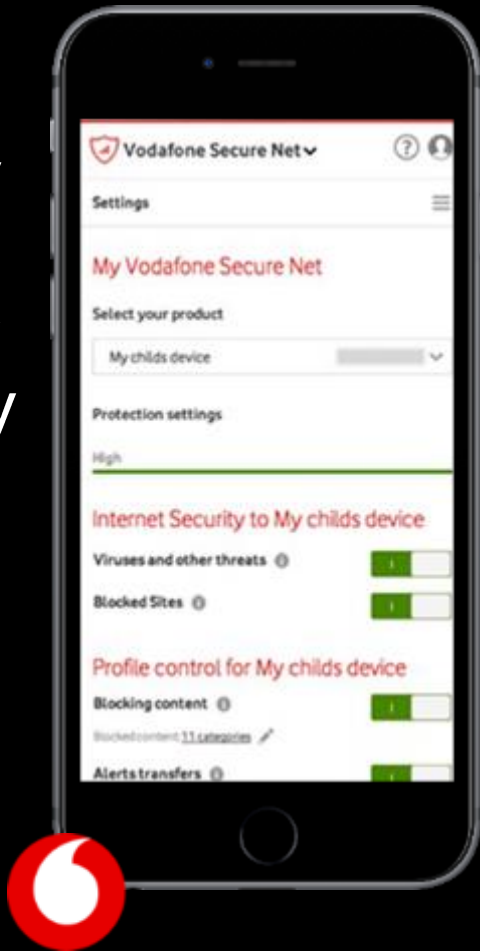


* Source: OECD Trends in Telecommunications Revenue and Investment, April 2020

** Allot estimations

*** Some numbers have been rounded off

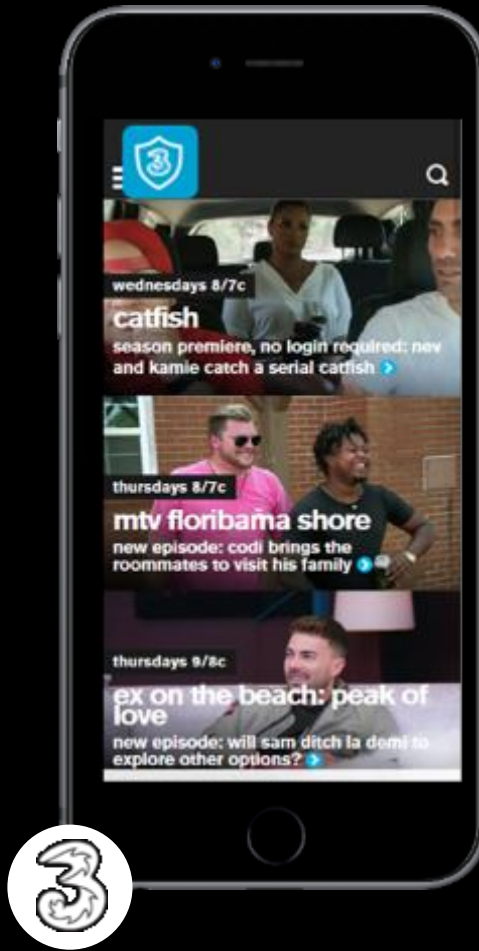
Consumers willing to pay 5% to 8% of price plan for Cybersecurity



0.99€/m

~5% of average price plan

"...Vodafone Secure Net is a unique service that protects you simply and safely on your Vodafone connected devices."



1.5€/m

~8% of average price plan

"...The Drei Internet Protection protects Drei customers regardless of device..."

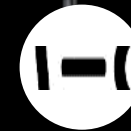


Telefonica SMB

10€/m

~20% of average price plan

"...Browse with complete peace of mind and configure the service according to your business needs"

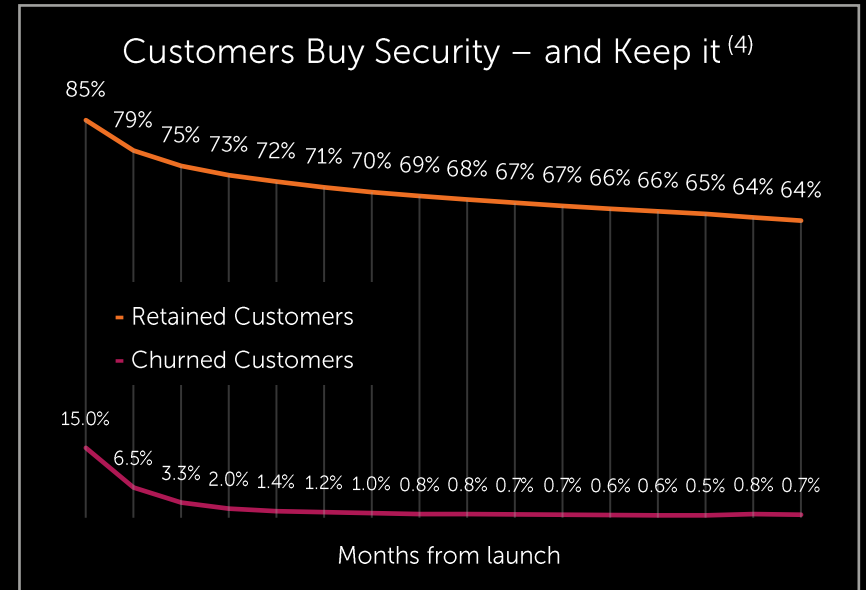
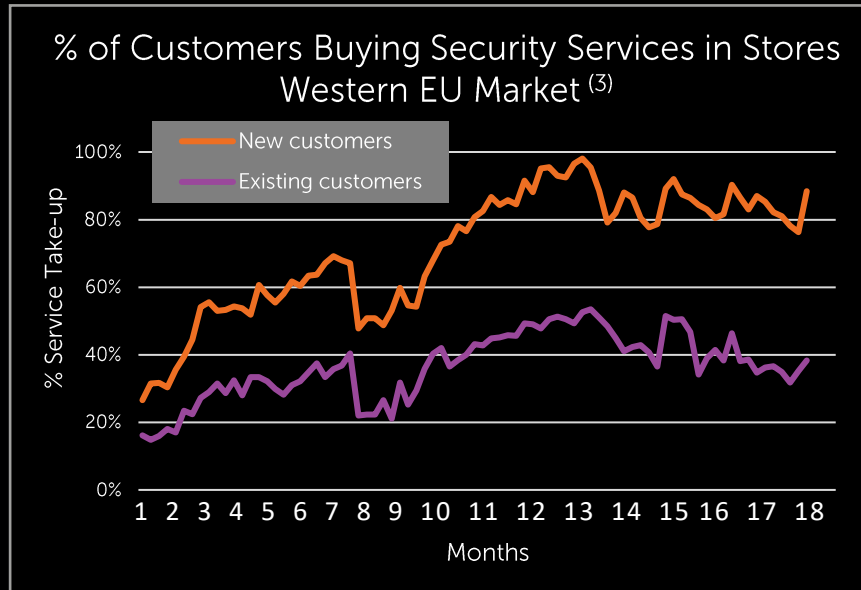
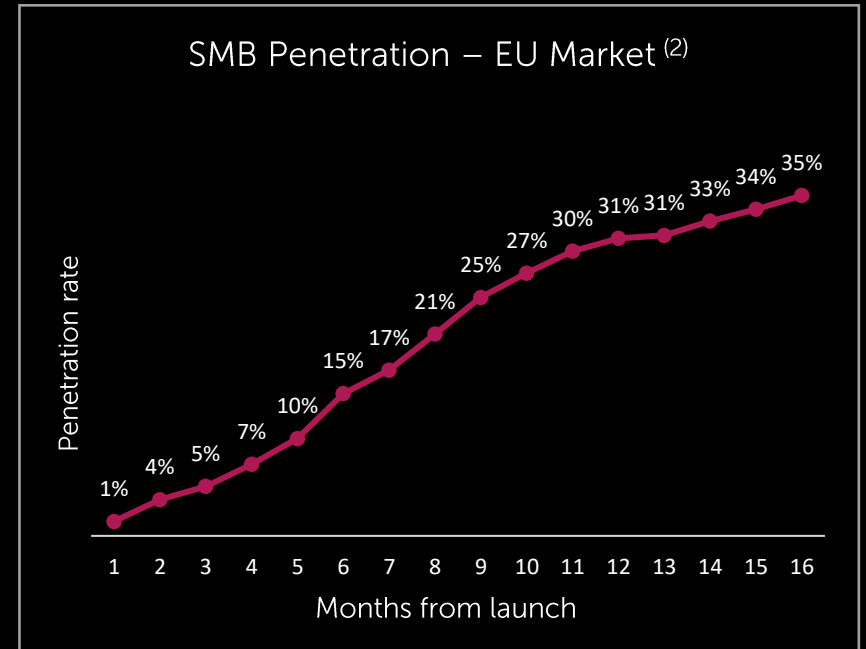
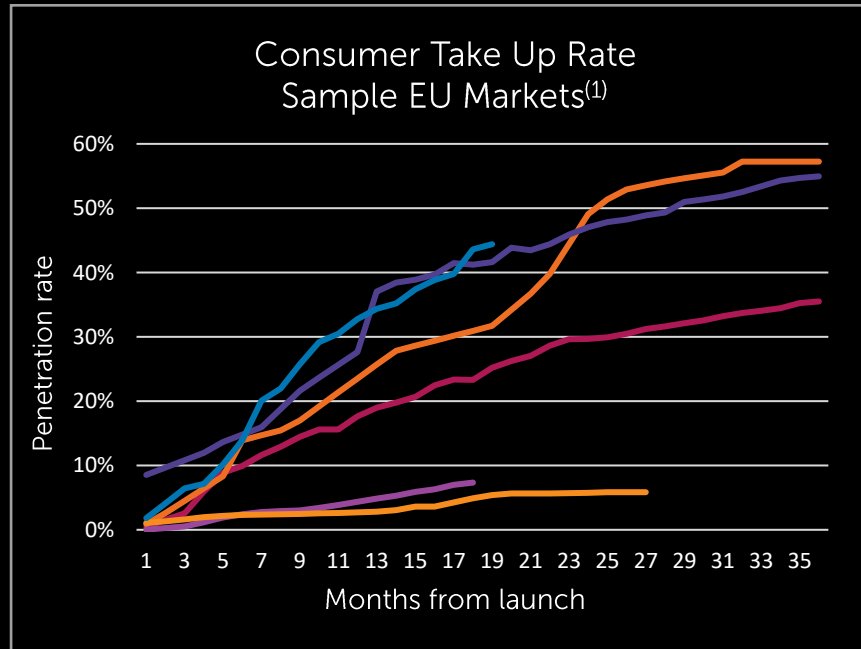


0.99€/m

~6% of average price plan

"... removes the burden from our customers by protecting them wherever they are."

Extraordinary Take Up Rate by Consumers & SMBs*



* Examples of existing customers

⁽¹⁾ Data from several Tier 1 CSPs in EU

⁽²⁾ Data from SMB subscribers on large CSP in EU

⁽³⁾ Data from a large CSP in EU

⁽⁴⁾ Data from a large CSP in EU (average active subscribers by tenure month in the service)

Allot CSP Value Proposition



Provide all required to CSP
(hardware, software, professional
services, marketing support and
support & maintenance)



0 upfront charge



0 financial commitment



Revenue share

Some operators are willing to share up to 50%
of security revenues with Allot.



We are facing attach rates of up to 80% of new customers.

Martin Westhoff
Strategy and Marketing Home
at Hutchison Drei Osterreich



Simple on-boarding provides a key factor as customers are happy to receive immediate protection with no hassle. Allot contributes to a higher NPS and boost to our brand.

Jason King
Telenor Bulgaria CEO



We see the huge potential of Telefónica to achieve very high penetration rates with this type of service.

Jose Luis Gilperez
Executive Director Public Administrations,
Defense and Security, Telefónica España



Our Secure Net product is already €160 million in revenue... We plan to continue leveraging Secure Net. (May 2018)

Vittorio Colao
Vodafone CEO



Positioned for Growth



5G Networks Are More Vulnerable to Attacks

High
Bandwidth

Many Internet
connections

Many IoT
devices

5G NetProtect

Protecting Service Provider User Plane from malicious and abnormal network activities

5G Network Protection: Additional Cybersecurity Growth Engine for Allot

allot | dish

We've come to the conclusion that Allot has the most in-depth capabilities to detect, in real time, threats and with a lot of different techniques and capabilities.



Mark Rouanne
Chief Network Officer
DISH

This is Just the Beginning...

The Future is Bright.

Allot is placed in a strategic location
within the network and sees all the traffic.

Future Values:



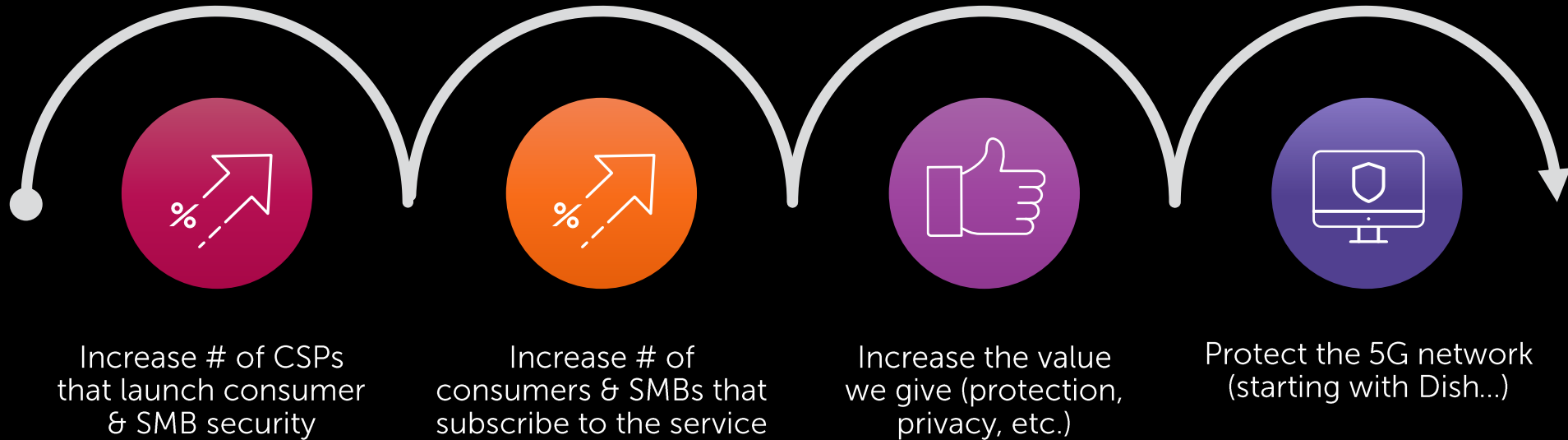
Enhanced
Data Driven
Security



Consumer
Privacy



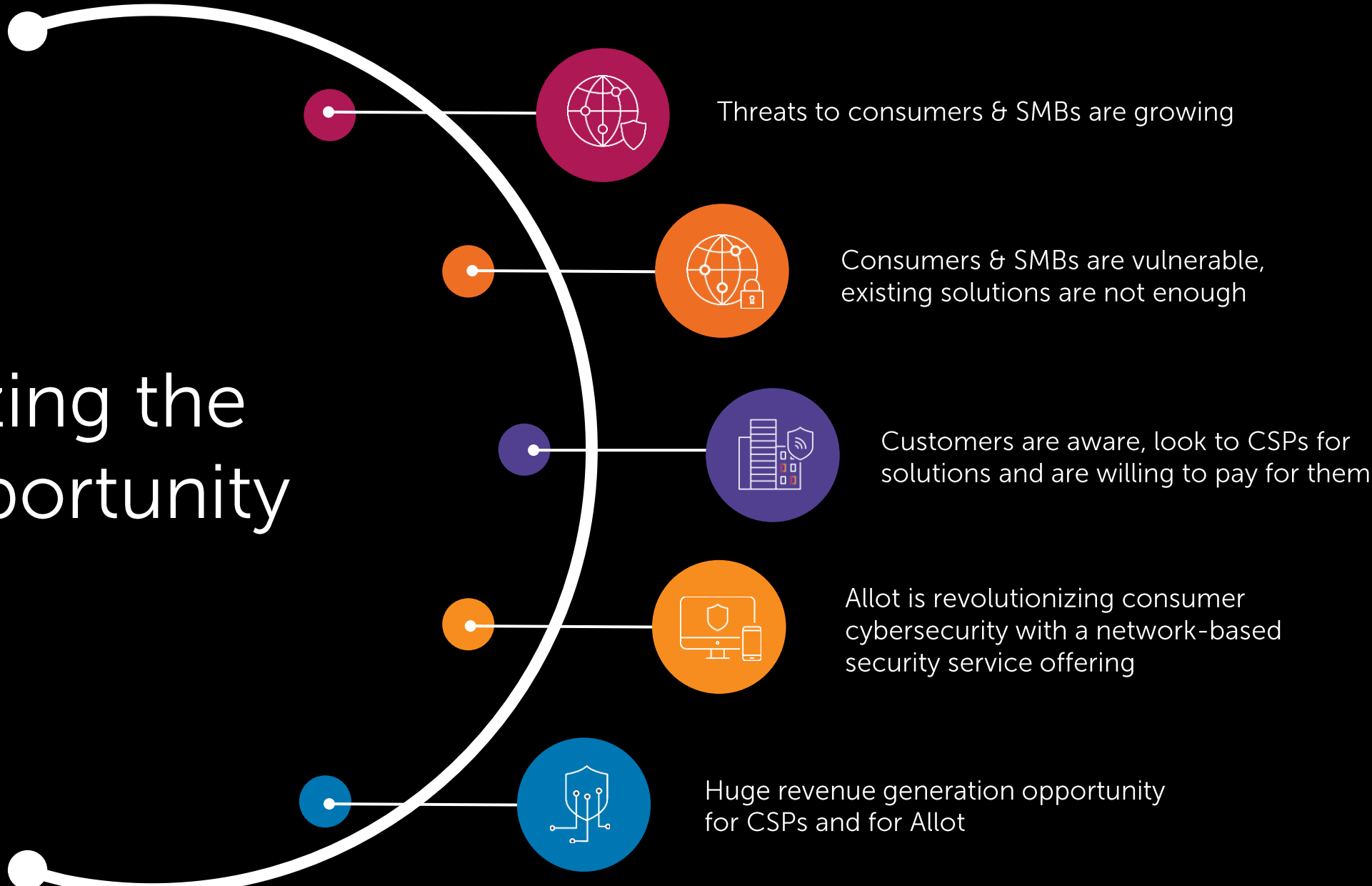
4 Growth Vectors to the Future



Allot Transformation Journey



Seizing the Opportunity





Financial Overview

Attractive and healthy financial profile...

\$140m

LTM Revenue Scale

18%

FY2017-FY2020
Revenue CAGR

71%

Non-GAAP
FY2020 Gross Margin

\$106m

Cash and
investments*
As of June 30, 2021

Security driving the next phase of growth...

More than 50%

Security Revenue Contribution
in the Medium Term

More than \$50m

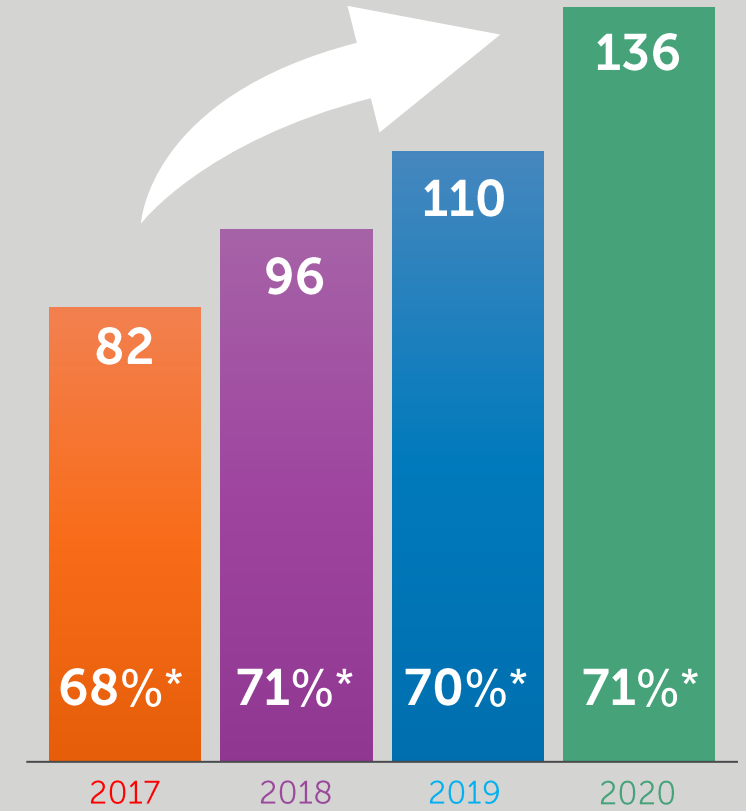
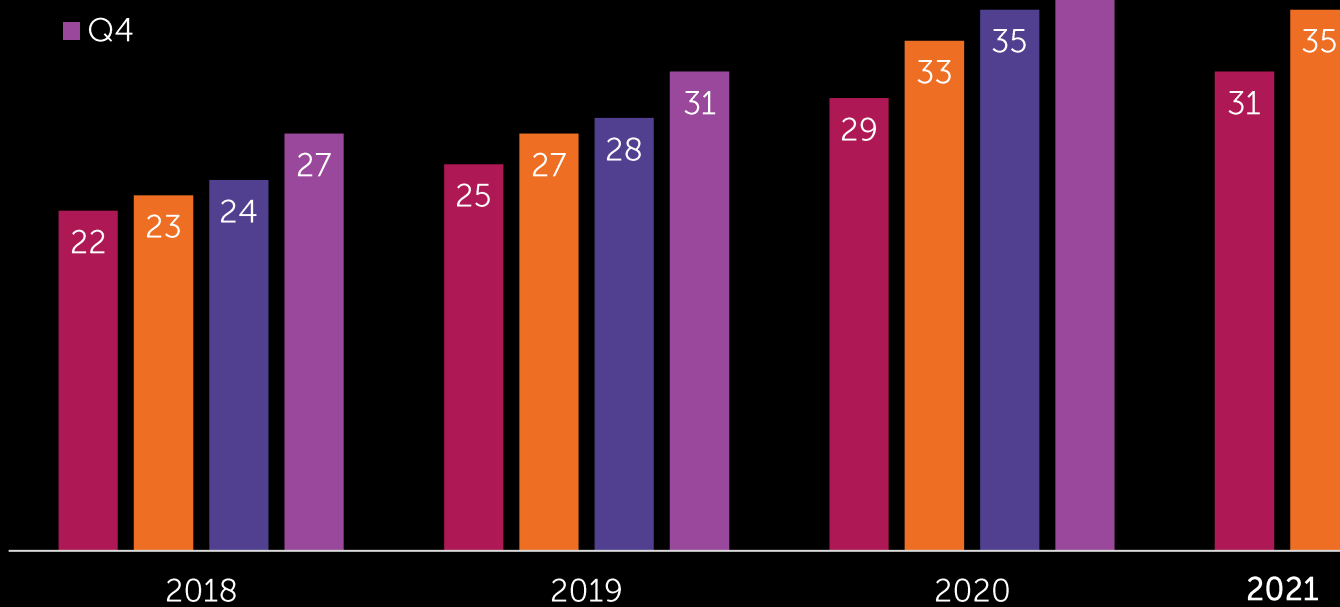
Recurring Revenue in the Medium Term

*Including: cash and cash equivalents, short-term and long-term bank deposits, restricted deposits and marketable securities

Revenue (\$M), Gross Margin*

18% CAGR (2017-2020)

- Q1
- Q2
- Q3
- Q4



2021 guidance: 145-150

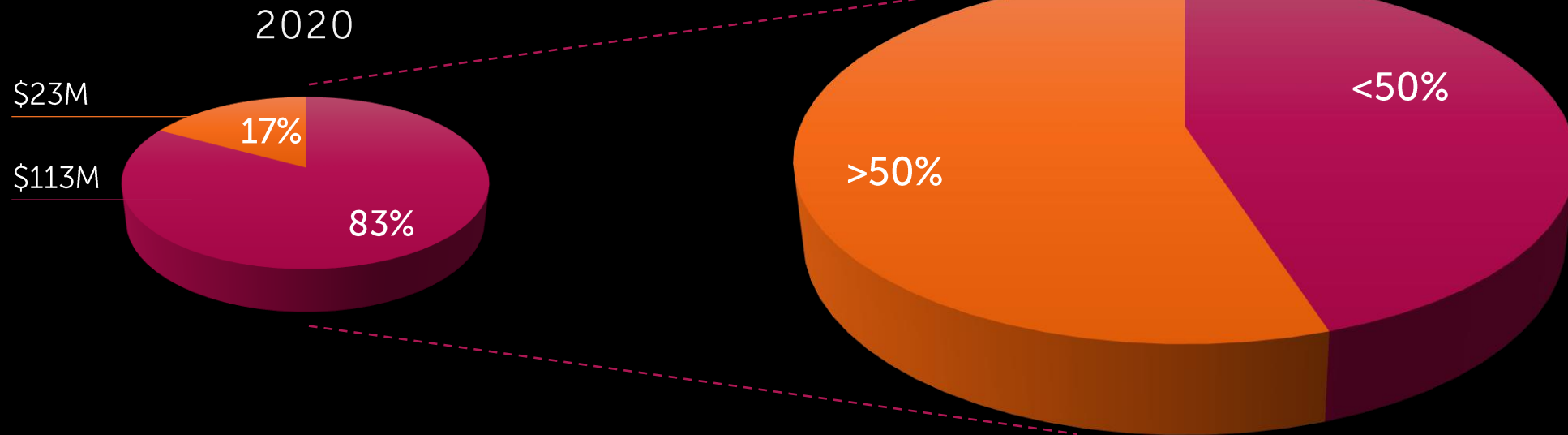
*Non-GAAP Gross margin

Transition to Security

(% of total company revenues)

■ DPI ■ Security

Medium Term Target



Hypothetical CSP Example - SafeTelCo

- Assumptions

- 5M mobile subs
- \$20/month ARPU

- SECaaS Pricing:

- \$1/month for security (5%)

- MAR Calculation*:

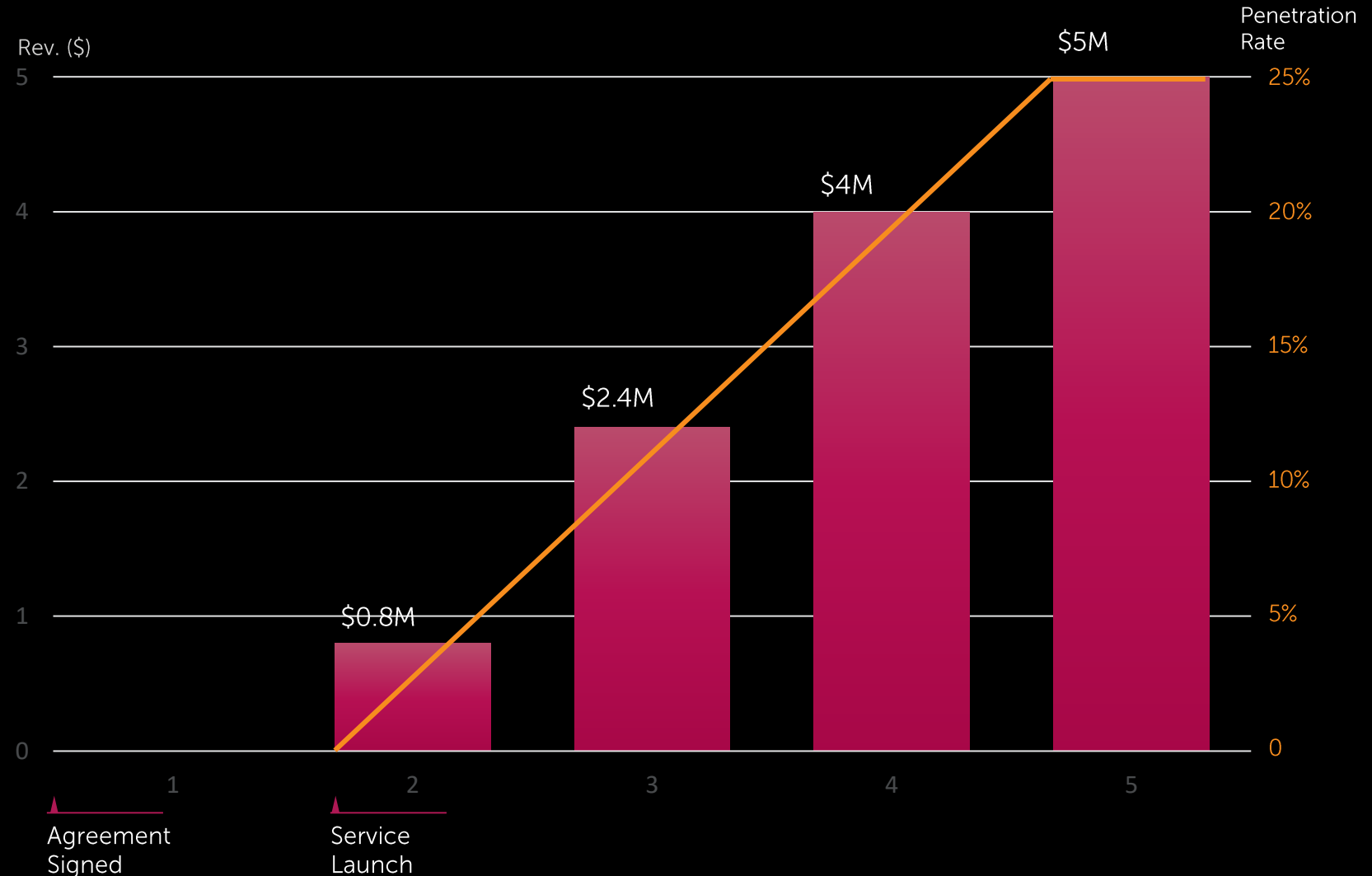
- Allot rev-share 33%
- MAR** = \$20M (5M*\$4)
($\$1 \times 12 \times 33\% = \$4/\text{sub}/\text{year}$)

- Maximum Penetration:

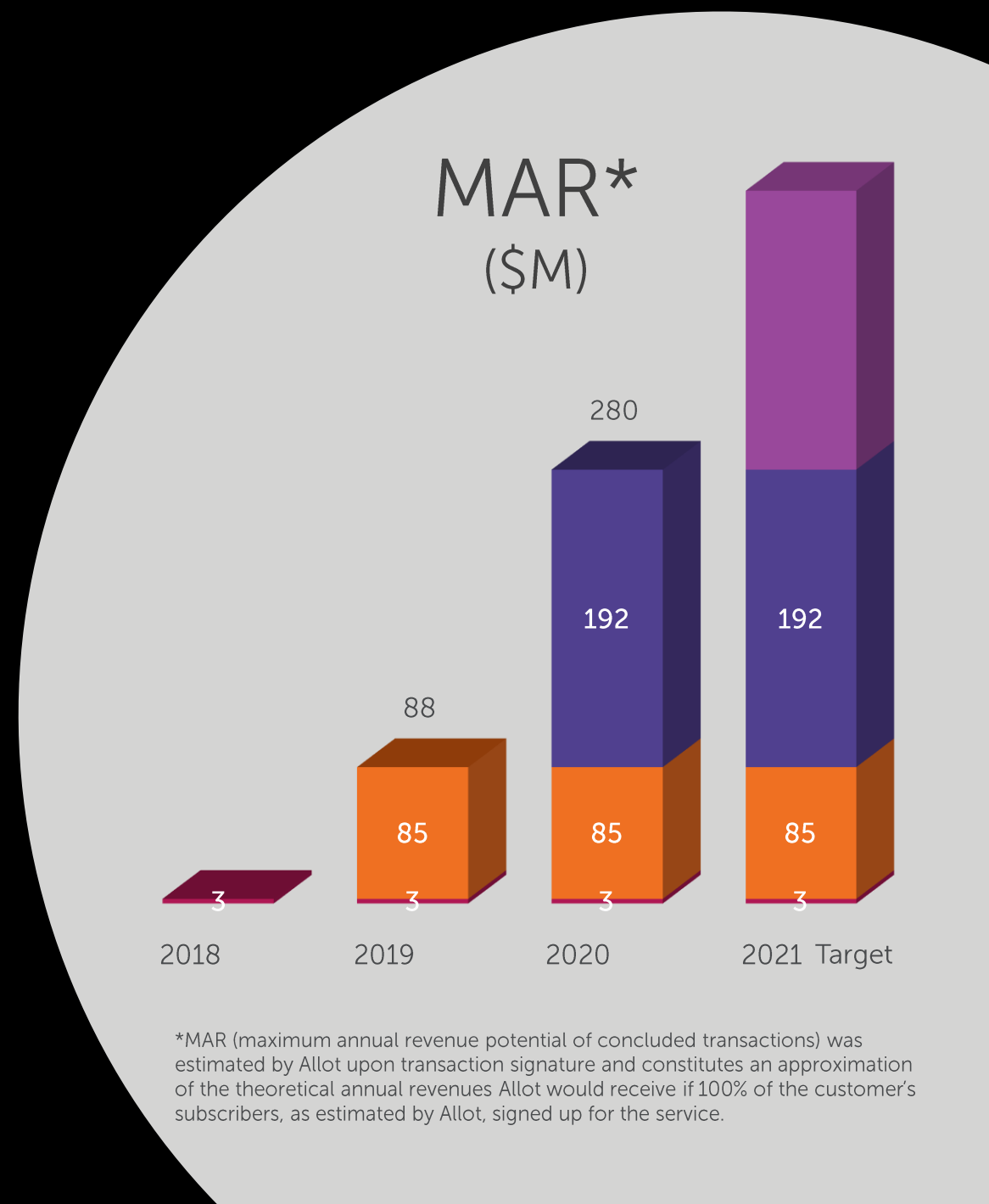
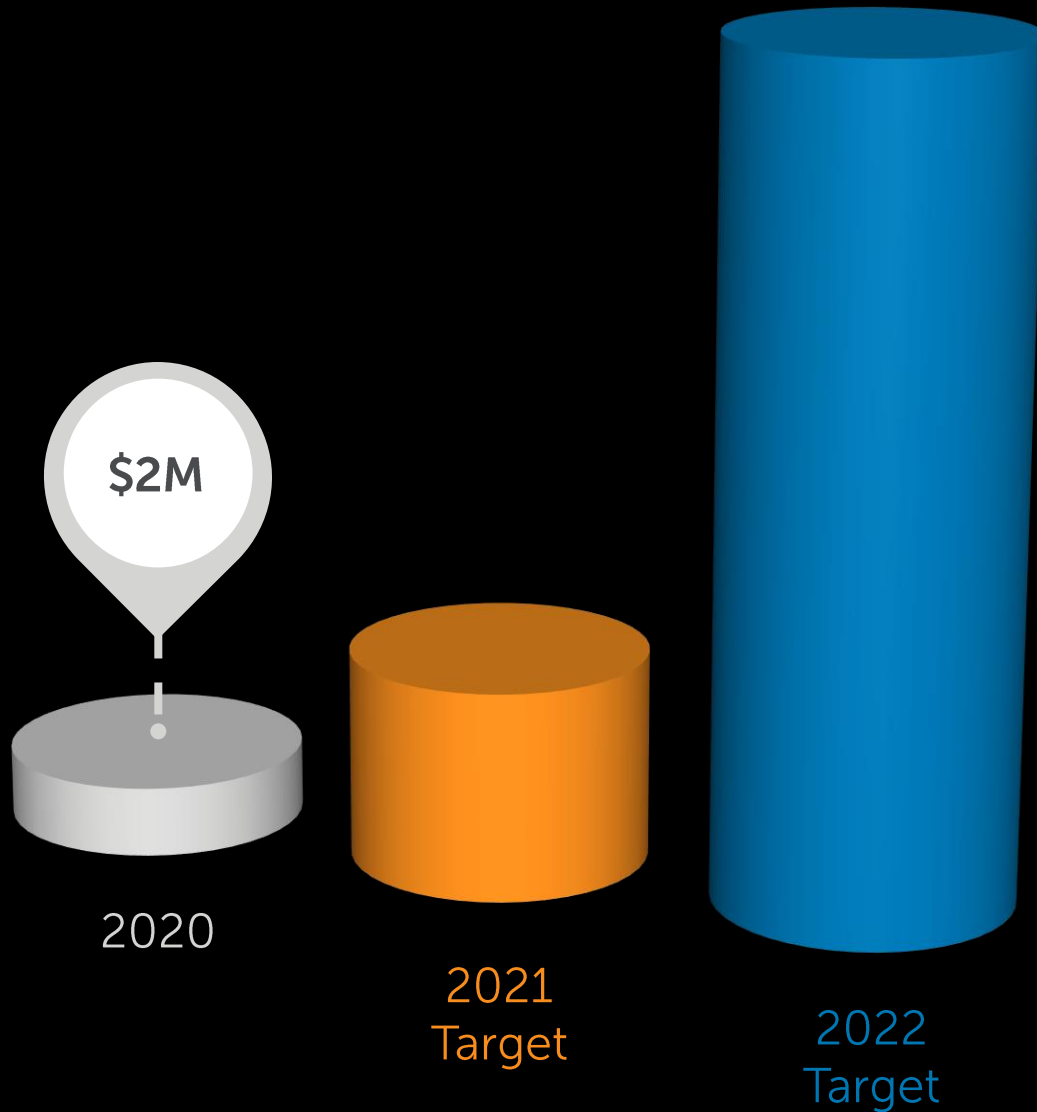
25%, 3 years after launch

*Assuming a consumer base of 5 million mobile subscribers each paying \$1 per month for Allot-provided security services and a 33% revenue share in favor of Allot, Allot would earn \$20 million in revenues annually, or \$4 per subscriber annually.

**MAR (maximum annual revenue potential of concluded transactions) was estimated by Allot upon transaction signature and constitutes an approximation of the theoretical annual revenues Allot would receive if 100% of the customer's subscribers, as estimated by Allot, signed up for the service.

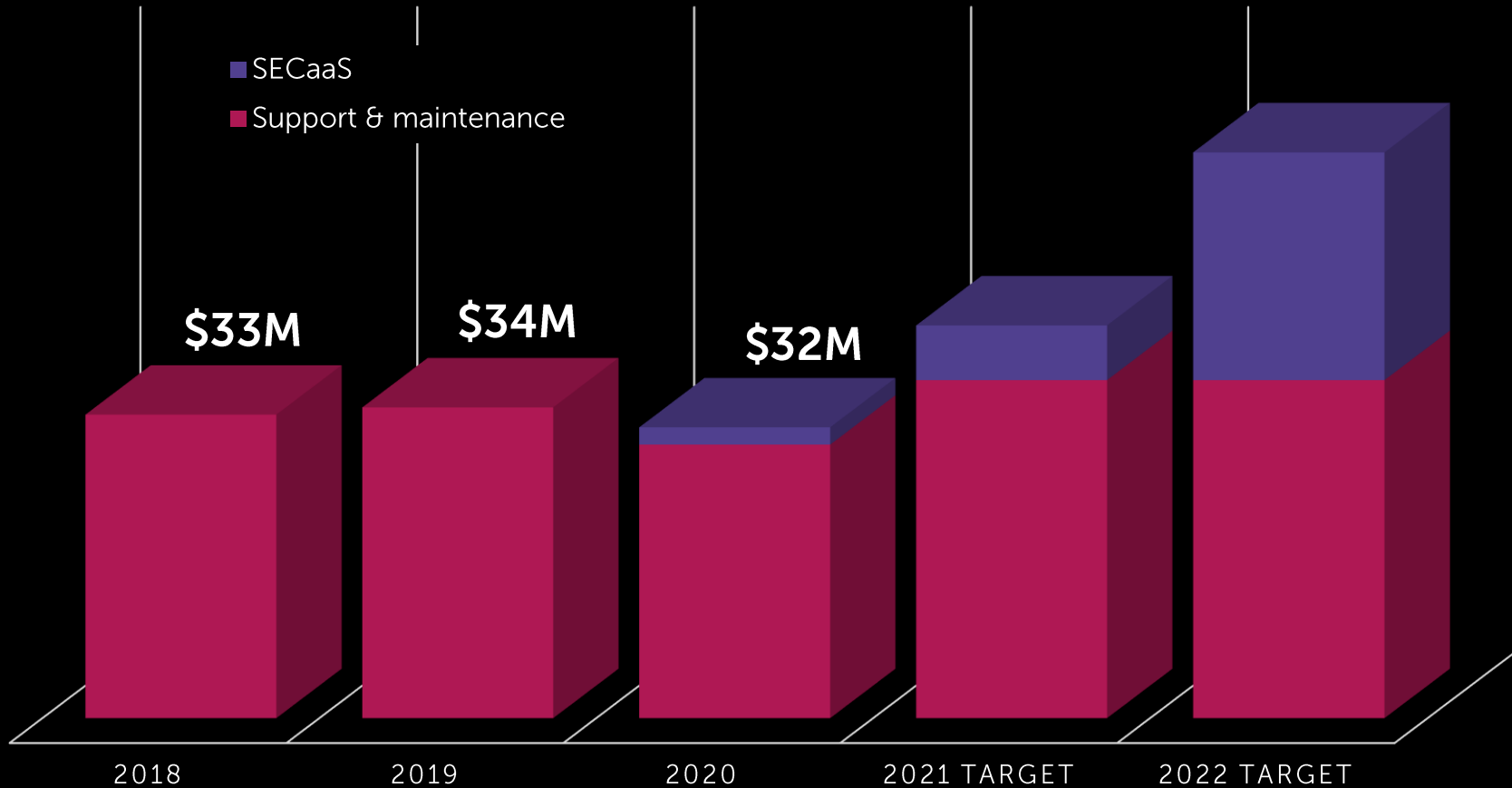


SECaaS Revenues



*MAR (maximum annual revenue potential of concluded transactions) was estimated by Allot upon transaction signature and constitutes an approximation of the theoretical annual revenues Allot would receive if 100% of the customer's subscribers, as estimated by Allot, signed up for the service.

Improving Revenue Visibility



Short term target

More than
\$60M
in recurring revenue

\$M	2019	2020	2021 Guidance
Revenues	110	136	145 - 150
Gross Margin	70%	71%	70%
OPEX	85	100	110-111
Operating Profit (Loss)	(8)	(3)	(6-8)
MAR* (Yearly)	85	192	>180

Non-GAAP

*MAR (maximum annual revenue potential of concluded transactions) was estimated by Allot upon transaction signature and constitutes an approximation of the theoretical annual revenues Allot would receive if 100% of the customer's subscribers, as estimated by Allot, signed up for the service.



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Thank You!