Revolutionizing Consumer Cybersecurity

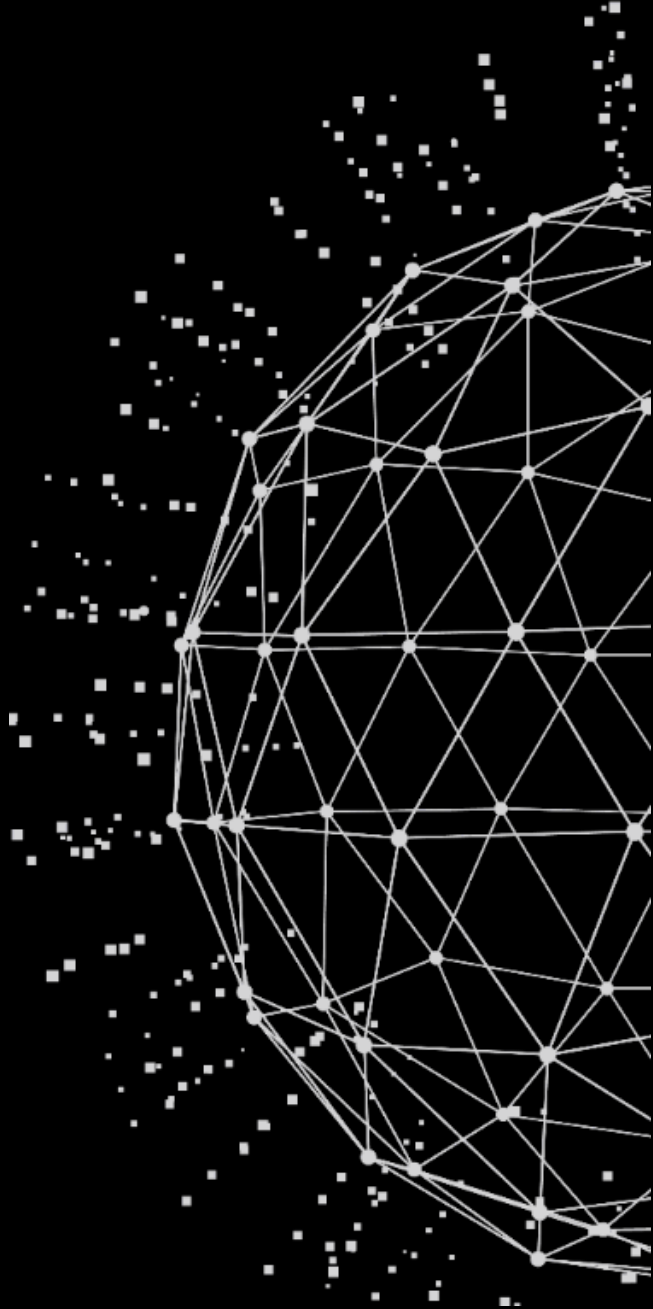
January 2025

(NASDAQ: ALLT & TASE: ALLT)



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) • LTM to Q3 2024 revenue: $92M
PROVEN MANAGEMENT TEAM	Decades of experience in CSPs and Cybersecurity

Q3 Results – Beginning of a Turnaround

$23.2m Revenues up YoY 3%

$17.2m SecAAS ARR at Sept-2024**

72% Gross Margin*

69% SecAAS revs. up YoY to $4.7m

$1.1m Operating Profit*

$2.0m Net cash increase***

$1.9m Operating cash flow

*Non-GAAP

** SECaaS ARR – measures the current annual recurring of SECaaS revenues, which is calculated based on estimated revenues for the month of September 2024 and multiplied by 12.

***Net Cash – Cash and cash equivalents, short-term bank deposits and investments net of convertible debt.

Recently Announced Wins



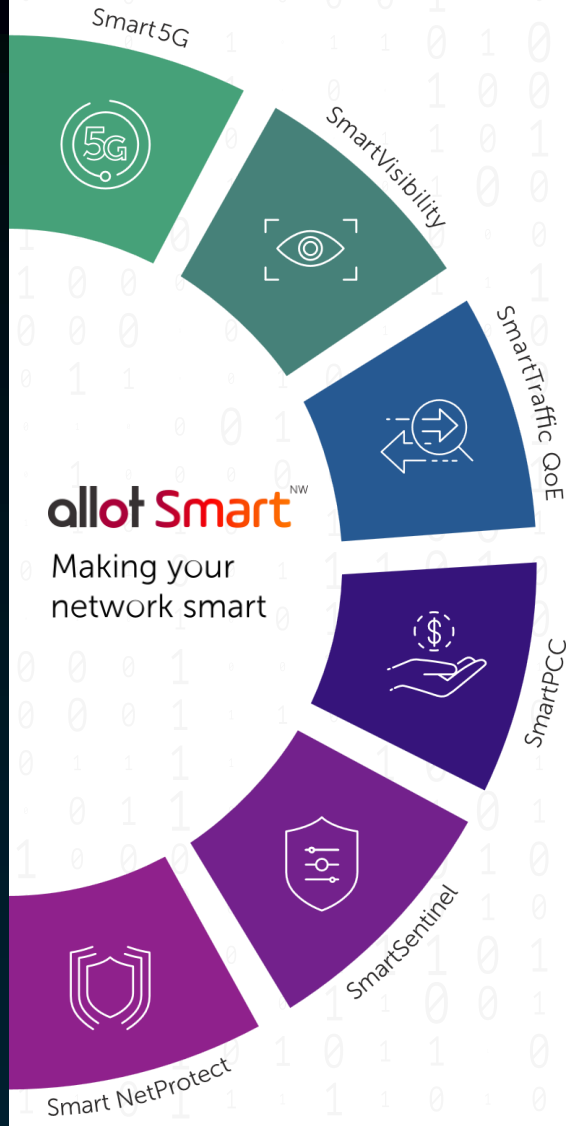
O2 Czech Republic Launches Allot Solution to Offer Consumer Cybersecurity Services

Asahi Net is the First to Adopt the Allot SG-Tera III Multiservice Platform

Vodafone UK Launches Cyber Protection Services for Fixed Broadband Subscribers Powered by Allot Secure

Portugal's MEO to Deploy Allot HomeSecure for Their Fixed Broadband Customers in Addition to Existing Mobile Cybersecurity Services Based on Allot NetworkSecure





Allot Smart Technology Heritage

- Deployed at hundreds of CSPs worldwide
- Telco grade solutions
- Nationwide deployments
- On-prem, virtual, cloud native
- Powered by AI/ML

Allot Secure CSP Customers

Many millions of global subscribers protected
Tier-1 operators trust Allot

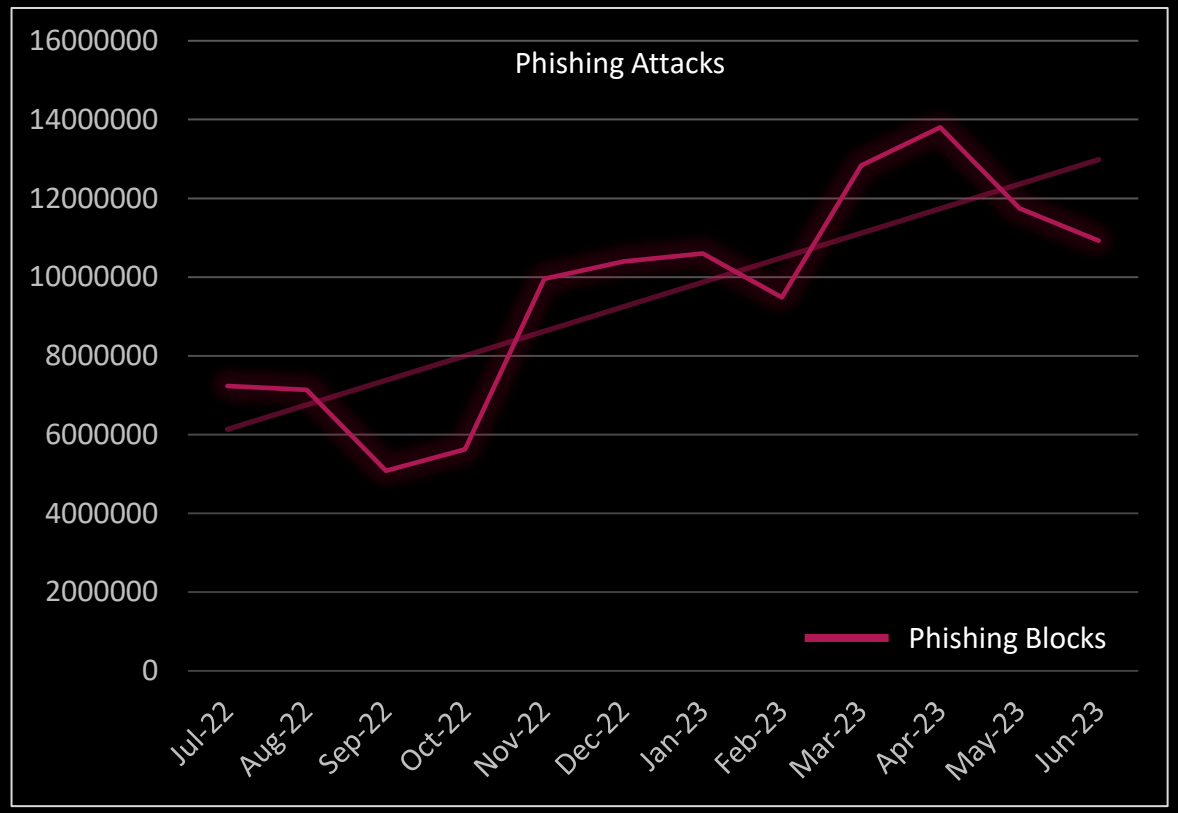




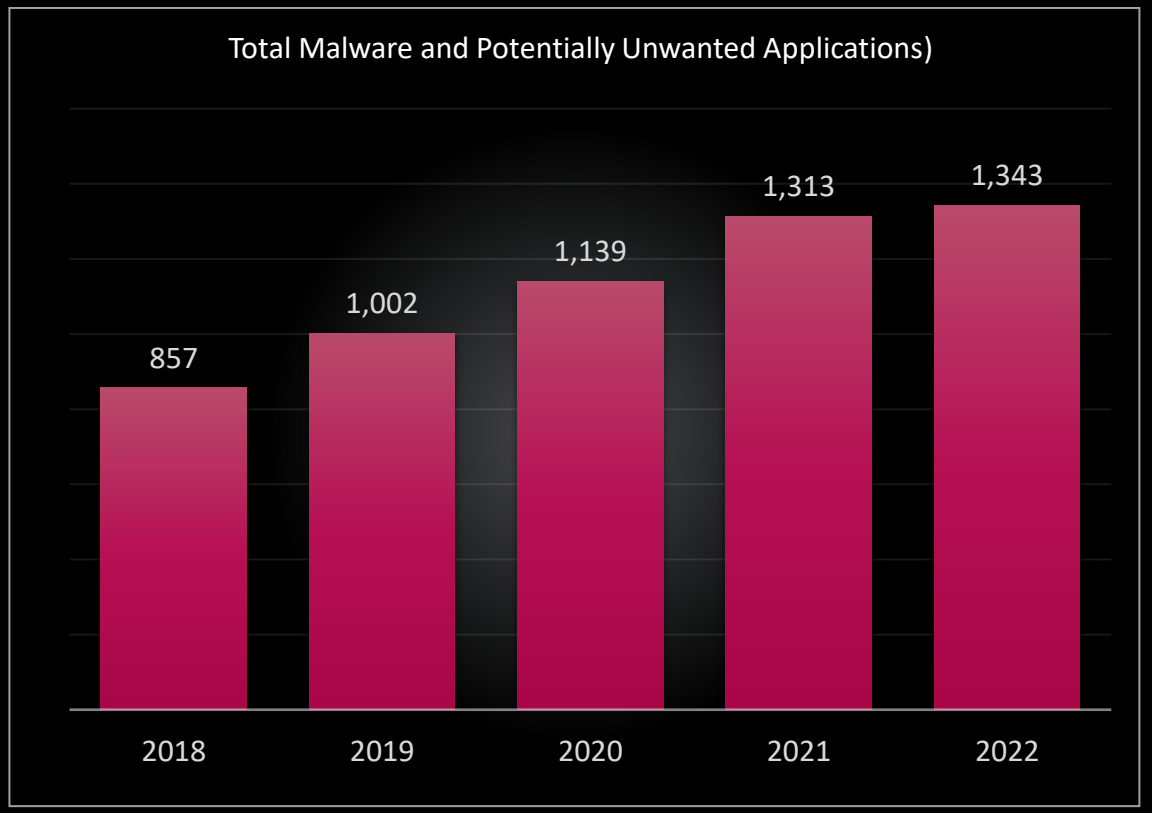
The Consumer & SMB Cybersecurity Challenge

Consumer & SMB Cyberthreats Exponentially Growing

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

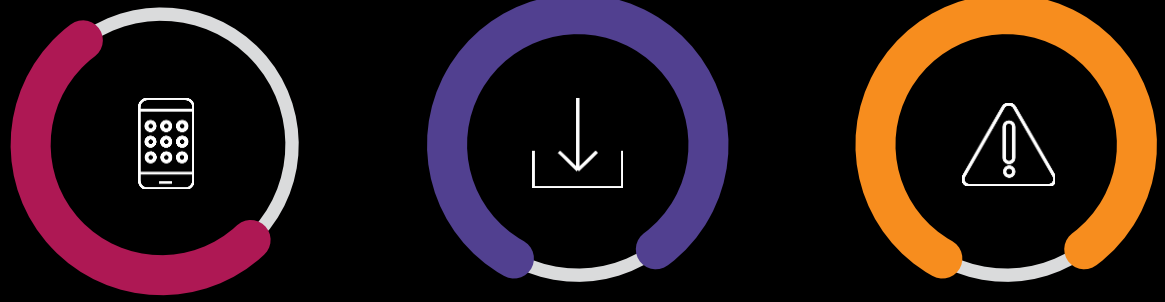


Increase of Allot Blocked Phishing Attacks in Europe H2 2022-H1 2023
Source: Allot Customer Data



Global Increase in Malware 2018-2022
Source: AV-Test - Malware Statistics & Trends Report | AV-TEST

Security Apps Don’t Protect the Mass Market



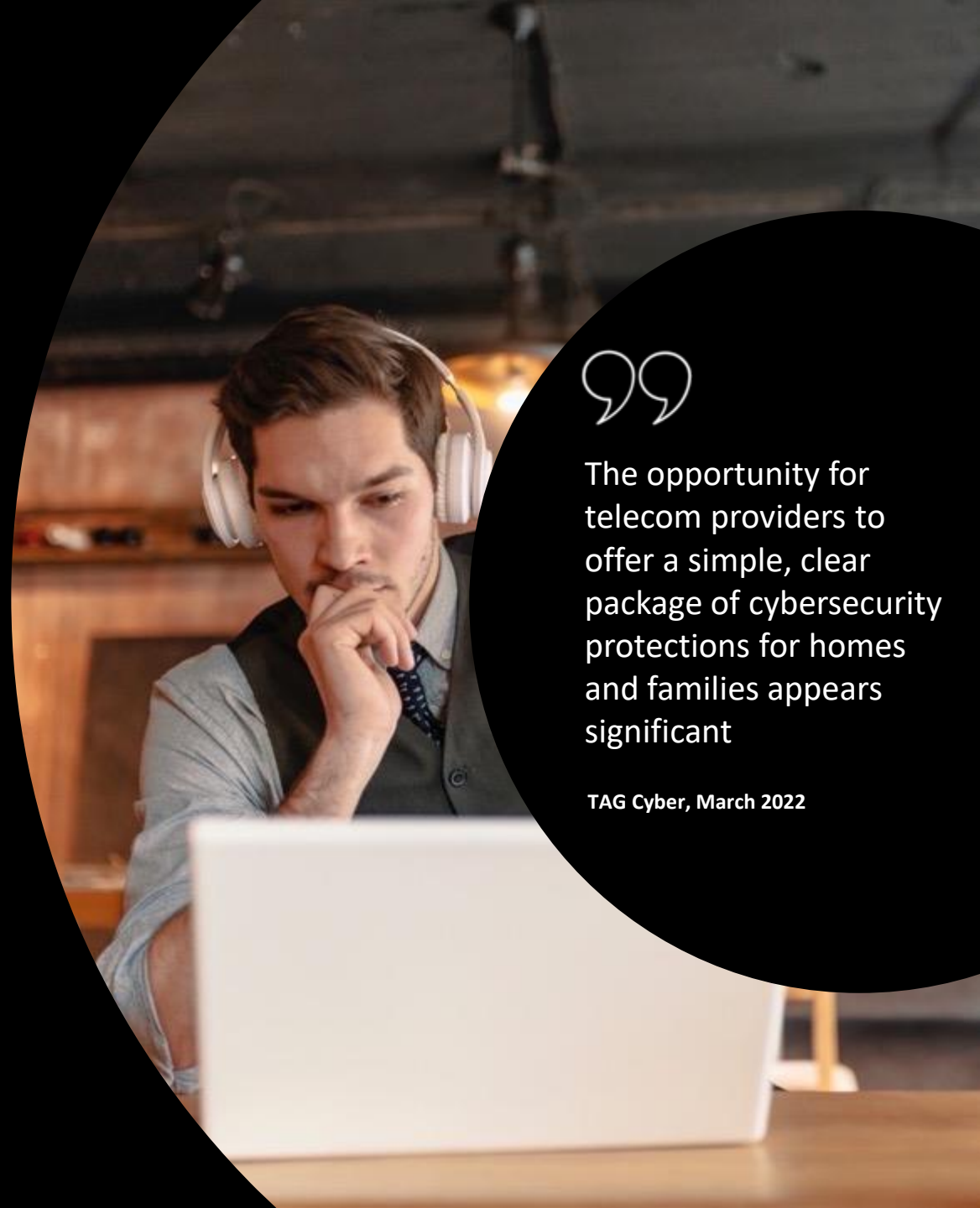
Consumers don’t want to implement security apps on all their devices

Less than 5% of consumers actually download security apps

Security apps do not solve the problem

Consumers and SMBs cannot be their Own CISO!

* Based on conversations with CSPs. CISO is the Chief Information Security Officer.



> The opportunity for telecom providers to offer a simple, clear package of cybersecurity protections for homes and families appears significant
>
> **TAG Cyber, March 2022**



The Opportunity

Consumers are Aware of Threats and Expect CSPs to Provide Solutions

70% of consumers expect the CSP to provide a security solution to protect them from malware attacks

68% of US consumers worry about being a victim of identity theft

63% of US consumers worry about unauthorized access into their bank accounts

Based on survey of 8,000 global participants in Consumer Security Survey, conducted by Coleman Parkes Research, London 2022

US Consumers are Willing to Pay to be Protected

MOBILE USERS

90% of US consumers are wiling to pay for a security application that protects all their mobile devices

63% over $2 a month

38% over $4 a month

FIXED BROADBAND USERS

93% Of US consumers are willing to pay for a security application that protects their broadband connections

76% over $3 a month

46% over $5 a month

Based on survey of 4,000 global participants in Consumer Security Survey, conducted by Coleman Parkes Research, London 2020

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 Differentiator” for CSPs

Coverage, Speed, Quality are commoditized

Value #1	Value #2	Value #3
Brand recognition	New revenues	Churn reduction



The Allot Secure Solution





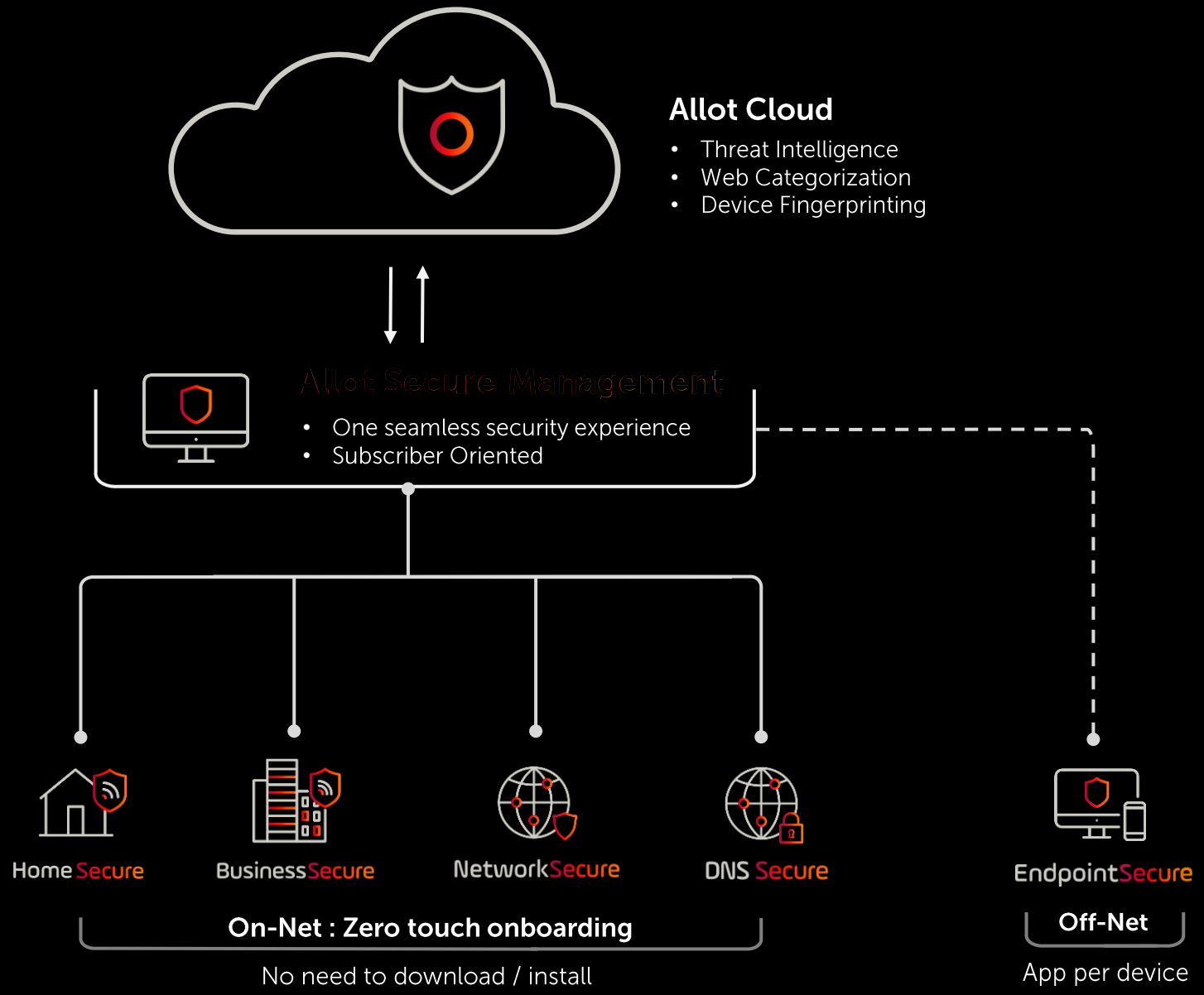
Allot Secure

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"



The Economics

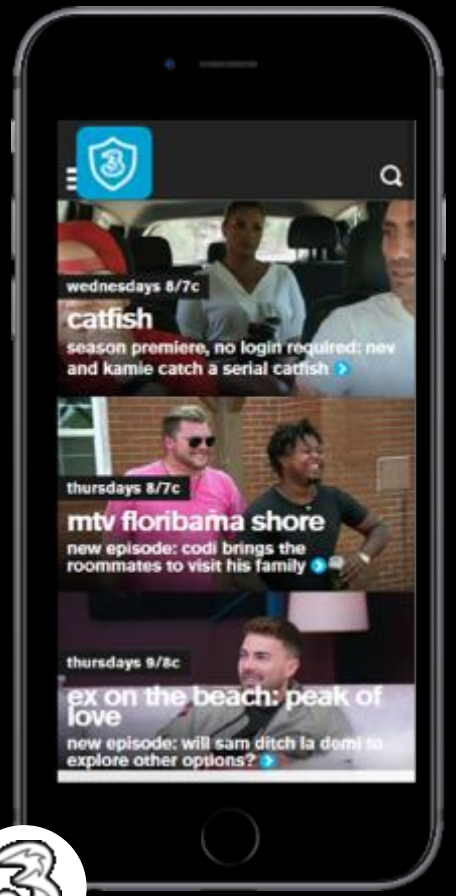


Customers willing to pay 5% to 20% of price plan for Cybersecurity

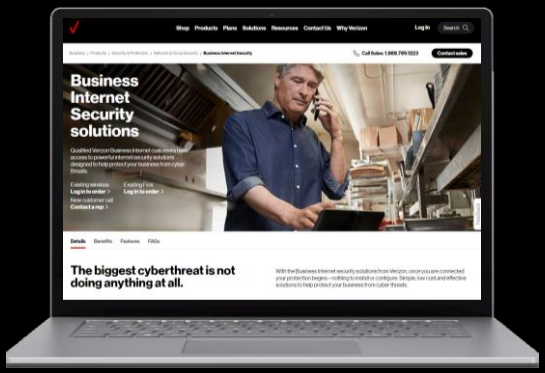
Consumer

SMB









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..."

10€/m

Telefonica SMB

~20% of average price plan

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

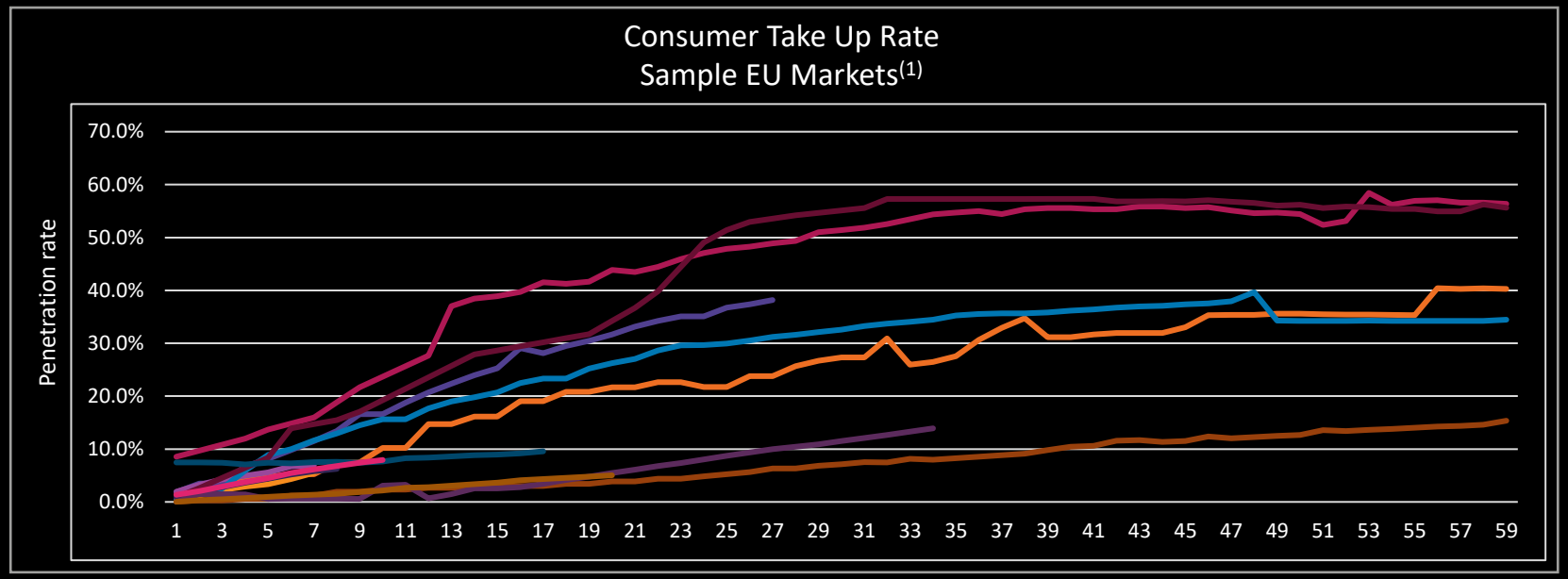
$10-20/m

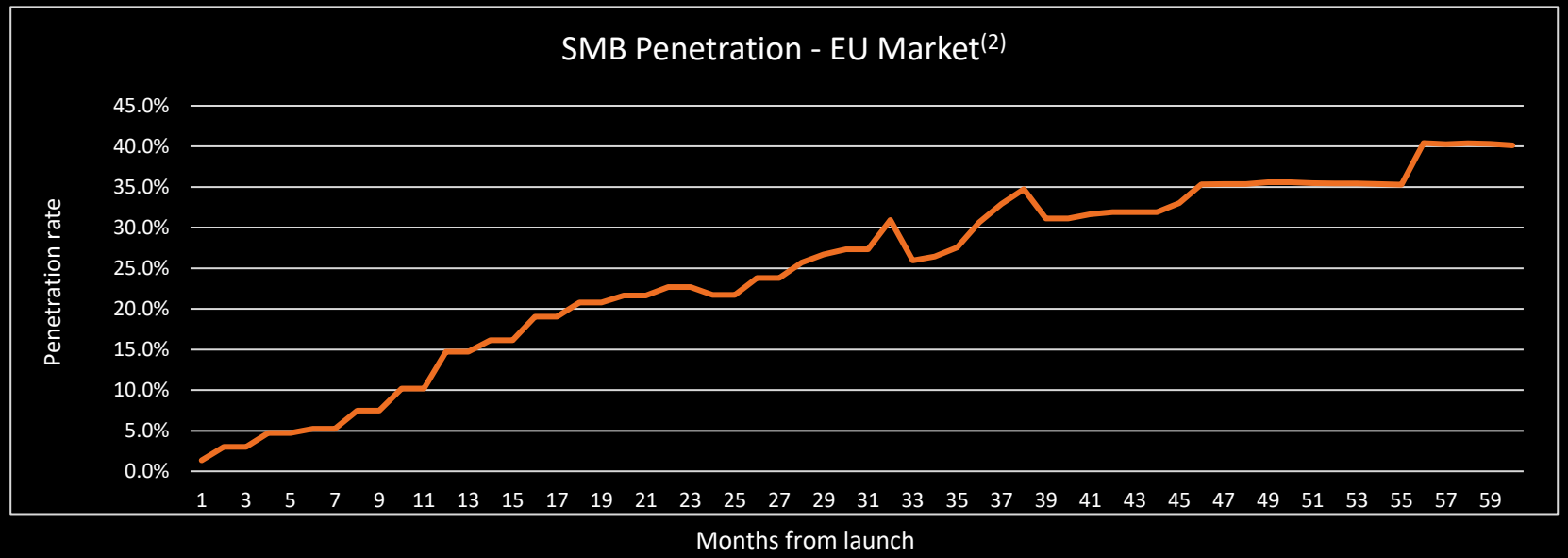
Two price plans

"...nothing to install or configure. Simple, low cost and effective solutions to help protect your business from cyber threats"

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Extraordinary Take Up Rate by Consumers & SMBs*





* Examples of existing customers
(1) Data from several Tier 1 CSPs in EU
(2) Data from a Tier 1 CSP in EU
* Figures out of the TAM



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

telenor



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

Telefónica



This offering paves the way for a network-based security portfolio that will simplify the customer experience and help provide peace of mind in today's ever evolving cybersecurity landscape

Steve Szabo
VP Business Products, Verizon

verizon

Positioned for Growth



4 Growth Vectors to the Future



Increase # of CSPs that launch consumer & SMB security

Increase # of consumers & SMBs that subscribe to the service

Increase the value we give (protection, privacy, etc.)

Protect the 5G network

Seizing the Opportunity



Threats to consumers & SMBs are growing

Consumers & SMBs are vulnerable, existing solutions are not enough

Customers are aware, look to CSPs for solutions and are willing to pay for them

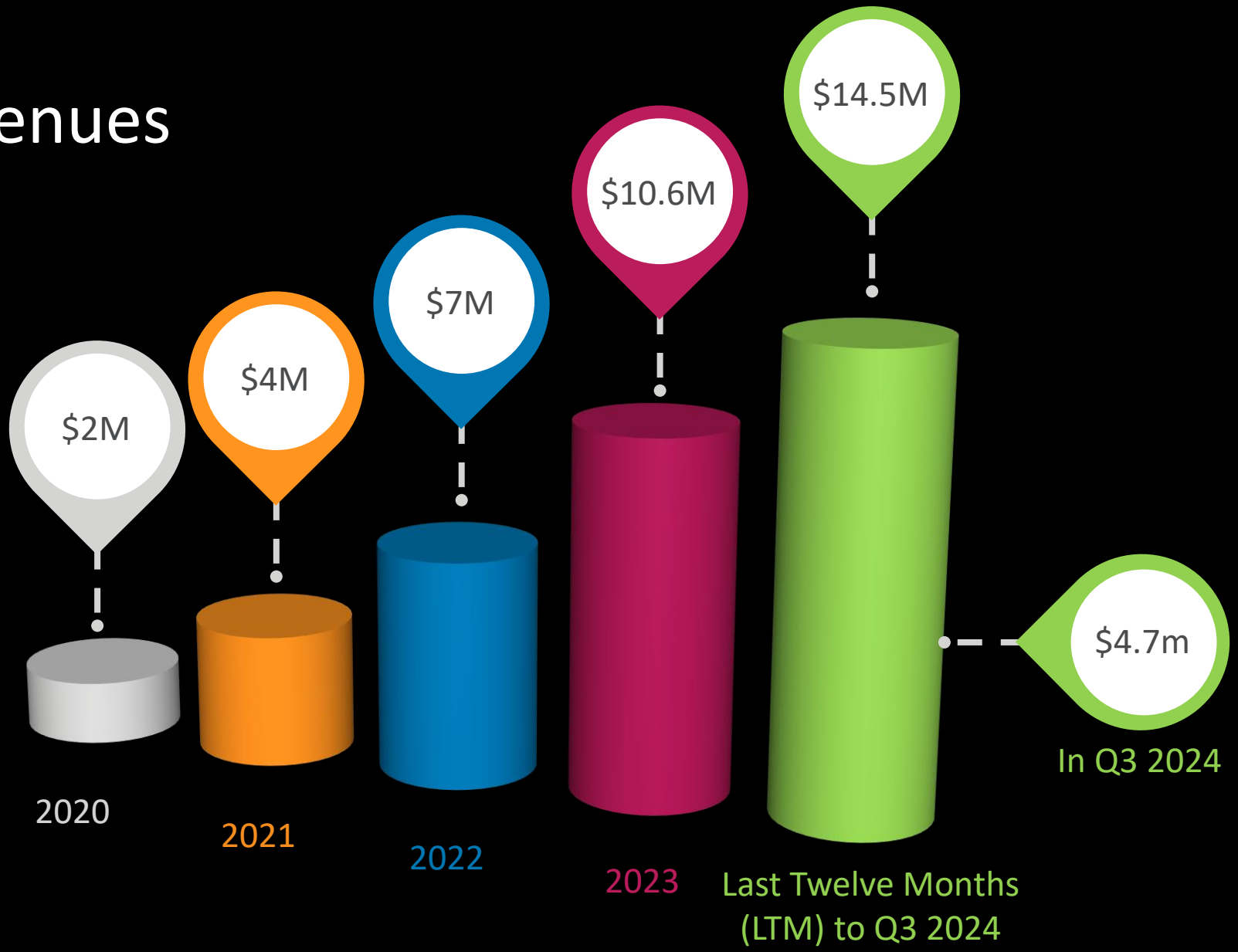
Allot is revolutionizing consumer cybersecurity with a network-based security service offering

Huge revenue generation opportunity for CSPs and for Allot



Financial Overview

SECaaS Revenues



$M Non-GAAP	2022	2023 *
Revenues	123	93
Gross Margin	69%	60%
OPEX	108	111
Operating Profit (Loss)	(23)	(55)
SECaaS revenues	7.2	10.6
SECaaS ARR (last month run-rate)	9.2	12.7

* Including credit loss provision of $23M

$M Non-GAAP	2023 Q3	2024 Q3	Growth
Revenues	22.6	23.2	3%
Gross Margin	47.9%	71.7%	
OPEX	22.0	15.6	-29%
Operating Profit (Loss)	(11.1)	1.1	
SECaaS revenues	2.8	4.7	68%
SECaaS ARR (last month run-rate)	10.6	17.2	62%

Q4 2024 targets:

Non-GAAP operating profit at around breakeven and positive operating cash flow


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Thank You!