SuperCom
Secured Boundaries Expansion

Secured Boundaries
Expansion

INVESTOR PRESENTATION

SEPTEMBER 2017

Safe Harbor Statement

This presentation contains forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended) regarding SuperCom Ltd. (SuperCom) and/or its subsidiaries. Forward-looking statements are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results, performance and trends may differ materially from these forward looking statements due to a variety of factors, including, without limitation: product and technology development; the uncertainty of the market for SuperCom's products; changing economic conditions; delay, cancellation or non-renewal, in whole or in part, of contracts or of purchase orders (including as a result of budgetary cuts resulting from automatic sequestration under the Budget Control Act of 2011); and other risk factors detailed in SuperCom's most recent Annual Report on Form 20-F for the fiscal year ended December 31, 2015 and other filings with the Securities and Exchange Commission. SuperCom assumes no obligation to update any forward-looking statement.

SuperCom Overview

Nasdaq:**SPCB**

Over **30,000** customers

50% growth in 2Q'17 & return to EBITDA profitability

Presence in over **100** countries

28 Years of experience

5 recent strategic acquisitions

Founded in 1988, SuperCom is a global provider of secure identification, M2M tracking, and cyber security solutions

Proven track record of successful acquisition integration with substantial margin expansion and revenue growth

Repurchased 1.34M shares at an average price of $4.77 in recent 18 months

Management owns ~26.9% of company; incentivized to build shareholder value

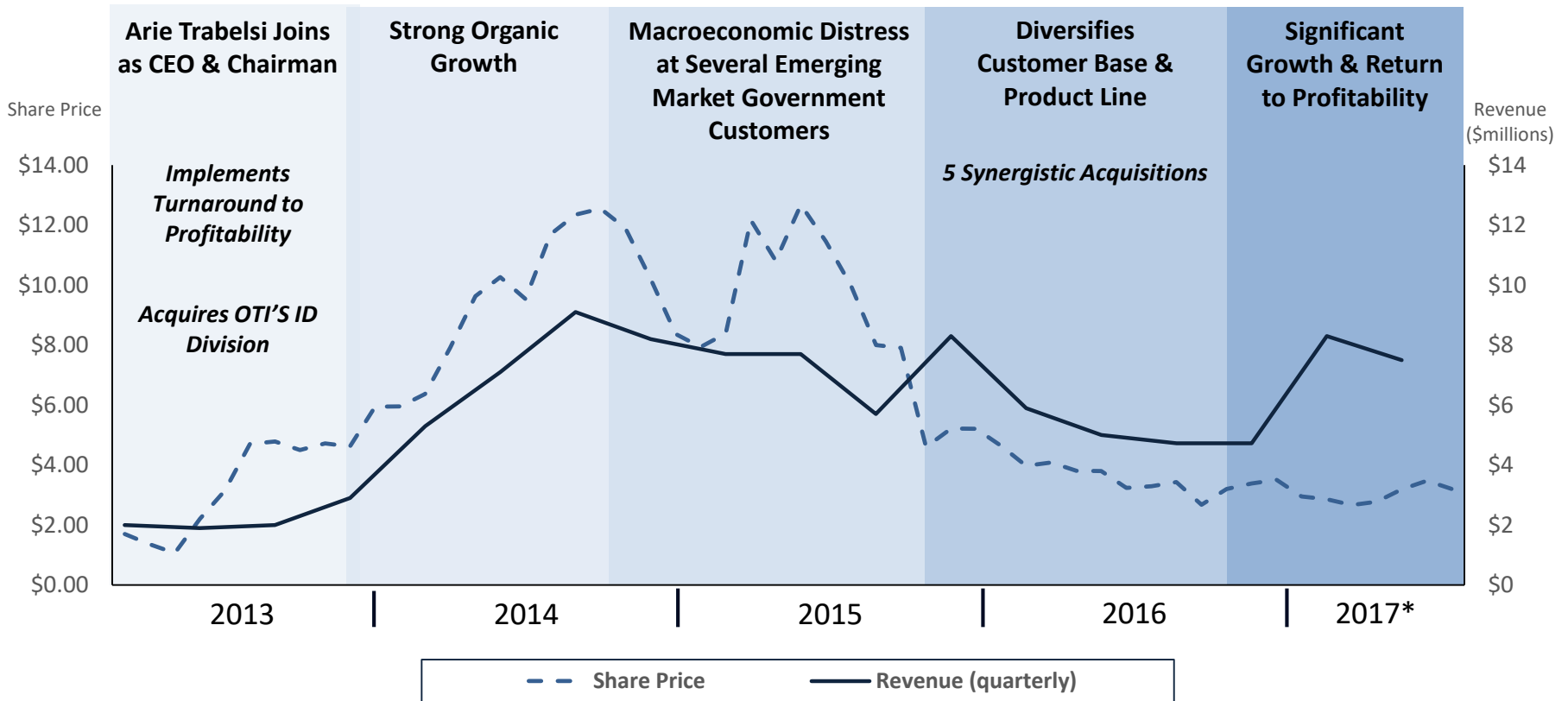# Investment Highlights

- **Strong Growth in Second Quarter 2017**
    - Q2 2017 revenue grew 50% YoY to $7.5M
    - Gross margin of 46% vs. 27% in Q2 of last year; 70% increase
    - Q2 2017 EBITDA improved to $0.8 million vs. $(0.34) million in Q2 2016

- **Realizing Cost Reductions and Efficiencies**
    - Sales & marketing improved to $2.3M or 31% of sales vs. 51% in Q2 2016
    - G&A improved to $1.5M or 20% of sales vs. 37% in Q2 2016

- **Focused on High Growth End Markets with High Barriers to Entry**
    - e-ID
    - Electronic Monitoring of Public Offenders
    - Cyber Security – End Point Protection

- **Increasing Recurring Revenue**
    - 2017 revenue outlook of $35 million (mostly recurring); ~75% growth from 2016 [a]
    - Expect percentage of steady-state revenues from developed markets to grow from less than 5% in 2015 to 50% in 2017
    - Steady-state revenue has grown from $12 million to $17 million between 2014 and 2016

- **Diversifying Revenue Base**
    - Customer base of ~ 30,000 today from essentially only 20 national governments in 2015

- **Dramatic Enhancement of Technology IP Portfolio**
    - Grew from 7 patents at the end of 2015 to 119 patents as of today

(a) Based on forecast issued to the public in Company press releases in June and July 2017
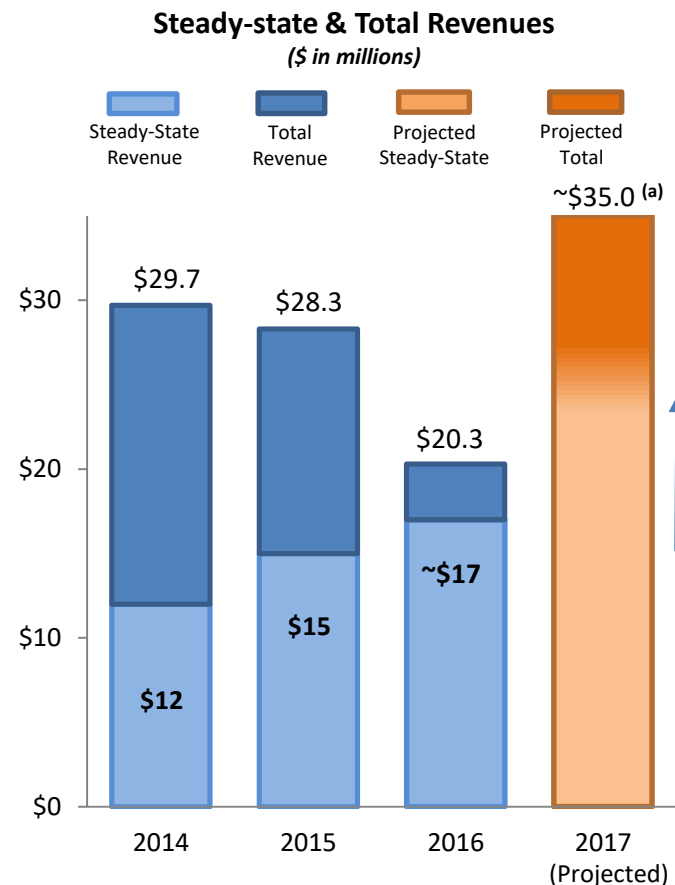
Rebuilding Shareholder Value

Arie Trabelsi Joins as CEO & Chairman

Implements Turnaround to Profitability

Acquires OTI'S ID Division

Strong Organic Growth

Macroeconomic Distress at Several Emerging Market Government Customers

Diversifies Customer Base & Product Line

5 Synergistic Acquisitions

Significant Growth & Return to Profitability

Share Price — $14.00, $12.00, $10.00, $8.00, $6.00, $4.00, $2.00, $0.00

Revenue ($millions) — $14, $12, $10, $8, $6, $4, $2, $0

2013 2014 2015 2016 2017*

- - - Share Price   —— Revenue (quarterly)

Dramatically Enhanced Business Model

Growing Base of Steady-State Revenues

> **20-30% of project revenue continues as annual steady-state revenue after deployment is completed**

Steady-state revenues from existing customers consists of:

- **Maintenance** (recurring)
  - Post-implementation customer service includes maintenance and support services under separate customized agreements
- **Consumables** (recurring)
  - ID cards, laminates, booklets for printing based on customer usage. Related sales can vary year-to-year but not replaceable through another vendor
- **SAAS** (recurring)
  - Daily fee for monitoring and tracking of assets and people on a cloud-based software system
- **Software and Hardware Upgrades**
  - Software upgrades can include additional modules on the magna platform (i.e. Drivers License, Visa, Passport etc.); hardware upgrades can include new printers, stations, readers, etc.
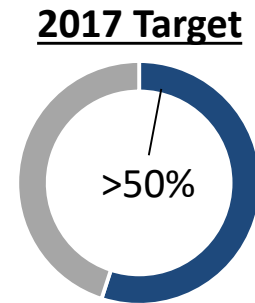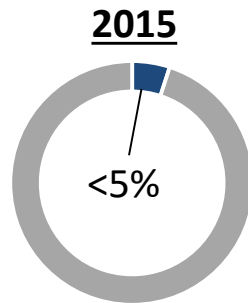
Steady-state & Total Revenues
($ in millions)

Legend: Steady-State Revenue | Total Revenue | Projected Steady-State | Projected Total

Year	Steady-State	Total
2014	$12	$29.7
2015	$15	$28.3
2016	~$17	$20.3
2017 (Projected)		~$35.0 [a]

(a) Based on forecast issued to the public in Company press releases in June and July 2017
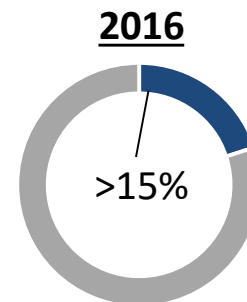
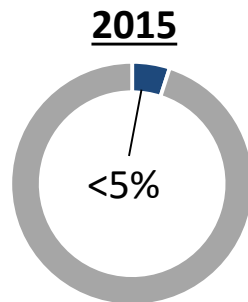# Transitioning to a Stronger Future

Expected Trends: 2015 to 2017

- Steady-state revenues from developed nations:

2015

<5%

2017 Target

>50%

- Steady-state revenues from enterprise customers:

2015

<5%

2016

>15%

Divisions at a Glance
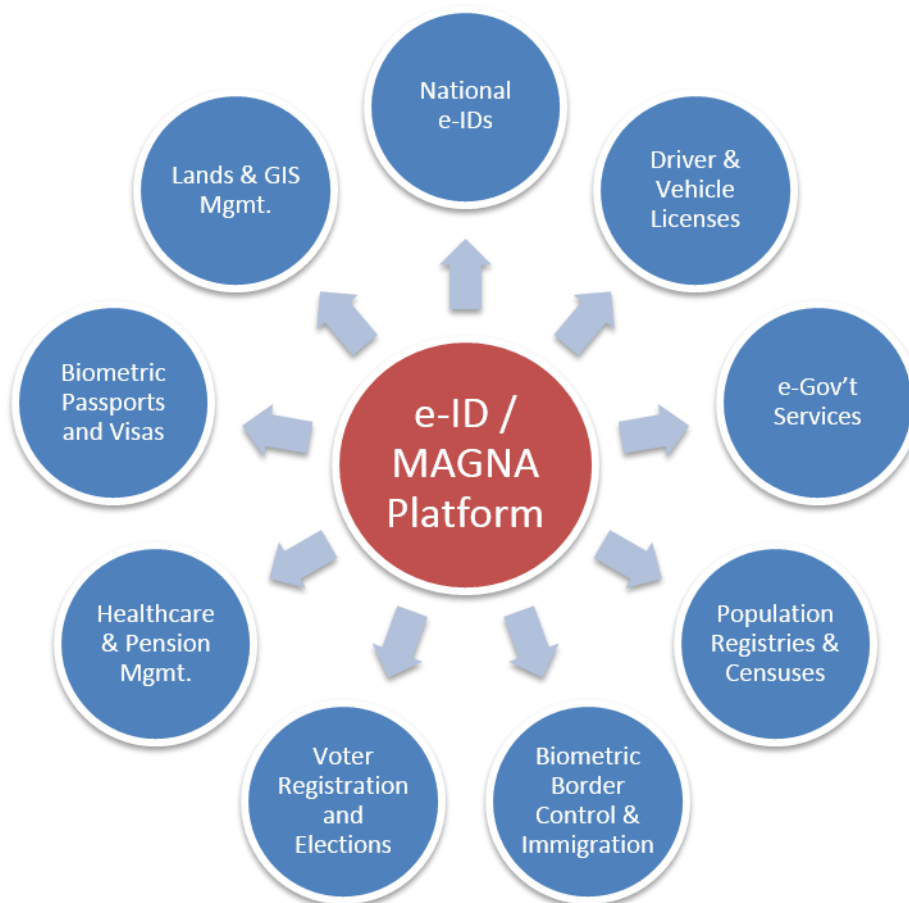

Our Super **Divisions**

e-ID/ e-Gov
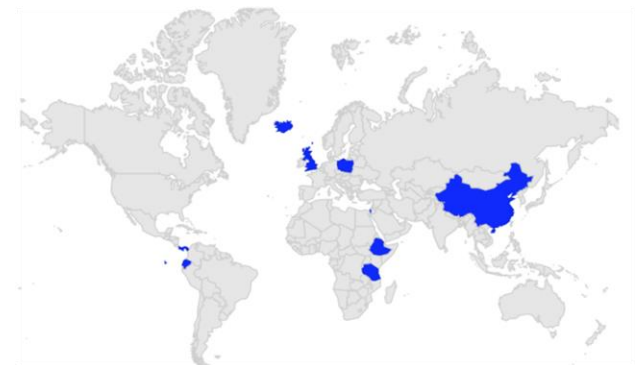
M2M

Cyber

Connectivity/Payments

e-ID Solutions: What We Do

SuperCom provides governments with a comprehensive, end-to-end solution for the deployment & management of secure government identity programs

Multiple Secure Government Identity Programs

- National e-IDs
- Driver & Vehicle Licenses
- e-Gov't Services
- Population Registries & Censuses
- Biometric Border Control & Immigration
- Voter Registration and Elections
- Healthcare & Pension Mgmt.
- Biometric Passports and Visas
- Lands & GIS Mgmt.

e-ID / MAGNA Platform

Deployed globally across 20+ countries, including:

- United Kingdom (Passport)
- Hong Kong (Passport)
- Iceland (ePassport & e-ID)
- Israel (Drivers license)
- Ecuador (e-ID & Population Registry)
- China (Re-entry permit)
- Tanzania (Electronic Drivers License)
- Ethiopia (Passport, Visa & ID)
- Panama (Biometric Visa & Border Control)
- Poland (ePassport)

End-to-End e-ID Solutions

SuperCom deploys a comprehensive end-to-end solution that government agencies operate to enroll, issue and authorize secure citizen identification

1 Capture, verify and store information, demographics & biometrics in a secure gov't registry

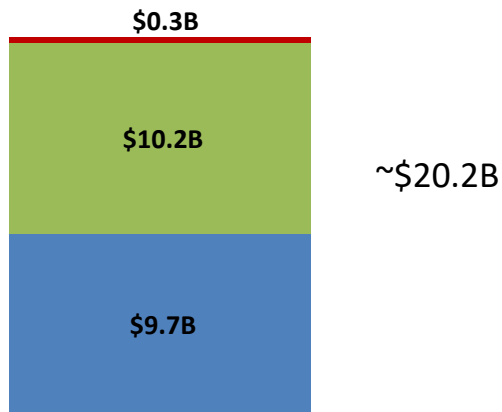**2** Gov't agency issues e-ID card tied to secure registry database

Enroll

Issue

Authorize

3 Authorities use ID credentials based on SuperCom's authentication tools & biometric data

e-ID Market Opportunity (cont.)

~$20B+ e-ID Market [a]

$0.3B

$10.2B

$9.7B

~$20.2B

■ National e-ID ■ ePassports ■ Automated Border Control

Global Government eDocument Penetration [c]

34%

~3.5x

10%

2012   2017
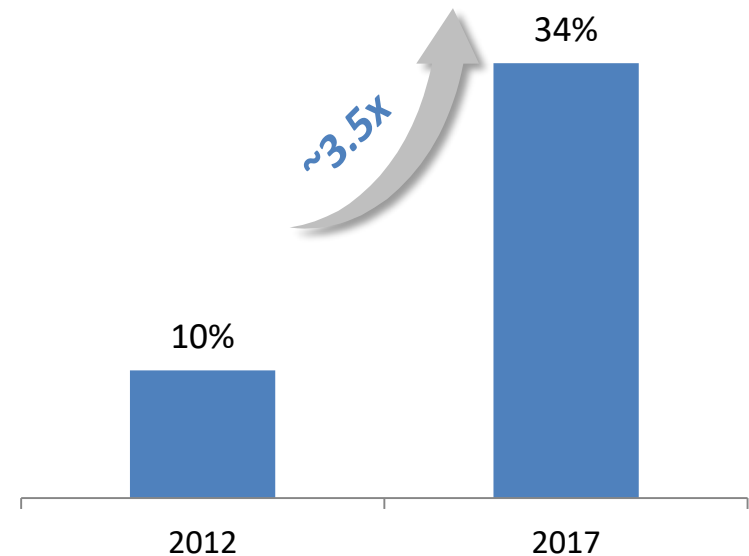
SuperCom's focus in e-ID is developing countries and deployment projects of up to ~$200 million , representing a ~$2B[b] TAM , an estimated 10% of general e-ID market

(a) Source: Biometrics Research Group, 2013; Acuity, 2014
(b) Source: Company estimates
(c) Source: Wall Street industry research reports

M2M Tracking: What We Do

Over 25 years of experience monitoring and tracking offenders electronically

- Highly differentiated offering, delivered through proprietary chip design & software

  - Smartphone integration, extended battery life, long range with active RFID technology

- Acquired LCA in Q1'2016, an electronic monitoring company based out of California with significant experience and expertise in the field

ELECTRONIC MONITORING

Security & tracking of prisoners and home detainees

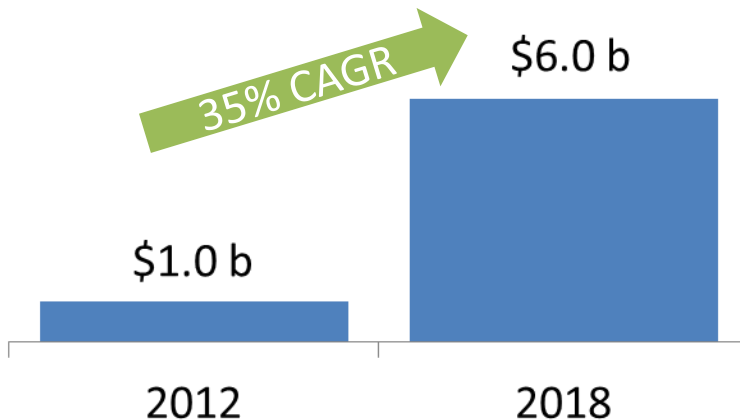**HEALTHCARE & HOMECARE**

Patient & equipment management

ASSET TRACKING

Electronic Offender Monitoring

Global Market Size for Electronic Monitoring [a]

35% CAGR

$6.0 b

$1.0 b

2012   2018

Current M2M Products

✓ **Highly energy efficient with extended battery life**

✓ **Ultra long range, active RFID technology**

Electronic Offender Monitoring

- Recent wins in Europe, Canada and the USA total **8 new countries** to select our PureSecurity technology since the summer of 2015

- Prison overcrowding is a major global issue

- ROI supports electronic monitoring
    - Inmate cost ~$30 - $60K / year
    - Electronic monitoring ~$1 - $3K / year
    - ~85%+ cost savings per year

(a) Source: Incucomm, 2011

NASDAQ: SPCB

Cyber Security: What We Do

Advanced Cyber Security services and capabilities focused on protecting strategic assets for governments and large enterprises

- Cyber Security is a fast-growing market where SuperCom has advantages due to synergistic technologies and shared customer base to our eID and M2M divisions

- Acquired Prevision in Q4 2015, a company with a strong reputation in the security market and a broad range of competitive and well-known Cyber Security services

- Acquired Safend in Q1 2016, an international provider of cutting-edge endpoint data protection guarding against corporate data loss and encryption
    - Significant growth in Safend bookings in Q2 2017 compared to Q2 2016
    - Currently developing new advanced cyber security products including anti-malware and anti-ransomware to be added to the platform

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Connectivity & Payments: What We Do

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These products are strategically incorporated as subcomponents of the solutions in our eID, M2M Tracking and Cyber Security divisions

Connectivity

- Acquired Alvarion in May 2016, global provider of autonomous Wi-Fi: networks with a proven record of reliability at over 25,000 sites in more than 95 countries

- Solutions for: Carrier Wi-Fi, Enterprise Connectivity, Smart City, Smart Hospitality, Connected Campuses and Connected Events

- Significant integration and cross-selling opportunity:
  - Integrating our cyber security capability with Alvarion solutions
  - Utilizing Wi-Fi to support M2M solutions
    - SuperCom realized first sales of Alvarion Wi-Fi and backhaul technology in the U.S. during Q2 2017

Payments

Super-Payment Suite   **VeloPos**

SuperPay
Make secure payments using any mobile device

SuperWallet
Convert any device to your secure, mobile wallet

SuperPOS
Convert any device into a secure, modern POS

SafeMoney
Secure mobile device from threats and attacks

+

- Proprietary mobile payments platform allows mobile payment ubiquity supporting any phone and any point-of-sale

- Acquired PowaPos(VeloPOS) in 2016, a fully-integrated POS platform integrating traditional payment elements– credit card swipe, cash drawer, printer, etc.

Financial Overview: Balance Sheet Data

($US thousands)

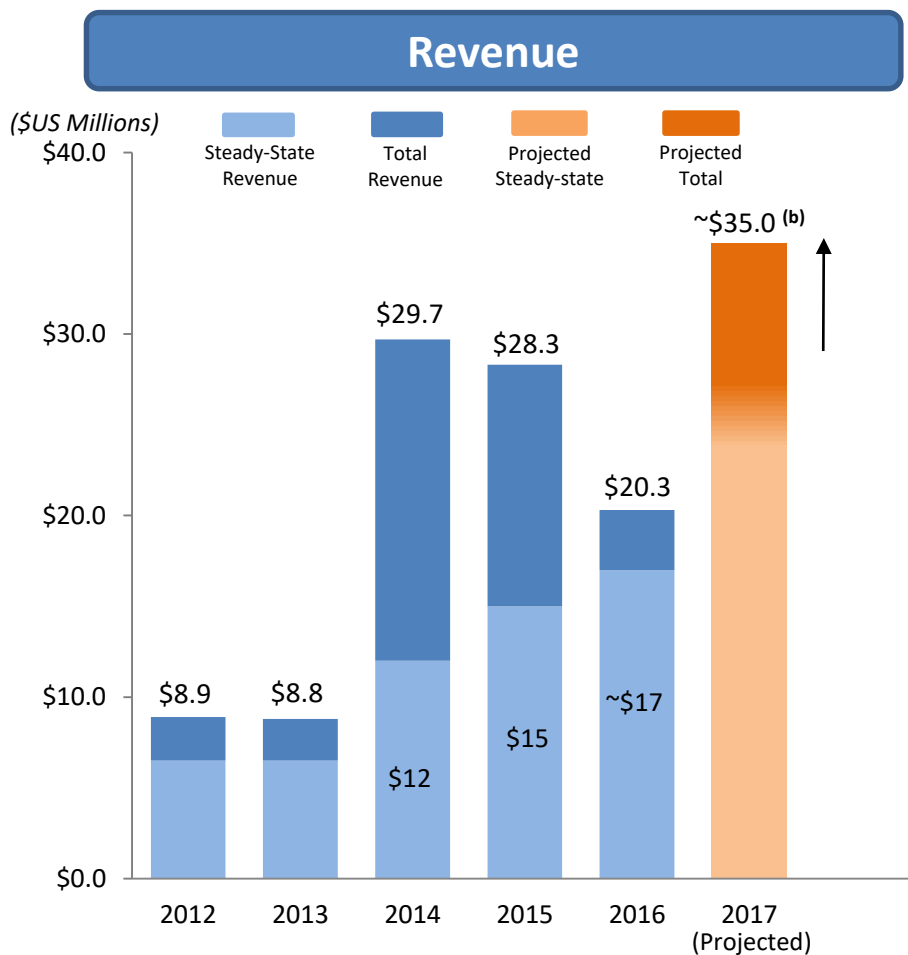| As of 6/30/2017			
Cash & restricted cash [a]	$1,229	Current liabilities	$15,241
Total current assets	$24,845	Long-term liabilities	$2,925
Long-term assets	$29,719	Long-term debt	$470
PP&E, net	$924	Total liabilities	$18,166
Total assets	$54,564	Shareholders' Equity	$36,398

	6/30/2017
Trade Receivables	10,737
Working capital [b]	$9,604
Current Ratio	1.6:1

Source: Company filings
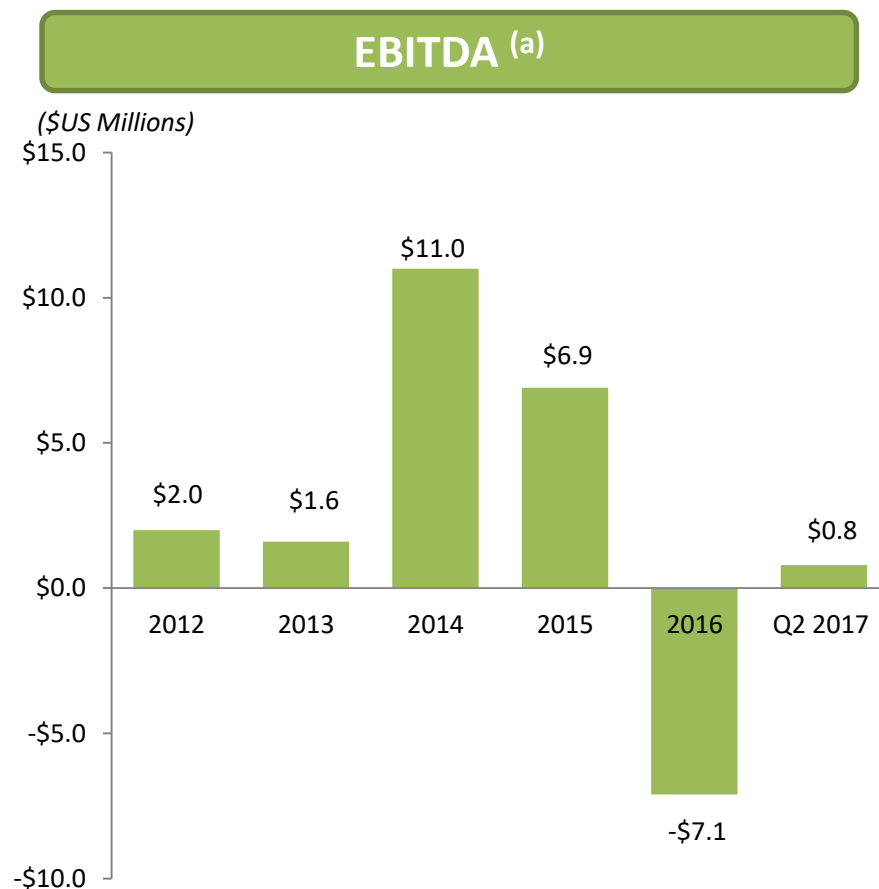(a) Includes cash and restricted bank deposits
(b) Calculated as Current Assets – Current Liabilities

Financial Overview: Annual

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Revenue

($US Millions)

Legend:
- Steady-State Revenue
- Total Revenue
- Projected Steady-state
- Projected Total

Year	Steady-State	Total
2012		$8.9
2013		$8.8
2014	$12	$29.7
2015	$15	$28.3
2016	~$17	$20.3
2017 (Projected)		~$35.0 [b]

EBITDA [a]

($US Millions)

Year	EBITDA
2012	$2.0
2013	$1.6
2014	$11.0
2015	$6.9
2016	-$7.1
Q2 2017	$0.8

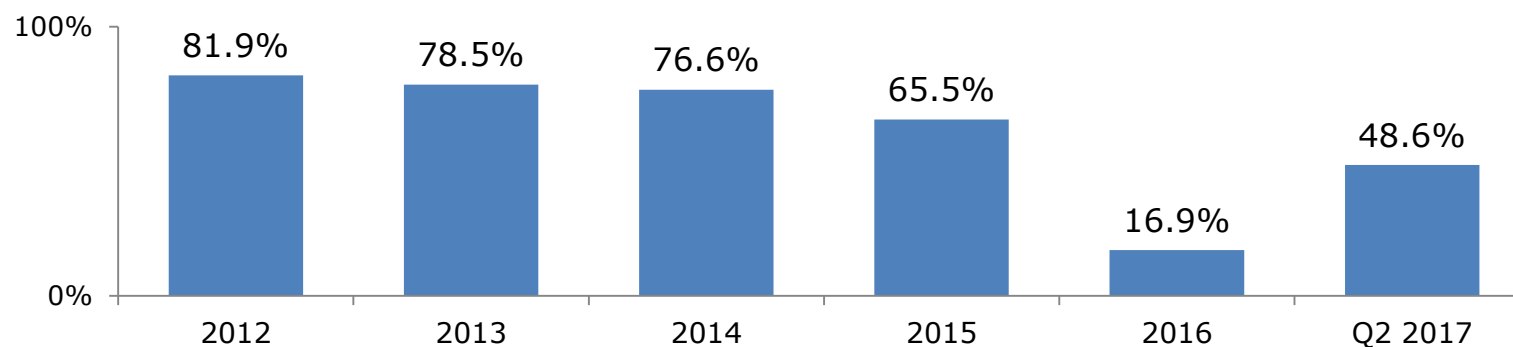**2014 Revenue Growth Includes 50%+ Organic Growth**

(a) EBITDA is a non-GAAP financial measure generally defined as earnings before interest, taxes, depreciation and amortization and other unrelated expenses. Refer to following pages in Appendix I: Financial Overview
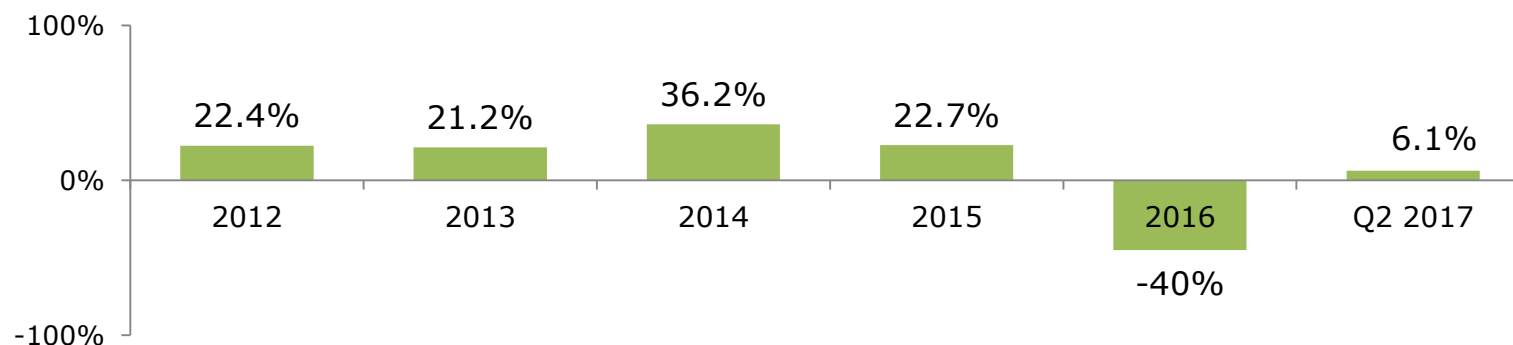(b) Based on forecast issued to the public in Company press releases in June and July 2017

Financial Overview: Margin Profile

Non-GAAP Gross Margins [a]

	2012	2013	2014	2015	2016	Q2 2017
Non-GAAP Gross Margins	81.9%	78.5%	76.6%	65.5%	16.9%	48.6%

Non-GAAP Operating Profit Margins [a]

	2012	2013	2014	2015	2016	Q2 2017
Non-GAAP Operating Profit Margins	22.4%	21.2%	36.2%	22.7%	-40%	6.1%

(a) Reflects non-GAAP margins; refer to following pages in Appendix I: Financial Overview

Financial Overview: EBITDA

($US thousands)

Non-GAAP EBITDA [a] Reconciliation		
Three months ended June 30,	**2017**	**2016**
GAAP Net Income	**$(661)**	**$(1,510)**
Amortization of Software & IP	$421	$164
Amortization of Customer Contracts	$329	$367
Stock-based compensation expenses	$170	$110
Expense-related transaction DD	-	$21
Restructuring costs related to newly acquired operations	-	$340
Income tax expense (benefit)	$(30)	$(111)
Financial expenses	$226	$54
EBITDA [a]	**$(796)**	**$(341)**
% of Revenue	*10.6%*	*-6.8%*

Source: Company press release dated July 31, 2017 "SuperCom Reports 50% Revenue Growth, 70% Gross Margin Improvement, and Positive EBITDA in Second Quarter 2017 Results;" section "Reconciliation Table of GAAP to Non-GAAP figures and EBITDA to Net income"
(a) EBITDA is a non-GAAP financial measure generally defined as earnings before interest, taxes, depreciation and amortization and other unrelated expenses

Thank you

Company Contact

SuperCom

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