



INVESTOR PRESENTATION

SPRING 2019

NASDAQ GM: ARTX
WWW.AROTECH.COM

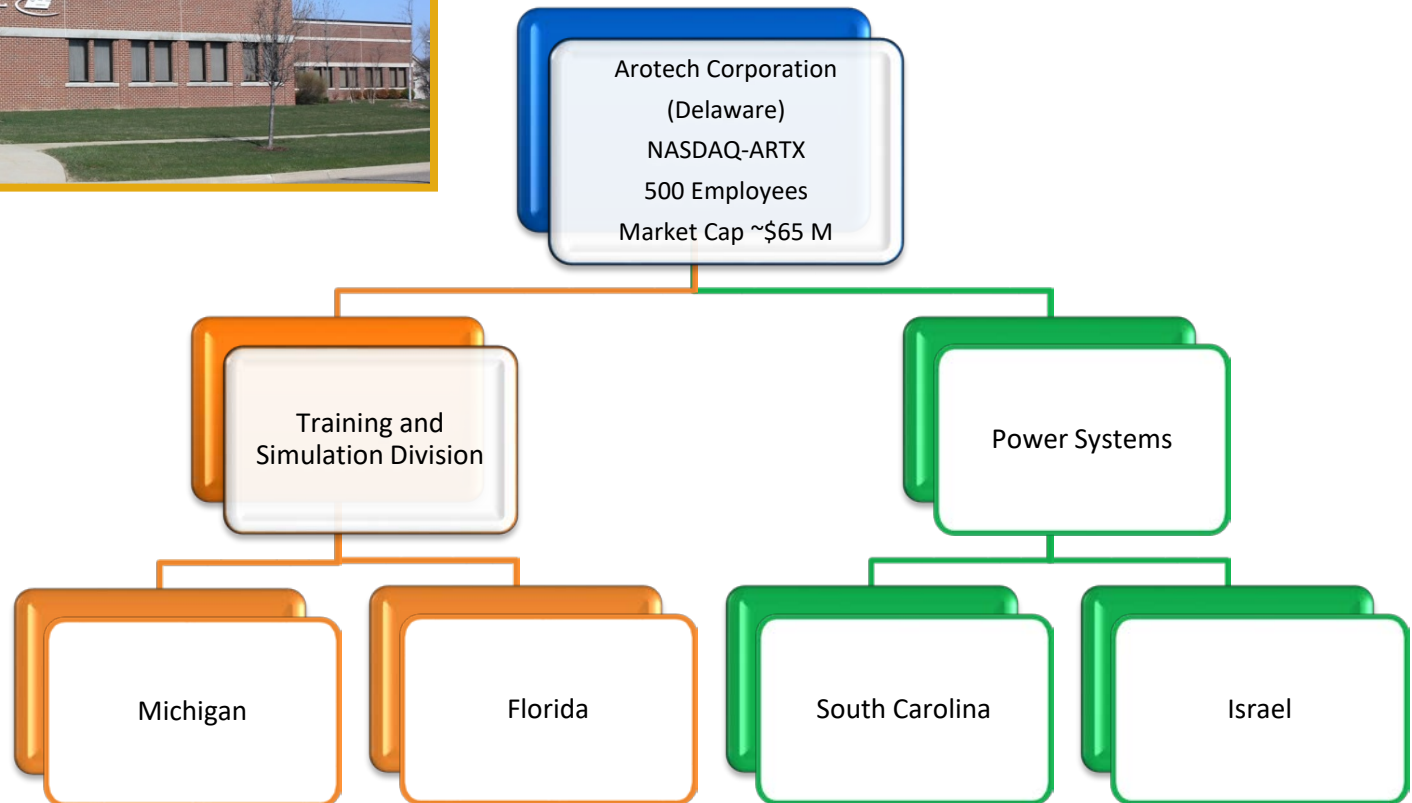
AROTECH

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 Arotech Corporation (Arotech) and/or its subsidiaries, (collective "the company"), to the extent such statements do not relate to historical or current fact. Forward-looking statements are based on management's expectations, estimates, projections and assumptions. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. 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 Arotech'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 Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and Arotech's other filings with the Securities and Exchange Commission. Arotech assumes no obligation to update the information in this release. Reference to the Company's website above does not constitute incorporation of any of the information thereon into this presentation. The factors listed above are not all-inclusive, and further information is contained in Arotech's latest annual report on Form 10-K, which is on file with the U.S. Securities and Exchange Commission. All forward-looking statements speak only as of the date of this presentation. Arotech does not undertake to update its forward-looking statements.

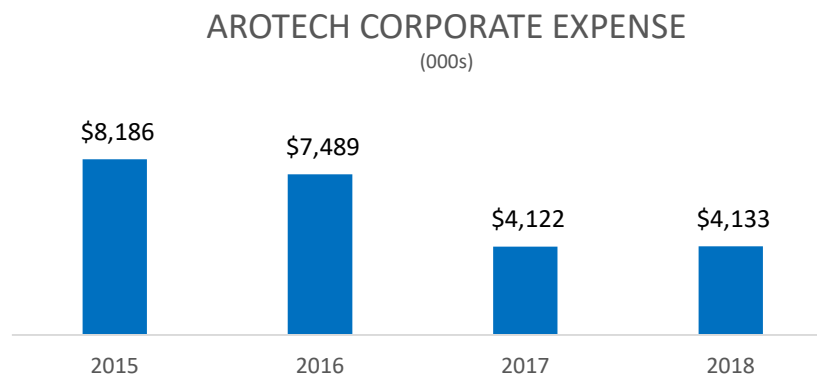
AROTECH CORPORATION

Arotech Corporation is a global leading provider of quality defense and security products for the military, law enforcement and homeland security markets, including multimedia interactive simulators/trainers and advanced power supplies, batteries and chargers.



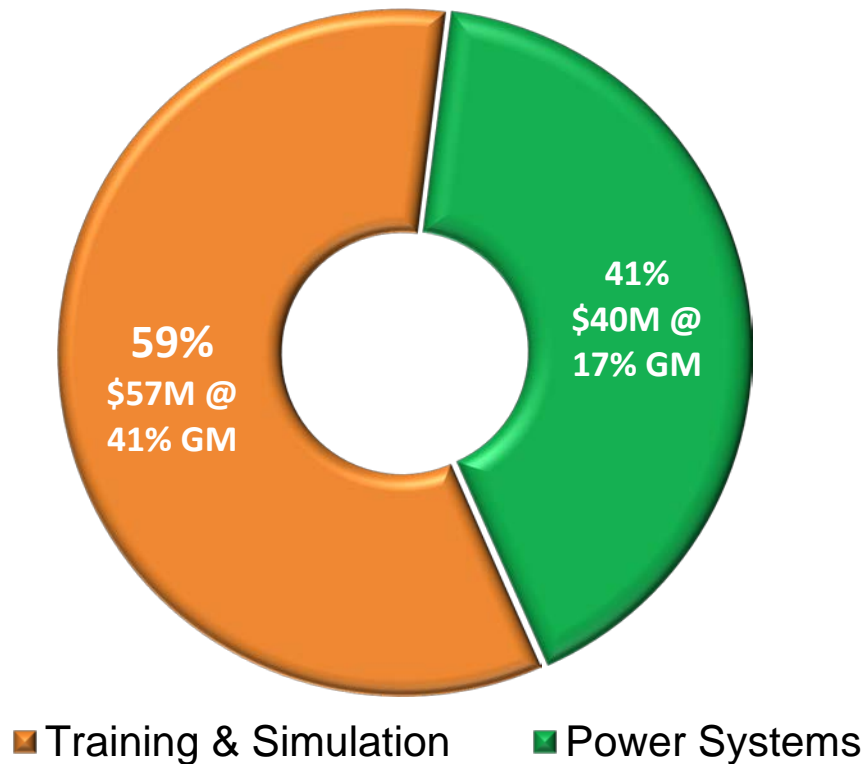
INVESTMENT HIGHLIGHTS

- Committed to growth
 - Leading market positions in attractive end markets with significant barriers to entry
 - Growth drivers are in place and select opportunities could lead to significant growth
 - Have invested in new product lines and product improvements
- Reduced Corporate Cost Structure
 - Board of Directors and management focused on growth, operational efficiency and creating long-term shareholder value
 - Smaller Board and Executive teams



DIVERSIFIED REVENUE BASE

2018 Revenue by Division



Numerous & diverse revenue sources

- Training and Simulation
 - Air Warfare 29%
 - Vehicle Simulation 39%
 - Use-of-Force 26%
 - Warranty 6%

59%
- Power Systems
 - Contract Manufacturing 38%
 - Power Distribution & Generation 15%
 - Batteries 34%
 - Engineering Services 13%

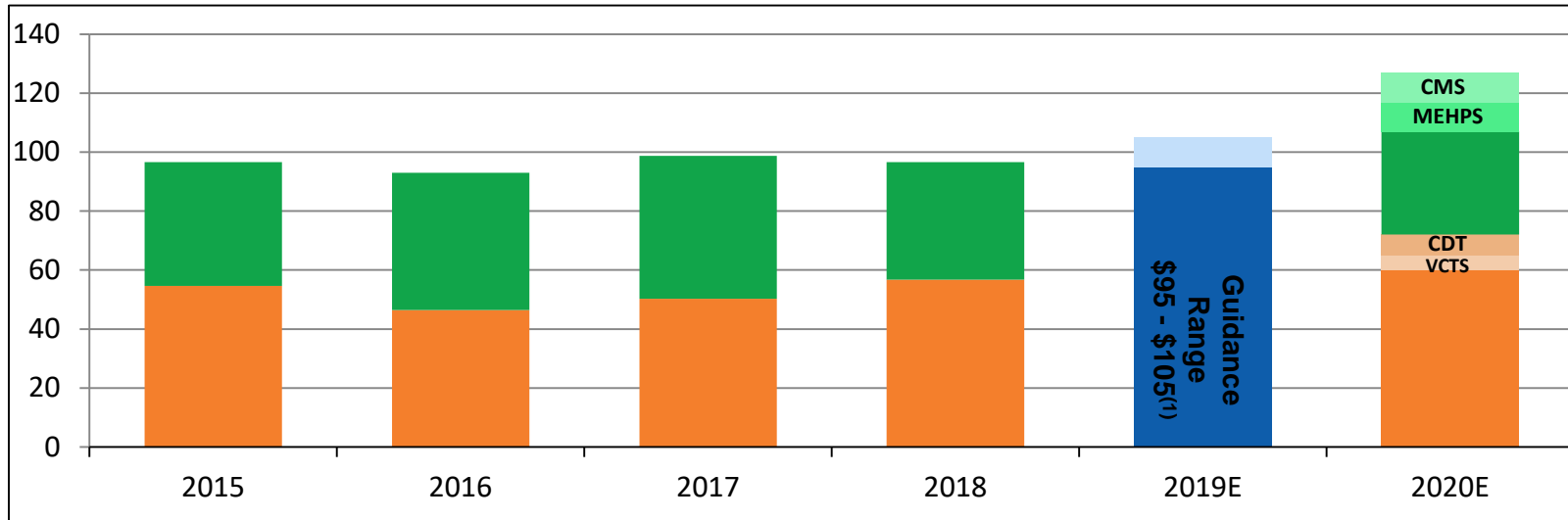
41%

A growing simulation division and near term opportunities in power

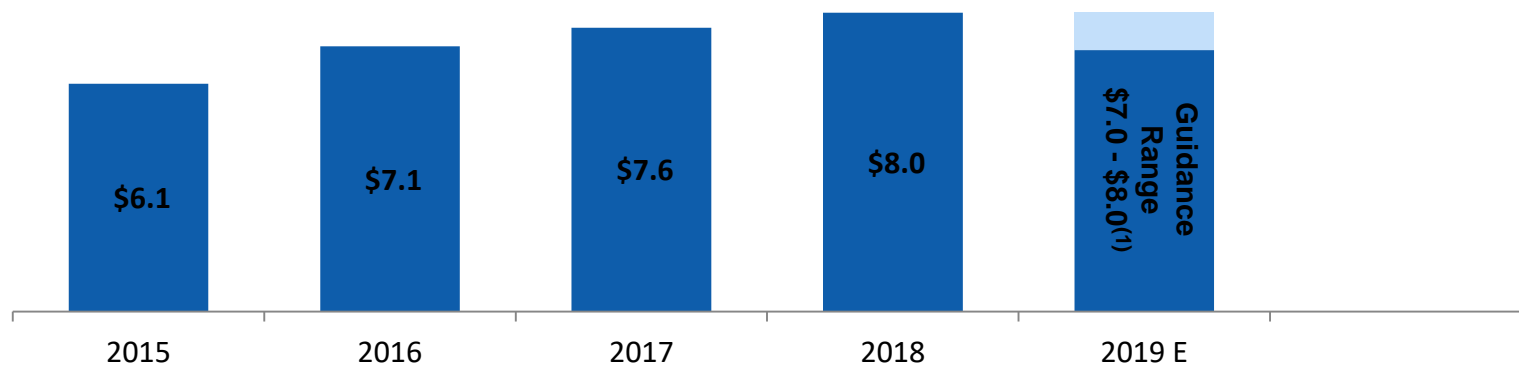
FINANCIAL OVERVIEW

(\$ in millions)

Revenue



Adjusted EBITDA



Training & Simulation

Power Systems

Total Company

Incremental Revenue over 2019

Incremental Revenue over 2019

Estimate

(1) Guidance range provided by company as of May 9, 2019. Arotech undertakes no obligation to update its estimates

Nasdaq: ARTX

AROTECH

TRAINING AND SIMULATION DIVISION

TRAINING AND SIMULATION DIVISION

Arotech's Training and Simulation Division (ATSD) develops and provides an extensive array of trainers and simulators for all kinds of equipment and situations for military, law enforcement and commercial customers. Our simulators safely and economically train people from municipal rail and bus drivers to military pilots and convoy crews to respond immediately and appropriately in threatening and dangerous situations while under extreme pressure.

**AIR WARFARE
SIMULATION**

**VEHICLE
SIMULATORS**

**JUDGMENTAL
USE OF FORCE**

**RESEARCH
SIMULATION**

TRAINING AND SIMULATION DIVISION



Military Vehicle Simulators



Commercial/Municipal Vehicle Simulators



Air Warfare Simulations



Judgmental Use of Force



Research Simulation



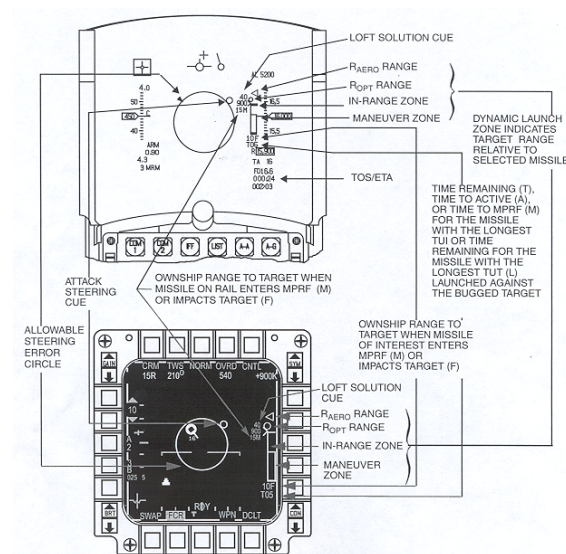
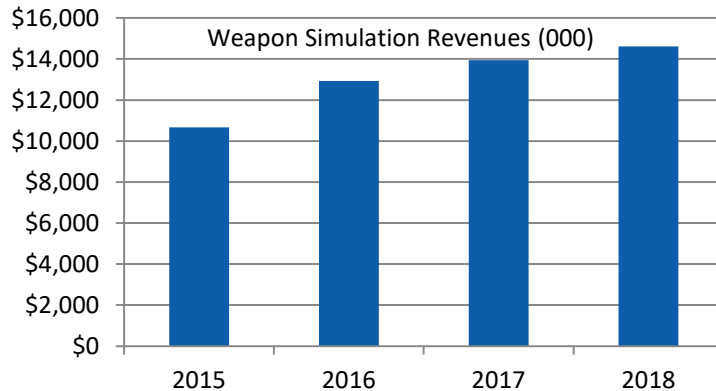
Description	<ul style="list-style-type: none"> Provides high fidelity vehicle simulators for use in operator training for every wheeled vehicle platform in the U.S. military 	<ul style="list-style-type: none"> Designs and manufactures vehicle simulators for use in municipal end markets such as EMS, fire and police 	<ul style="list-style-type: none"> Provides weapon simulations used to train military pilots in the effective use of air-launched weapons, mostly for classified customers 	<ul style="list-style-type: none"> Provides training products focused on the proper employment of hand-carried weapons, primarily for law enforcement personnel 	<ul style="list-style-type: none"> Specializes in multi-body vehicle dynamics modeling and graphical simulation for research and development solutions
Key Customers	<ul style="list-style-type: none"> U.S. Army U.S. Marine Corps Department of Homeland Security 	<ul style="list-style-type: none"> CAPOST DHS New York City City of Toronto City of London Washington, DC 	<ul style="list-style-type: none"> U.S. Air Force U.S. Air National Guard U.S. Navy Raytheon Lockheed Martin Cubic Boeing Taiwan 	<ul style="list-style-type: none"> DHS FBI Most major U.S. municipalities (800 systems) Hong Kong Emerging international markets 	<ul style="list-style-type: none"> Major automotive companies Large universities, including University of Minnesota, Beijing Jiaotong University, and University of Michigan, Ohio State
Key Products	<ul style="list-style-type: none"> VCTS CDT ODS MTVR 	<ul style="list-style-type: none"> Police Bus Rail Fire & rescue 	<ul style="list-style-type: none"> ZAP Training Range Software MACE BOSS 	<ul style="list-style-type: none"> MILO Range MILO Range Theater MILO Range Live Fire M-SATS FDU 	<ul style="list-style-type: none"> SimCreator SimVista SimObserver Research Simulators

TRAINING & SIMULATION

High Speed Weapon Simulation

ZAP – Zone Acquisition Process

- Contracting with Lockheed, Boeing, Raytheon, USAF, Cubic
 - Multi-year software support contracts
 - Active every year on all platforms
- Continually expanded and enhanced as the operational flight programs are updated and new weapons/capabilities are added
- New markets with Aggressor Squadrons, TA-50, UAVs, and situational awareness on non-fighter platforms



TRAINING & SIMULATION

Commercial Simulators

- Strong sales for Q1 2019
- Benefiting from volume production
- Significant awards from:
 - Bombardier
 - Detroit's Suburban Mobility Authority for Regional Transportation (SMART)
 - City of Detroit Bus and Police
 - Kentucky Community & Technical College System (KCTCS)



TRAINING & SIMULATION

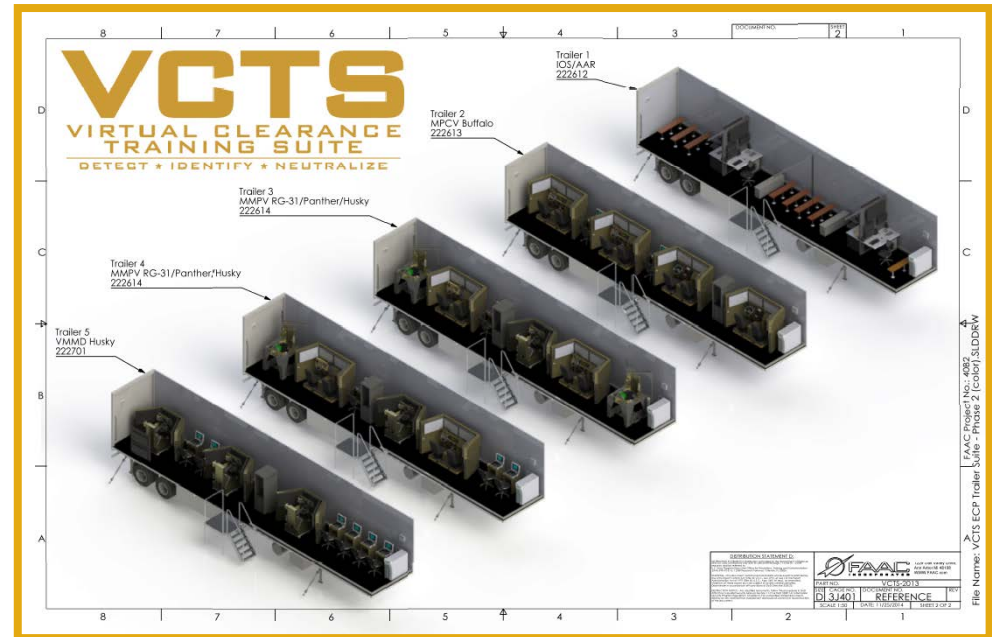


- Use of Force and de-escalation training for law enforcement and military customers
- New sales records in 2017 and 2018
- Full range of product offerings
 - Theater 180 and Theater 300 systems for immersive fields of view
 - Wireless distraction device
 - Live fire training
 - MILO M-SATS modular trainer



TRAINING & SIMULATION – KEY PROGRAMS

- Train route clearance teams to detect and neutralize improvised explosive devices (IEDs)
- \$41M Sole-Source award to FAAC expected to bring 5 more years of innovation
- 3 Phase Program with first phase being delivered, second phase under development, and third phase slated for award Q1 2020 (est.)



TRAINING & SIMULATION – KEY PROGRAMS



Awarded June 2018

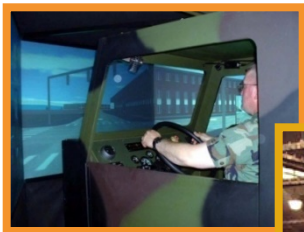
\$28.9M contract with 57 month POP

- \$18.7M funded
 - Upgrade for 7 USMC CCSs located at 5 sites
- \$10.2M in contract options
 - On-site CLS
 - Upgrade for 2 Navy Systems
 - Travel and ODCs

US ARMY COMMON DRIVER TRAINER



- Single Award Indefinite Delivery/Indefinite Quantity (SA IDIQ) with an estimated ordering ceiling of \$110M over 7 year period of performance
- Proposals have been submitted with expected award 2nd half of 2019.



USA ODS
U.S. Army Operator Driving Simulator



USMC ODS
USMC OPERATOR DRIVING SIMULATOR

POWER SYSTEMS DIVISION

POWER SYSTEMS DIVISION

Arotech's Power Systems Division (APSD) develops and provides sophisticated portable energy solutions designed to complex and demanding customer specifications for diverse applications from vehicle power, clean energy power generation, power distribution and management, military field equipment to life vest lights, satellite radios and unmanned vehicles. Arotech's solutions are produced primarily for military, aerospace and industrial customers.

**HYBRID
POWER**

**POWER
MANAGEMENT**

**TACTICAL
BATTERIES**

**CUSTOM BATTERY
SOLUTIONS**

POWER SYSTEMS DIVISION



NATO Standard 6T Rechargeable Lithium Batteries

Product Areas:

- Hybrid Power Generation
- High Energy Systems
- Lithium Rechargeables
- C4ISR
- Distributed Power Management
- Contract Manufacturing



Market:
Military
Medical
Commercial



Established and Diverse Customer Base Includes:



Naval Information Warfare Center
ATLANTIC

STRI

THALES

BOEING



Raytheon

SWITLIK

EAM
WORLDWIDE

Elbit Systems

POWER SYSTEMS – KEY PROGRAMS

GREENS/Hybrid Power 1kW Solution

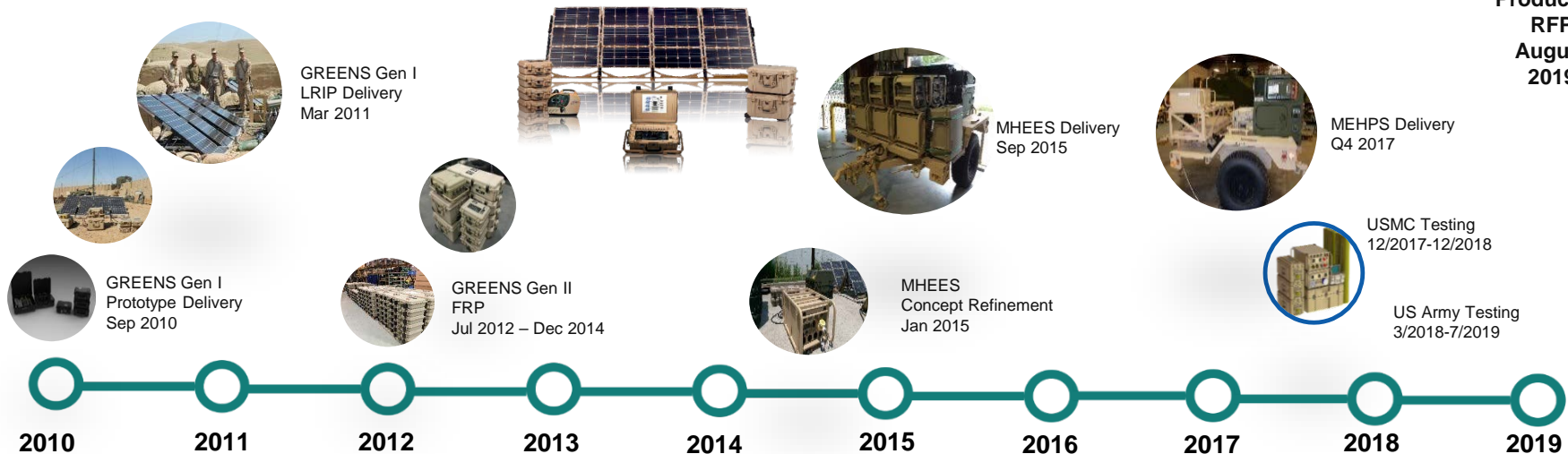
- Lightweight, compact, man portable renewable power solution
- Collects and stores solar energy and converts it to clean, reliable power
- Hybrid capability allows use of a generator with auto-start if desired
- Voltage Output: 22-30 VDC
- Power Output: 1kW of power and up to five systems can be paralleled together to provide 5kW of power

Mobile Electric Hybrid Power Sources – 5kW+ Solution

- Modular, compact, trailer or rack-mountable hybrid power solution
- Collects and stores energy from a solar and generator to deliver clean, reliable power
- Hybrid system capability intelligently integrates solar and generator power to further reduce fuel consumption
- Voltage Output: 1P 120V / 3P 208V 60 Hz
- Power Output: 5kW to 10kW
- Delivers Hours of Silent Watch
- Marine Corps estimates production at \$80M+ / Under evaluation by the US Army



**MEHPS
Production
RFP
August
2019**



POWER SYSTEMS – KEY PROGRAMS

Cyber Mission Kitting Systems Contract

- \$949M Multiple Award Contract (MAC) Indefinite Delivery Indefinite Quantity (IDIQ)
- Awarded August 2018.
- 5 Awardees share contract ceiling and compete for task orders.
- UEC Electronics is prime with twenty-two exclusive subcontractors.
- One of three major contract vehicles used by Naval Information Warfare Command (NIWC) – formerly SPAWAR-Atlantic
- 5 year base contract, with one two-year option period
- Contract is predominately production related with end-item products rather than services.
- Initial task order solicitations are expected in Q2 2019.



UE 
ELECTRONICS



POWER SYSTEMS - ISRAELI MINISTRY OF DEFENSE

Rechargeable Batteries



*Batteries for Satellites, UAVs, Tanks,
Rockets, Submarines, Life Vests*

POWER SYSTEMS – RECHARGEABLE BATTERIES

Israel Defense Forces Tactical Batteries

- Converted Israel Defense Forces from primary lead acid to Lithium Ion rechargeable batteries
 - Four most common tactical batteries numbering in the hundreds of thousands and worth \$38M
 - Thousands of chargers
 - Completed at end of 2017
 - Extended battery life points to expected replacement work beginning in 2020



POWER SYSTEMS – NEW MARKETS

Medical Batteries

- Standard Medical batteries
- Custom Medical battery solutions
 - New market for Epsilon and Electric Fuel
 - Li-Ion batteries for medical devices
 - Cancer treatment
 - Medical Cannabis
 - Ventilators
 - Renal monitoring
- Novocure Tumor Treating Fields
 - Steadily growing demand with product success
 - Over 10,000 batteries in 2019



POWER SYSTEMS – NEW MARKETS

Lead Acid Replacement 6T

- Selling test quantities worldwide
- Israel Ministry of Defense is our main development and test field
- Israeli Defense Force – Procurement and Operational Status
 - Field test of 3,000 km onboard Merkava main battle tank
 - First serial order for wide field test
- Ministry of Defense – Industrial Readiness
 - Funded program to build up a semi-automatic assembly line
 - Funding of new R&D program for fire suppression and propagation prevention improvements



POWER SYSTEMS – NEW MARKETS

Lead Acid Replacement UPS

- Made possible by the continuing decline in Lithium battery cell pricing.
- Lithium Ion based DC UPS
 - 5 times longer life time
 - 5 times lower weight and size
 - Life cycle cost benefit
 - 4G and 5G telecom networks
 - Surveillance stations
- Smart UPS
 - High performance power Ethernet switch
 - Built-in interface for remote monitoring and control of battery and power status

