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IoT Leader KORE Reports Full First Quarter 2021 Financial Results, Including Record Revenue; Positioned to Exceed Fiscal Year 2021 Expectations

ATLANTA, July 12, 2021 /PRNewswire/ --[KORE](#), a global leader in Internet of Things ("IoT") solutions and worldwide IoT Connectivity-as-a-Service ("IoT CaaS"), today reported financial and operational results for the first quarter ended March 31, 2021. Strong performance positions the company to exceed its FY 2021 expectations. The company will look to revise higher its 2021 forecast after announcing results for the quarter ended June 30, 2021 and completing the targeted NYSE listing process.



"By outperforming first quarter expectations across the board, KORE is now set up to exceed expectations for FY 2021."

First Quarter 2021 Financial Highlights

- Total revenue increased 11% year-over-year to \$55.3 million, a record in first quarter revenue performance.
- Revenue generated in the Connected Health industry sector increased 25% to \$20 million, compared to \$16 million in the same prior-year period.
- IoT Connectivity revenue increased 6% to \$40.7 million, compared to \$38.4 million in the same prior-year period.
- IoT Solutions revenue increased 26% to \$14.6 million, compared to \$11.6 million in the same prior-year period.
- Adjusted EBITDA, a non-GAAP metric*, increased 20% to \$16.4 million, compared to \$13.7 million in the same prior-year period.

	Three Months Ended March 31,				Year Ended December 31,			
	2021		2020		2020		2019	
IoT Connectivity	\$ 40,720	74%	\$ 38,398	77%	\$ 158,748	74%	\$ 150,358	89%
IoT Solutions	14,577	26%	11,580	23%	55,012	26%	18,794	11%
Total Revenues	\$55,297	100%	\$49,978	100%	\$ 213,760	100%	\$169,152	100%
Period End Customer Connections Count	12.9 million		10.0 million		11.8 million		9.7 million	
Average Customer Connections Count for the Period	12.7 million		9.9 million		10.7 million		9.2 million	

*See Appendix for reconciliation

"Our robust first quarter results demonstrate successful execution of KORE's transformation into the recognizable leader in the enablement of IoT solutions, globally," said KORE President and CEO [Romil Bahl](#). "Our Connected Health sector, the largest of five industry verticals we are focused on, saw a double-digit increase year-over-year, making that sector a key driver of top line performance in the first quarter. By outperforming first quarter expectations across the board, KORE is now set up to exceed expectations for FY 2021. We remain steadfast helping new and existing customers deploy, manage, and scale their IoT applications, ultimately driving sustained growth and value for all stakeholders."

Key Metrics and Recent Business Highlights

- Total customer connections increased to 12.9 million as of March 31, 2021, up from 10 million total connections as of March 31, 2020.
- Secured commitment from largest Connected Health customer to increase business volumes, as KORE assists in its transition to LTE from 2G and 3G.
- Dollar-Based Net Expansion Rate (DBNER) was 108% for the twelve months ended March 31, 2021, compared to 107% in the twelve months ended March 31, 2020.
- Revenue mix - IoT Connectivity to IoT Solutions - changed from 77:23 in Q1, 2020 to 74:26 in Q1, 2021, reflecting continued accelerated growth of IoT Solutions.
- Provided IoT connectivity services to ~3,600 customers globally for the three months ended March 31, 2021, most of which are connectivity only, representing a healthy installed base of customers to cross-sell additional services.

See the Appendix for definitions of Total Customer Connections and DBNER.

About KORE

KORE is a pioneer, leader, and trusted advisor delivering mission-critical IoT solutions and services. We empower organizations of all sizes to improve operational and business results by simplifying the complexity of IoT. Our deep IoT knowledge and experience, global reach, purpose-built solutions, and deployment agility accelerate and materially impact our customers' business outcomes. For more information, visit korewireless.com.

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Important Information and Where to Find It

This press release references the proposed merger transaction announced previously involving Cerberus Telecom Acquisition Corp. ("CTAC") and KORE. CTAC and King Pubco, Inc. ("Pubco") filed a registration statement on Form S-4 with the SEC, which includes a proxy statement of CTAC and a prospectus of Pubco, and CTAC will file other documents regarding the proposed transaction with the SEC. A definitive proxy statement/prospectus will also be sent to the stockholders of CTAC, seeking required stockholder approval. Before making any voting or investment decision, investors and security holders of CTAC are urged to carefully read the entire registration statement and proxy statement/prospectus, when they become available, and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they will contain important information about the proposed transaction. The documents filed by CTAC with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, the documents filed by CTAC with the SEC may be obtained free of charge from CTAC's website at www.cerberusacquisition.com or upon written request to Cerberus Telecom Acquisition Corp., 875 Third Avenue, New York, NY 10022.

This press release, similar to the previous announcement, does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such other jurisdiction.

CTAC, KORE and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of CTAC, in favor of the approval of the merger. Information regarding CTAC's and KORE's directors and executive officers and other persons who may be deemed participants in the transaction may be obtained by reading the registration statement and the proxy statement/prospectus and other relevant documents filed with the SEC when they become available. Free copies of these documents may be obtained as described above.

Forward-Looking Statements

This press release includes certain statements that are not historical facts but are forward-

looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of revenue and other financial and performance metrics and projections of market opportunity and expectations. These statements are based on various assumptions and on the current expectations of CTAC or KORE's management. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor or other person as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of CTAC and/or KORE. These forward-looking statements are subject to a number of risks and uncertainties, including general economic, financial, legal, political and business conditions and changes in domestic and foreign markets; the potential effects of COVID-19; risks related to the rollout of KORE's business and the timing of expected business milestones; changes in the assumptions underlying KORE's expectations regarding its future business; the effects of competition on KORE's future business; and the outcome of judicial proceedings to which KORE is, or may become a party. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that KORE presently does not know or that KORE currently believes are immaterial that could also cause actual results to differ materially from those contained in the forward-looking statements. In addition, forward-looking statements reflect KORE's expectations, plans or forecasts of future events and views as of the date of this press release. KORE and CTAC anticipate that subsequent events and developments will cause these assessments to change. However, while KORE and/or CTAC may elect to update these forward-looking statements at some point in the future, each of KORE and CTAC specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing KORE's assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Appendix

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measures are useful in evaluating our operational performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors in assessing our operating performance.

EBITDA and Adjusted EBITDA

"EBITDA" is defined as net income (loss) before other non-operating expense or income, income tax expense or benefit, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for unusual and other significant items that management views as distorting the operating results from period to period. Such adjustments may include

stock-based compensation, integration and acquisition-related charges, tangible and intangible asset impairment charges, certain contingent liability reversals, transformation, and foreign currency transaction gains and losses. EBITDA and Adjusted EBITDA are intended as supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that when evaluating EBITDA and Adjusted EBITDA we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. You should review the reconciliation of net loss to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business.

The following table reconciles Net loss to EBITDA and Adjusted EBITDA for the periods shown:

(in 000's)	For the three months ended	
	March 31,	
	2021	2020
Net loss	\$ (1,081)	\$ (2,768)
Income tax expense (benefit)	(1,264)	(1,748)
Interest expense	5,059	6,583
Depreciation and amortization	13,114	12,057
EBITDA	15,828	14,124
Change in fair value of warrant liabilities (non-cash)	(2,424)	(1,912)
Transformation expense	1,803	1,896
Acquisition and integration-related restructuring costs	851	1,029
Stock-based compensation (non-cash)	315	216
Foreign currency loss (gain) (non-cash)	(70)	(1,686)
Other	115	43
Adjusted EBITDA	\$ 16,418	\$ 13,710

Key Metrics

KORE reviews a number of metrics to measure our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. The calculation of the key metrics and other measures discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

Number of Customer Connections

Total Customer Connections constitutes the total of all KORE Connectivity services connections, including both CaaS and CEaaS connections, but excluding certain connections where mobile carriers license KORE's subscription management platform from KORE. Total Customer Connections include the contribution of eSIMs.

DBNER

DBNER (Dollar Based Net Expansion Rate) tracks the combined effect of cross-sales of IoT Solutions to replace with KORE's existing customers, its customer retention and the growth of its existing business at customers. KORE calculates DBNER by dividing the revenue for a given period ("given period") from go-forward, existing customers by the revenue from the same customers for the same period measured one year prior ("base period"). The revenue included in the current period excludes revenue from (i) customers that are not go-forward customers (i.e., customers which have decided and communicated before the last day of the current period, not to provide future business to KORE, and which customers are expected to decline in revenue over time) and (ii) new customers that started generating revenue after the end of the base period. For example, to calculate our DBNER for the trailing 12 months ended March 31, 2021, we divide (i) revenue, for the trailing 12 months ended March 31, 2021, from customers that started generating revenue on or before March 31, 2020, and that were go-forward customers as of March 31, 2021 by (ii) revenue, for the trailing 12 months ended March 31, 2020, from the same set of customers. For the purposes of calculating DBNER, if KORE acquires a company during the given period or the base period, then the revenue of a customer before the acquisition but during either the given period or the base period is included in the calculation.

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