



# Fourth Quarter 2022

## Earnings Presentation

March 27, 2023

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## Forward-Looking Statements

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This presentation also contains certain financial forecasts of KORE. KORE's independent auditors have not studied, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them has expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Projections are inherently uncertain due to a number of factors outside of KORE's control. Accordingly, there can be no assurance that the prospective results are indicative of future performance of KORE or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

## Preliminary and Unaudited Financial Results; Expected Restatement of 2021 Quarterly and Year-End Financials

The Company's preliminary and unaudited financial results are an estimate and subject to the completion of the Company's financial close and other procedures and finalization of the Company's consolidated financial statements for the year ended December 31, 2022, including the completion of the audit of the Company's financial statements. Further, the financials for the fiscal quarter ended December 31, 2021 and fiscal year 2021 reported in this earnings release reflect the Company's preliminary and unaudited restatement of past periods, differ from previously reported financials, and are subject to completion of the audit for the Company's financial statements. Accordingly, actual financial results to be reflected in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, including audited financial statements, may differ from the preliminary and unaudited results presented herein.

## Use of 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" is defined as net income (loss) before interest expense or interest 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. Adjusted EBITDA margin represents adjusted EBITDA calculated as a percentage of revenue. 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, Adjusted EBITDA and Adjusted EBITDA margin 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, Adjusted EBITDA and Adjusted EBITDA margin 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, Adjusted EBITDA and Adjusted EBITDA margin 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 and Adjusted EBITDA margin 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, Adjusted EBITDA and Adjusted EBITDA margin 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, Adjusted EBITDA and Adjusted EBITDA margin on a supplemental basis. You should review the reconciliation of net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA margin below and not rely on any single financial measure to evaluate our business.

We have not provided the forward-looking GAAP equivalents for the forward-looking non-GAAP financial measures Adjusted EBITDA, Adjusted EBITDA margin or a GAAP reconciliation as a result of the uncertainty regarding, and the potential variability of, reconciling items including but not limited to stock-based compensation expense, foreign currency loss or gain and acquisition and integration-related expenses. Accordingly, a reconciliation of this non-GAAP guidance metric to its corresponding GAAP equivalents is not available without unreasonable effort. However, it is important to note that material changes to reconciling items could have a significant effect on future GAAP results and, as such, we also believe that any reconciliations provided would imply a degree of precision that could be confusing or misleading to investors.

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# Objectives of Our Earnings Call



Review key  
announcements



Provide financial  
performance  
overview and  
key metrics



Answer analyst  
and investor  
questions

# Twilio IoT Acquisition – Strategic Rationale

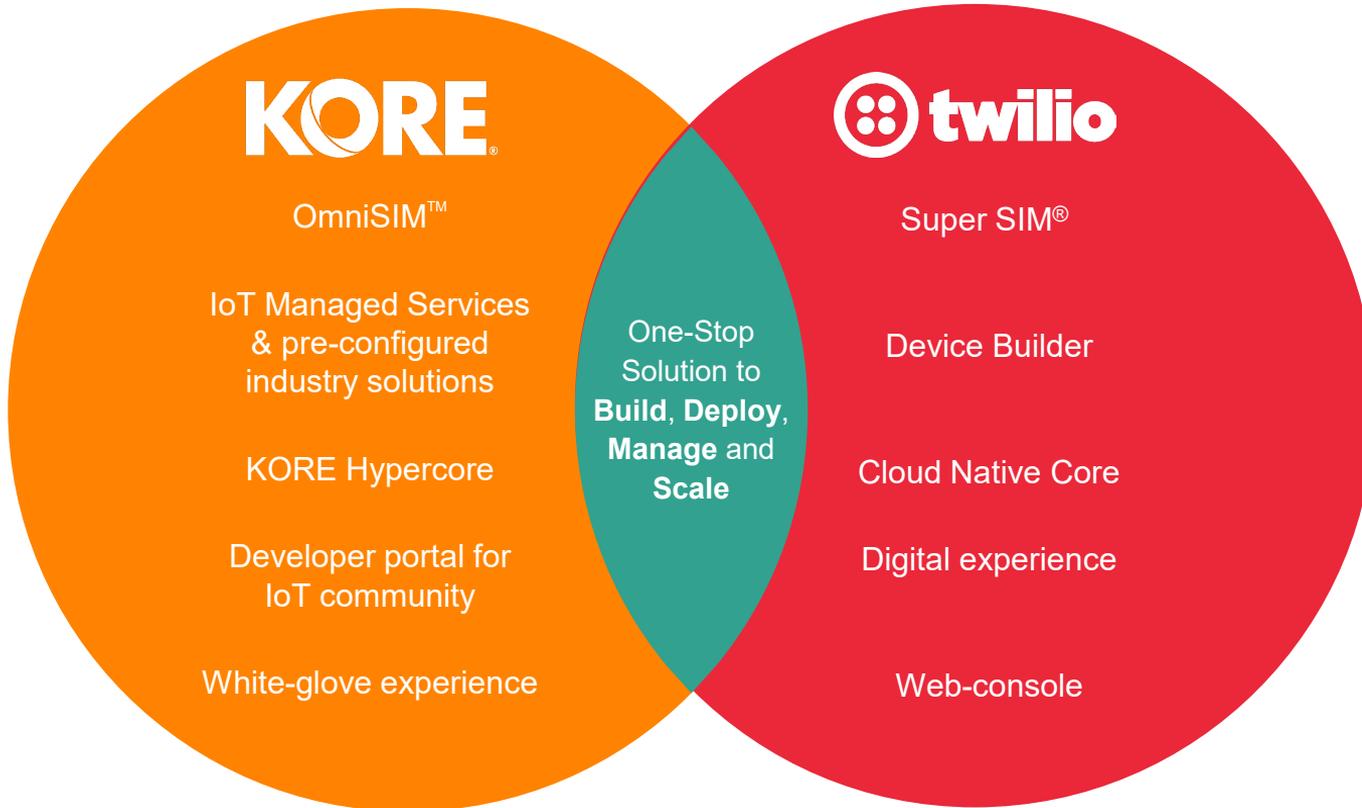
- ✓ The Twilio IoT business **accelerates our strategy** to be one of the few, leading IoT Hyperscalers.
- ✓ We are adding the **strongest capability** for digital consumption of IoT in the market.
- ✓ KORE OmniSIM™ combined with Twilio Super SIM® **creates market-leading** IoT connectivity product.
- ✓ We add **“Build”** to our “Deploy, Manage, Scale” story with Twilio’s investment in Device Builder.
- ✓ The new KORE will be the **largest independent provider of IoT connectivity** outside of China, with only five large MNOs\* having more connections.

\*Mobile Network Operators

**KORE will issue 10 million shares of common stock to Twilio, making Twilio one of KORE’s largest shareholders.**

# Creating a Best-in-Class IoT Pure Play

Simplifying IoT with BDMS - Build, Deploy, Manage, Scale



# Key Announcements



## Google Cloud Collaboration

Announced a multi-year go-to-market alliance with Google Cloud to bring IoT capabilities to global businesses, simplifying the complexities of IoT deployment while leveraging Google Cloud infrastructure and KORE's IoT Solutions.



## IoT SAFE Solution For Massive IoT with AWS

KORE has introduced its OmniSIM™ SAFE using AWS IoT Core to decrease security challenges associated with global Massive IoT and large-scale IoT deployments.



## Supporting In-Home Senior Care Powered by AI

Announced a partnership with Care Daily, a Silicon Valley-based technology-driven in-home senior care company that provides AI-assisted IoT platforms for seniors with KORE providing the IoT connectivity and managed services for this innovative health venture.

# Summary – Q4 2022 Earnings



## Q4 2022 vs. Q4 2021

- **Total revenue of \$62.4 million** vs. \$64.4 million (-3%)
  - **IoT Connectivity of \$43.7 million** vs. \$43.3 million (+1%)
  - **IoT Solutions revenue of \$18.7 million** vs. \$21.1 million (-11%)
- **Gross margin of 54.1%** vs. 48.1% (+600 bps)
- **Net loss of \$68.8 million<sup>1</sup>, or \$0.90 per share** vs. \$12.0 million, or \$0.17 per share
- **DBNER was 92%** vs. 122% (103% vs. 115% excluding our largest customer)
- **Adjusted EBITDA of \$15.7 million** vs. \$13.1 million (+20%)
- **Adjusted EBITDA margin of 25.1%** vs. 20.3% (+480 bps)
- **Cash used in operating activities of \$5.1 million** vs. \$5.3 million

# Summary – FY 2022 Earnings & 2023 Outlook



## FY 2022 vs. FY 2021

- **Total revenue of \$268.4 million** vs. \$248.4 million (+8%)
  - **IoT Connectivity of \$175.9 million** vs. \$169.0 million (+4%)
  - **IoT Solutions revenue of \$92.5 million** vs. \$79.4 million (+17%)
- **Gross margin of 51.9%** vs. 51.2% (+70 bps)
- **Net loss of \$105.4 million<sup>1</sup>, or \$1.39 per share** vs. \$24.8 million, or \$1.04 per share
- **DBNER was 92%** vs. 122% (103% vs. 115% excluding our largest customer)
- **Adjusted EBITDA of \$62.8 million** vs. \$60.9 million (+3%)
- **Adjusted EBITDA margin of 23.4%** vs. 24.5% (-110 bps)
- **Cash provided by (used in) operating activities of \$15.5 million** vs. (\$14.8) million



## 2023 Outlook

- Revenue: **\$300-\$310 million**
- Adjusted EBITDA, a non-GAAP metric, of **\$60-\$62 million** representing approximately 20% margin

# Financial Highlights

(Unaudited)  
Three Months Ended  
December 31,

Revenue (In millions USD)	2022		2021	
	Revenue	%	Revenue	%
<b>IoT Connectivity</b>	\$43.7	70%	\$43.3	67%
<b>IoT Solutions</b>	18.7	30%	21.1	33%
<b>Total revenue</b>	<b>\$62.4</b>	<b>100%</b>	<b>\$64.4</b>	<b>100%</b>

(Unaudited)  
Twelve Months Ended  
December 31,

	2022		2021	
	Revenue	%	Revenue	%
	\$175.9	66%	\$169.0	68%
	92.5	34%	79.4	32%
	<b>\$268.4</b>	<b>100%</b>	<b>\$248.4</b>	<b>100%</b>

Gross Margin %				
<b>IoT Connectivity</b>	65.1%		60.0%	
<b>IoT Solutions</b>	28.7%		23.6%	
<b>Overall Gross Margin %</b>	<b>54.1%</b>		<b>48.1%</b>	

	64.2%		60.9%	
	28.5%		30.4%	
	<b>51.9%</b>		<b>51.2%</b>	

<b>Period End Connections</b>	15.0	14.6
<b>Average Connections Count for the Period</b>	15.2	14.2
<b>DBNER</b>	92%	122%

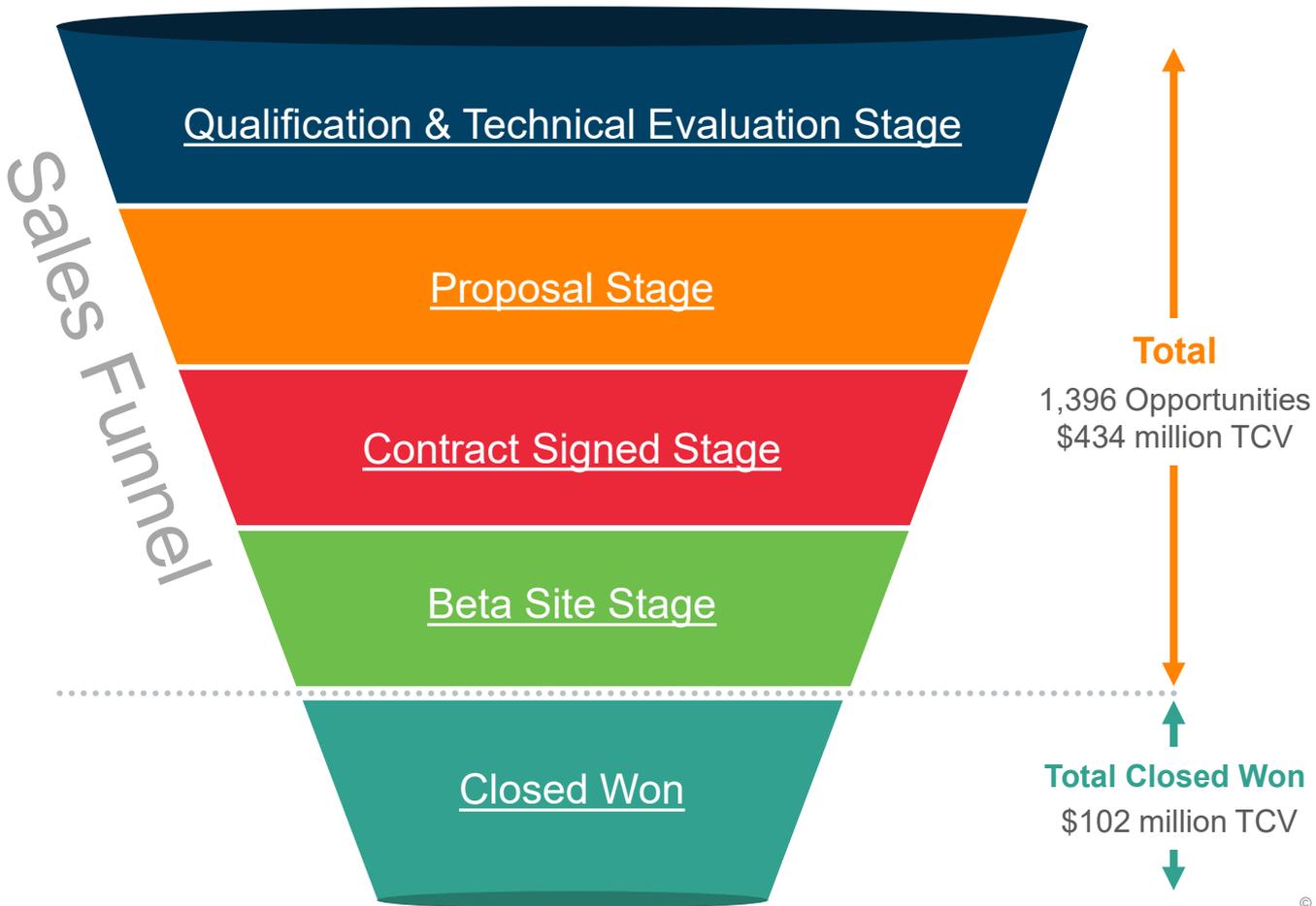
	15.0	14.6
	15.2	13.4
	100%	122%

# Financial Highlights *(continued)*

(In millions USD)	(Unaudited) Three Months Ended December 31,		(Unaudited) Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Operating Expense</b>	\$97.0	\$37.9	\$223.6	\$142.6
<b>Operating Loss</b>	(\$63.3)	(\$6.9)	(\$84.3)	(\$15.6)
<b>Net Loss</b>	(\$68.8)	(\$12.2)	(\$105.4)	(\$24.8)
<b>Adj. EBITDA</b>	\$15.7	\$13.1	\$62.8	\$60.9
<b>Net Cash Provided by (Used In) Operating Activities</b>	(\$5.1)	(\$5.3)	\$15.5	(\$14.8)
<b>Net Cash (Used) In Investing Activities</b>	(\$4.6)	(\$3.6)	(\$62.5)	(\$13.4)
<b>Net Cash Provided (Used In) By Financing Activities</b>	(\$0.2)	\$22.3	(\$3.8)	\$104.1
<b>Cash at the end of the Period*</b>	\$34.6	\$86.0	\$34.6	\$86.0

\* Excludes restricted cash

# Global Sales Pipeline as of Dec 31st, 2022



# Key Business Successes

## CHTS Pilot Agreements

Signed two Connected Health Telemetry Solution (CHTS) pilot agreements to begin CHTS integration and testing with a CRO and a large remote patient monitoring services provider.



## Replacing local uSIMs with OmniSIM™

Replaced local uSIMs with OmniSIM™ at a leading global provider of cold chain for remote monitoring of temperature, location, ambient light and tilt.



## Increasing Customer Wallet Share in Video Telematics

Added approximately \$1.0 million in TCV from an existing Fleet customer that is increasing usage to leverage video telematics to power their fleet



## Winning with OmniSIM™

Won a contract in excess of \$1 million TCV to migrate SIMs to KORE OmniSIM™ RUSH in support of a customer's SD-WAN offering. OmniSIM™ multi-carrier, downloadable profiles was a key driver of the contract win.

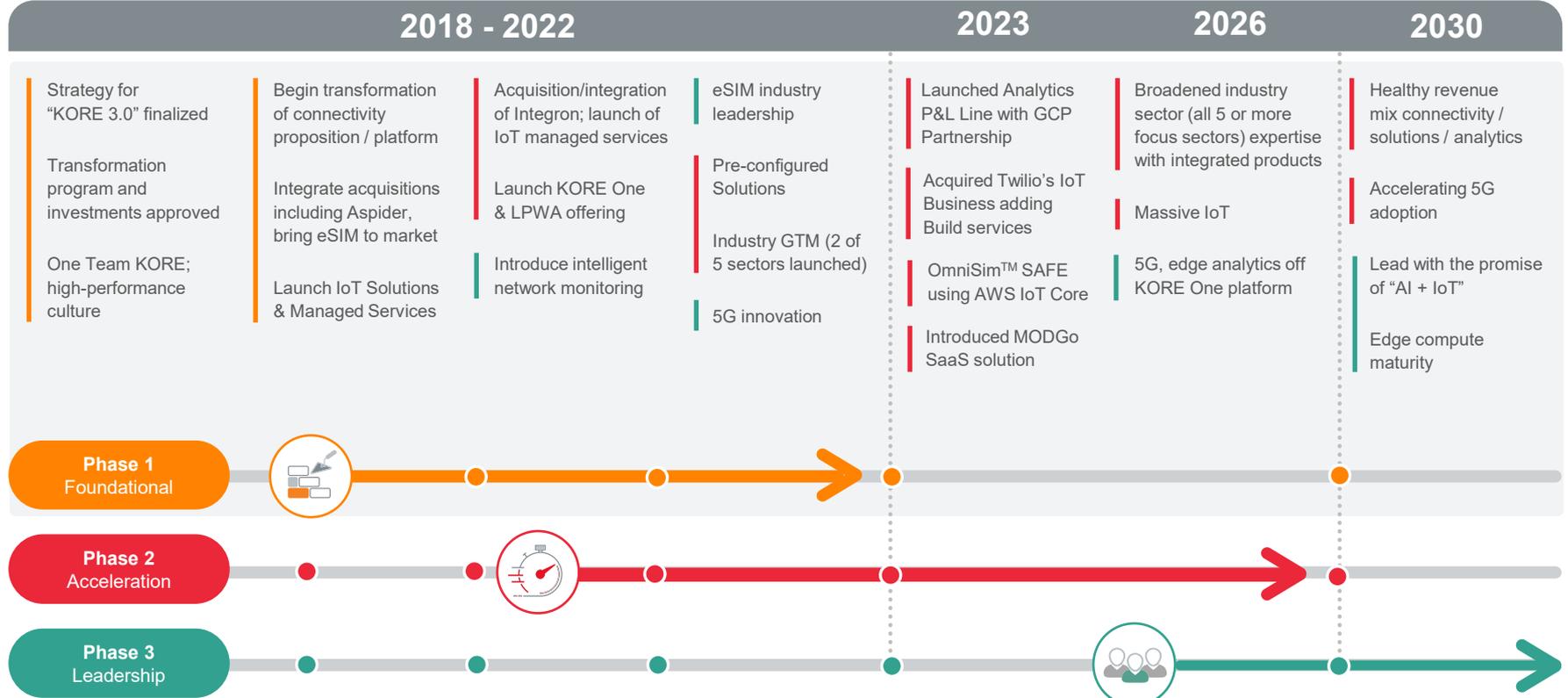


# Positioned for the Decade of IoT

as the only Pure-Play IoT Company



EVOLUTION ROADMAP



# Summary Messages and 2023 Outlook



Exceeded two-year  
stack revenue  
forecast by  
**\$60 million**



Expanded  
market reach  
with **AWS and  
Google Cloud**



Introduced  
**OmniSIM™  
REACH and RUSH**



Recession  
resistant with  
**80%+ Recurring  
Revenues**



Positioned in  
**high-growth end  
markets** such as  
Connected Health

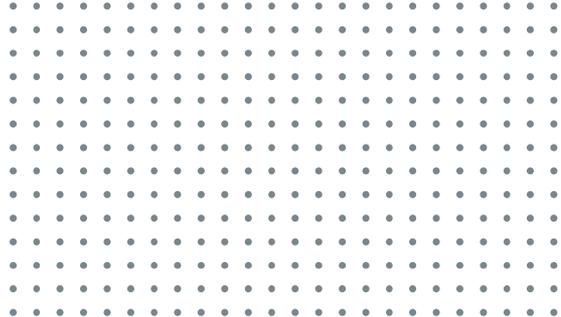
**Well Positioned for Growth and Value Creation**

**\$300-310mm**

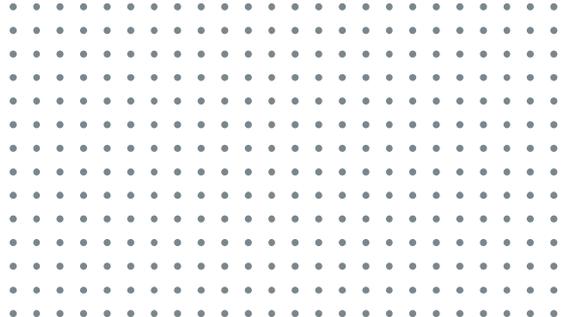
2023 Revenue  
Outlook

**\$60-62mm**

2023 Targeted  
Adjusted EBITDA

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# Appendix

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# Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

(In millions USD)	(Unaudited) Three Months Ended December 31,		(Unaudited) Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Net loss</b>	(\$68.8)	(\$12.2)	(\$105.4)	(\$24.8)
<b>Net loss margin</b>	(110.2%)	(19.0%)	(39.3%)	(10.0%)
Income tax benefit	(3.7)	(1.9)	(10.0)	(8.8)
Interest Expense	9.2	7.1	31.4	23.3
Depreciation & Amortization	13.9	12.4	54.5	50.3
<b>EBITDA</b>	<b>(\$49.4)</b>	<b>\$5.5</b>	<b>(\$29.6)</b>	<b>\$40.0</b>
Impairment on assets	56.9	0.0	56.9	0.0
Change in FV of warrant liabilities (non-cash)	0.0	0.0	(0.3)	(5.3)
Transformation expenses	2.4	2.8	8.3	8.9
Acquisition and integration-related restructuring costs	4.6	4.0	16.2	11.3
Stock-based compensation (non-cash)	2.7	0.0	10.3	4.6
Foreign currency loss (non-cash)	(1.6)	0.5	0.0	0.3
Other	(0.0)	0.3	0.9	1.0
<b>Adjusted EBITDA</b>	<b>\$15.7</b>	<b>\$13.1</b>	<b>\$62.8</b>	<b>\$60.9</b>
<b>Adjusted EBITDA Margin</b>	<b>25.1%</b>	<b>20.3%</b>	<b>23.4%</b>	<b>24.5%</b>

Columns may not sum due to rounding

# KORE business model: offering high demand IoT services

Product line	Products	Product description	Primary pricing method
<b>IoT Connectivity</b> 66% of 2022 <sup>1</sup> 70% of Q4 2022 <sup>2</sup>	<b>IoT Connectivity as a Service (CaaS)</b>	<ul style="list-style-type: none"> <li>IoT connectivity services offered through market leading KORE One IoT platform</li> <li>Our IoT connectivity solutions allow devices to seamlessly and securely connect anywhere in the world across any connected network, which we call our multiple devices, multiple locations, multiple carriers CaaS value prop</li> </ul>	<b>Per subscriber per month for lifetime of device (7-10 years and growing)</b>  <b>Multi-year contracts with automatic renewals</b>
	<b>Connectivity Enablement as a Service (CEaaS)</b>	<ul style="list-style-type: none"> <li>Connectivity Management Platform as a Service (or individual KORE One engine)</li> <li>Cellular Core Network as a Service (cloud native HyperCore)</li> </ul>	
<b>IoT Solutions</b> 34% of 2022 <sup>1</sup> 30% of Q4 2022 <sup>2</sup>	<b>IoT Device Management Services</b>	<ul style="list-style-type: none"> <li>Outsourced platform-enabled services (e.g., logistics, configuration, device management)</li> <li>Sourcing of 3rd party devices globally, device design and selection services</li> </ul>	<b>Upfront fee per device or per device per month</b>
	<b>IoT Security</b>	<ul style="list-style-type: none"> <li>KORE's SecurityPro SaaS platform</li> </ul>	<b>Per subscriber per month</b>
	<b>Location Based Services (LBS)</b>	<ul style="list-style-type: none"> <li>KORE's PositionLogic™ SaaS platform and LBS APIs</li> </ul>	<b>Per subscriber per month</b>

Product list is being expanded e.g., through industry pre-configured solutions

# IoT use cases are everywhere... deployments are complex

## Sample IoT use cases



Fleet Mgmt.



Connected  
Blood Sugar  
Monitors



Home Security



Connected  
Gas Tank  
Monitors



Offender  
Trackers



Connected  
Alcohol  
Monitors

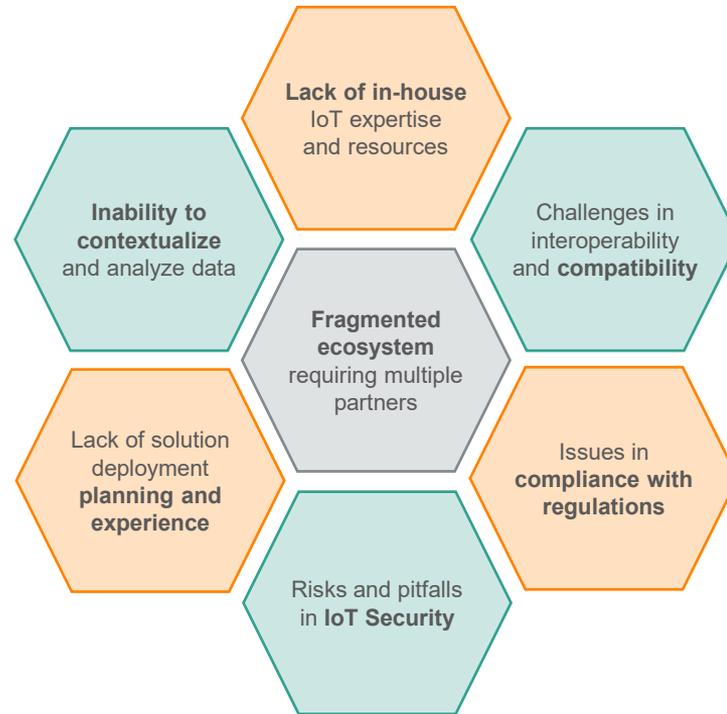


Smart City  
Lighting  
Systems



Smart  
Meters

## Top challenges in IoT deployments



KORE is building the world's first pure-play IoT enabler

**What**

we do for  
customers...



**Deploy**



**Manage**



**Scale**

**How**

we do it...

**Connectivity.**

**Solutions.**

**Analytics.**

# Building a Pure Play IoT Company



**KORE** | Connected Health  
 Connected Health and IoT-enabled Clinical Drug Trials

**KORE** | Fleet  
 Fleet Management, Telematics, Connected Car, SVR, UBI

**KORE** | Assets  
 Remote Monitoring, Home/Business Security, Offender Tracking

**KORE** | Communication Services  
 Connectivity Resellers, Failover/Primary, PaaS

**KORE** | Industrial  
 IIoT, OEMs, Smart Cities, Smart Utilities etc.

## Regional GTM: Americas, EAP



# Customer IoT Journey

1 IoT Strategy & End-to-end Security	2 Technology Evaluation, Selection, Dev	3 IoT Connectivity, Device & Data Management	4 Deployment (forward logistics)	5 Operations Management & Support	6 Sustainment (reverse logistics)	7 Analysis & AIoT
1.1 Business Outcomes / Business Case	2.1 Architecture	3.1 Network(s) Selection / Carrier Contracts	4.1 Forecast Management	5.1 Technical Support Tier 1 & 2	6.1 Asset Management	7.1 Data Cleansing & Normalization
1.2 Security by Design (entire stack)	2.2 Connectivity / Network Strategy	3.2 Secured Data Exchange	4.2 Supply Chain and Inventory Management	5.2 Tier 3 – Network & Systems Support	6.2 Site Maintenance	7.2 Data Storage, Retrievals & Replays
1.3 Partner Strategy	2.3 IoT Platform / Cloud Selection	3.3 Subscription Lifecycle Integration	4.3 Order and Configuration Management	5.3 Remote Device Management	6.3 Reverse Logistics / Asset Recovery	7.3 Data Contextualization & LBS
1.4 Proof of Concept	2.4 Application Design / Development	3.4 Usage Optimization & Fraud Mgmt.	4.4 Forward Logistics / Shipping	5.4 Network Mgmt. & Orchestration	6.4 Advanced Exchange	7.4 Data Visualization
1.5 Global / Regional Footprint	2.5 Device / Module Selection, Validation & Certification	3.5 Sales & Distribution Setup	4.5 Global Import / Export Management	5.5 MDM Platform Management	6.5 OEM Warranty Management	7.5 AIoT – Descriptive, Prescriptive, Predictive
1.6 Organizational Governance	2.6 Develop, Test, Prototype & Pilot	3.6 Device Management, Diagnostics & Troubleshooting	4.6 Quality Management (ISO 13458, 9001)	5.6 Regulatory Compliance	6.6 Migration Services	7.6 Security & Deep Network Monitoring using Metadata
1.7 Business Continuity / Disaster Recovery	2.7 Deployment Process Design	3.7 Deployment Setup & Optimization	4.7 Site Services	5.7 Change Management	6.7 End of Life Management	7.7 Application Integration & Device Feedback

Delivery: ■ KORE Internal ■ KORE & Partner Hybrid ■ Partner

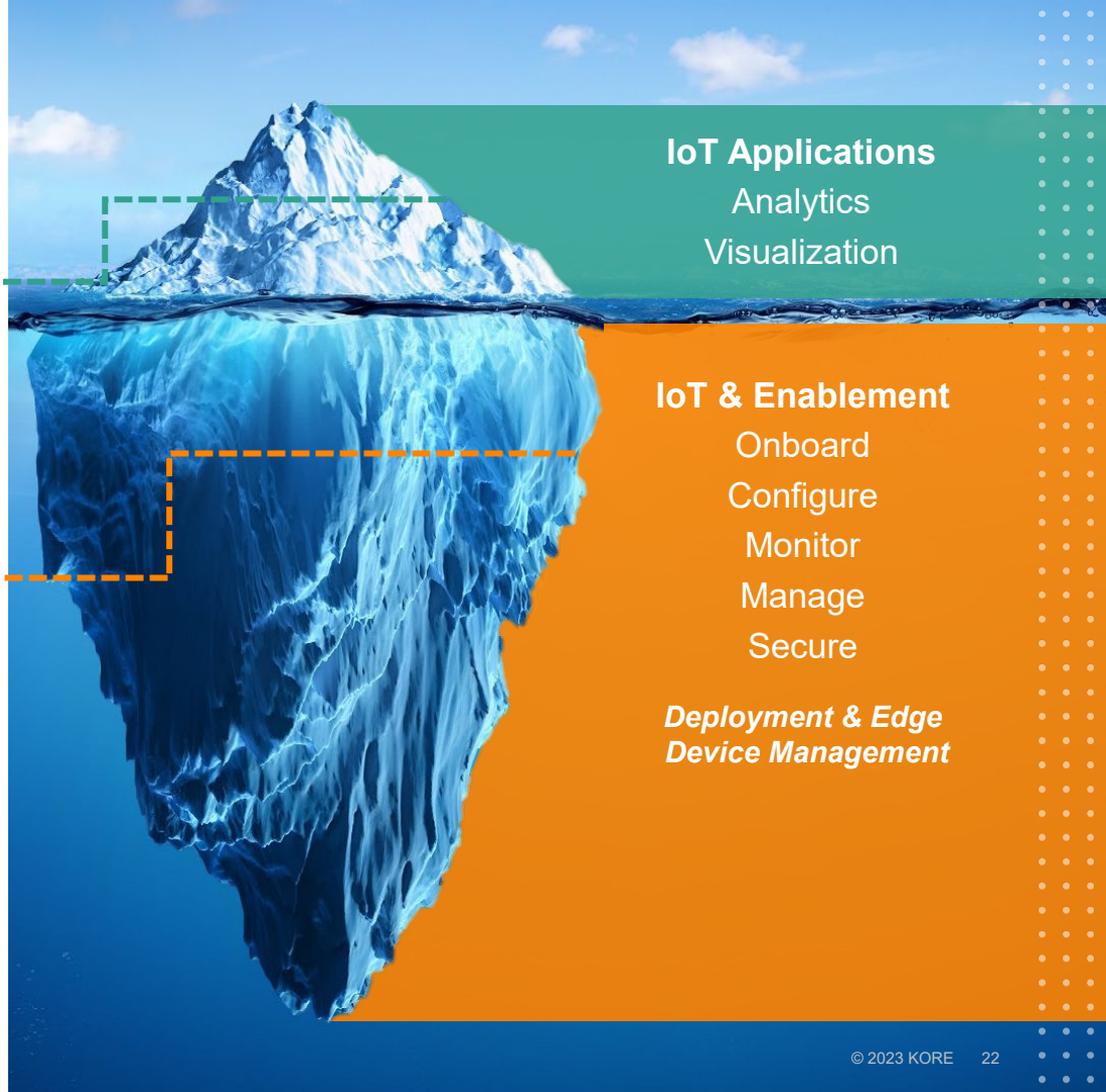
# KORE is the only pure play IoT enabler

## Enterprises

KORE's customers deliver end-to-end industry solutions. Unencumbered by solution management and deployment complexities, these customers can focus on their end customer experience

## KORE

KORE fully delivers 44 of the 49 steps required to deploy an IoT Solution, and partners with others to deliver another 5 steps. KORE can help manage partners who will be accountable for the remaining 5 areas to provide a holistic IoT solution



## IoT Applications

Analytics

Visualization

## IoT & Enablement

Onboard

Configure

Monitor

Manage

Secure

*Deployment & Edge  
Device Management*