

KLR  
LISTED  
NYSE  
AMERICAN



**kaleyra**

The Trusted CPaaS

Investors Presentation  
May 2020

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## **INVESTOR PRESENTATION**

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Certain industry and market data information in this presentation is based on the estimates of Kaleyra's management. Kaleyra's management obtained the industry, market and competitive position data used throughout this presentation from internal estimates and research as well as from industry publications and research, surveys and studies conducted by third parties. Kaleyra's management believes these estimates to be accurate as of the date of this presentation. However, this information may prove to be inaccurate because of the method by which management obtained some of the data for its estimates or because this information cannot always be verified due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process.

## **NON-GAAP FINANCIAL MEASURE AND RELATED INFORMATION**

This presentation includes reference to Adjusted EBITDA, a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA is defined as of any date of calculation, the consolidated pro forma earnings of Kaleyra and its subsidiaries, before finance income and finance cost (including bank charges), tax, depreciation and amortization calculated from the unaudited consolidated financial statements of such party and its subsidiaries, plus (i) transaction expenses, (ii) without duplication of clause (i), severance or change of control payments, (iii) any expenses related to company restructuring, (iv) the Adjusted EBITDA for pre-acquisition period of subsidiaries, (v) any compensation expenses relating to stock options, restricted stock units, restricted stock or similar equity interests as may be issued by Kaleyra or any of its subsidiaries to its or their employees and (vi) any provision for the write down of assets. The pre-2019 pro forma earnings of Kaleyra, which is an Italian company, and its subsidiaries, which include subsidiaries outside of the U.S., may not be prepared in conformance with Article 11 of Regulation S-X of the U.S. Securities and Exchange Commission (the "SEC"). Kaleyra's management believes that this non-GAAP measure of Kaleyra's financial results will provide useful information to investors regarding certain financial and business trends relating to Kaleyra's anticipated financial condition and results of operations. Investors should not rely on any single financial measure to evaluate Kaleyra's anticipated business. Certain of the financial metrics in this presentation can be found in Kaleyra's Form 10-K for the fiscal year ended December 31, 2019, filed with the "SEC" on April 22, 2020, and in Kaleyra's Form 8-K filed with the SEC on May 11, 2020, and the reconciliation of Adjusted EBITDA can be found on slides 18 and 20 of this presentation.

## **TRADEMARKS AND INTELLECTUAL PROPERTY**

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**Kaleyra, Inc. (NYSE American: KLR, KLR.WS)** is a **trusted** global **Communications Platform as a Service (CPaaS)** offering multi-channel integrated business communication solutions.



27B

Messages



3B

Voice Calls



3000+

Global Customers



12

Global Offices  
(APAC - EU - US)



260+

Employees  
Worldwide



1600+

Network Operator  
Connections



1999

Ubiquity  
founded



2009

Solutions  
Infini founded



2016

Ubiquity &  
Solutions Infini  
merged



2018

Joint entity  
rebranded  
to Kaleyra



2018

Kaleyra acquires  
US-based  
Buc Mobile



2019



## Highlights Of FY19 Results

- Record **total revenue of \$129.6 million, up 66% year-over-year** on a consolidated basis; 30% organically on a pro-forma basis
- **Gross margin of 20.3%**, up from 19.8% in fiscal 2018
- **27 billion billable messages and 3 billion voice calls processed**, up 17.4% and 200% respectively, on a pro-forma basis, from 2018

# THE BOARD OF DIRECTORS



**Avi Katz, Ph.D**

Chairman



**Dario Calogero**

Director



**Emilio Hirsch, Ph.D**

Director



**Matteo Lodrini**

Director



**John Mikulsky**

Director



**Neil Miotto**

Director



COGNIZER AI



APPLIED SCIENCES AND TECHNOLOGY, INC.



Israel Institute of Technology



TRUST FORWARD



FIAT CHRYSLER AUTOMOBILES



Università di Torino



Molecular Biotechnology Center

Esse Effe, S.p.A.



SUMITOMO MITSUI BANKING CORPORATION



COGNIZER AI



Massachusetts Institute of Technology



COGNIZER AI



# THE MANAGEMENT TEAM



**Dario Calogero**

Chief Executive Officer



**Ashish Agarwal**

Chief Technology Officer



**Giacomo Dall'Aglio**

Chief Financial Officer



**Aniketh Jain**

Chief Revenue Officer



**Filippo Monastra**

Chief of Staff



**Soren Schafft**

General Manager, Connectivity  
and Industry Solutions



**Nicola Junior Vitto**

Chief Product Officer



## Technology Leadership Across Enterprise Communications

- Enterprise-grade cloud communication platform delivers secure voice and messaging APIs.
- Flexible, fully redundant and feature-rich products offer industry-leading security and total integration.

## Large Market Opportunity Coupled with Strong Secular Tailwinds

- CPaaS market is expected to reach \$14.3 billion in 2022 from \$4.3 billion in 2019 (27% CAGR).<sup>(1)</sup>
- The volume of chatbot usage is expected to grow globally by 84% YoY (2018 - 2023).<sup>(2)</sup>

## Strong Track Record of M&A

- Management's strong track record of identifying and integrating accretive assets positions Kaleyra well for future inorganic growth.
- Kaleyra today is an integrated combination of Ubiquity (Europe), Solutions Infini (India) and Buc Mobile (USA).

(1) Source – 451 Market Monitor (2020)

(2) Source – Juniper Research (2020)

## Blue Chip Customer Partners

- Customers rely upon Kaleyra's products to deliver critical functionality, resulting in long-lasting, sticky relationships.
- We are a preferred partner for Enterprises and SMBs alike:



## Improving Metrics, Attractive Financial Profile and Valuation

- Disciplined management has produced above-market growth and profitability in an emerging market.
- 86% of Kaleyra's 2019 growth came from its existing customer base, predominantly through increased traffic volume.
- As a newly public company, market valuation remains attractive compared to peers.



**Messaging**



**WhatsApp**



**Voice**



**Chatbots**



**Email**



**Flow Builder**



**Notifications**



**Verify**



**Numbers**



**Contact Center**



**Conversations**



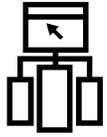
**Lookup**

Kaleyra is the perfect suite for unified customer communication that every business requires.

Our wide range of products can be accessed easily through a user-friendly web portal and via robust APIs too.

We cater to businesses across many verticals such as e-commerce, BFSI, travel, retail and education.

We also provide global connectivity solutions to carriers and ISPs in 190+ countries, driven by strong worldwide demand.



## Cloud And On-premise

In line with customers' needs, Kaleyra continues investing in its data centers while enabling public cloud (99.99% uptime), hybrid cloud, private cloud and on-premise deployments.



## Connectivity

Kaleyra is an OLO (Other Licensed Operator). It has over 1600 direct connections to operators to ensure high quality, unmatched pricing, and delivery efficiency.



## High Deliverability

Intelligent high-priority routing assures unparalleled speed, consistency and pricing.



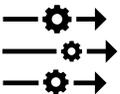
## Scalability

With the ability to transmit high volumes of messages and easily handle traffic spikes, Kaleyra answers to the requests of customers for scalability and flexibility.



## Support

Kaleyra provides 24/7 global customer service, as well as consulting services and comprehensive documentation to support customers with any technical queries.



## APIs

Platform functionality is available through easy-to-use, frequently-updated APIs along with error logs.

## Enterprise

BFSI

**nexi**

**BNP PARIBAS**

**Allianz**

**UniCredit**

**FINECO**  
BANK

E-commerce

**amazon**

**Flipkart**

**zomato**

**WeChat**

**JABONG** COM

Travel

**Uber**

**OLA**

**redBus**

**AirAsia**

**UCPa**

Retail

**FUTURE RETAIL**

**Khadim's**

**spencer's**  
Makes fine living affordable

**capillary**

Education

**QS**

**BYJU'S**  
The Learning App

**cuemath**  
making kids great at math

**talent sprint**

## Connectivity

**infobip**

**nexmo**

**twilio**

**tyntec**

## 2019 Geographic Mix

ROW

7.1%

Americas

7.3%

APAC

27.1%

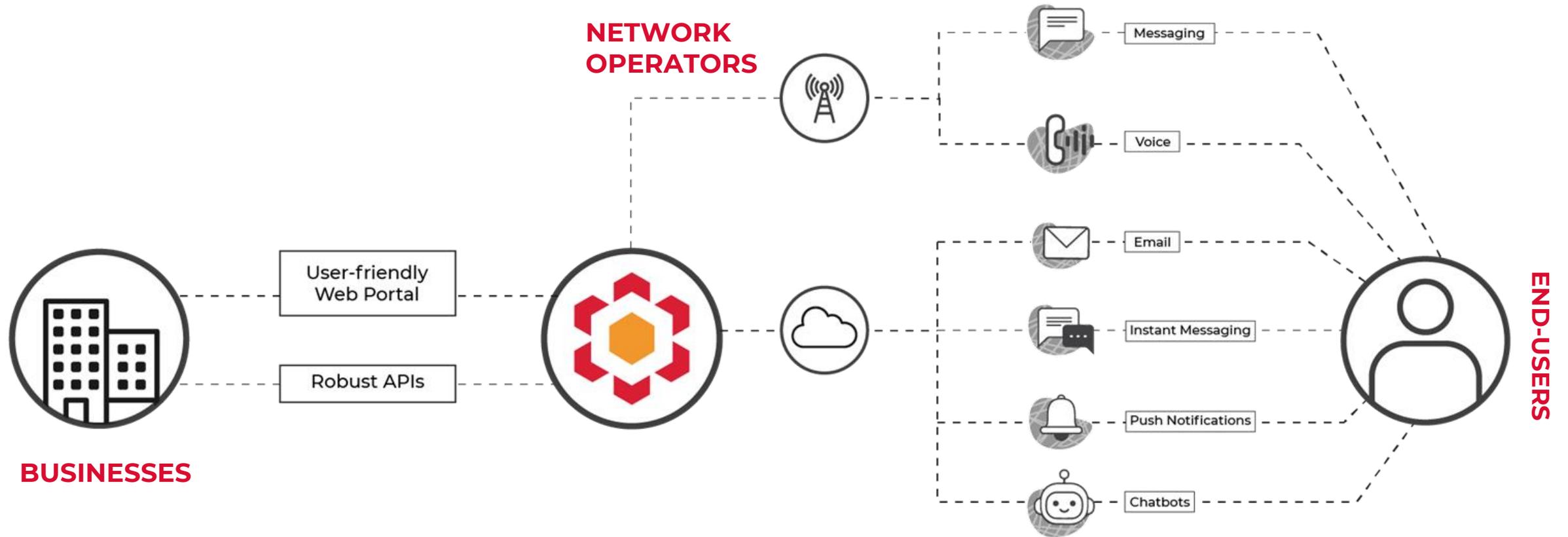
EMEA

58.5%

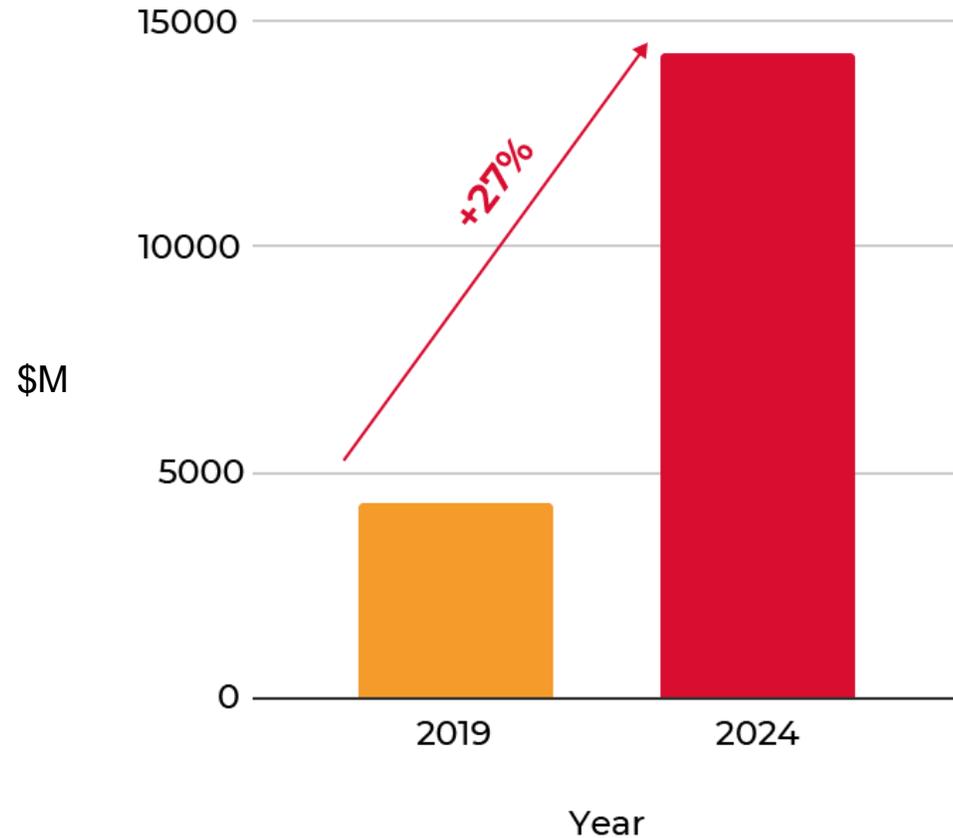
Enterprise (72%)

Connectivity (28%)

## 2019 Revenue Split



CPaaS Market



**Average Expected Compound Annual Growth Rate: 27%**

Source: 451 Research Market Monitor CPaaS 2020. The forecasts included in this report do not incorporate the impact of the COVID-19 pandemic.

## Forecasts by Channel

### A2P Messaging<sup>(1)</sup>

The size of the global A2P messaging market will grow from \$61B in 2019 to \$78B in 2022.

### Contact Centers<sup>(2)</sup>

The size of the global contact center software market will grow from \$3.17B in 2019 to \$9.09B in 2025.

### Chatbots<sup>(3)</sup>

The volume of chatbot usage is expected to grow by 84% globally (2018-2023). In the United States, access to chatbots will grow YoY by 160%, in India by 342%, in Western Europe 169.99%.

(1) Statista estimates, Credence Research (2020)

(2) Statista estimates, Grand View Research (2020)

(3) Source: Juniper Research (2020)

## Highly predictable revenue evidenced by over 80% of Kaleyra's growth coming from its existing customer base

### Increased Volume of Traffic from Existing Installed Customer Base

- ~86% of Kaleyra's 2019 YoY growth came from its current customers doing more transactions
- Global customer base of 3,000+

### New Customers and Strengthened Product Portfolio

- Executing sales and marketing efforts to acquire new customers
- New \$15 million fixed purchase order with U.S.-headquartered global mega-cap media customer
- Launch of Kaleyra Cloud in 2020 provides an all-in-one cloud communication software solution
- New innovation lab k-lab supports product development to enterprise mobile CX.

### Geographic Expansion

- Expand global presence, in particular into the Americas and Asia-Pacific markets
- Initial engagement with major U.S.-based telecommunications customer
- Recruit world-class talent
- Target accretive acquisition to further market penetration.

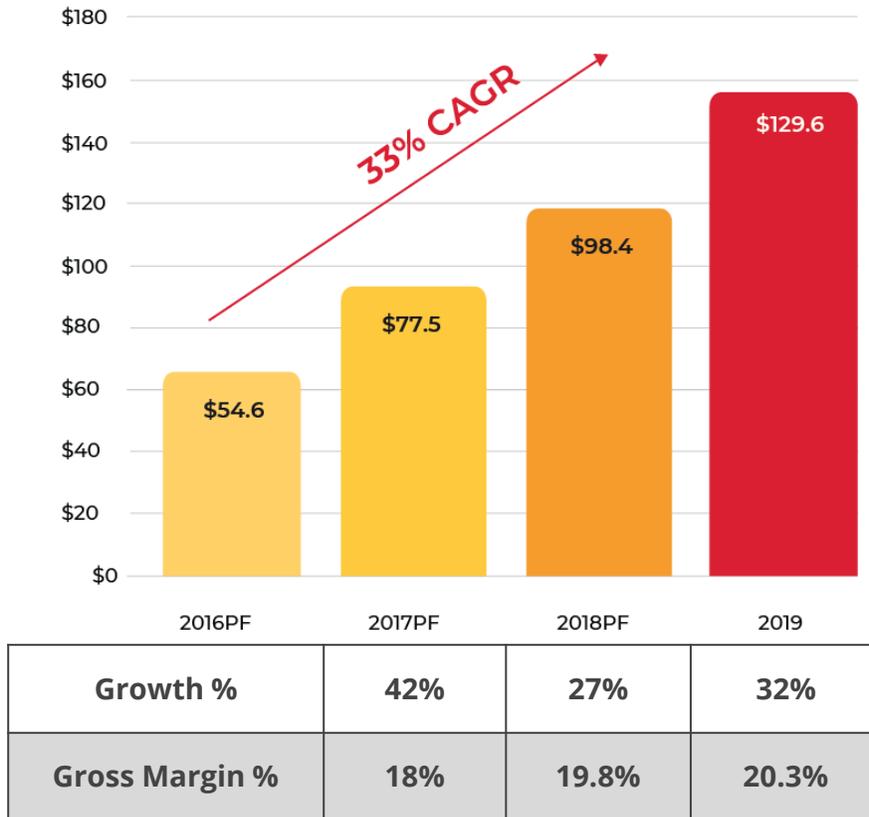
### Cross / Up-Selling Existing Customers

- Adding new capabilities to clients' existing offerings – voice on top of messaging
- Enhance existing product functionality via key Independent Software Vendor (ISV) partnership integrations.

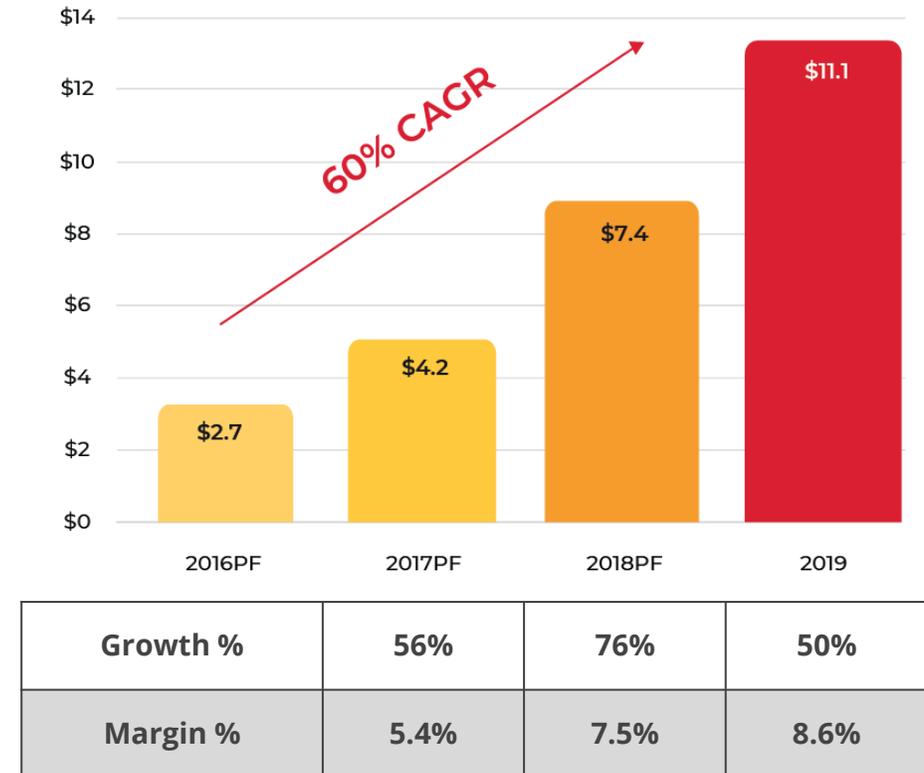
# STRONG GROWTH AND HIGH OPERATING LEVERAGE

Strong historical top line growth and profitability with a robust pipeline for future growth via new product roadmap, M&A, and industry tailwinds

**Consolidated Revenue | \$ in Millions**



**Adjusted EBITDA | \$ in Millions**



Exceptional operating leverage model, generating 2x of Adjusted EBITDA expansion for every 1x of sequential revenue growth

Note: Figures derived from US GAAP financials, except as otherwise indicated.

- PF refers to Pro Forma adjusted for subsidiaries acquired, the consolidated financials of such party and its subsidiaries and related finance and transaction fees.
- Revenue represented on a pro forma basis to include the impact of organic growth only (excludes the impact of acquisitions).
- 2016PF revenue is unaudited and under Italian GAAP.

**\$33.6M**  
+21.3% vs. prior year

## Revenue

- Over 80% of growth from existing customers
- Addition of a large new enterprise customer
- Over 3,000 customers, only one 10% +customer

**14.1%**  
vs. 18.9% prior year

## Gross Margin

- Higher connectivity costs due to new customer startup (-)
- Growth in new voice products (+)
- Increased penetration in the US (+)

**7 Billion**  
+6.1% vs. prior year

## Messages

- New services delivered to existing customers
- Volume delivered to a new U.S based customer

**0.9 Billion**  
+ 12.5% vs prior year

## Voice Calls

- Market in India driving growth
- Voice carries higher gross margins than messaging

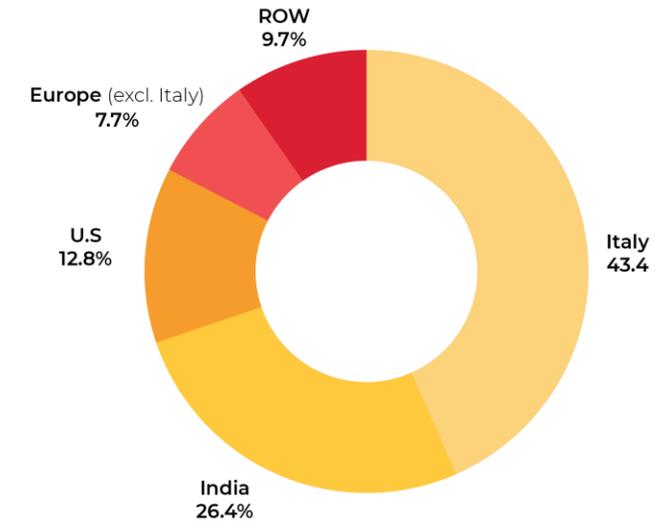
**\$(0.3)M**  
vs. \$0.3m prior year

## Adj. EBITDA<sup>(1)</sup>

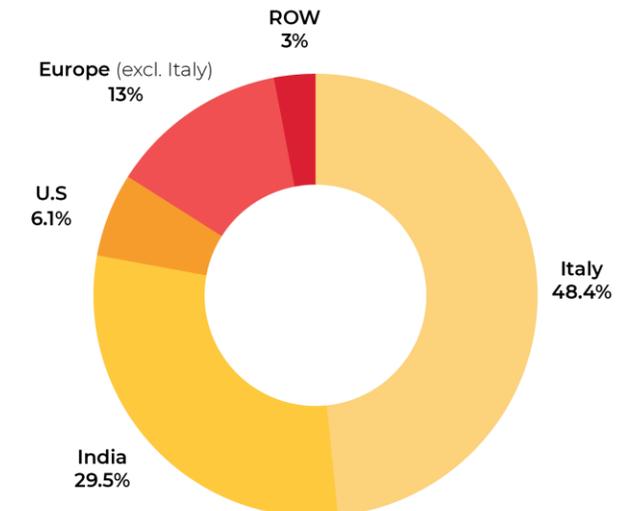
- Backs out \$6.3 million of stock-based compensation and \$2.4 million of transaction costs
- Includes \$1 million initial public company compliance costs not included in 2019 Q1
- Comparable Adj. EBITDA was \$0.7M before public costs

## Revenue by Geography

March 31, 2020



March 31, 2019



# APPENDIX

The following table shows the audited financial year consolidated statements of operations prepared in accordance with US GAAP.

<i>(\$ in thousands)</i>	2019	2018
Revenue	129,558	77,845
Cost of revenue	103,205	62,425
<b>Gross profit</b>	<b>26,353</b>	<b>15,420</b>
Research and development	5,310	3,368
Sales and marketing	6,031	6,313
General and administrative	17,431	11,359
Loss of equity investments	-	(95)
<b>Total operating expenses</b>	<b>28,772</b>	<b>20,945</b>
<b>Loss from operations</b>	<b>(2,419)</b>	<b>(5,525)</b>
Other and financial income, net	820	151
<b>Loss before income taxes</b>	<b>(3,239)</b>	<b>(5,676)</b>
Income tax expense	2,273	1,424
<b>Net Loss</b>	<b>(5,512)</b>	<b>(7,100)</b>

The following table shows the reconciliation of the unaudited Non-GAAP Adjusted EBITDA as reported in the investors presentation. The unaudited figures have been derived from financials prepared in accordance with US GAAP.

<i>(\$ in millions)</i>	2019	2018PF
<b>GAAP Net Loss</b>	<b>(\$5.5)</b>	<b>(\$7.1)</b>
Other income, net	(\$0.1)	(\$0.4)
Foreign currency loss	\$0.5	\$0.1
Income tax expense	<u>\$2.3</u>	<u>\$1.4</u>
<b>Loss from Operations</b>	<b>(\$2.4)</b>	<b>(\$5.5)</b>
Depreciation and Amortization	\$2.6	\$1.5
Stock-based compensation and preference shares	\$2.1	\$8.0
Transaction and one-off costs	\$8.3	\$3.4
Company restructuring	<u>\$0.5</u>	<u>\$0.0</u>
<b>Adjusted EBITDA</b>	<b><u>\$11.1</u></b>	<b><u>\$7.4</u></b>

Note: Management uses non-GAAP financial measures such as Adjusted EBITDA to evaluate period-to-period comparisons. Management believes these measures provide useful information about the Company's operating results and financial performance. These non-GAAP financial measures are not measures prepared in accordance with GAAP and might not be consistent with similar measures used by other companies. These non-GAAP financial measures shall not be considered as an alternative to any other measures of performance prepared under generally accepted accounting principles.

The following table shows unaudited financial year consolidated statements of operations prepared in accordance with US GAAP.

<i>(\$ in thousands)</i>	Q1 2020	Q1 2019
Revenue	33,633	27,725
Cost of revenue	28,902	22,476
<b>Gross profit</b>	<b>4,731</b>	<b>5,249</b>
Research and development	2,810	1,196
Sales and marketing	3,743	1,472
General and administrative	7,759	3,779
<b>Total operating expenses</b>	<b>14,312</b>	<b>6,447</b>
<b>Loss from operations</b>	<b>(9,581)</b>	<b>(1,198)</b>
Other, financial income and currency, net	169	(102)
<b>Loss before income tax expense (benefit)</b>	<b>(9,412)</b>	<b>(1,300)</b>
Income tax expense (benefit)	(589)	79
<b>Net Loss</b>	<b>(8,823)</b>	<b>(1,379)</b>
<b>Net loss per common share basic and diluted</b>	<b>(0.44)</b>	<b>(0.13)</b>
Weighted average shares, basic and diluted	19,979,589	10,687,106

The following table shows the reconciliation of the unaudited Non-GAAP Adjusted EBITDA as reported in the investors presentation. The unaudited figures have been derived from financials prepared in accordance with US GAAP.

<i>(\$ in millions)</i>	Q1 2020	Q1 2019
<b>GAAP Net Loss</b>	<b>(\$8.8)</b>	<b>(\$1.4)</b>
Other income, net	(\$0.0)	(\$0.1)
Financial expense, net	\$0.0	(\$0.1)
Foreign currency loss	(\$0.2)	\$0.3
Income tax expense	(\$0.6)	<u>\$0.1</u>
<b>Loss from Operations</b>	<b>(\$9.6)</b>	<b>(\$1.2)</b>
Depreciation and Amortization	\$0.6	\$0.7
Stock-based compensation and preference shares	\$6.3	\$0.3
Transaction and one-off costs	\$2.4	\$0.6
Company restructuring	<u>\$0.0</u>	<u>\$0.0</u>
<b>Adjusted EBITDA</b>	<b>(\$0.3)</b>	<b>\$0.3</b>
Public company costs not comparable to prior year	<u>\$1.0</u>	<u>\$0.0</u>
<b>Adjusted EBITDA comparable to PY</b>	<b>\$0.7</b>	<b>\$0.3</b>

Note: Management uses non-GAAP financial measures such as Adjusted EBITDA to evaluate period-to-period comparisons. Management believes these measures provide useful information about the Company's operating results and financial performance. These non-GAAP financial measures are not measures prepared in accordance with GAAP and might not be consistent with similar measures used by other companies. These non-GAAP financial measures shall not be considered as an alternative to any other measures of performance prepared under generally accepted accounting principles.

# BALANCE SHEET



(\$ in Millions)	(Unaudited) as of 3/31/20	(Audited) as of 12/31/19
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$16.237	\$16.103
Restricted Cash	\$20.810	\$20.894
Short-term Investments	\$3.079	\$5.124
Trade Receivables	\$36.307	\$39.509
Prepaid Expenses	\$1.246	\$0.648
Other Current Assets	\$2.757	\$4.224
<b>TOTAL CURRENT ASSETS</b>	<b>\$80.436</b>	<b>\$86.502</b>
Property and Equipment, Net	\$3.888	\$3.393
Intangible Assets, Net	\$8.665	\$9.353
Goodwill	\$16.370	\$16.953
Other Long-term Assets	\$2.082	\$1.203
<b>TOTAL ASSETS</b>	<b>\$111.441</b>	<b>\$117.404</b>

Note: Figures derived from US GAAP financials, except as otherwise indicated.

(\$ in Millions)	(Unaudited) as of 3/31/20	(Audited) as of 12/31/19
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$56.674	\$63.320
Debt for Forward Share Purchase Agreements	\$31.530	\$34.059
Notes Payable	\$15.228	\$11.130
Lines of Credit	\$5.278	\$3.327
Current Portion Bank and Other Borrowings	\$5.925	\$7.564
Deferred Revenue	\$1.538	\$1.397
Preference Shares	\$0.002	\$2.530
Payroll and Payroll Related Accrued Liabilities	\$2.929	\$1.038
Other Current Liabilities	\$2.023	\$1.379
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$121.127</b>	<b>\$125.946</b>
Bank and Other Borrowings	\$20.621	\$16.134 LT
Notes Payables due to Related Parties	\$3.750	\$7.500
Employee Benefit Obligation	\$1.341	\$1.398
Deferred Tax Liabilities	\$1.638	\$2.045
Other Long-term Liabilities	\$4.599	\$3.155
<b>TOTAL LIABILITIES</b>	<b>\$153.076</b>	<b>\$156.178</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock	\$0.002	\$0.002
Additional Paid-in Capital	\$11.190	\$2.143
Treasury stock, at cost	(\$2.587)	--
Accumulated Other Comprehensive Income	(\$0.424)	\$0.074
Accumulated Deficit	(\$49.816)	(\$40.993)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>(\$41.635)</b>	<b>(\$38.774)</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$111.441</b>	<b>\$117.404</b>



Thank You

For Further Details, Scan The QR Code:



[investors@kaleyra.com](mailto:investors@kaleyra.com)



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