



# Third Quarter 2023

## Earnings Presentation

November 9, 2023

# Disclaimers

## Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. KORE's actual results may differ from their expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. 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," "target" 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 the closing and funding of the new term loan and revolving credit facility with Whitehorse Capital, the closing of the preferred stock investment with Searchlight Capital and the benefits and use of proceeds of these refinancing transactions, statements regarding the benefits of the acquisition of Twilio's IoT assets, estimates and forecasts of revenue, adjusted EBITDA and other financial and performance metrics, future capital availability, projections regarding recent customer engagements, projections of market opportunity and conditions, the total contract value (TCV) of signed contracts and potential revenue opportunities in KORE's sales funnel, and related expectations. These statements are based on various assumptions and on the current expectations of 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 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; risks relating to the integration of KORE's acquired companies, changes in the assumptions underlying KORE's expectations regarding its future business; our ability to negotiate and sign a definitive contract with a customer in our sales funnel; our ability to realize some or all of the Total Contract Value (TCV) of customer contracts as revenue, including any contractual options available to customers or contractual periods that are subject to termination for convenience provisions; 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 presentation. KORE anticipates that subsequent events and developments will cause these assessments to change. However, while KORE may elect to update these forward-looking statements at some point in the future, KORE 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 presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

## 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.

## Use of Projections

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.

# Objectives of Our Earnings Call



Review key  
announcements



Provide financial  
performance  
overview and  
key metrics



Answer analyst  
and investor  
questions

# Key Announcement: KORE's Refinance Transaction

- KORE announces it has signed a definitive agreement for a \$150 million strategic investment in the form of preferred stock from Searchlight Capital, allowing for reduction of our term loan indebtedness from ~\$304 million to \$185 million
  - Searchlight Capital is a global leader with a track record of investing in leading companies across the communications sector, which further validates the underlying strengths of KORE's business and future growth opportunities
  - The preferred equity issuance has a 10-year maturity and a 13% per annum dividend rate, with a payment-in-kind (PIK) feature
  - The company also issued 11.8 million ten-year penny warrants
- The Company also signed a definitive agreement with Whitehorse Capital to provide a new term loan of \$185 million bearing an interest rate of SOFR + 650 basis points, with two interest rate step-downs upon further deleveraging
- For the company, upon closing of these transactions, the benefits will include:
  - No meaningful maturities of debt until late 2028 and an undrawn revolving credit facility of \$25 million
  - A reduction of total debt from approximately \$424 million to \$305 million
  - Net of transaction expenses, an addition of ~\$15 million in cash to the Company's balance sheet
  - Reduction in the required annual cash interest payments through the PIK feature of the preferred stock
  - Addition of two designees of Searchlight Capital, our new partner in shareholder value creation, to our Board of Directors

# Other Key Announcements



## Empowering Digital Transformation in Retail

KORE is increasing its presence in the distributed enterprise customer target segment by collaborating with a national retailer to empower its digital transition with 5G connectivity. This marks a turning point for retail as 5G connectivity powers a nationwide shift towards digital-first retail. KORE provides key 5G services and solutions, complete with backup options, that enable retailers to innovate in areas like inventory control, daily operations, and customer engagement.



## IoT Evolution LPWAN Excellence Award

KORE's innovative LoRaWAN solution, KORE LPHub™, received a 2023 IoT Evolution LPWAN Excellence Award from IoT Evolution World. KORE LPHub is a SaaS-based Service Delivery Platform (SDP) seamlessly connects, deploys, and manages LoRaWAN devices over a cost-effective LPWA network, ensuring device longevity and supporting Massive IoT expansion.



## Building on KORE's "IoT for Good" Initiative

KORE announced an alliance with GrandPad to support their mission of helping seniors age in place with IoT. Powered by KORE's robust IoT Connectivity solutions, GrandPad provides an easy-to-use communication device that allows seniors to connect to vital caregivers and family members by making video calls, sending voice messages, and viewing media.

# Summary – Q3 2023 Earnings & Revised 2023 Outlook



## Q3 2023 vs. Q3 2022

- **Total revenue of \$68.6 million** vs. \$66.1 million (+4%); -1% sequentially from Q2 2023
  - **IoT Connectivity of \$55.2 million** vs. \$43.4 million (+27%); +14% sequentially from Q2 2023
  - **IoT Solutions revenue of \$13.4 million** vs. \$22.7 million (-41%); -37% sequentially from Q2 2023
- **Gross margin of 54.8%** vs. 52.3% (+257 bps); +45 bps sequentially from Q2 2023
- **Net loss of \$95.4 million, or \$1.10 per share** vs. \$14.3 million, or \$0.19 per share
- **DBNER was 96%** vs. 100% (104% vs. 106% excluding our largest customer)
- **Adjusted EBITDA of \$14.2 million** vs. \$15.1 million (-6%); -1% sequentially from Q2 2023
- **Adjusted EBITDA margin of 20.6%** vs. 22.8% (-222 bps); +15 bps sequentially from Q2 2023
- **Cash provided by operating activities of \$3.2 million** vs. \$9.8 million



## Revised 2023 Outlook

- Revenue: **\$280-\$290 million**
- Adjusted EBITDA, a non-GAAP metric, of **\$60-\$62 million** and a margin of 21.4% at the midpoint of revenue and adjusted EBITDA guidance.

# Financial Highlights

(Unaudited)  
Three Months Ended  
September 30,

(Unaudited)  
Nine Months Ended  
September 30,

Revenue (In millions USD)	2023		2022		2023		2022	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
IoT Connectivity	\$55.2	80%	\$43.4	66%	\$147.0	72%	\$133.5	65%
IoT Solutions	13.4	20%	22.7	34%	57.1	28%	72.5	35%
<b>Total revenue</b>	<b>\$68.6</b>	<b>100%</b>	<b>\$66.1</b>	<b>100%</b>	<b>\$204.1</b>	<b>100%</b>	<b>\$206.0</b>	<b>100%</b>

Gross Margin %					
IoT Connectivity	61.7%	64.6%	63.9%	64.3%	
IoT Solutions	26.9%	28.6%	30.1%	27.3%	
<b>Overall Gross Margin %</b>	<b>54.9%</b>	<b>52.3%</b>	<b>54.4%</b>	<b>51.3%</b>	

<b>Period End Connections</b>	18.9 million	15.3 million	18.9 million	15.3 million
<b>Average Connections Count for the Period</b>	18.7 million	15.3 million	16.8 million	15.2 million
<b>DBNER<sup>1</sup></b>	96%	100%	96%	100%
<b>Adjusted DBNER<sup>2</sup></b>	104%	106%	104%	106%

(1) DBNER is calculated by dividing trailing twelve-month revenue by prior year trailing twelve-month revenue for the same customer cohort in both periods. Excludes revenue from both non go-forward customers, and new customers that started generating revenue after the end of the base period

(2) Adjusted DBNER excludes our largest customer

# Financial Highlights *(continued)*

(In millions USD)	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Operating Expense</b>	\$125.5	\$42.6	\$217.2	\$126.6
<b>Operating Loss</b>	(\$87.9)	(\$8.0)	(\$106.1)	(\$21.1)
<b>Net Loss</b>	(\$95.4)	(\$14.3)	(\$133.4)	(\$36.6)
<b>Adj. EBITDA</b>	\$14.2	\$15.1	\$41.7	\$47.2
<b>Net Cash Provided By Operating Activities</b>	\$3.2	\$9.8	\$4.5	\$20.5
<b>Net Cash (Used) In Investing Activities</b>	(\$5.4)	(\$4.8)	\$15.6	(\$58.0)
<b>Net Cash (Used In) Financing Activities</b>	(\$1.1)	(\$1.1)	(\$3.8)	(\$3.6)
<b>Cash at the end of the Period*</b>	\$19.8	\$42.9	\$19.8	\$42.9

\* Excludes restricted cash

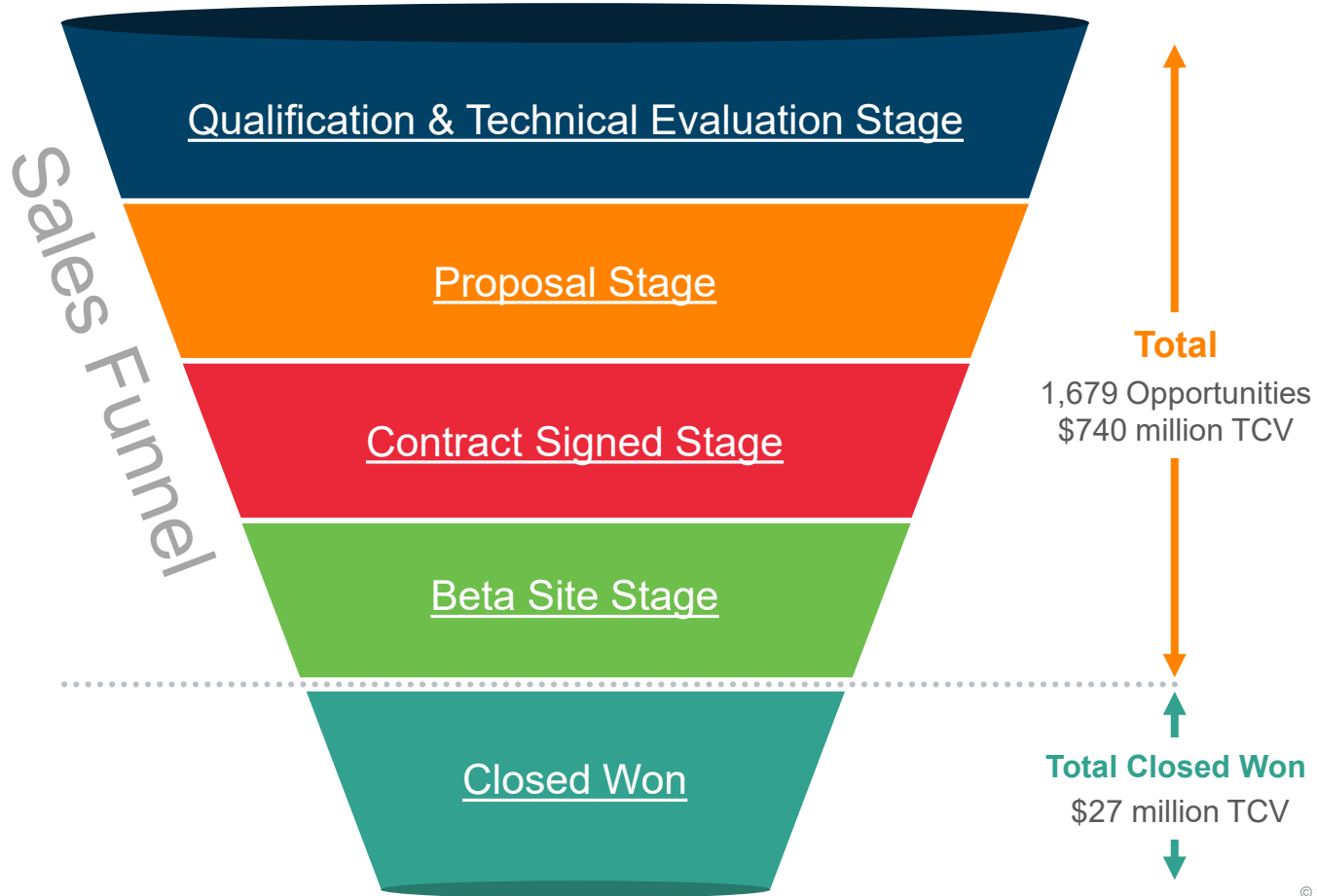


# Summary of Refinancing Transaction

<i>(in Millions)</i>	Pre-Transaction Capital Structure	Post-Transaction Capital Structure
<b>Investment Structure</b>	\$300.2M First Lien Term Loan at SOFR +550bps	\$185M First Lien Term Loan at SOFR +650bps \$150M Preferred Equity, 13% Coupon (Cash or PIK)
<b>Total Common Shares Outstanding<sup>1</sup></b>	<b>101.4</b>	<b>101.4</b>
Shares / Warrants Issued in Transaction	-	11.8
% Dilution to Current Owners	0.0%	10.4%
<b>Pro-Forma Capital Structure</b>		
<b>Debt</b>		
First Lien Debt	\$300.0	\$185.0
Existing Convertible Notes	120.0	120.0
<b>Pre/Post Transaction Total Debt Balance</b>	<b>\$420</b>	<b>\$305</b>
<b>Q3'23 TTM Adjusted EBITDA</b>	<b>\$57.2</b>	<b>\$57.2</b>
<b>First Lien Debt / Q3'23 TTM Adjusted EBITDA</b>	<b>5.2x</b>	<b>3.2x</b>
<b>Total Debt / Q3'23 TTM Adjusted EBITDA</b>	<b>7.3x</b>	<b>5.3x</b>
<b>Stockholders' Equity</b>		
New Preferred Equity	-	\$150.0
Common Stock \$0.0001 Par Value	0.0	0.0
Additional Paid-in Capital	459.0	459.0
Accumulated Other Comprehensive Loss	(6.4)	(6.4)
Accumulated Deficit	(381.6)	(381.6)
<b>Total Stockholders' Equity</b>	<b>\$71.1</b>	<b>\$221.1</b>
<b>Pro-Forma Cash Interest and Preferred Dividend Expense</b>		
Annual Interest Expense on Debt	\$42.0	\$28.4
Annual Dividend Payment on Preferred Equity	-	19.5
<b>Total Annual Interest Expense and Preferred Dividend Payment</b>	<b>\$42.0</b>	<b>\$47.9</b>
Less PIK Interest on Preferred Equity	-	(\$19.5)
<b>Total Annual Cash Interest Expense and Preferred Dividend</b>	<b>\$42.0</b>	<b>\$28.4</b>

<sup>1</sup>Includes 86.7 million shares (9/30/2023) and 14.7 million RSUs/PSUs outstanding

# Global Sales Pipeline as of September 30, 2023



# Key Business Successes

## Increasing Share of Wallet

A Remote Patient Monitoring (RPM) company selected KORE as the sole provider of eSIM Connectivity across the US, UK, and Europe. The customer will be transferring lines from a KORE competitor. This Win has a TCV of \$4.4 million.



## Upsell / Land and Expand

A rent-to-own store franchiser awarded KORE a \$2.5 million TCV contract to provide connectivity across multiple carriers based on the quality of service they received on their initial engagement with KORE. KORE is also upgrading this customer from 4G to 5G.



## Cross-Selling IoT Solutions with the KORE One-Stop-Shop

KORE won a \$6.2 million TCV contract with a national retail chain to migrate from 4G to 5G. KORE will provide Full Lifecycle Managed Services, including connectivity, installation services, and ongoing management of the customer's devices.

## International Opportunities

An Australia based GPS tracking and fleet management software provider selected KORE as its connectivity provider utilizing KORE OmniSIM™. The initial contract has a TCV of \$435,000.

# Summary Q3 2023 Messages and 2023 Outlook



**Added over 300k Organic Connections**  
Total Connections now ~18.9 million



**Added \$27 million of TCV** bringing year-to-date TCV to \$87 million



Increased Global Sales Pipeline to **almost 1,700 opportunities**



**Deleveraged Balance Sheet** and Increased Cash Flow Flexibility



**Reducing 2024 Operating Expenses** by \$10 million

**Well Positioned for Continued Growth**

**\$280-290mm**

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 September 30,		(Unaudited) Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net loss</b>	<b>(\$95.4)</b>	(\$14.3)	<b>(\$133.4)</b>	(\$36.6)
Net loss margin	(139.1%)	(21.6%)	(65.3%)	(17.8%)
Income tax benefit	(3.1)	(1.8)	(4.0)	(6.3)
Interest Expense	10.6	8.2	31.2	22.1
Depreciation & Amortization	14.5	13.7	43.1	40.6
<b>EBITDA</b>	<b>(\$73.4)</b>	\$5.8	<b>(\$63.0)</b>	\$19.8
Goodwill impairment	78.3	0.0	78.3	0.0
Change in FV of warrant liabilities (non-cash)	(0.0)	(0.1)	(0.0)	(0.3)
Transformation expenses	1.9	2.5	5.4	5.9
Acquisition costs	0.0	0.0	1.8	1.4
Integration-related restructuring costs	3.0	2.6	8.3	10.3
Stock-based compensation (non-cash)	3.4	3.0	9.0	7.6
Foreign currency loss (non-cash)	0.8	1.1	1.0	1.6
Other	0.2	0.3	0.9	0.9
<b>Adjusted EBITDA</b>	<b>\$14.2</b>	\$15.1	<b>\$41.7</b>	\$47.2
<b>Adjusted EBITDA Margin</b>	<b>20.6%</b>	22.8%	<b>20.4%</b>	22.9%

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> 80% of Q3 2023 <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> 20% of Q3 2023 <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

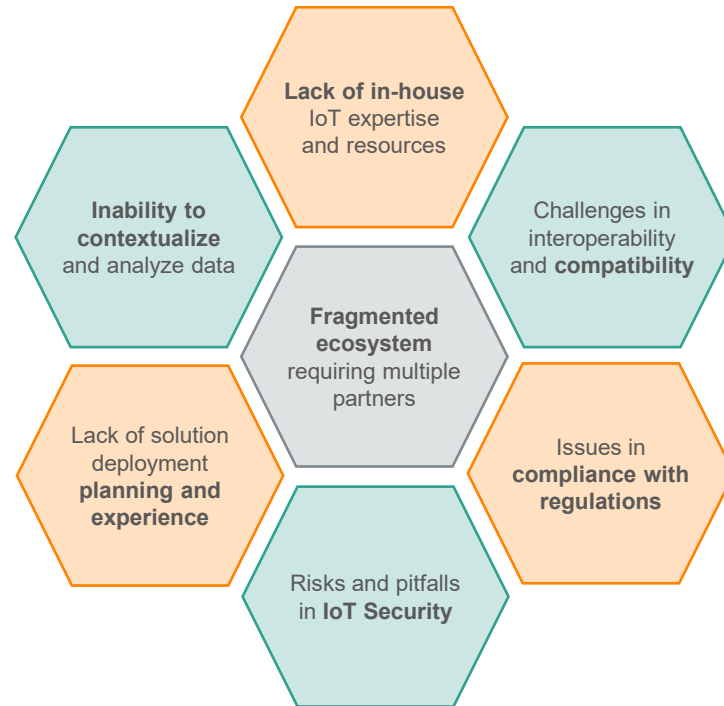


Smart City Lighting Systems



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

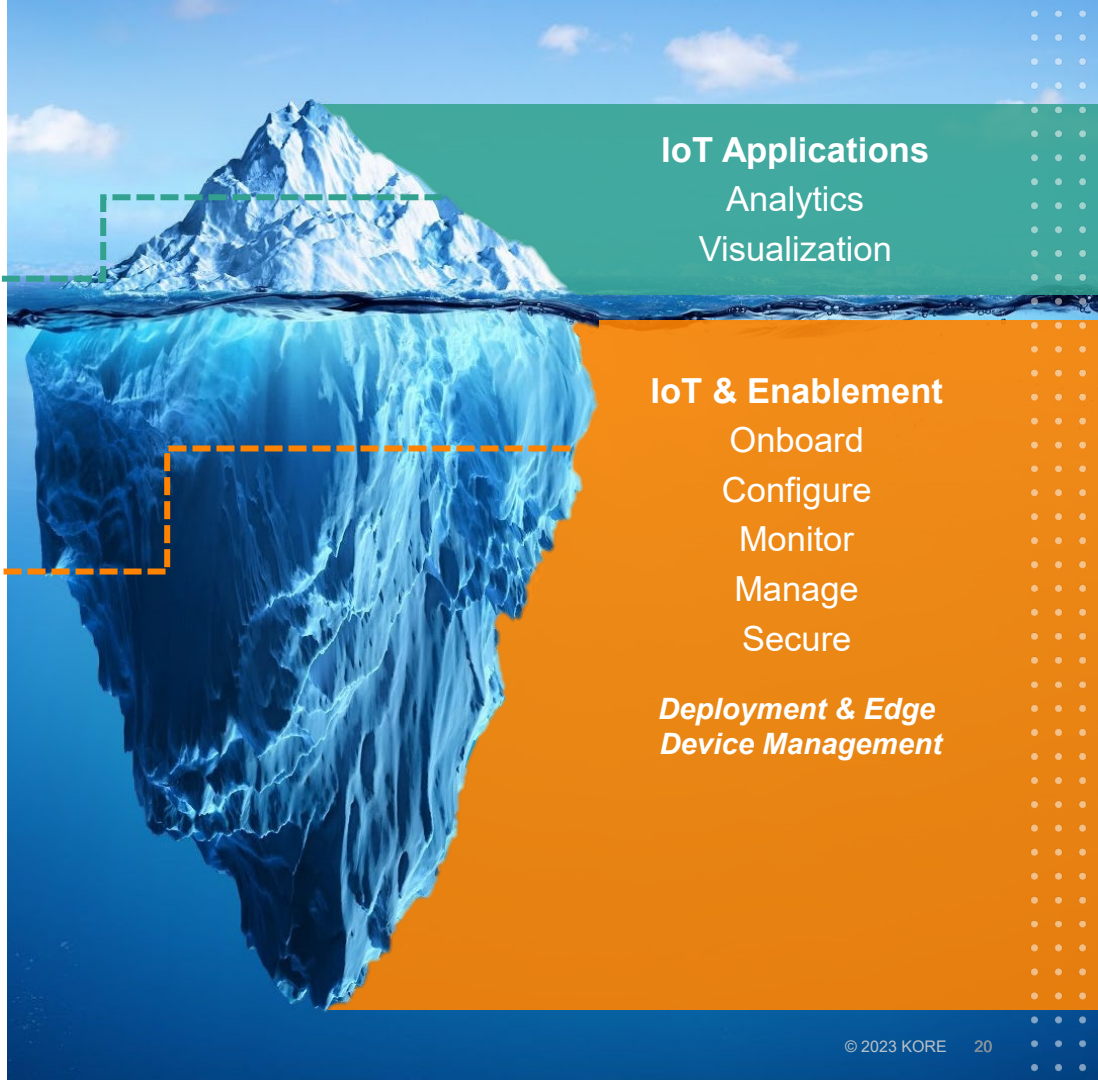
# KORE is the only pure play IoT enabler

## 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*