



# Third Quarter 2022

## Earnings Presentation

November 14, 2022

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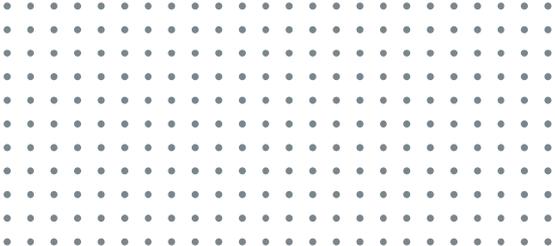
## Use of Non-GAAP Financial Measures

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.

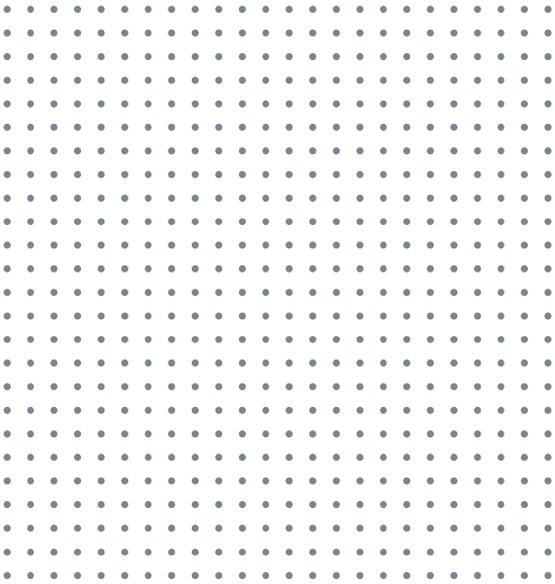
"EBITDA" is defined as net income (loss) before interest expense or interest income, income tax expense or benefit, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for unusual and other significant items that management views as distorting the operating results from 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

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- ▶ Review key announcements and wins
- ▶ Provide financial performance overview and key metrics
- ▶ Answer analyst and investor questions

# Key Announcements and Wins



## Strategic partnership with Ericsson

- KORE joining Ericsson's IoT Accelerator platform
- Creating the opportunity to provide connectivity in the U.S. for 8,500+ Ericsson enterprise customers



## Launched KORE Connected Hub for Connected Health

- Streamlines integration of medical devices and sensors furthering our Connected Health telemetry solutions



## Named a 2022 Competitive Strategy Leader by Frost & Sullivan

# Summary – Q3 2022 Earnings & 2022 Outlook

## Q3 2022 vs. Q3 2021

- **Total revenue of \$66.6 million** vs. \$67.9 million (-2%)
  - **IoT Connectivity of \$43.4 million** vs. \$41.5 million (+4%)
  - **IoT Solutions revenue of \$23.3 million** vs. \$26.3 million (-12%)
- **Gross margin of 53%** vs. 48% (+500 bps)
- **Net loss of \$13.0 million, or \$0.17 per share** vs. \$4.5 million, or \$0.26 per share
- **DBNER was 100%** vs. 114%
- **Adjusted EBITDA of \$15.6 million** vs. \$15.9 million (-2%)
- **Adjusted EBITDA margin of 23.4%** vs. 23.4% (flat)
- **Cash provided by operating activities more than doubled to \$9.8 million vs. \$4.9 million**

## 2022 Outlook

- **Increasing** 2022 revenue outlook to **\$265-\$267 million** despite a \$5 million F/X headwind, which has increased from the Q2'22 estimate of \$2.5 - \$3.0 million
- KORE's two-year stack revenue for 2021-22 is forecast at **\$513-\$515 million** compared to the forecast of \$457 million provided in our 'go public' model
- Adjusted EBITDA, a non-GAAP metric, of **\$63-\$64 million** representing approximately 24% margin

# Financial Highlights

## Three Months Ended September 30,

Revenue (In millions USD)	2022		2021	
	Revenue	%	Revenue	%
<b>IoT Connectivity</b>	\$43.4	65%	\$41.5	61%
<b>IoT Solutions</b>	23.3	35%	26.3	39%
<b>Total revenue</b>	<b>\$66.6</b>	<b>100%</b>	<b>\$67.9</b>	<b>100%</b>

## Nine Months Ended September 30,

	2022		2021	
	Revenue	%	Revenue	%
<b>IoT Connectivity</b>	\$133.4	65%	\$125.6	68%
<b>IoT Solutions</b>	72.5	35%	58.3	32%
<b>Total revenue</b>	<b>\$205.9</b>	<b>100%</b>	<b>\$183.9</b>	<b>100%</b>

Gross Margin %		
<b>IoT Connectivity</b>	65%	61%
<b>IoT Solutions</b>	30%	28%
<b>Overall Gross Margin %</b>	<b>53%</b>	<b>48%</b>

<b>IoT Connectivity</b>	64%	61%
<b>IoT Solutions</b>	27%	32%
<b>Overall Gross Margin %</b>	<b>51%</b>	<b>52%</b>

<b>Period End Connections</b>	15.3 million	13.6 million
<b>Average Connections Count for the Period</b>	15.3 million	13.5 million
<b>DBNER</b>	100%	114%

<b>Period End Connections</b>	15.3 million	13.6 million
<b>Average Connections Count for the Period</b>	15.2 million	13.1 million
<b>DBNER</b>	100%	114%

# Financial Highlights *(continued)*

(In millions USD)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Operating Expense</b>	\$42.6	\$38.4	\$126.6	\$104.5
<b>Operating Loss</b>	(\$7.5)	(\$5.5)	(\$21.0)	(\$9.2)
<b>Net Loss</b>	(\$13.0)	(\$4.5)	(\$35.1)	(\$12.5)
<b>Adj. EBITDA</b>	\$15.6	\$15.9	\$47.1	\$47.0
<b>Net Cash Provided by (Used In) Operating Activities</b>	\$9.8	\$4.9	\$20.5	(\$9.4)
<b>Net Cash Used In Investing Activities</b>	(\$4.8)	(\$3.8)	(\$58.0)	(\$9.8)
<b>Net Cash (Used In) Provided By Financing Activities</b>	(\$1.1)	\$63.4	(\$3.6)	\$81.8
<b>Cash at the end of the Period*</b>	\$43.3	\$86.3	\$43.3	\$86.3

\* 2021 Cash at the end of the Period refers to the period ended December 31, 2021



# Well Positioned for Growth and Value Creation

**\$265-267MM**

2022 Revenue Outlook

**\$63-64MM**

2022 Targeted Adjusted EBITDA

KORE is a 20-year old company. We listed publicly with an organic 'base case' and stated we believe we can accelerate significantly.



**\$513-515MM**

Current 2-year revenue forecast, compared to \$457MM forecast in go-public model

# Positioned for the Decade of IoT

as the only Pure-Play IoT Company



## EVOLUTION ROADMAP

2018 - 2021

2022

2026

2030

Strategy for "KORE 3.0" finalized

Transformation program and investments approved

One Team KORE; high-performance culture

Begin transformation of connectivity proposition / platform

Integrate acquisitions including Aspidar, bring eSIM to market

Launch IoT Solutions & Managed Services

Acquisition/integration of Integron; launch of IoT managed services

Launch KORE One & LPWA offering

Introduce intelligent network monitoring

eSIM industry leadership

Pre-configured Solutions

Industry GTM (2 of 5 sectors launched)

5G innovation

Broadened industry sector (all 5 or more focus sectors) expertise with integrated products

Massive IoT

5G, edge analytics off KORE One platform

Healthy revenue mix connectivity / solutions / analytics

Accelerating 5G adoption

Lead with the promise of "AI + IoT"

Edge compute maturity

Phase 1  
Foundational



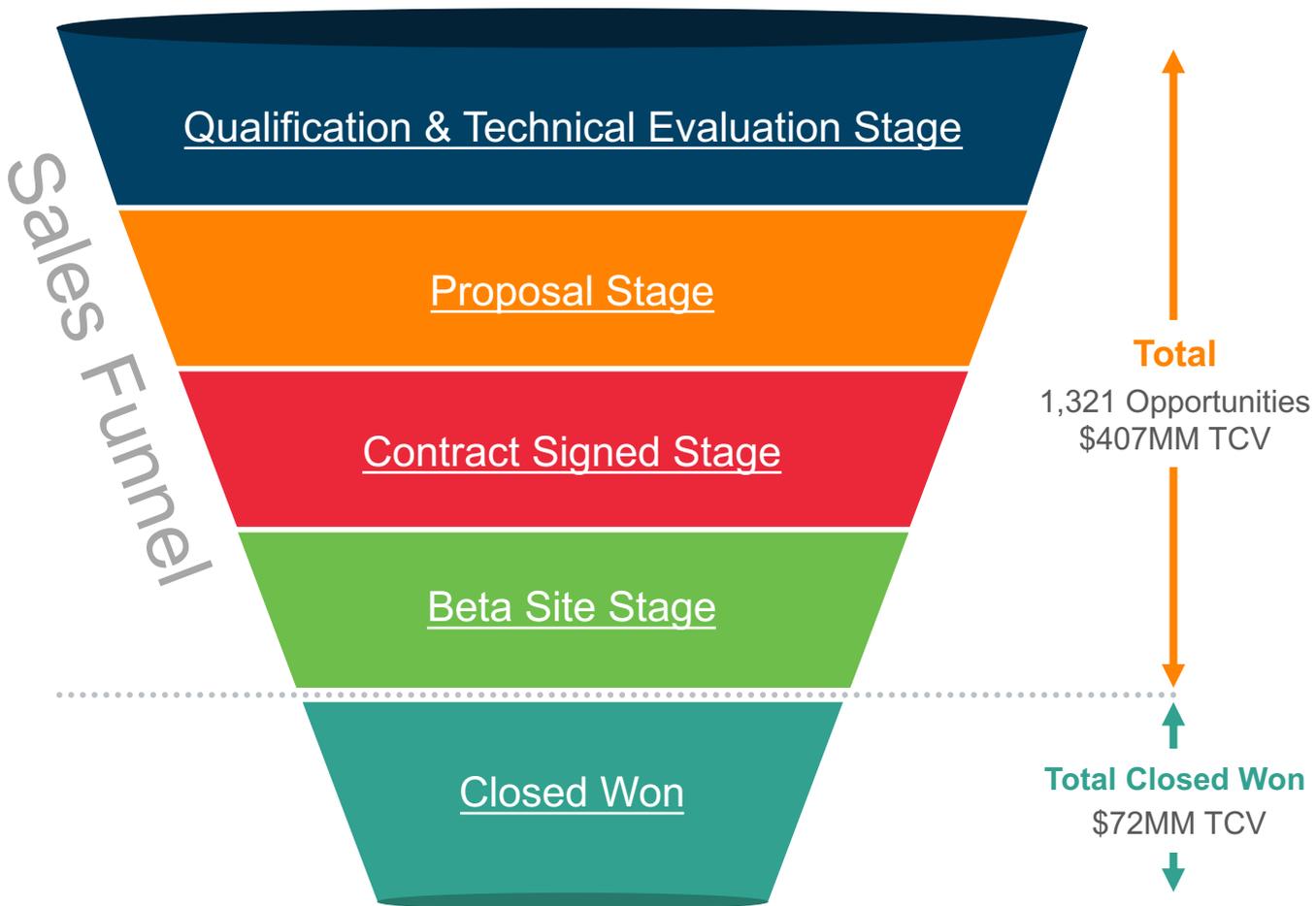
Phase 2  
Acceleration

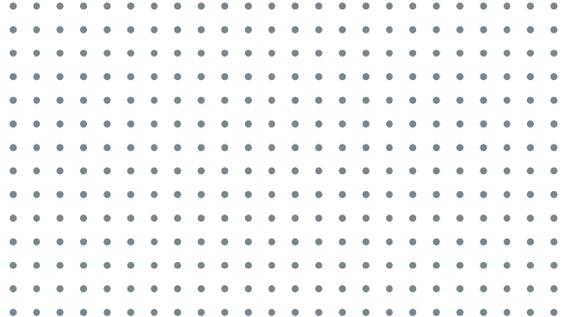


Phase 3  
Leadership

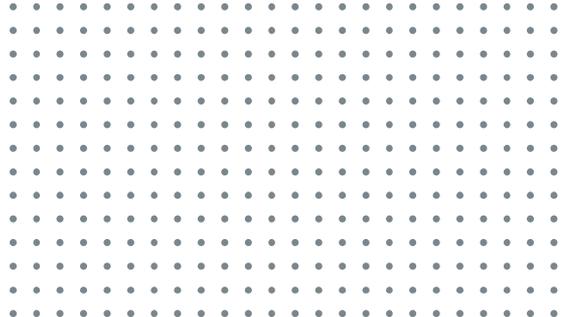


# Global Sales Pipeline as of Sep 30th, 2022



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# Appendix

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# Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

(In millions USD)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Net loss</b>	(\$13.0)	(\$4.5)	(\$35.1)	(\$12.5)
Income tax benefit	(2.5)	(3.7)	(7.8)	(7.6)
Interest Expense	8.2	5.6	22.1	16.2
Depreciation & Amortization	13.7	12.4	40.7	37.9
<b>EBITDA</b>	<b>6.4</b>	<b>9.8</b>	<b>19.9</b>	<b>34.0</b>
Change in FV of warrant liabilities (non-cash)	(0.1)	(2.9)	(0.3)	(5.3)
Transformation expenses	2.5	2.4	5.9	6.2
Acquisition and integration-related restructuring costs	2.6	2.8	11.7	7.3
Stock-based compensation (non-cash)	3.0	3.9	7.6	4.6
Foreign currency loss (non-cash)	1.1	(0.2)	1.6	(0.2)
Other	0.2	0.1	0.7	0.4
<b>Adjusted EBITDA</b>	<b>\$15.6</b>	<b>\$15.9</b>	<b>\$47.1</b>	<b>\$47.0</b>
<b>Adjusted EBITDA Margin</b>	<b>23.4%</b>	<b>23.4%</b>	<b>22.9%</b>	<b>25.5%</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> 68% of 2021 <sup>1</sup> 65% of Q3 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> 32% of 2021 <sup>1</sup> 35% of Q3 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

<sup>1</sup> Percentage of revenue from all customers (go-forward and non-core) for the year ending December 31, 2021; <sup>2</sup>Percentage of revenue from all customers (go-forward and non-core) for the quarter ending September 30, 2022.

# 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



## 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 & Optimization
1.1 Business Outcomes / Business Case	2.1 Architecture	3.1 Network(s) Selection / Carrier Contracts	4.1 Forecasting	5.1 Technical Support Tier 1 & 2	6.1 Advanced Managed Services	7.1 Data Cleansing & Normalization
1.2 Security by Design (entire stack)	2.2 IoT Connectivity / Network Strategy	3.2 Secured Data Exchange	4.2 Order Management	5.2 Tier 3 – Network & Systems Support	6.2 Migration Services	7.2 Data Storage, Retrievals & Replays
1.3 Partner Strategy	2.3 IoT Platform / Cloud Selection	3.3 Subscription Lifecycle Integration	4.3 Configuration Management	5.3 Network Mgmt. & Orchestration	6.3 Returns Management / Asset Recovery	7.3 Data Enrichment & Contextualization
1.4 Proof of Concept	2.4 Application Design / Development	3.4 Usage Optimization & Fraud Mgmt.	4.4 Supply Chain Management	5.4 Quality Management (ISO 13485, 9001)	6.4 Advanced Exchange	7.4 Data Visualization
1.5 Global / Regional Footprint	2.5 Device / Module Selection, Validation & Certification	3.5 Hierarchical Account Setup & Management	4.5 Site Services	5.5 Regulatory Compliance	6.5 Site Maintenance	7.5 AIoT – Descriptive, Prescriptive, Predictive
1.6 Organizational Governance	2.6 Develop, Test, Prototype & Pilot	3.6 Device Management, Diagnostics & Troubleshooting	4.6 Global Import / Export Management	5.6 Endpoint / Subscription Management	6.6 OEM Warranty Management	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 Asset Management	5.7 Change / Release 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 25 of the 49 steps required to deploy an IoT Solution, and partners with others to deliver another 19 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*