



# Third Quarter 2024 Earnings Presentation

November 19, 2024



# 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 expected financial and other risks, statements regarding future operational performance and efficiency, statements regarding the expected cost savings, revenue growth and profitability from the Company's restructuring plan, 2024 guidance, statements regarding expected compliance with continued listing standards of the New York Stock Exchange, estimates and forecasts of revenue, Adjusted EBITDA and other financial and performance metrics, projections regarding recent customer engagements, projections of market opportunity and conditions, and the Total Contract Value (TCV) of signed contracts and potential revenue opportunities in KORE's sales funnel. 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 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.

## 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. 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.

We have not provided the forward-looking GAAP equivalents for the forward-looking non-GAAP financial measure Adjusted EBITDA 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.

"Free Cash Flow" is a non-GAAP measure defined as net cash used in operating activities - continuing operations, reduced by capital expenditures (consisting of purchases of property and equipment), purchases of intangible assets and capitalization of internal use software. We believe Free Cash Flow is an important liquidity measure of the cash that is available for operational expenses, investments in our business, strategic acquisitions, and for certain other activities such as repaying debt obligations and stock repurchases. Free Cash Flow is a key financial indicator used by management. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. The use of Free Cash Flow as an analytical tool has limitations because it does not represent the residual cash flow available for discretionary expenditures. Because of these limitations, Free Cash Flow should be considered along with other operating and financial performance measures presented in accordance with GAAP.

"Non-GAAP Margin" is a non-GAAP measure defined as non-GAAP gross profit divided by revenue, expressed as a percentage. Non-GAAP gross profit is a non-GAAP measure defined as gross profit excluding certain (i) inventory adjustments that may not be indicative of ongoing operations, (ii) depreciation and (iii) amortization.

## Q 3 2024 Financial Highlights

- In this year of transition, the Company continues to stabilize its financial performance as it prioritizes profitable growth and cash flow following completion of its restructuring plan
  - Overall Q3 performance and Q4 outlook on track with previous guidance for fiscal year 2024

<i>amounts in \$ millions</i>	<b>Third Quarter</b>		<b>Year to Date</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Revenue				
IoT Connectivity	56.7	55.2	170.4	147.0
IoT Solutions	12.2	13.4	42.4	57.1
<b>Total Revenue</b>	<b>68.9</b>	<b>68.6</b>	<b>212.8</b>	<b>204.1</b>
Adj. EBITDA	13.0	14.2	39.2	41.7
Adj. EBITDA % of Revenue	18.8%	20.6%	18.4%	20.4%
Free Cash Flow			-5.1	-11.1

*Columns may not sum due to rounding*

# KORE<sup>®</sup>



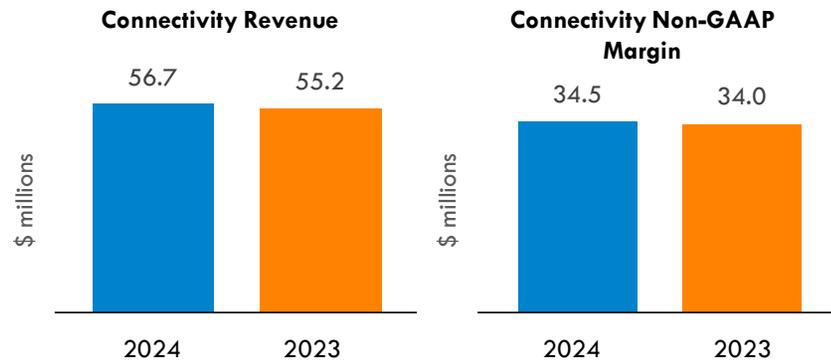
3Q 2024  
Business  
Update

- 1 We are winning in the market with strong growth in TCV led by new logos in IoT Connectivity
- 2 Sequential Q over Q growth in Total Connections demonstrates our increased focus in IoT Connectivity is showing early results
- 3 Customer Intimacy & Operational Excellence initiatives yielding improved customer metrics
- 4 Restructuring completed and benefits being realized

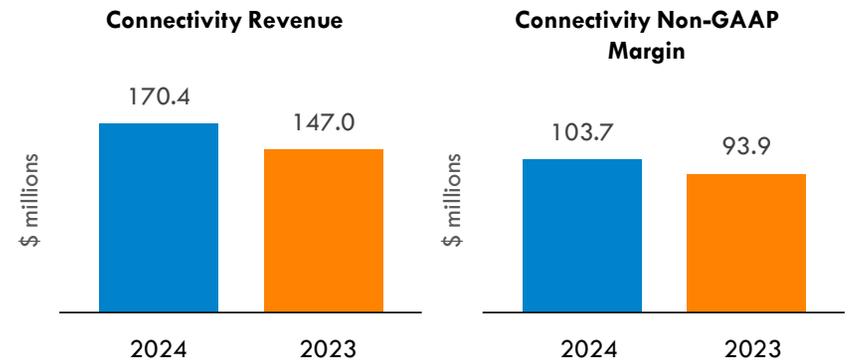
# Q3 2024 IoT Connectivity Highlights

IoT Connectivity continues to grow in revenue, non-GAAP margin and connections

## Three Months Ending September 30,



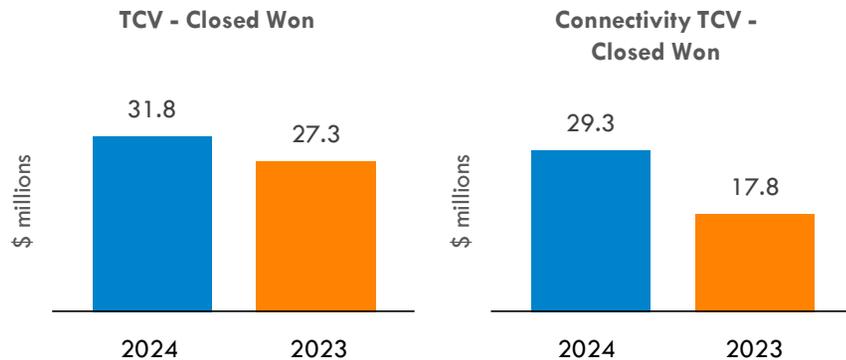
## Nine Months Ending September 30,



# Q3 2024 Sales Momentum in IoT Connectivity

Strong quarter with TCV \$32 million with 91% in IoT Connectivity driving further growth in Connections

## Three Months Ending September 30,



## Nine Months Ending September 30,



# Q3 2024 New Business Wins



## GLOBAL HIGH VALUE ASSET MONITORING

KORE secured an agreement to provide global Connectivity and device management to support direct access to industrial products and solutions delivered into over 70 countries. The customer will be using the Connectivity to provide a better level of service for their customers, predictive maintenance and to secure new revenue streams.

**Estimated TCV is \$3.7mm**



## LARGE HEALTHCARE WIN

KORE has been selected to support a large healthcare provider in delivering Connectivity for failover solutions for urgent care facilities and hospitals including remote patient kiosk systems. KORE was able to secure this win against several competitors in the market.

**Estimated TCV is \$3.3mm**



## SMART AGRICULTURE USE CASE

KORE secured an agreement in the smart agriculture sector helping our customer reduce infrastructure and manpower to corral livestock and to train cattle routes to improve overall yields and reduce total costs. KORE is providing global Connectivity.

**Estimated TCV is \$6.0mm**



## REMOTE PATIENT MONITORING WIN

KORE secured a win with a leading Remote Patient Monitoring company to provide Connectivity throughout the US. The company chose KORE to ensure that they had full redundancy of networks to provide a reliable patient experience.

**Estimated TCV is \$1.0mm**

# Restructuring Plan Completed

Delivered on restructuring objectives and on-track to deliver savings and customer benefits

## Workforce Realignment

- 25% reduction in headcount complete
- Additional savings expected from entity rationalization
- Accelerated Connectivity development initiatives

## Product Rationalization

- Sunsetting non-core products
- Re-balanced resource allocation
- Focus on areas of strength within Connectivity

## Enhanced Customer Intimacy

- Launched initiatives to streamline customer support
- Improvement in automated on-boarding
- Implemented tools for customer self-service



**\$20mm Annual Run-Rate Savings**

*\$5mm In-Period Savings in 2024 (restructuring actioned in Q3'24)*

# 2024 Financial Highlights

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2024		2023		Variance Incr / (Decr.)		2024		2023		Variance Incr / (Decr.)	
Revenue (In millions USD)		%		%	Amount	%		%		%	Amount	%
IoT Connectivity	\$56.7	82%	\$55.2	80%	\$1.5	3%	\$170.4	80%	\$147.0	70%	\$23.3	16%
IoT Solutions	\$12.2	18%	\$13.4	20%	(\$1.3)	-9%	\$42.4	20%	\$57.1	30%	(\$14.7)	-26%
<b>Total Revenue</b>	<b>\$68.9</b>	<b>100%</b>	<b>\$68.6</b>	<b>100%</b>	<b>\$0.3</b>	<b>0%</b>	<b>\$212.8</b>	<b>100%</b>	<b>\$204.1</b>	<b>100%</b>	<b>\$8.6</b>	<b>4%</b>
<b>Non-GAAP Margin %\</b>					<b>Basis Points</b>						<b>Basis Points</b>	
IoT Connectivity	60.9%		61.7%		(80)		60.9%		63.9%		(300)	
IoT Solutions	37.0%		27.6%		940		37.1%		30.3%		680	
<b>Overall Margin %</b>	<b>56.7%</b>		<b>55.0%</b>		<b>170</b>		<b>56.2%</b>		<b>54.5%</b>		<b>170</b>	
<b>Key Metrics</b>					<b>Amount</b>	<b>%</b>					<b>Amount</b>	<b>%</b>
Average Connections for Period	18.6 million		18.7 million		-0.1 million	-1%	18.4 million		16.8 million		1.6 million	10%
ARPU	\$1.01		\$0.98		\$0.03	3%	na		na		na	
					<b>Basis Points</b>						<b>Basis Points</b>	
DBNER <sup>1</sup>	95%		96%		(100)		95%		96%		(100)	
	<b>September 30, 2024</b>		<b>June 30, 2024</b>		<b>March 31, 2024</b>		<b>December 31, 2023</b>					
Total Number of Connections at period end	18.8 million		18.5 million		18.3 million		18.5 million					

(1) ARPU is calculated by dividing the total IoT Connectivity Revenue during the period by the total number of connections during that same period.

(2) 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

Columns may not sum due to rounding

## 2024 Financial Highlights (continued)

(\$ in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	Variances		2024	2023	Variances	
			Incr. / (Decr.)				Incr. / (Decr.)	
			Amount	%			Amount	%
Total Revenue	\$68.9	\$68.6	\$0.3	0.4%	\$212.8	\$204.1	\$8.6	4.2%
Operating Expense	\$43.8	\$125.5	(\$81.7)	-65.1%	\$208.3	\$217.2	(\$8.9)	-4.1%
Operating Loss	(\$5.6)	(\$87.9)	\$82.3	-93.6%	\$89.7	\$106.1	(\$16.4)	-15.5%
Net Loss	(\$19.4)	(\$95.4)	\$76.0	-79.7%	\$120.6	\$133.4	(\$12.8)	-9.6%
Adj. EBITDA	\$13.0	\$14.2	(\$1.2)	-8.3%	\$39.2	\$41.7	(\$2.5)	-6.0%
Adj. EBITDA Margin (%)	18.8%	20.6%	(180) basis pts.		18.4%	20.4%	(210) basis pts.	
Net Cash Provided By Operating Activities					\$7.1	\$4.5	\$2.6	36.4%
Net Cash Used In Investing Activities					(\$12.2)	(\$15.6)	(\$3.4)	21.8%
Net Cash Used In Financing Activities					(\$3.4)	(\$3.8)	(\$0.4)	11.0%
Cash at the end of the Period*					\$18.6	\$19.8	(\$1.2)	-6.5%

\* Excludes restricted cash

# Near Term Priorities and 2024 Outlook



## Customer Intimacy

- Expansion of self-service capabilities for customers
- Investment in people training and new automation tools
- Launch of interactive customer satisfaction surveys



## Profitable Growth

- Upsell and cross sell with our existing customers
- Focus on key verticals and use cases
- Product portfolio convergence & acceleration



## Operational Excellence

- Reduce cost to serve
- Investments in KORE network to support growth & security
- Improved Carrier margins by leveraging economies of scale

Setting a solid foundation to drive long-term growth

2024 Revenue  
Outlook

**\$280mm-285mm**

2024 Targeted  
Adjusted EBITDA

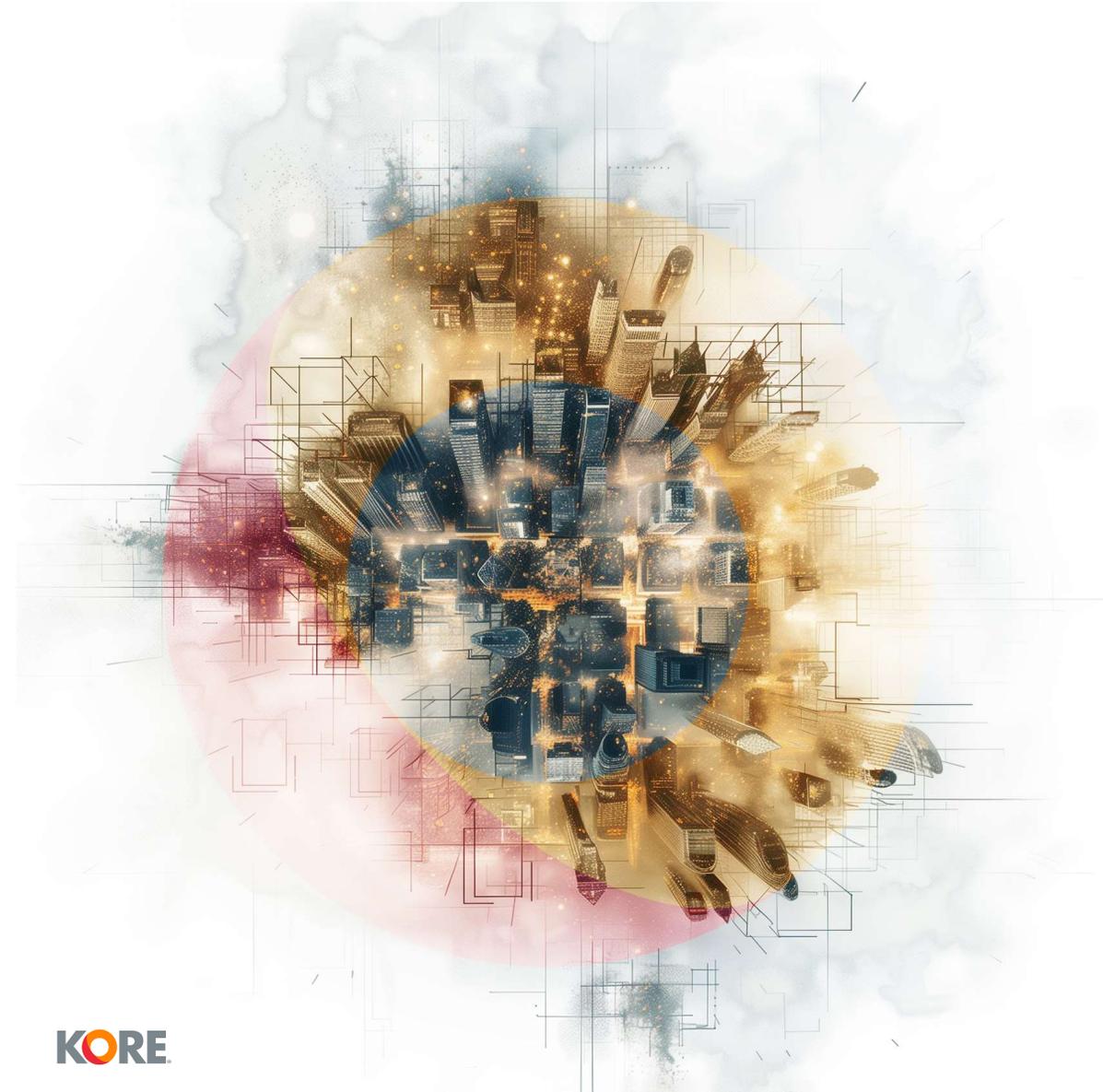
**\$54mm-55mm**



# Third Quarter 2024 Earnings Q&A

November 19, 2024





# Appendix

# Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net loss</b>	\$ (19,408)	\$ (95,361)	\$ (120,628)	\$ (133,350)
Income tax benefit	(412)	(3,093)	(2,486)	(3,957)
Interest expense, net	13,059	10,615	38,349	31,217
Depreciation and amortization	14,214	14,457	42,243	43,094
<b>EBITDA</b>	<b>7,453</b>	<b>(73,382)</b>	<b>(42,522)</b>	<b>(62,996)</b>
Goodwill impairment	—	78,255	65,864	78,255
Change in fair value of warrant liability	337	(14)	(6,349)	(14)
Transformation expenses	—	1,876	—	5,434
Acquisition costs	—	—	—	1,776
Integration-related restructuring costs	5,574	3,011	14,262	8,333
Stock-based compensation	532	3,435	7,202	9,010
Foreign currency loss	(1,003)	781	1,199	1,018
Other <sup>(1)</sup>	93	197	(494)	910
<b>Adjusted EBITDA</b>	<b>\$ 12,986</b>	<b>\$ 14,159</b>	<b>\$ 39,162</b>	<b>\$ 41,726</b>

<sup>(1)</sup> "Other" adjustments are comprised of adjustments for certain indirect or non-income based taxes.

Columns may not sum due to rounding

# Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 7,066	\$ 4,493
Purchases of property and equipment	(1,944)	(3,410)
Additions to intangible assets	(10,233)	(12,186)
<b>Free cash flow</b>	<b>\$ (5,111)</b>	<b>\$ (11,103)</b>

Columns may not sum due to rounding

# Reconciliation of GAAP Margin and Non-GAAP Margin

(\$ in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	\$	%	\$	%	\$	%	\$	%
<b>IoT Connectivity</b>								
Revenue	\$ 56,721		\$ 55,169		\$170,377		\$147,042	
Cost of revenue, excluding depreciation and amortization	22,153		21,151		66,638		53,122	
Depreciation and amortization in cost of revenue <sup>(1)</sup>	12,458		11,435		35,520		36,551	
<b>Gross profit \$ / margin %</b>	<b>\$ 22,110</b>	<b>39.0 %</b>	<b>\$ 22,583</b>	<b>40.9 %</b>	<b>\$ 68,219</b>	<b>40.0 %</b>	<b>\$ 57,369</b>	<b>39.0 %</b>
Exclude: Inventory adjustments	—		—		—		—	
Exclude: Depreciation and amortization	12,458		11,435		35,520		36,551	
<b>Non-GAAP profit \$ / margin %</b>	<b>\$ 34,568</b>	<b>60.9 %</b>	<b>\$ 34,018</b>	<b>61.7 %</b>	<b>\$103,739</b>	<b>60.9 %</b>	<b>\$ 93,920</b>	<b>63.9 %</b>
<b>IoT Solutions</b>								
Revenue	\$ 12,199		\$ 13,464		\$ 42,386		\$ 57,102	
Cost of revenue, excluding depreciation and amortization	8,566		9,845		27,539		39,907	
Depreciation and amortization in cost of revenue <sup>(1)</sup>	1,345		895		3,230		3,129	
<b>Gross profit \$ / margin %</b>	<b>\$ 2,288</b>	<b>18.8 %</b>	<b>\$ 2,724</b>	<b>20.2 %</b>	<b>\$ 11,617</b>	<b>27.4 %</b>	<b>\$ 14,066</b>	<b>24.6 %</b>
Exclude: Inventory adjustments	886		103		886		103	
Exclude: Depreciation and amortization	1,345		895		3,230		3,129	
<b>Non-GAAP profit \$ / margin %</b>	<b>\$ 4,519</b>	<b>37.0 %</b>	<b>\$ 3,722</b>	<b>27.6 %</b>	<b>\$ 15,733</b>	<b>37.1 %</b>	<b>\$ 17,298</b>	<b>30.3 %</b>
<b>Overall profit \$ / margin %</b>	<b>\$ 24,398</b>	<b>35.4 %</b>	<b>\$ 25,307</b>	<b>36.9 %</b>	<b>\$ 79,836</b>	<b>37.5 %</b>	<b>\$ 71,435</b>	<b>35.0 %</b>
<b>Non-GAAP profit \$ / margin %</b>	<b>\$ 39,087</b>	<b>56.7 %</b>	<b>\$ 37,740</b>	<b>55.0 %</b>	<b>\$119,472</b>	<b>56.2 %</b>	<b>\$111,218</b>	<b>54.5 %</b>

Columns may not sum due to rounding