



Cerberus Telecom Acquisition Corp.

IoT Leader KORE Reports Second Quarter 2021 Financial Results, Including Record Revenue for Second Consecutive Quarter

ATLANTA (Aug. 23, 2021) – [KORE](#), a global leader in Internet of Things (“IoT”) solutions and worldwide IoT Connectivity-as-a-Service (“IoT CaaS”), today reported financial and operational results for the second quarter ended June 30, 2021. This is the second consecutive quarter KORE has reported record revenue, as the company prepares to list on the New York Stock Exchange in the third quarter ending September 30, 2021, following the completion of its proposed business combination with Cerberus Telecom Acquisition Corp. (NYSE: CTAC.U, CTAC, CTAC WS) (“CTAC”), the first special purpose acquisition company sponsored by an affiliate of Cerberus Capital Management, L.P. (“Cerberus”).

Second Quarter 2021 Financial Highlights

- Total revenue increased 19.0% year-over-year to \$60.7 million, a record in second quarter revenue performance.
- Revenue generated in KORE’s Connected Health industry vertical increased 21.6% to \$23.6 million, compared to \$19.4 million in the same prior-year period.
- IoT Connectivity revenue increased 15.1% to \$42.8 million, compared to \$37.2 million in the same prior-year period.
- IoT Solutions revenue increased 28.8% to \$17.9 million, compared to \$13.9 million in the same prior-year period.
- Adjusted EBITDA, a non-GAAP metric*, was \$14.7 million compared to \$15.5 million in the same prior-year period, due primarily to public company preparatory costs incurred for the first time in 2021, foreign exchange movements and other costs. Year-to-date Adjusted EBITDA through June 30, 2021 exceeded expectations by over \$1 million and the same prior-year period by almost \$2 million.

| | Three Months Ended June 30, | | | | Year Ended December 31, | | | |
|--|--------------------------------|-------------|-----------------|-------------|----------------------------|-------------|------------------|-------------|
| | 2021 | | 2020 | | 2020 | | 2019 | |
| IoT Connectivity..... | \$ 42,853 | 71% | \$ 37,178 | 73% | \$ 158,748 | 74% | \$ 150,358 | 89% |
| IoT Solutions..... | 17,890 | 29% | 13,883 | 27% | 55,012 | 26% | 18,794 | 11% |
| Total Revenues | \$60,743 | 100% | \$51,061 | 100% | \$ 213,760 | 100% | \$169,152 | 100% |
| Period End Customer Connections Count..... | 13.2 million | | 10.2 million | | 11.8 million | | 9.7 million | |
| Average Customer Connections Count for the Period..... | 13.1 million | | 10.0 million | | 10.7 million | | 9.2 million | |

*See Appendix for reconciliation



“The sales momentum generated last year continues to result in revenue outperformance this year, across both lines of business,” said KORE President and CEO [Romil Bahl](#). “Organizations in all industries continue to adopt IoT to solve some of the biggest issues society is facing today, including worker shortages, severe drought conditions where IoT is being deployed immediately so that municipalities can detect and mitigate leakages and water loss quickly, and remote patient monitoring, which is a segment of the Connected Health market showcasing innovation and high growth. The KORE Connected Health business benefited from the timing acceleration of a sizeable project with our largest customer. KORE is assisting this customer with its mission-critical migration to LTE connectivity, from 2G and 3G. We anticipated this project would largely be delivered in 2022, but it has moved forward to help the customer further mitigate migration risks. I am pleased to confirm that even without this revenue acceleration in Q2, we would have comfortably exceeded our forecast expectations for the quarter.”

Key Metrics and Recent Business Highlights

- Total Customer Connections** increased to 13.2 million as of June 30, 2021, up from 10.2 million Total Connections as of June 30, 2020.
- Dollar-Based Net Expansion Rate (DBNER)** was 113% for the twelve months ended June 30, 2021, compared to 103% for the twelve months ended June 30, 2020.
- Revenue mix - IoT Connectivity to IoT Solutions - continues to shift and went from 73:27 in Q2, 2020 to 71:29 in Q2, 2021, reflecting the accelerated growth of IoT Solutions.
- Continued to provide IoT connectivity services to ~3,600 customers globally for the three-month period ended June 30, 2021, most of which are connectivity only, representing a significant opportunity to cross-sell additional services.
- At Mobile World Congress 2021, held in late June in Barcelona, KORE and its customer SwoopAero were selected as one of the top “IoT for Impact” solutions presented to dignitaries including the King and Prime Minister of Spain, and President of Catalonia.

Bahl continued, “CTAC has announced that it will be holding a special meeting of its shareholders on September 16, 2021 to vote on the proposed business combination with KORE. As we prepare for the CTAC shareholder vote, I am confident the KORE team is building a world-class set of capabilities that will enable a ‘connected planet’ over the next 10 to 15 years. The decade of IoT has started with a bang for KORE, and we remain confident that given our great start to 2021, we will exceed our revenue forecast for the full year.”

About KORE

KORE is a pioneer, leader, and trusted advisor delivering mission-critical IoT solutions and services. We empower organizations of all sizes to improve operational and business results by simplifying the complexity of IoT. Our deep IoT knowledge and experience, global reach, purpose-built solutions, and deployment agility accelerate and materially impact our customers’ business outcomes. For more information, visit korewireless.com.

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**See the Appendix for definitions of Total Customer Connections and DBNER



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Important Information and Where to Find It

Company auditors have not completed their review of the second quarter fiscal 2021 and 2020 financial information, including the preliminary results.

This press release references the proposed merger transaction announced previously involving CTAC and KORE. CTAC and King Pubco, Inc. ("Pubco") have filed a registration statement on Form S-4 with the SEC, which includes a definitive proxy statement of CTAC and a prospectus of Pubco, and CTAC will file other documents regarding the proposed transaction with the SEC. A definitive proxy statement/prospectus also has been sent to the stockholders of CTAC, seeking required stockholder approval. Before making any voting or investment decision, investors and security holders of CTAC are urged to carefully read the entire registration statement and proxy statement/prospectus and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they will contain important information about the proposed transaction. The documents filed by CTAC with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, the documents filed by CTAC with the SEC may be obtained free of charge from CTAC's website at www.cerberusacquisition.com or upon written request to Cerberus Telecom Acquisition Corp., 875 Third Avenue, New York, NY 10022.

This press release, similar to the previous announcement, does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such other jurisdiction.

CTAC, KORE and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of CTAC, in favor of the approval of the merger. Information regarding CTAC's and KORE's directors and executive officers and



other persons who may be deemed participants in the transaction may be obtained by reading the registration statement and the proxy statement/prospectus and other relevant documents filed with the SEC when they become available. Free copies of these documents may be obtained as described above.

Forward-Looking Statements

This press release includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. 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,” 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 estimates and forecasts of revenue and other financial and performance metrics and projections of market opportunity and expectations. These statements are based on various assumptions and on the current expectations of CTAC or 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 CTAC and/or 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; changes in the assumptions underlying KORE’s expectations regarding its future business; 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 press release. KORE and CTAC anticipate that subsequent events and developments will cause these assessments to change. However, while KORE and/or CTAC may elect to update these forward-looking statements at some point in the future, each of KORE and CTAC 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 press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Appendix

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 and Adjusted EBITDA

“EBITDA” is defined as net income (loss) before other non-operating expense or 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.

The following table reconciles Net loss to EBITDA and Adjusted EBITDA for the periods shown:

| (in 000's) | For the three months ended | | For the six months ended | |
|---|----------------------------|---------------|--------------------------|---------------|
| | June 30, 2021 | Jun 30, 2020 | June 30, 2021 | Jun 30, 2020 |
| Net loss..... | (6,885) | (11,060) | (7,967) | (13,827) |
| Income tax expense (benefit)..... | (2,653) | (2,110) | (3,918) | (3,859) |
| Interest expense..... | 5,506 | 6,501 | 10,566 | 13,083 |
| Depreciation and amortization..... | 12,393 | 13,651 | 25,507 | 25,708 |
| EBITDA..... | 8,361 | 6,981 | 24,188 | 21,106 |
| Change in fair value of warrant liabilities (non-cash)... | 41 | 4,743 | (2,383) | 2,831 |
| Transformation expense..... | 1,948 | 1,945 | 3,750 | 3,840 |
| Acquisition and integration-related restructuring costs | 3,667 | 1,368 | 4,518 | 2,397 |
| Stock-based compensation (non-cash)..... | 315 | 315 | 630 | 531 |
| Foreign currency loss (gain) (non-cash)..... | 148 | 92 | 77 | (1,593) |
| Other..... | 174 | 58 | 296 | 110 |
| Adjusted EBITDA..... | \$14,653 | 15,501 | 31,076 | 29,221 |



Transformational expenses are related to the implementation of our strategic transformation plan, which include the costs of a re-write of our core technology platform, expenses incurred to design certain new IoT solutions and “go-to-market” capabilities.

Acquisition and integration-related restructuring costs for the three- and six-month periods ended June 30, 2021 and 2020 relate to legal, accounting, advisory, and other professional services costs associated with the Integron Acquisition and Integron’s integration into KORE, certain synergies related to our acquisitions and certain one-time severance costs associated with our transformation and certain one-time costs incurred to take the company public.

Key Metrics

KORE reviews a number of metrics to measure our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. The calculation of the key metrics and other measures discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

Number of Customer Connections

Total Customer Connections or “Total Connections” constitutes the total of all KORE Connectivity services connections, including both CaaS and CEaaS connections, but excluding certain connections where mobile carriers license KORE’s subscription management platform from KORE. Total Connections include the contribution of eSIMs and is the principal measure used by management to assess the performance of the business on a periodic basis.

DBNER

DBNER (Dollar Based Net Expansion Rate) tracks the combined effect of cross-sales of IoT Solutions to replace with KORE’s existing customers, its customer retention and the growth of its existing business. KORE calculates DBNER by dividing the revenue for a given period (“given period”) from go-forward customers by the revenue from the same customers for the same period measured one year prior (“base period”). The revenue included in the current period excludes revenue from (i) customers that are non go-forward customers, meaning customers that have either communicated to KORE before the last day of the current period their intention not to provide future business to KORE or customers that KORE has determined are transitioning away from KORE based on a sustained multi-year time period of declines in revenues and (ii) new customers that started generating revenue after the end of the base period. For example, to calculate our DBNER for the trailing 12 months ended June 30, 2021, we divide (i) revenue, for the trailing 12 months ended June 30, 2021, from go-forward customers that started generating revenue on or before June 30, 2020 by (ii) revenue, for the trailing 12 months ended June 30, 2020, from the same cohort of customers. For the purposes of calculating DBNER, if KORE acquires a company during the given period or the base period, then the revenue of a customer before the acquisition but during either the given period or the base period is included in the calculation. Further, it is often difficult to ascertain which customers should be deemed not to be go-forward customers for purposes of calculating DBNER. Customers are not required to give notice of their intention to transition off of the KORE platform, and a customer’s exit from the KORE platform can take months or longer, and total connections of any particular customer can



at any time increase or decrease for any number of reasons, including pricing, customer satisfaction or product fit – accordingly, a decrease in total connections may not indicate that a customer is intending to exit the KORE platform, particularly if that decrease is not sustained over a period of several quarters. DBNER would be lower if it were calculated using revenue from non go-forward customers.

As of June 30, 2021 and June 30, 2020, DBNER excludes connections from non go-forward customers, the vast majority of which are connections from Non-Core Customers. KORE defines “Non-Core Customers” to be customers that management has judged to be lost as a result of the integration of Raco, Wyles and other acquisitions completed during in the 2014-2017 period, but which continue to have some connections (and account for some revenue) each year with KORE. Non-Core Customers are a subset of non go-forward customers.

DBNER is used by management as a measure of growth at KORE’s existing customers (i.e., “same store” growth). It is not intended to capture the effect of either new customer wins or the declines from non go-forward customers on KORE’s total revenue growth. This is because DBNER excludes new customers which started generating revenue after the base period, and also excludes any customers which are non go-forward customers on the last day of the current period. Revenue increases from new customer wins, and a decline in revenue from non go-forward customers are also important factors in assessing KORE’s revenue growth, but these factors are independent of DBNER.