

Corporate Presentation, January 2023

NASDAQ: SPCB

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**Non-GAAP Financial Information.** In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (“GAAP”), this presentation also contains non-GAAP financial measures, which we believe are the principal indicators of the operating and financial performance of our business. Management believes the non-GAAP financial measures provided are useful to investors' understanding and assessment of our on-going core operations and prospects for the future, as the charges eliminated are not part of the day-to-day business or reflective of the core operational activities of our Company. Management uses these non-GAAP financial measures as a basis for strategic decisions, forecasting future results and evaluating our current performance. However, such measures should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Reconciliation of the non-GAAP measures to the most comparable GAAP measures are provided in this presentation or in press releases issued by the company.

# SuperCom

Since 1988, SuperCom has been a global provider of Electronic Security Solutions to governments worldwide, with a current focus on **Offender Electronic Monitoring Services**

**NASDAQ:** SPCB



**102%**

Revenue growth YoY

Q3-2021 compared to Q3-2022



**New  
management**  
since 2021



**Over \$30M**

In R&D

Since 2014



Won \$33M project  
in Romania

September 2022



**83%**

Recurring  
Revenue<sup>1</sup>

FY 2021



**Track Record of**

**50+** Government Customers

**100,000+** individuals served



**119**

Patents  
Issued



**~13%**

Insider Ownership

# OUR MISSION

**Revolutionize** Public Safety around the world through  
proprietary **Electronic Monitoring** technology, data  
intelligence, and complimentary services



# Worldwide Challenges

## Criminal Justice Systems



High recidivism rates



Prison overcrowding



Excessive costs



Unsafe communities

# High Recidivism Rates

# 76.6%

of prisoners in USA are rearrested  
within five years



The Highest prison  
population rate in the world

**684** prisoners per  
**100,000** inhabitants

Prisoner Population  
Rate<sup>1</sup> (per 100,000)

USA	684
England	131
Belgium	93
Italy	91
Sweden	73
Denmark	72

# Prison Overcrowding

**2.3M incarcerated** in 2020



# 106%

of prison occupancy

Overcrowding can result in inmates  
sharing beds or sleeping in shifts

# Excessive Costs

**\$80+ Billion annually** on operating  
prisons<sup>1</sup>



VS



Operating Prisons

**\$36,000**

per prisoner

House Arrest

**\$2,900**

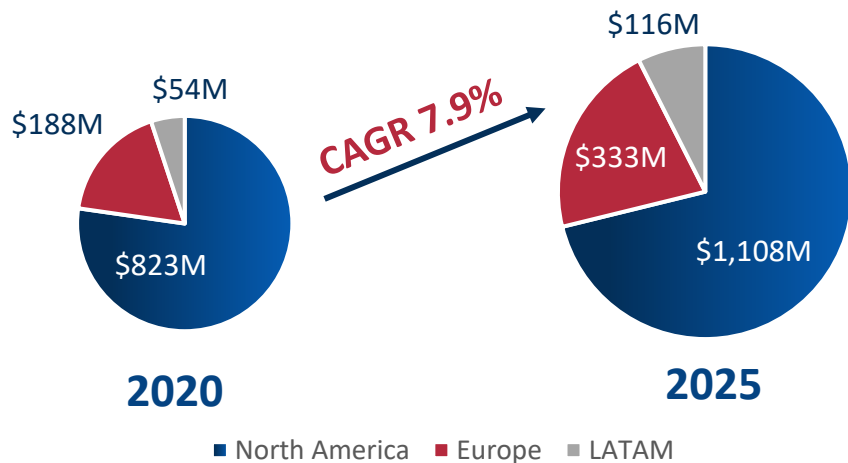
per prisoner

Potential savings of **over 90%**

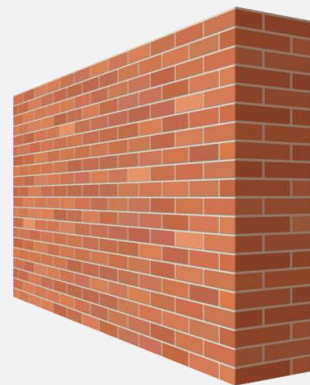


# Large growing market estimated to reach \$1.6B in 2025

The Electronic Monitoring Market, 2020-2025<sup>1</sup>



Only 10 global players<sup>2</sup>



Market with high entry barriers

5-10 years of specific industry experience required



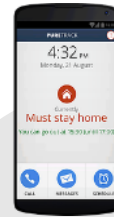
# Our Technology Supports a Wide Array of Programs

- House Arrest
- GPS Monitoring
- Domestic Violence
- Inmate Monitoring
- Alcohol Monitoring
- Rehabilitation Services



50+ Project Wins<sup>1</sup>

## PureSecurity Suite



**PureTrack**  
GPS enrollee  
tracking platform



**PureTag**  
Compact RF  
bracelet



**PureMonitor**



**PureOne**  
One piece tracking  
device



**PureCom**  
Base station for  
home monitoring

# Our solutions create positive social impact and improve public safety worldwide



Reduces recidivism<sup>1</sup>  
to **35%**

- Save lives of potential victims
- Aid to eradicate domestic violence
- Increase public safety and wellbeing
- Offer rehabilitation and proper reentry to society
- Reduce incarcerated population size and governmental expenditures

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Robust competitive edge with  
**Over 65% Win Rate**  
in RFPs in Europe<sup>1</sup>

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**Superior technology in terms of:**



Significantly Longer Battery Life  
No tag charging required



Ultra lightweight



Next-Gen Location Tech



Multiple Methods of Biometric Authentication



Video Calls



Two-way Communication



Protection of domestic violence victims

## Industry Leading Technology



**OVER \$30M**  
invested in R&D  
(since 2014)

In addition, our value proposition includes a strong track record, industry expertise, and a highly regarded reputation

# Select Recent Contract Wins

In the past year, SuperCom has increased its market share in existing markets and expanded into new territories and sub-markets



Awarded and launched \$33M for Romania's National EM Contract

- Up to **15,000** enrollees simultaneously
- Domestic Violence project launch **within 3 weeks**
- **Largest EM project** awarded in 2022 in EU



New Contract for Sweden's Juvenile National EM Project

- Marking SuperCom's third national EM project in Sweden



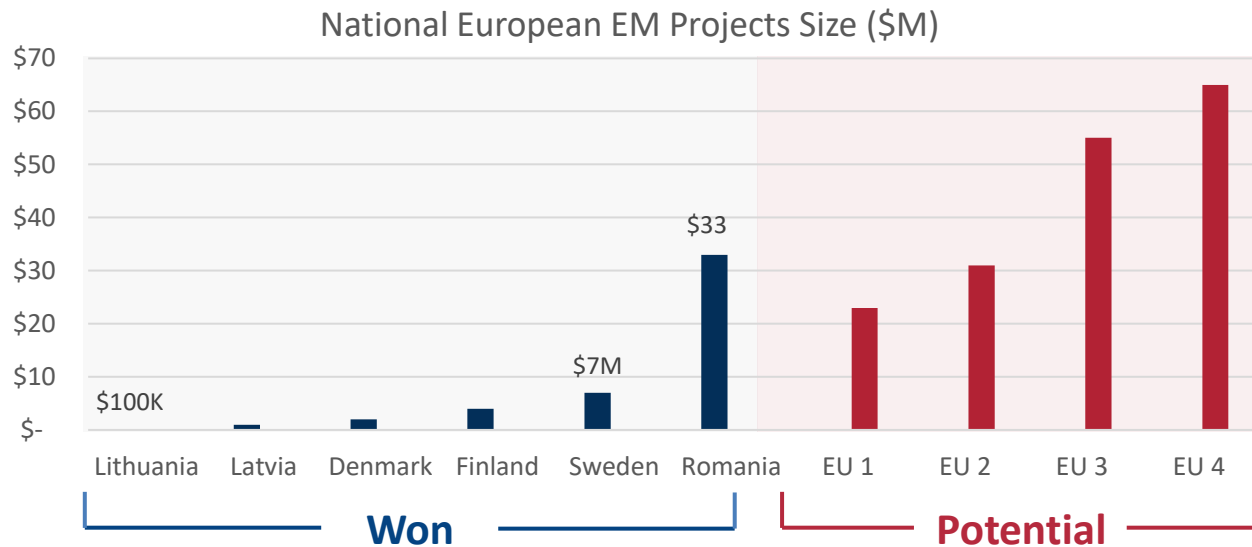
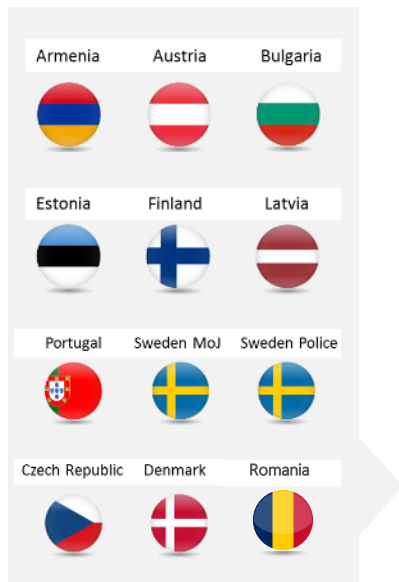
Awarded and Launched Croatia's first National EM Project



New Project in Northern California Valued at up to \$4.25M

# Europe Traction

Climbing up the ladder with project size



Over 12 national projects won

**\$200+ Million** in EU Contracts  
up for bid in upcoming 18 months<sup>2</sup>

# North America Traction



In initial stage of US market expansion strategy and well-positioned for growth into more locations and larger projects

We are here

Resellers & Small Counties

Large Counties Projects

State & Federal Projects



## Presence in the US

with an established footprint in **California**, serving customers for 30+ years through subsidiary LCA

Since LCA's acquisition in 2016, wins in California valued at **over \$25M** total

## Began expansion to:

- Texas
- Georgia
- Tennessee
- Wisconsin
- South Carolina
- Wyoming
- Idaho
- And more

# Growth Strategy

- **Europe:** win more and larger national recurring revenue contracts
- **North America:** expansion into more counties and states
  - Sell to government agencies directly and through resellers
  - Potential accretive strategic acquisition of resellers in key locations
- **New Sales Strategy:** from passive bidding to active outreach
- **New Technology:** expansion into sub-markets



# Long-term Government Projects

Over 80% Recurring Revenue<sup>1</sup>

## Competitive Bid

- Collect data
- Submit proposal
- Negotiate price and terms
- Sign contract and launch

3-24 Months

## Deployment

- Manufacture bracelets
- Integrate/customize for customer
- Train staff
- Program Go-Live on offenders

3-12 Months

## SaaS & Lease

### Recurring Revenue Model

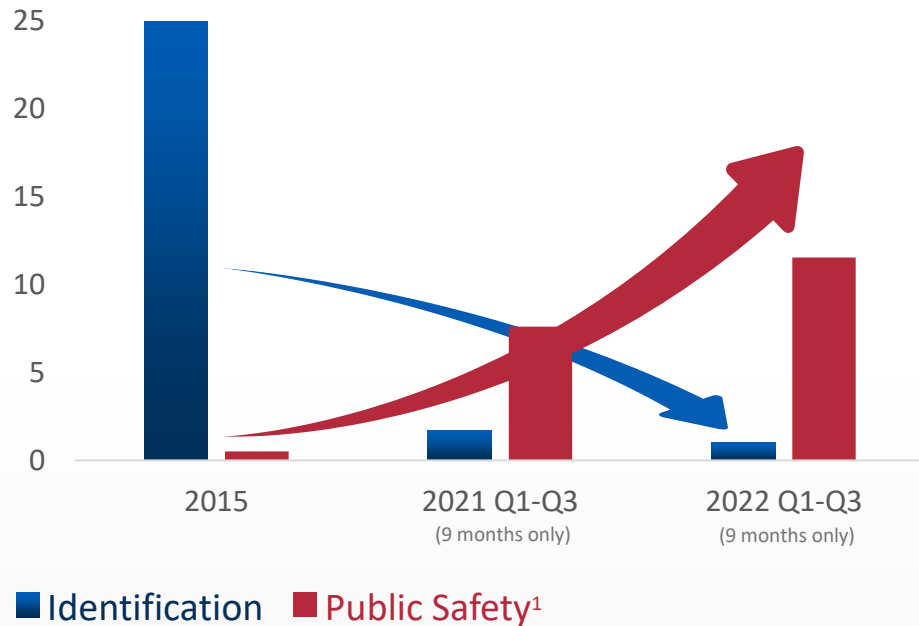
➡ **\$2,900 avg. fee** ⬅  
per offender annually<sup>2</sup>

- Lease hardware
- Cloud-based SaaS
- Recurring revenue per offender

5-15 Years

# Shift from Legacy Identification business to **Public Safety**

## Revenue Trends



# Investment Highlights

- Market of \$1.6 Billion, with high barriers to entry
- 102% Revenue growth YoY in Q3-2022
- Won \$33 million National EM project in Romania
- Over 65% past Win rate in Europe
- \$200+ million in upcoming Europe bid opportunities<sup>1</sup>
- \$25+ million in past wins in California<sup>2</sup>
- \$30+ million in R&D for strong competitive edge
- 83% recurring revenue
- 50+ Project wins<sup>3</sup>
- ~13% insider ownership



# Q3 Financial Summary and Stock Info

## Q3 2022 Income Statement Summary (in \$mm)

Revenue	\$6.3
Gross Profit	\$2.1
EBITDA	\$0.4

## EBITDA Reconciliation – Q3 2021 (in \$mm)

NET LOSS FOR THE PERIOD	(\$2.1)
Financial expenses (income), net	1.2
Depreciation and Amortization	0.7
Foreign currency loss	0.6
EBITDA	\$0.4

## As of September 30, 2022 (in \$mm)

Cash (and Restricted Cash)	\$3.1
Current Assets	\$27.6
Total Assets	\$42.8
Current Liabilities	\$5.1
Total Liabilities	\$39.7

## Stock Data

Closing Stock Price (01/13/23)	\$2.1
52 Week Range	\$1.7 - \$8.4
Outstanding Ordinary Shares (9/30/22)	4.2M
Average Trading Volume (01/13/23)	68,000 shares



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