



Corporate Presentation, October 2022

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# 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



**~\$1B**  
Annual Trading  
Volume in 2021



**~13%**  
Insider Ownership  
Recent purchase of 917,000 shares



**Over \$30M**  
In R&D  
Since 2014



Over 10 new project  
wins over the last  
year



FY 2021

**83%**  
Recurring  
Revenue<sup>1</sup>



**Track Record** of  
**50+** Government Customers  
**100,000+** individuals served



**119**  
Patents  
Issued



**New  
management**  
since 2021

# 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



# 106%

of prison occupancy

Occupancy levels over 100% could result in inmates sharing beds or sleeping in shifts

## Prison Occupancy Levels<sup>1</sup>

|         |      |
|---------|------|
| USA     | 106% |
| England | 103% |
| Belgium | 117% |
| Italy   | 106% |
| Sweden  | 108% |
| Denmark | 104% |

# Excessive Costs



**\$80+ Billion annually** on operating prisons<sup>1</sup> | **2.3M incarcerated** in 2020



Operating Prisons  
**\$36,000**  
per prisoner

VS



House Arrest  
**\$2,900**  
per prisoner

Potential savings  
of over **90%**



# Our Technology Supports a Wide Array of Programs

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



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

## PureSecurity Suite



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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
-  Lightweight
-  Biometric authentication
-  Video Calls
-  Two-way communication
-  Next-Gen Cell & Location Tech



**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

# Long-term Government Projects

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

## Competitive Bid

- Gather information from local partners
- Submit a customized proposal for a competitive bid
- Receive Award
- Negotiate pricing and terms
- Sign contract and launch project

3-24 Months

## Deployment

- Manufacture and ship bracelets
- Integration & customization to customer environment
- Train customer staff and launch program
- Fixed deployment fees (up to 15% of project)

3-12 Months

## SaaS & Lease

### Recurring Revenue Model

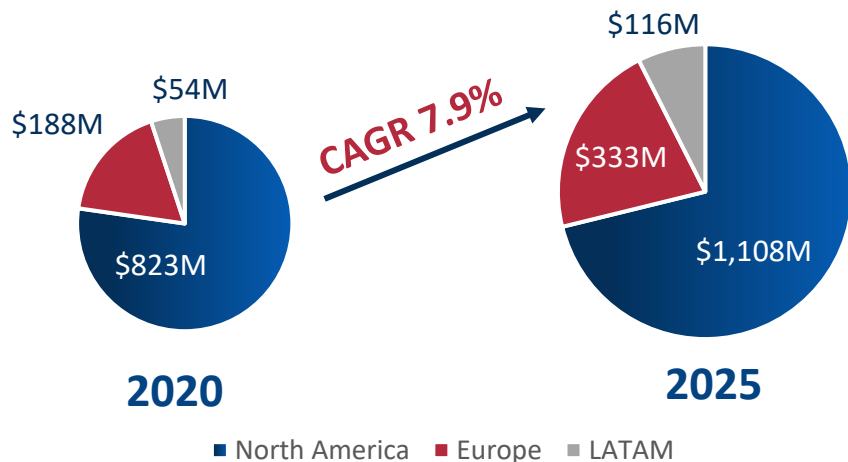
➡ **\$2,900 avg. fee** ⬅  
**per offender annually<sup>2</sup>**

- Hardware leased (bracelet, phone, and house unit)
- Cloud based software-as-a-service
- Recurring revenues per offender
- Varies by geography and project services

5-15 Years

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

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



Electronic monitoring solutions and complimentary services are **used worldwide to effectively:**



Reduces recidivism<sup>2</sup>  
**35%**



Decreases costs  
**Over 90% saving**



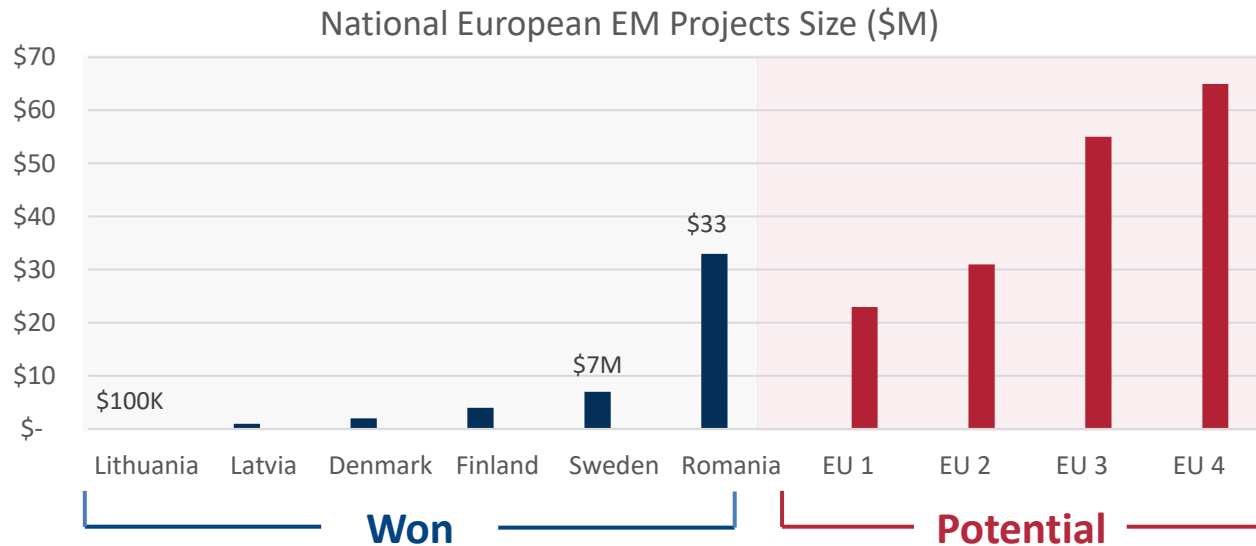
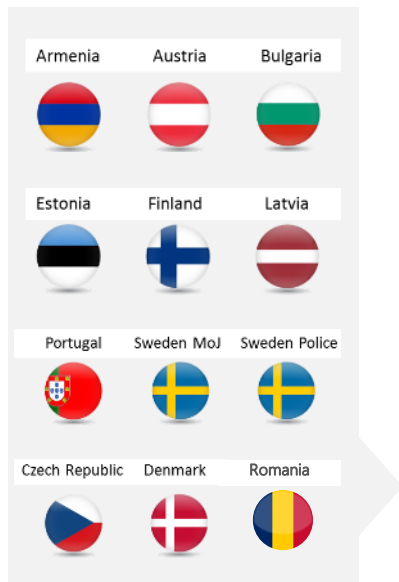
**Enhance**  
Public safety



**Eradicate**  
Prison overcrowding

# 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
- Kentucky
- And more

# Growth Strategy

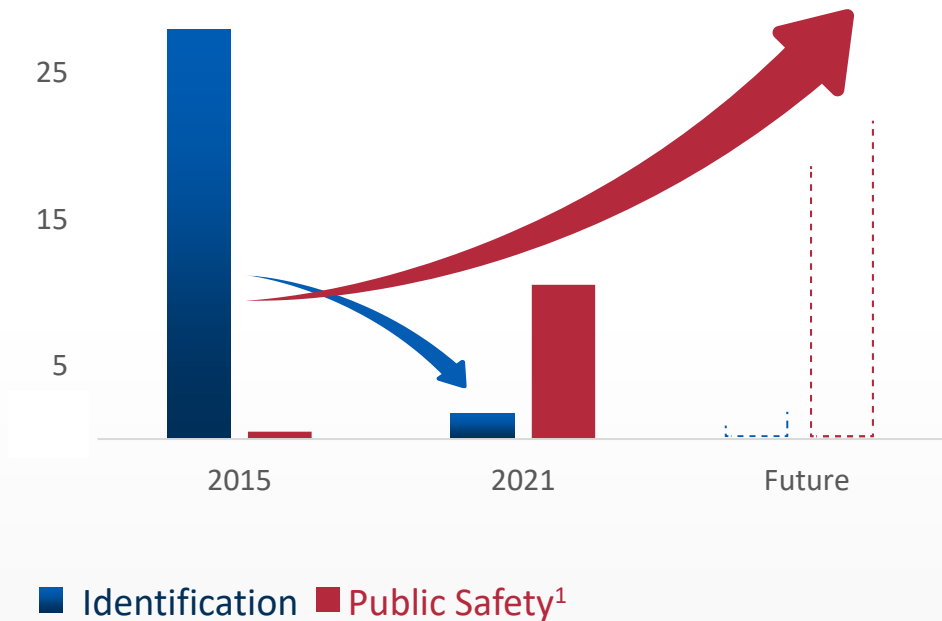
- **New investment** in sales division
  - New sales team with industry expertise
  - Shift from passive bidding to active outreach sales strategy
- **Europe:** win more and larger national recurring revenue contracts
- **North America:** expansion into more counties and states
  - Sell to government agencies directly and through resellers
  - Potential accretive strategic acquisition of resellers in key locations



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

## Annual Revenue Trends

Revenue by segments



# Investment Highlights

- Market of \$1.6 Billion, with high barriers to entry
- 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>
- Expansion in USA with new investment in sales
- \$30+ million in R&D for strong competitive edge
- 83% recurring revenues
- 50+ Project wins<sup>3</sup>
- ~13% insider ownership



# Q3 Financial Summary and Stock Info

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

|              |       |
|--------------|-------|
| Revenues     | \$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 (10/25/22)        | \$.26           |
| 52 Week Range                         | \$0.22 - \$1.30 |
| Outstanding Ordinary Shares (9/30/22) | 42.0M           |
| Average Trading Volume (10/25/22)     | 2.4M shares     |



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