



Smarter, faster clinical communication

Third Quarter Earnings | 10.27.22

Safe harbor statement

Statements contained in this presentation which are not historical fact, such as statements regarding Spok's future operating and financial performance, future dividend payments and the outcome of the Company's strategic alternatives review, are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that may cause Spok's actual results to be materially different from the future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expectations include, but are not limited to, risks related to Spok's new strategic business plan, including its ability to maximize revenue and cash generation from its established businesses and return capital to shareholders, risks related to the COVID-19 pandemic and its effect on our business and the economy, other economic conditions such as recessionary economic cycles, higher interest rates, inflation and higher levels of unemployment, declining demand for paging products and services, continued demand for our software products and services, our dependence on the U.S. healthcare industry, our ability to develop additional software solutions for our customers and manage our development as a global organization, the ability to manage operating expenses, particularly third-party consulting services and research and development costs, future capital needs, competitive pricing pressures, competition from traditional paging services, other wireless communications services and other software providers, many of which are substantially larger and have much greater financial and human capital resources, changes in customer purchasing priorities or capital expenditures, government regulation of our products and services and the healthcare and health insurance industries, reliance upon third-party providers for certain equipment and services, unauthorized breaches or failures in cybersecurity measures adopted by us and/or included in our products and services, the effects of changes in accounting policies or practices, our ability to realize the benefits associated with our deferred tax assets, future impairments of our long-lived assets, amortizable intangible assets and goodwill, the effects of our limited-duration shareholder rights plan, and the outcome of Spok's strategic alternatives review, as well as other risks described from time to time in our periodic reports and other filings with the Securities and Exchange Commission. Although Spok believes the expectations reflected in the forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Spok disclaims any intent or obligation to update any forward-looking statements.

Agenda

- Corporate / Strategic Overview
- Third Quarter and YTD 2022 Financial Highlights
- 2022 Outlook
- Wrap Up

Corporate and Strategic Overview

Vince Kelly

CEO

Smarter, faster clinical communication



More important today than ever before

Our history

2004

USA Mobility formed from merger of Arch Wireless, Inc. and Metrocall Holdings, Inc.

2008

Amcom acquires Telident 911 and Commtech Wireless

2011

USA Mobility acquires Amcom Software

2014

USA Mobility and Amcom Software come together under single identity and new, exciting brand

2020

Spok launches its cloud-native platform, Spok Go

2007

Merger of Amcom and Xtend Comms

2009

Amcom acquires SDC Solutions

2012

Amcom acquires CTRM from IMCO Technologies

2017

2.0 Platform Development

2022

End of life cloud-native platform to focus on development of on-premise products

Strategic business plan update

01 Strategic business plan prioritizing maximization of free cash flow and returning capital to shareholders officially implemented on Feb. 17, 2022

02 Rightsizing the company to focus on cash flow and stabilizing revenue in our core Care Connect Suite and Wireless Service Lines

03 Significant business improvement in virtually all areas, including sales, product development, and overall execution

04 \$16.9 million of Proforma Free Cash Flow generated in YTD 2022 - \$18.8 million in cumulative capital returned to shareholders since the implementation of the strategic business plan in the first quarter of 2022

A global leader in healthcare communication

- Debt-free and driving free cash flow
- Resources to invest
- Strong wireless base
- Focus on software growth
- Strategic investments and dividends
- Highly-leverageable customer base



50+

Years in business



2004

Public company



#1

For secure communications
Black Book Market Research



~400

Employees



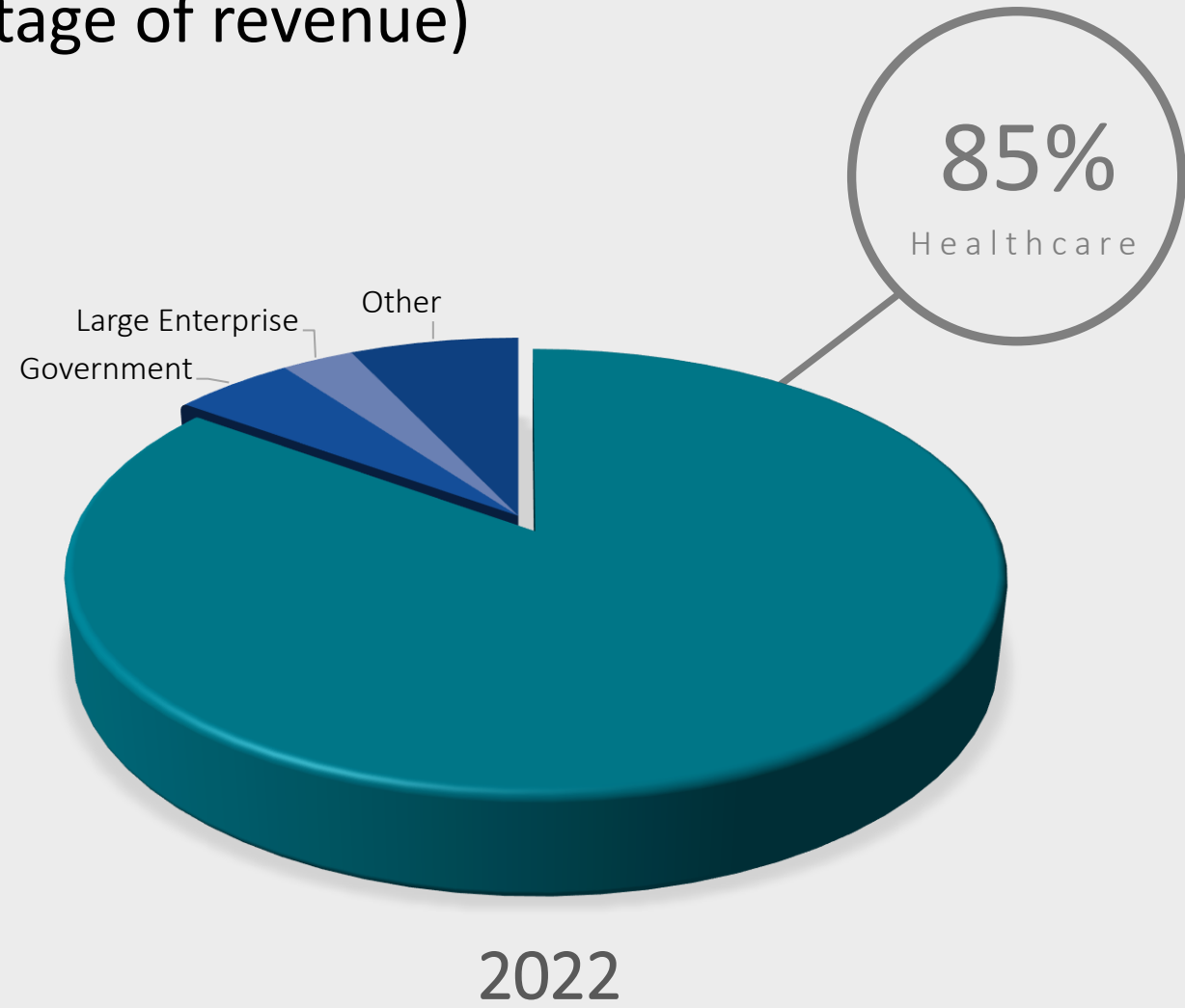
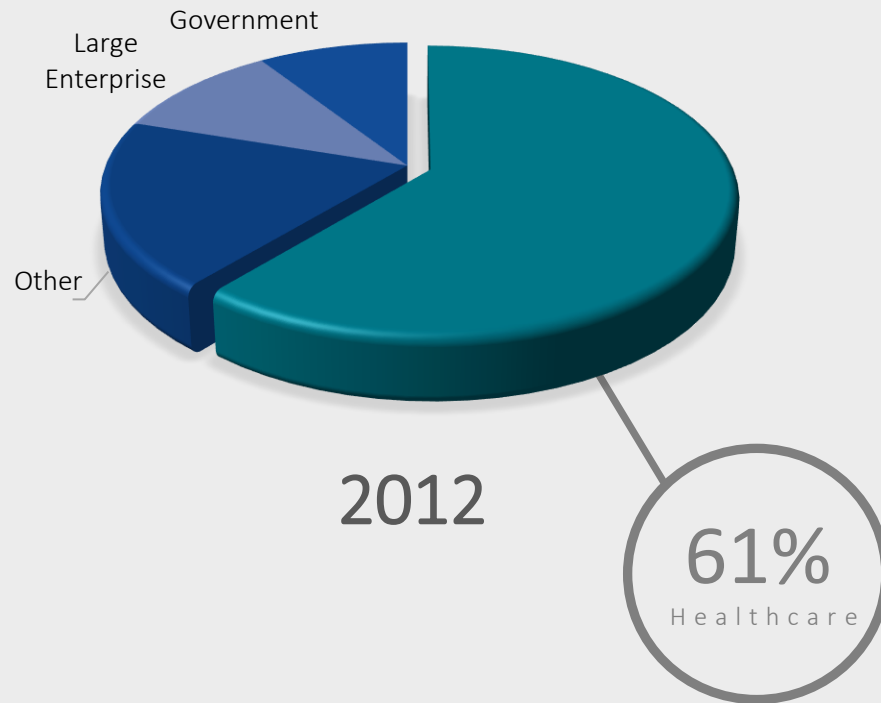
Nation's
Largest
paging network

The best hospitals rely on Spok

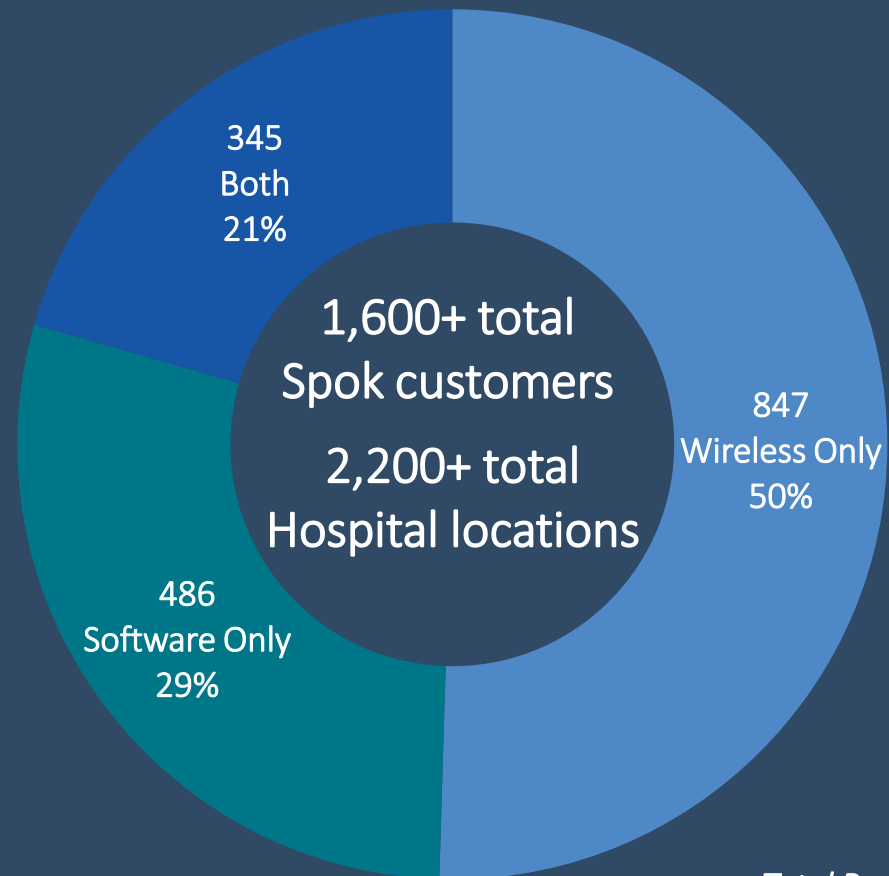
Including 18 of 20 adult hospitals and
all 10 children's hospitals named to
U.S. News & World Report's 2022-23
Best Hospitals Honor Roll

For 10 years, most of the honor roll hospitals have been Spok customers.

Market focus (as a percentage of revenue)

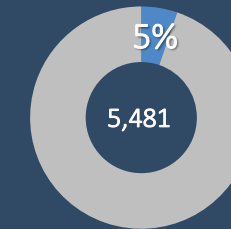


US health systems/ hospitals by lines of business*

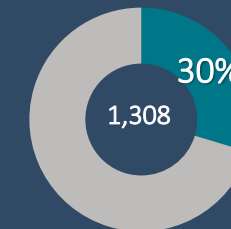


Total Population 7,103
24% Market Penetration

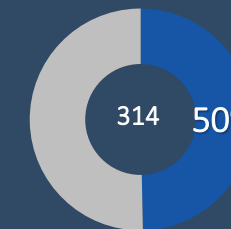
Software-only market share by bed size*



1-199 Beds
287 customers



200-599 Beds
388 customers

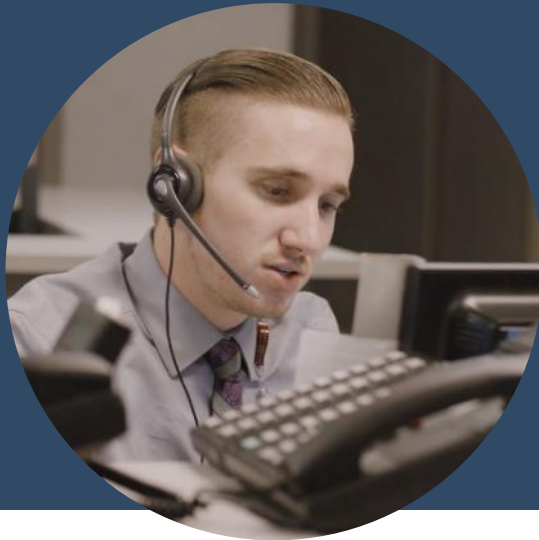


600+ Beds
156 customers

*2022 assessment. Subject to change.

Our value proposition

Improve patient outcomes by connecting clinical teams with the people and information they need when and where it matters most.



Enterprise call processing

Quickly help staff and patients, and directly support patient care by launching critical codes



Efficient clinical workflows

Clinical alerting and alarm management with flexible routing and escalation of alerts to the right person



Care team communication

Provides clinician-to-clinician messaging and delivers real-time information from clinical systems to everyone on the care team

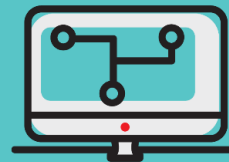
Spok Care Connect[®]

Spok Console Platforms



SmartSuite[®]

SmartSuite is best suited for organizations with very complex workflows, such as Academic Medical Centers



Spok[®] Console

Spok Console can accommodate healthcare facilities needing basic functionality, such as smaller community hospitals



MediCall[®]

MediCall is a match for healthcare customers requiring more advanced functionality



Messenger



e.Notify



Speech



CTI



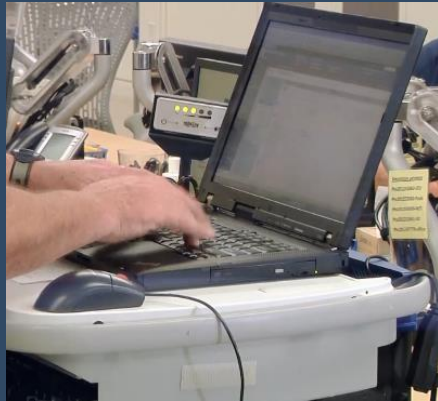
Spok Mobile

How Spok Care Connect sets us apart?



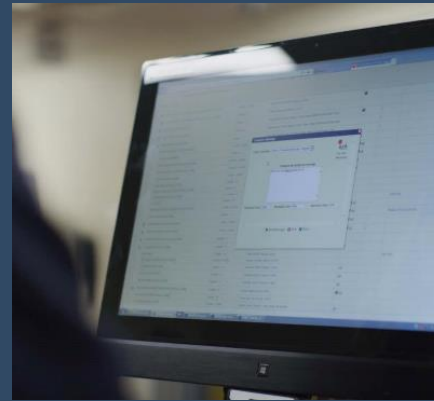
Enterprise platform for health systems, hospitals, & IDNs

Encompasses care collaboration among clinical and non-clinical staff and systems



Extensive interoperability that supports existing workflows

Interoperable with 300+ hospital systems, including EHRs



Powerful central directory

Can be accessed and updated in real time by all roles and departments



Device-agnostic platform supports the right device for the right role

Supports a diverse device mix, including pagers



Security

Comprehensive cybersecurity program

Nation's largest paging network

Spok owns and operates nationwide one-way and two-way paging networks.

- Multiple nationwide frequencies
- Process over a 100 million messages/month
- Includes paging as part of a full critical communication platform with leading-edge software



Why healthcare organizations value pagers



Complements secure text messaging in workflows



HIPAA compliance with encrypted paging



Tried and true – and cost effective



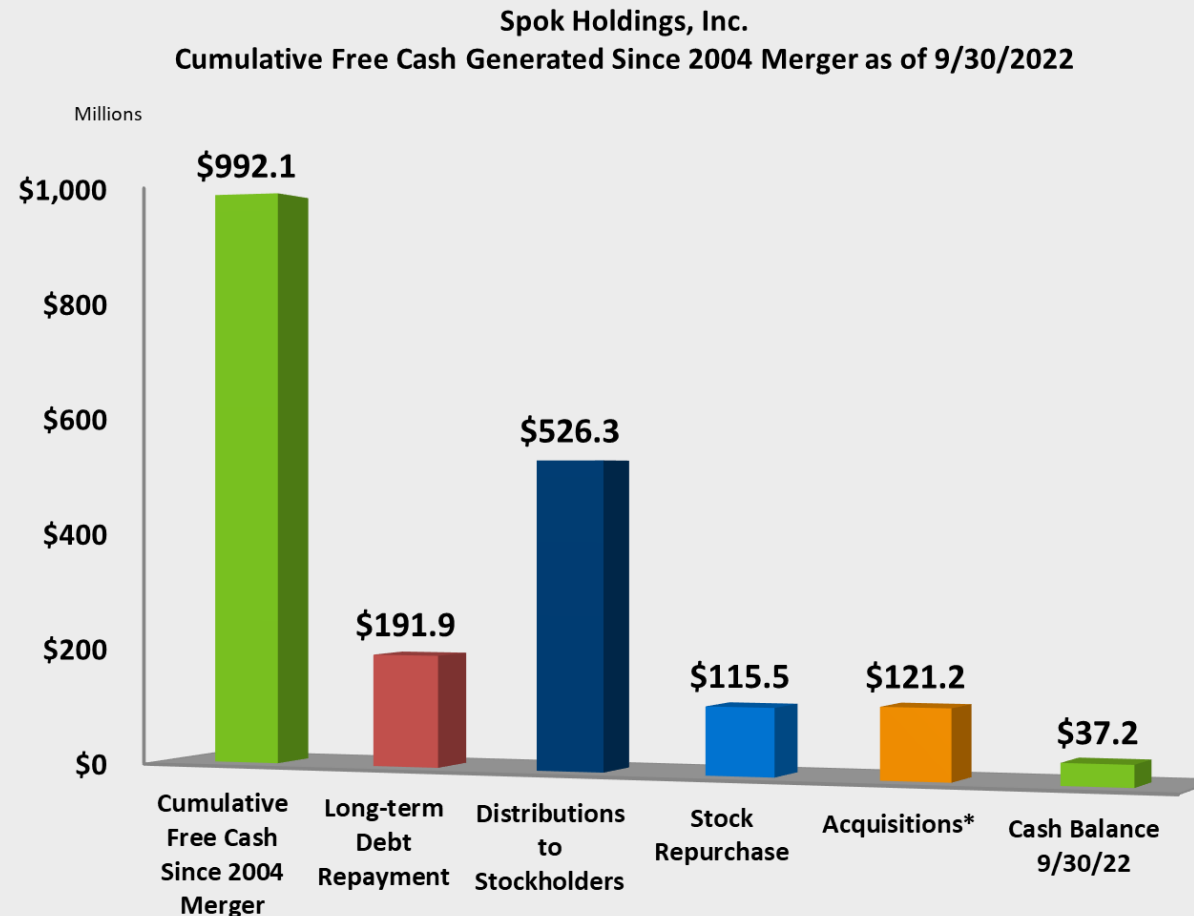
Works in disaster situations



Not everyone needs a smartphone to do their job

Wireless & Software combination drives return of cash

- Since the 2004 merger, Spok has generated almost \$1 billion in cumulative free cash flow.
- Wireless continues to drive investment in our software business since the acquisition of Amcom in 2011.



*Amcom Software = \$118.2 million actual cash invested exclusive of debt; IMCO CTRM application = \$3.0 million.

Why Spok?

- Improve patient satisfaction and HCAHPS scores
- Reduce alarm fatigue
- Protect PHI
- Better EHR integration
- Contact center consolidation
- Capacity management optimization
- Largest & most reliable paging network



Wrap Up



Trusted Partner

Significant market position with long-standing relationships with the nation's leading healthcare providers



Best in-class
Paging Network

Largest in the United States that continues to generate strong results



Valuable and
Critical Service

Delivering clinical information to care teams when and where it matters the most to improve patient outcomes



Spok Care
Connect

Suite of products with a viable maintenance revenue stream



Stable Revenue
Base

Stable 80%+ recurring revenue base from legacy wireless business and software maintenance contracts

Third Quarter 2022 Highlights

- Strategic business plan continued to progress in the third quarter as the Company generated \$2.9 million of GAAP net income, and \$4.7 million of adjusted EBITDA
- Year-to-date proforma adjusted EBITDA of \$16.9 million
- Third quarter software operations bookings increased 26% as momentum continued in the quarter
- Year-to-date software operations bookings increased 18% with 49 deals worth over six figures
- Wireless average revenue per unit up to \$7.40, or 1.5%, with units in service down only 3.4%



Third Quarter 2022 Financial Results

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Third Quarter and YTD 2022 Financial Results

(Dollars in millions)

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Total Revenue	\$33.7	\$35.9	\$101.3	\$107.6
<i>Wireless</i>	\$19.1	\$19.6	\$56.6	\$59.6
<i>Software</i>	\$14.7	\$16.2	\$44.7	\$48.0
Adjusted Operating Expenses ⁽¹⁾	\$27.9	\$39.4	\$95.0	\$114.7
Capital Expenditures	\$(0.6)	\$(0.9)	\$(1.8)	\$(3.1)
Adjusted EBITDA ⁽²⁾	\$4.7	\$(2.5)	\$(1.1)	\$(4.5)

- Year-to-date capital returned to stockholders totaled \$18.8 million in the form of the Company's regular quarterly dividend
- Cash, cash equivalents and short-term investments balance of \$37.2 million at September 30, 2022, and no debt

⁽¹⁾ Adjusted Operating Expenses defined as operating expenses adjusted for depreciation, amortization, accretion, capitalized software development costs, and severance and restructuring costs

⁽²⁾ Adjusted EBITDA represents net income/(loss) before interest income/expense, income tax benefit/expense, depreciation, amortization and accretion expense, stock-based compensation expense, impairment of intangible assets, effects of capitalized software development costs, and capital expenditures.

September 2022 YTD Pro Forma Adjusted EBITDA

(Dollars in millions)

Adjusted EBITDA	\$ 1.1
Severance and Restructuring	\$ 5.7
Terminated Employees	\$ 7.4
Non-Payroll Spok Go® and Other	\$ 2.7
Total Impact:	\$ 15.8
Pro Forma Adjusted EBITDA	\$ 16.9

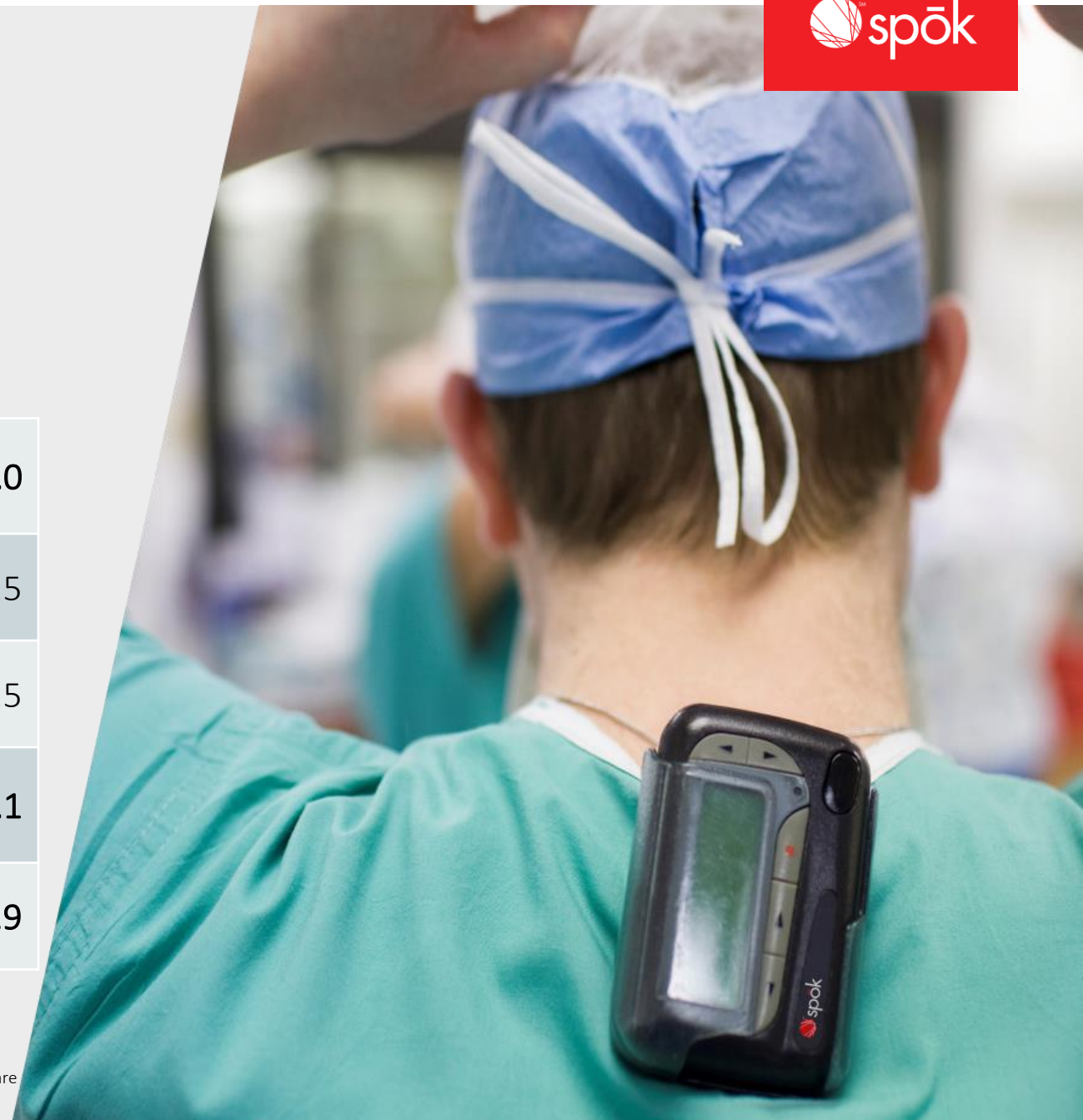


2022 Financial Outlook Updated

(Dollars in millions)

	<u>Updated</u>	<u>At Q2'22</u>
Total Revenue:	\$ 131.5 to \$ 136.0	\$ 130.0 to \$ 136.0
Wireless Revenue	\$ 74.5 to \$ 75.5	\$ 73.5 to \$ 75.5
Software Revenue	\$ 57.0 to \$ 60.5	\$ 56.5 to \$ 60.5
Adj. Operating Expenses ⁽¹⁾	\$ 123.0 to \$ 125.0	\$ 123.3 to \$ 126.1
Capital Expenditures	\$ 3.2 to \$ 3.9	\$ 3.2 to \$ 3.9

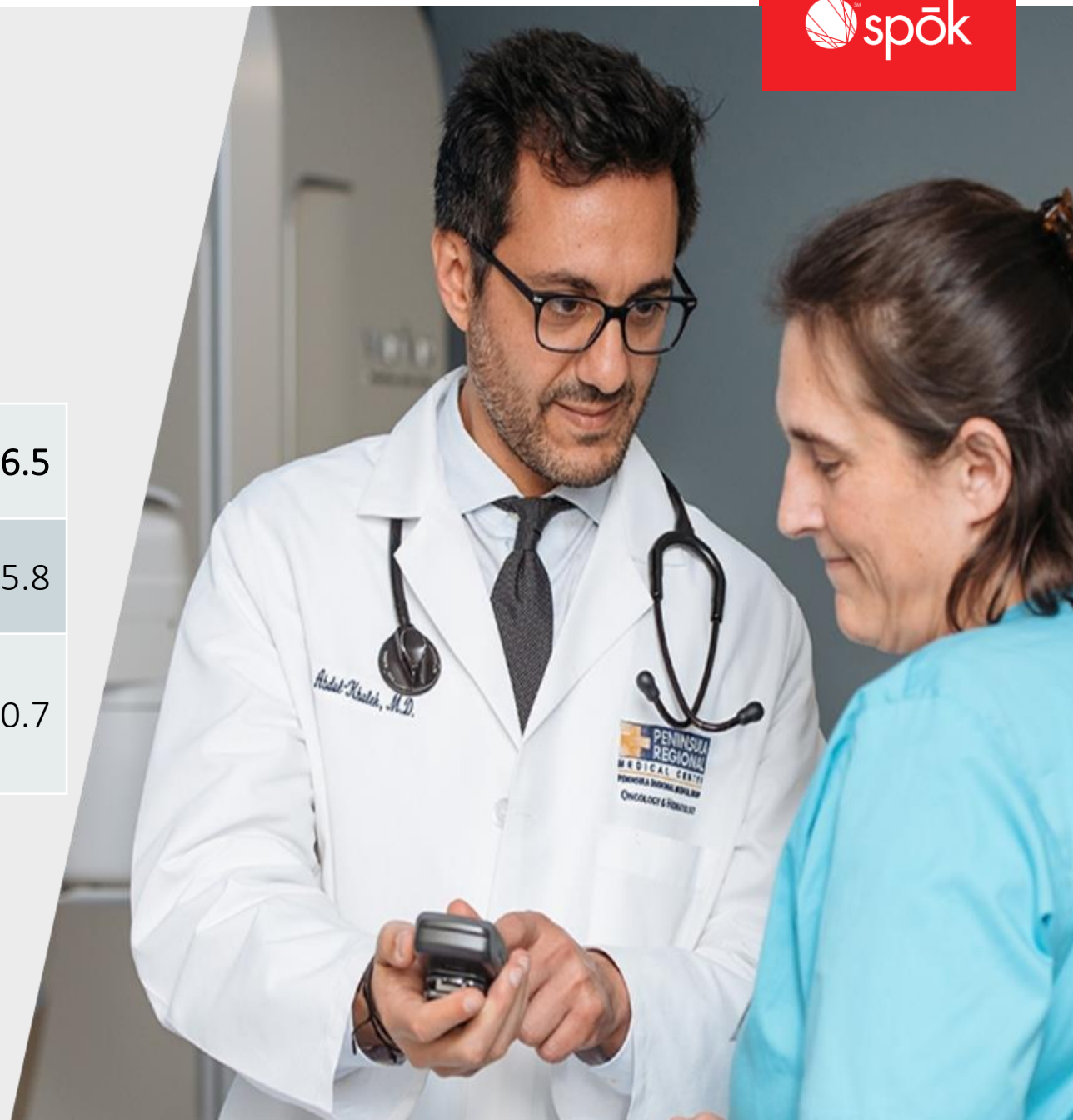
⁽¹⁾ Adjusted operating expenses defined as operating expenses adjusted for depreciation, amortization, accretion, capitalized software



Restructuring Costs Update

(Dollars in millions)


	<u>Updated</u>	<u>Q2'22</u>
Total Restructuring:	\$ 7.0 to \$ 8.0	\$ 6.0 to \$ 6.5
Severance and Restructuring Costs	\$ 5.7 to \$ 6.6	\$ 5.5 to \$ 5.8
Contractual Terminations and Exit Costs	\$ 1.3 to \$ 1.4	\$ 0.5 to \$ 0.7



Q&A

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