



Investor Day

May 4, 2023



Safe harbor statement

Statements contained in this presentation which are not historical fact, such as statements regarding Spok's future operating and financial performance, and future dividend payments 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, 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.

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Our Mission & Investment Highlights

Vince Kelly, CEO



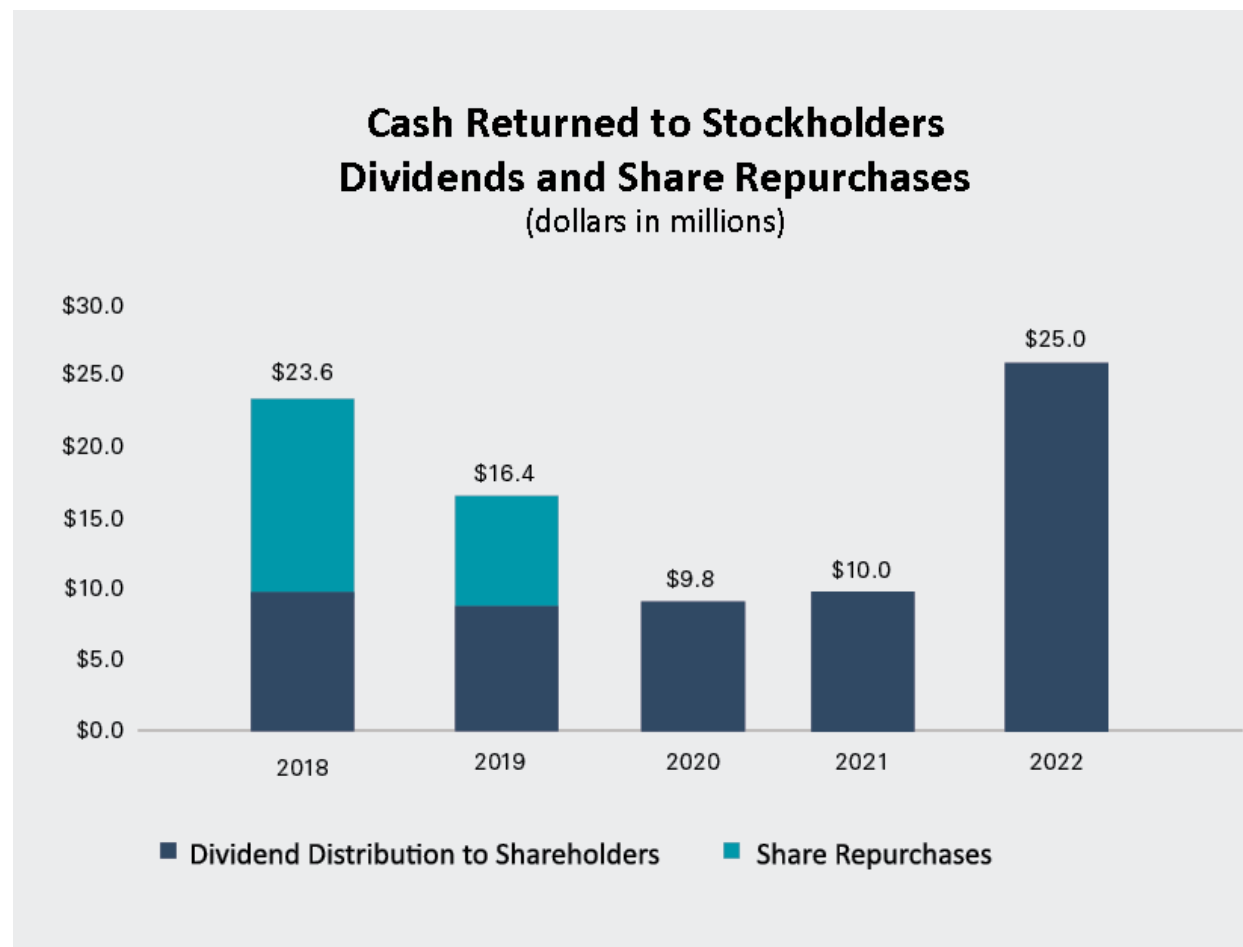
Our Mission: Generate cash and return capital

Returning capital to shareholders is our goal as well as our legacy

- Nearly \$655 million returned to stockholders since 2004
- 2022 capital return - \$25 million
- 2023 capital return forecast - \$25 million

Focus on maximizing cash over the long-term

- Incremental investments in wireless and software solutions
- Stabilizing and then growing revenue
- Efficient expense management
- Shareholder friendly capital allocation





Key Investment Highlights

1

Long-standing Customer Relationships with the “Best Hospitals”

All 10 U.S. News & World Report’s Top 10 Children’s Hospitals and 18 of Top 20 Adult Hospitals are Spok customers, with an average tenure of 22 years

2

Stable Re-occurring Software Maintenance and Wireless Segment Revenue

83+% of Spok’s revenue is re-occurring in nature due to maintenance revenue from contact center and wireless paging revenue

3

Software Operations Bookings Momentum, Large Identified Pipeline

2022 Software Operations Bookings up ~17% YOY with 66 new six-figure customer contracts

4

Clear Roadmap Developed to Execute Strategy

Multiple avenues of organic and inorganic growth across new and existing customers and product development

5

Significant Annual Free Cash Flow Generation and Strong Balance Sheet

~\$25 million of annual Adjusted EBITDA, \$29.5 million cash, no debt, ~\$52 million of Deferred Tax Assets





Continuing History of Service and Commitment

Key Facts



Leader in healthcare communications - A clinical communications & collaboration solution provider. Significant experience integrating to **critical hospital contact centers, EHRs and many other core healthcare information systems.** We continue to invest in and enhance our solutions.



Largest paging carrier in the U.S. with over 800K pagers.



Blue chip and sticky customer base with **2,200+ hospitals** in total.



Spok has built **intellectual property** via **decades of R&D investments.**



Operational excellence in execution, generating free cash flow while debt free and paying little in taxes.



Pioneer in healthcare communications, putting the customer first in all we do, honoring our core values and good business ethics.

Spok By The Numbers

\$134.5M
2022 Revenue

\$112.6M
2022 Re-occurring
Revenue⁽¹⁾

83%+
Percent of Revenue Is
Re-occurring⁽¹⁾

817K
Wireless Units in Service

\$0
Total Debt

2,200+
Hospitals use Spok
Communications

Spok's Integrated Solution Ecosystem



Our Plan

Growth in value and return of capital

Long-term objective

- Growing cash flow while stabilizing our top line with growth in software revenue

Short-term energy focus

1. **Software Bookings:** Achieve plan and show YoY growth
2. **Product Roadmap Progress:** Demonstrable benefit to the business and future sales
3. **Wireless Revenue Stabilization:** Positive UIS variance and positive ARPU
 - a) Price increases late last year – will consider again in Q3
 - b) GenA pager placements with related ARPU uplift



Healthcare responds to fiscal challenges

Changes in economic conditions



- Staff Shortages (Nursing, IT and others)
- High Labor Costs
- Higher Capital Cost / Reduced Capital Spending
- High Inflation
- Economic Recession
- Thinner Margins
- Tighter IT Budgets



Fiscal alignment of healthcare IT strategy

- Reduce, eliminate or postpone new IT initiatives
- Maintain existing information systems investments
- Maintain supported versions/prevent Cyber risks
- Maximize value of current assets/investments
- Implement unutilized capabilities/Improve ROI

Spok responds to fiscal challenges

New product release cadence



- Limit costly major upgrades to a 3- to 4-year cycle
- Deliver product enhancements releases twice/year with minor in-place upgrades



Provide 3- or 5-year managed maintenance & services agreement

- Perform benefit realization assessment to identify unrealized ROI
- Established pre-planned upgrade roadmap, ensuring benefit realization with minimum disruption
- Ensure OS, DB and 3rd party components are supported minimizing Cyber risk and system availability
- Maximize Value and Smooth Out Expenses with level billing across contract period
- Inflation protection with no pricing increases during contract period

Updated 2023 Financial Outlook⁽¹⁾

| | <u>Prior Guidance</u> | | <u>Current Guidance</u> | |
|--------------------------------|-----------------------|-----------|-------------------------|-----------|
| (Dollars in millions) | <u>From</u> | <u>To</u> | <u>From</u> | <u>To</u> |
| Total Revenue: | \$ 129.0 | \$ 136.5 | \$ 131.0 | \$ 137.5 |
| Wireless Revenue | \$ 71.5 | \$ 74.5 | \$ 73.0 | \$ 75.5 |
| Software Revenue | \$ 57.5 | \$ 62.0 | \$ 58.0 | \$ 62.0 |
| Adjusted EBITDA ⁽²⁾ | \$ 24.0 | \$ 26.0 | \$ 24.5 | \$ 26.5 |



⁽¹⁾ Company Guidance as of May 3, 2023 and included in the related first quarter 2023 earnings press release.

⁽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, capital expenditures, and severance and restructuring costs.



Spok Earns Top Client Satisfaction Scores for Sixth Consecutive Year

| Overall | Vendor | Total No. 1 criteria ranks |
|---------|------------------|----------------------------|
| 1 | Spok | 11 |
| 2 | Tiger Connect | 2 |
| 3 | Epic Secure Chat | 3 |
| 4 | Vocera | 2 |
| 5 | AT&T | 1 |
| 6 | Qlik | 1 |



Longstanding Customer Relationships...

TOP 10 CHILDREN'S HOSPITALS (2022-2023)

| | Customer | Wireless | Software | Tenure (Yrs) |
|----|---|----------|----------|--------------|
| 1 | Boston Children's Hospital | ✓ | ✓ | 36 |
| 2 | Texas Children's Hospital | ✓ | ✓ | 20 |
| 3 | Cincinnati Children's | ✓ | | 13 |
| 4 | Children's Hospital of Philadelphia | ✓ | ✓ | 23 |
| 5 | Children's National | ✓ | ✓ | 24 |
| 6 | UPMC Children's Hospital of Pittsburgh | ✓ | ✓ | 32 |
| 7 | Children's Hospital Colorado Foundation | ✓ | | 37 |
| 8 | Children's Hospital Los Angeles | ✓ | ✓ | 26 |
| 9 | Nationwide Children's | ✓ | ✓ | 34 |
| 10 | Lucile Packard Children's Hospital Stanford | ✓ | ✓ | 19 |

TOP 20 ADULT HOSPITALS (2022-2023)

| | Customer | Wireless | Software | Tenure (Yrs) |
|--------|--|----------|----------|--------------|
| 1 | MAYO CLINIC Rochester | | ✓ | 13 |
| 2 | CEDARS-SINAI | | | |
| 3 | NYU Langone Health | ✓ | ✓ | 21 |
| 4 | Cleveland Clinic | ✓ | ✓ | 29 |
| 5 | JOHNS HOPKINS MEDICINE | ✓ | ✓ | 26 |
| 6 | Harbor-UCLA MEDICAL CENTER | ✓ | ✓ | 15 |
| 7 | NewYork-Presbyterian | ✓ | ✓ | 36 |
| 8 | MASSACHUSETTS GENERAL HOSPITAL | ✓ | | 29 |
| 9 | Northwestern Memorial Hospital | ✓ | ✓ | 26 |
| 10 | Stanford HEALTH CARE STANFORD MEDICINE | ✓ | ✓ | 19 |
| 11 | BARNES JEWISH Hospital | | ✓ | 4 |
| 12 | UCSF Medical Center | ✓ | ✓ | 17 |
| 13 | Penn Medicine Penn Presbyterian Medical Center | ✓ | ✓ | 43 |
| 14 | BRIGHAM HEALTH BRIGHAM AND WOMEN'S HOSPITAL | ✓ | | 20 |
| 15 | HOUSTON Methodist | ✓ | | 28 |
| 16 | Mount Sinai | ✓ | ✓ | 31 |
| 17 Tie | MICHIGAN MEDICINE UNIVERSITY OF MICHIGAN | | ✓ | 15 |
| 17 Tie | MAYO CLINIC Phoenix | | | |
| 19 | VANDERBILT UNIVERSITY MEDICAL CENTER | | ✓ | 12 |
| 20 | RUSH UNIVERSITY MEDICAL CENTER | ✓ | ✓ | 19 |

Spok has an average relationship tenure of 22 years with the U.S. News & World Report's "Best Hospitals"

Spok Leadership Team



Vince Kelly
Chief Executive
Officer



Mike Wallace
President and Chief
Operating Officer



Sharon Woods
Keisling
Corporate Secretary
and Treasurer



Tim Tindle
Chief Information
Officer



Jonathan Wax
EVP of
Global Sales



Renee Hall
Chief Compliance
Officer
VP of Human
Resources



Calvin Rice
Chief Financial
Officer



Mick Ling
Vice President of
Maintenance
Revenue



Business Strategy

Mike Wallace, COO



Overall Strategy

Critical Communications Purpose Built Over Time

1

Grow software revenue and bookings through effective delivery of existing solutions

- Acquiring new customers by further penetrating the hospitals domestically with significant opportunity outside the U.S.
- Continuing to expand relationships within the existing customer base with additional R&D spend in Spok Care Connect to tackle technical debt and development of enhanced features

2

Minimize churn and revenue erosion in wireless products

- Valuable wireless presence in the healthcare market, particularly in larger hospitals
 - Comprehensive suite of wireless messaging products and services focused on healthcare
- Network reliability and customer service minimizes the rate of revenue attrition
- Decreasing wireless cost structure and consolidated operations ensures the lowest cost operational platform for the business
- Development of the GenA pager to increase functionality, drive retention, and increase ARPU.

3

Maximize Free Cash Flow

- Maximize existing revenue sources in both our Software and Wireless businesses
- Eliminated all expenses related to Spok Go
- At current, reduce all costs associated with scaling of the business





Software Strategy

Spok Care Connect...

- With Spok Care Connect, the contact center is the base, with products like Messenger and Spok Mobile® sold as accessories to our contact center solution, which are all on-premise solutions
- The core services such as the directory, on-call scheduling, and message routing are embedded within all the contact center solutions
- Spok has been successful in selling upgrades and multi-year engagements to lock in our Blue Chip customer base for the long haul.

...Product Direction

- With the pivot from Spok Go, renewed work on enhancements of the Product suite to drive meaningful value for customers while taking advantage of the valuable franchise built with large hospitals
- Development of a hosted version of Spok Care Connect Suite to better serve the smaller sized hospitals
- Over time, development of more efficient architecture for our Spok Care Connect solutions to drive efficiency across the entire organization, including Product & Development, Professional Services and Customer Support.

Wireless Integration

- Wireless is compatible with Spok Care Connect, providing a comprehensive communication strategy for hospitals
- Use smartphone, Wi-Fi phone, or tablet to access the organization's directory and send secure messages to any staff member, including the right on-call clinicians
- Support a wide variety of smartphones, pagers, and other devices for maximum flexibility





Wireless Strategy

Maximize Margins Through Cost Savings

Network Rationalization Plan

The Company has ongoing efforts to manage network capacity and to improve overall network efficiency by consolidating subscribers onto fewer, higher capacity networks with increased transmission speeds

Overhead

Cost management effort focused on rightsizing and headcount reduction

Maximize Margins Through Rate Increases

Nominal Rate Increases

Balance risk of returns, inflation, margin erosion with periodic small rate increases

Release New Products

- To mitigate wireless subscriber erosion and provide uplift to ARPU, the Company is launching a new pager (GenA™ Pager)
 - New user interface is intuitive to users with smartphone UI
- Development started mid-2020 of a next generation one-way pager to replace the current T5 and a very modest investment

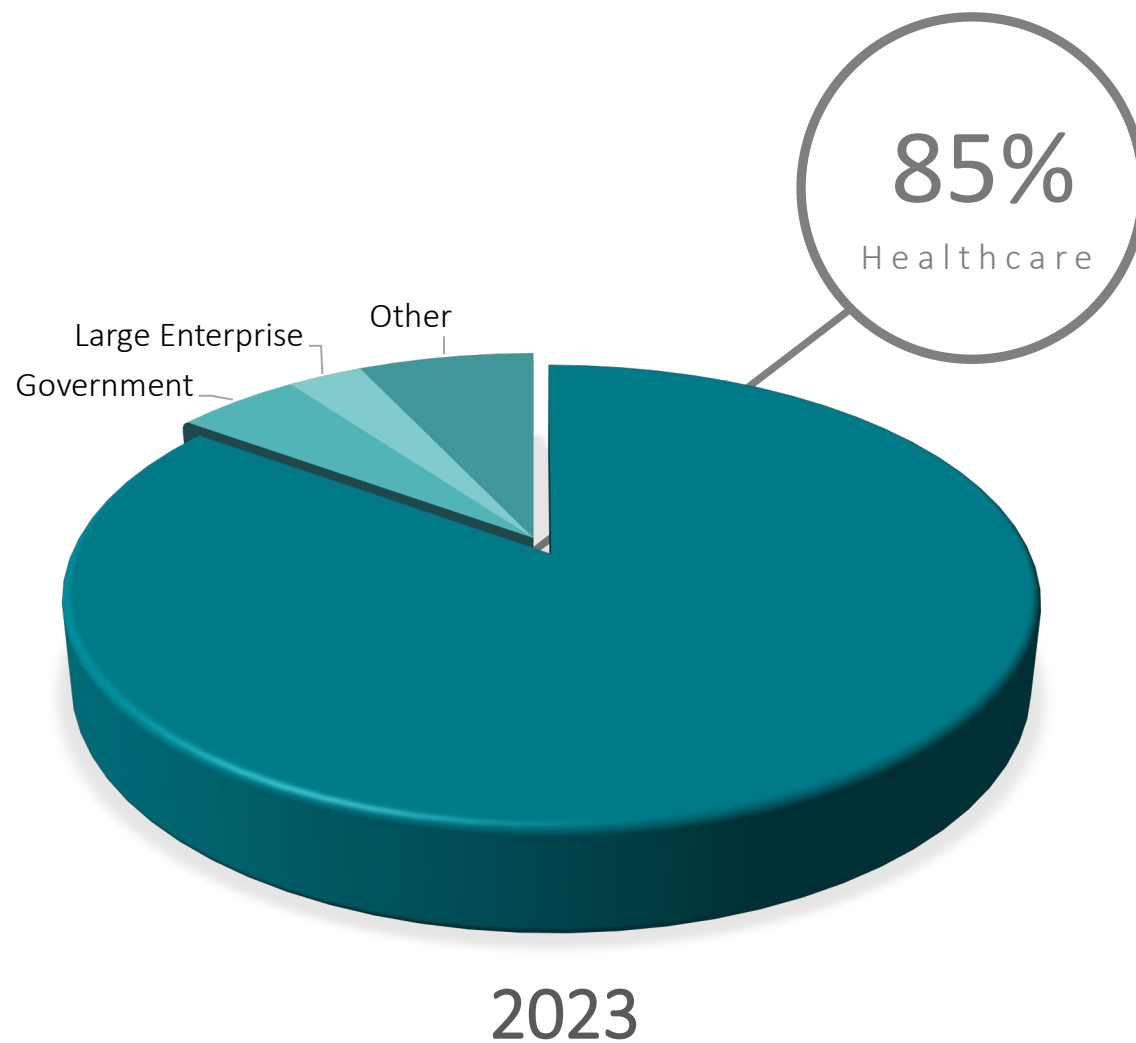
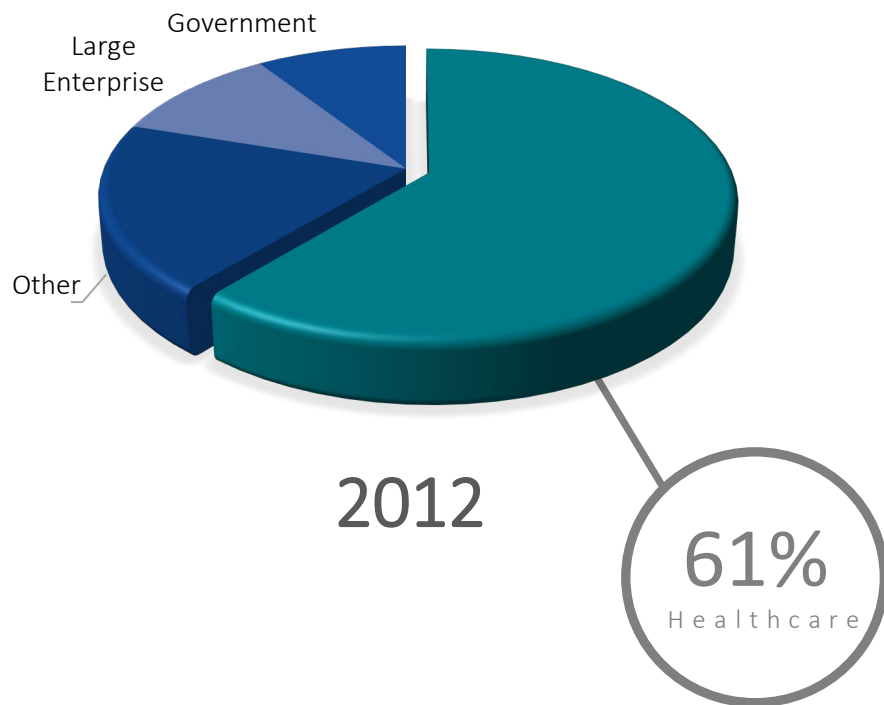


GenA Pager

Spok continues to maximize Wireless cash flow by pursuing a strategy of simultaneously minimizing churn and revenue erosion while maximizing margins through network cost reduction efforts




Focus on Healthcare



Percentage of revenue

Spok Care Connect Market Size

**Total Addressable
Market**

 **\$4.2 billion**

By 2030 (2023 \$1.9B)

**Growth
Rate**

11.6%
CAGR from 2023 to 2030

**Largest
Market**

30%

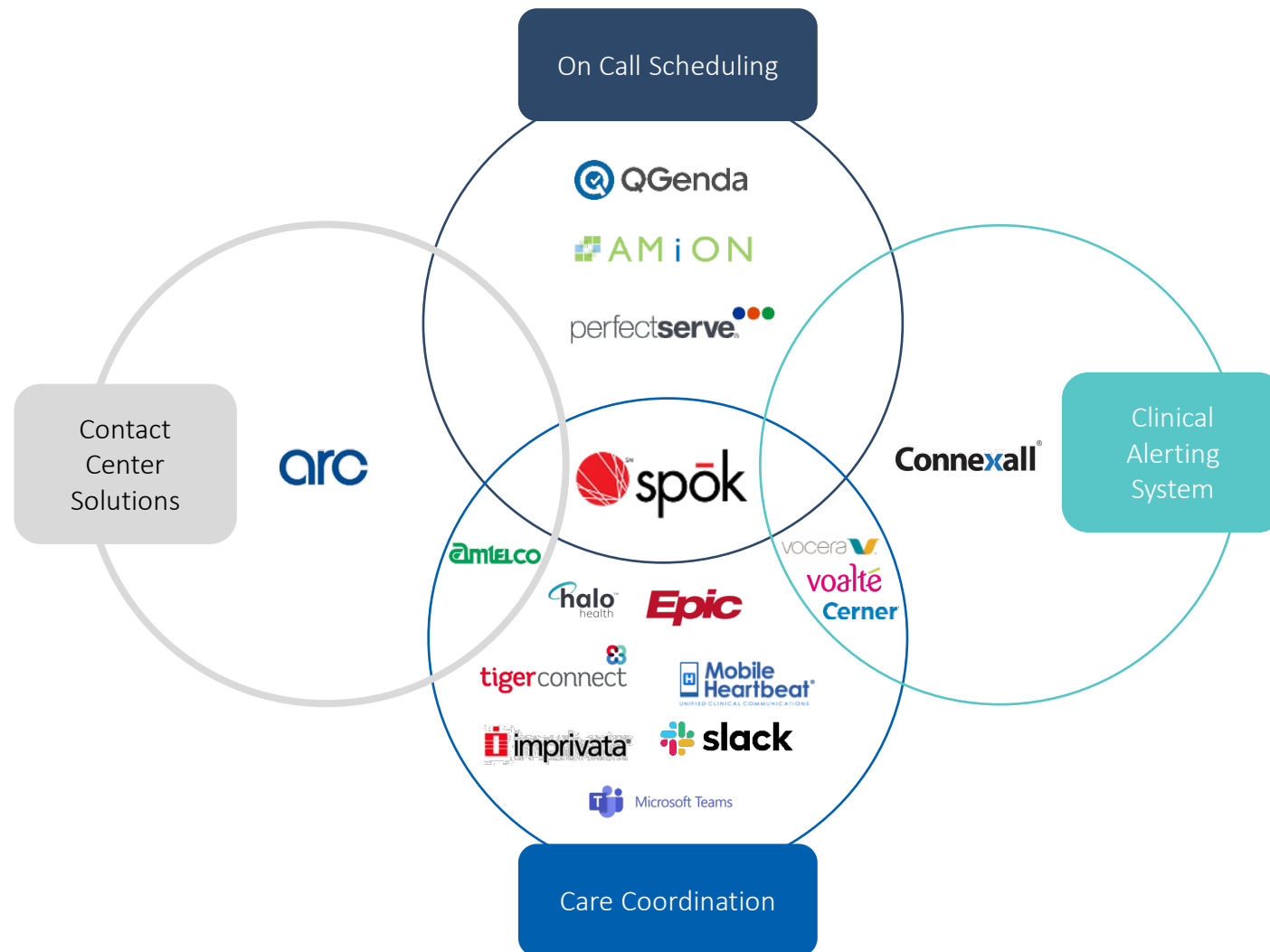
**North America
Market Size**

 **\$570 million**
In 2023

Spok Care Connect Competitive Positioning

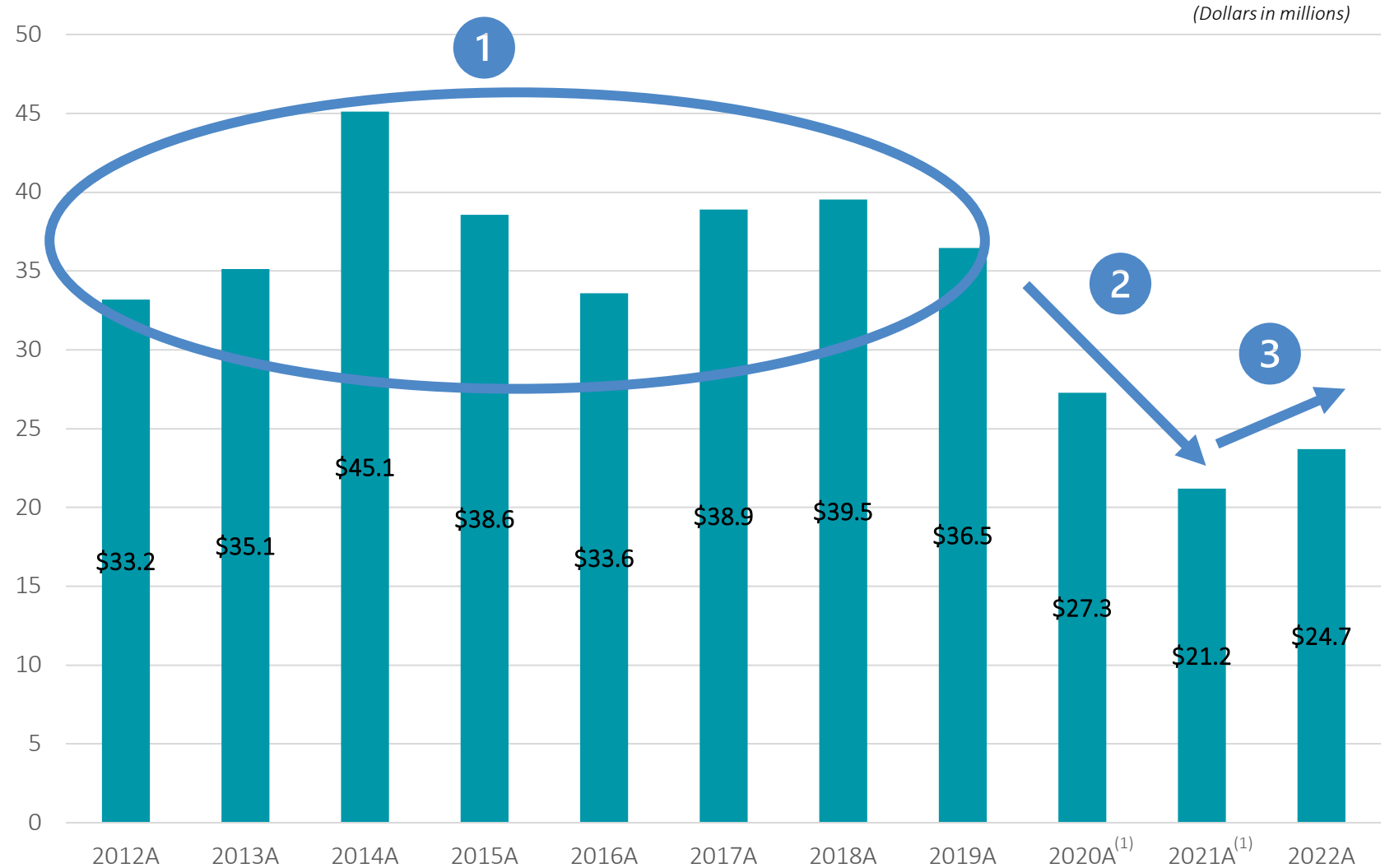
KEY VALUE PROPOSITIONS

- ✓ Strategic partner that solves enterprise challenges from one platform allowing the right message to get to the right person on the right device
- ✓ Source of truth, especially in complex IDNs, for the directory and on-call schedules
- ✓ Interoperability is at the core of Spok's mission to connect many systems to the required endpoints



Spok Care Connect Operations Bookings

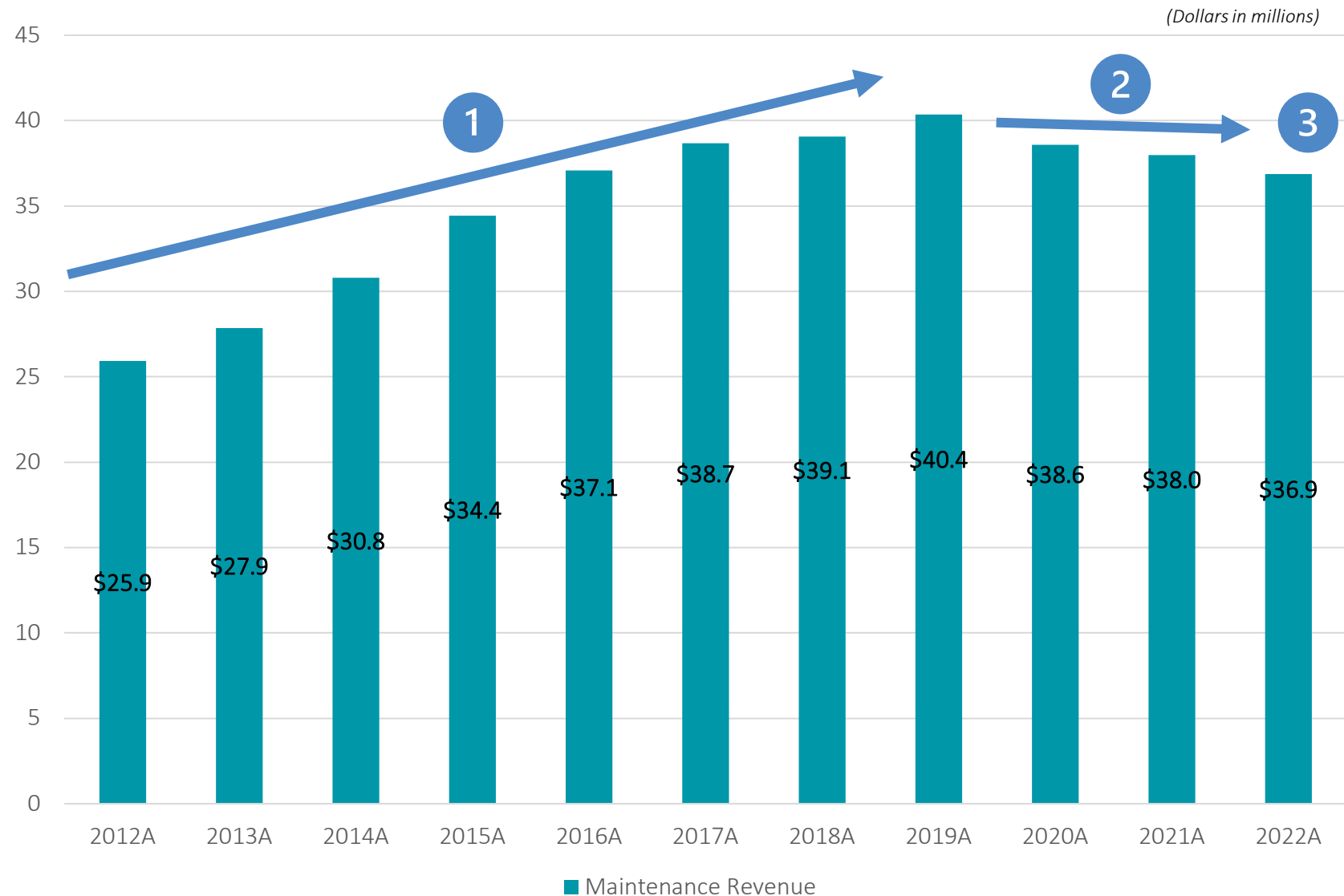
- 1 Historical Bookings performance highlights potential
- 2 Company places focus on Spok Go Selling and Marketing efforts
- 3 Strategic Pivot reorients focus on Core Product offerings and future growth



⁽¹⁾Excludes \$1.1 and \$2.5 million of Spok Go Bookings in 2020 and 2021, respectively

Spok Care Connect Highly Profitable Reoccurring Maintenance Revenue

- 1 Post acquisition of Amcom, expansion of reoccurring maintenance attributable to growth in license sales and focus on Spok Care Connect
- 2 Company places focus on Spok Go Selling and Marketing efforts
- 3 While revenue is flat in the near term, expectation is for growth based on performance of Operations Bookings (previous slide)





Product & Development

Tim Tindle, CIO



 **Wireless**



Nationwide Wireless Paging Network

- Largest carrier in the U.S.
- Over 100 million messages / month
- Carrier-grade network with 99.92% availability
- Secure nationwide network
- Dominates the healthcare paging market and is part of a full critical communication platform with leading-edge software



Paging Remains Relevant

Paging's value remains high for critical messaging

- Paging has facilitated hospital workflows and critical response
- Pagers receive messages when cellular and Wi-Fi cannot
- Paging's survivable architecture provides advantages, especially in crisis and disaster scenarios
- Reliability/cost still a factor – paging best low-cost solution
- Role-based communication needs – not everyone needs a smartphone to do his/her job; budget constraints





The new Gen A alphanumeric pager - Why it's different



Exclusive to Spok!

- Large, high-contrast ePaper Display
- Modern user interface
- Advanced encryption & security features
- Antimicrobial case and lens
- Over-the-air remote programming

GenA™ Importance and Strategy

| | |
|--|--|
| Continue to Improve UIS Trends | <ul style="list-style-type: none">• Increase features, functions and benefits to improve retention |
| Increase ARPU | <ul style="list-style-type: none">• Increased feature, function and benefits to drive higher Monthly Recurring Revenue• Increase encrypted pager adoption |
| Leverage Current Investments (Wireless / Software) | |



Gen-A penetration to-date is over 11,455 units in service. At current though, we are seeing approximately \$1.50 - \$2.50 higher ARPU with Gen-A pagers.



Spok Care Connect Suite

Spok Care Connect®

- The Spok Care Connect platform extends to many areas of the hospital
- Each puzzle piece represents a different solution offered





Console



The Spok Care Connect® platform has the Console at its core. Unparalleled customer service with a constantly curated Directory and more automated and efficient processes that increase operator productivity, reduce costs, and allows the call center to be the clinical communication hub of the hospital.

Our integrations enable us to offer unique features, such as the ability for code notifications to pop up on operator console screens, as operators often have additional tasks to perform during a code response.



On-call scheduling



The data behind on-call schedules allow us to route messages, alerts, alarms, etc. based on those schedules. It also allows users to send messages to an on-call role rather than simply a name.

For example, a user can look up the on-call cardiologist from their device and send them a consult request, even if they don't know the consulting physician's name.



Interactive speech



Spok Voice Connect™

Spok Voice Connect empowers contact center managers to offload routine calls like simple transfer or “dial-zero” requests, with a user-friendly speech recognition experience.

Built on the latest interactive speech technologies using IVR (interactive voice response) for improved performance, it can free operators’ time to support more complex, higher-value customer needs.



Secure texting



Spok Mobile®

Spok Mobile differs from many of the other secure messaging options on the market due to the breadth of potential integration offerings. Spok Mobile allows a sender to look up a recipient by name or on-call role.

Users can also receive messages, alerts, and alarms from sources ranging from critical results via RIS/LIS, nurse call, patient monitors, bed alarms, and non-clinical systems like door access and fire alarms.



Clinical alerting



Spok® Messenger

Spok can integrate with a wide variety of alerting and monitoring systems across the hospital, from systems such as patient monitors, nurse call, bed alarms, telemetry, or blood fridge. Spok can take alerts and direct them to the appropriate clinicians.

Spok can also integrate with non-clinical systems, such as fire alarms and door access systems.



Incident Management



Spok® e.Notify

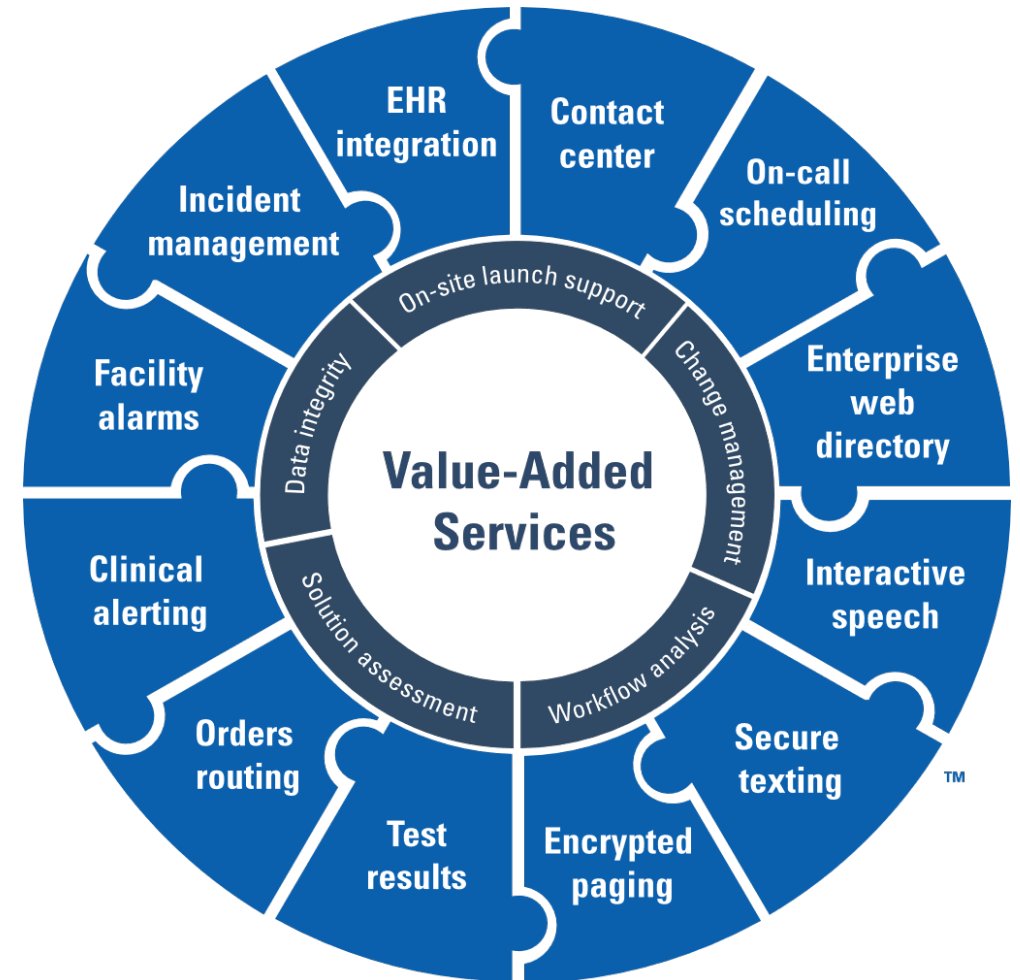
Critical events require critical notification and response. Spok e.Notify provides mass notification group alerting, two-way responses, escalation management, and audit trail capabilities.

Hospital personnel can reach large groups quickly with simultaneous notifications.

- Integrate with online on-call calendars
- Track individual/team responses and escalations
- Response reporting

Value-Added Services

- Spok solutions are designed to solve communication challenges across health systems
- To ensure communication solutions deliver tangible outcomes and solve new business challenges, we offer an array of services to ensure customers are making the most of their investment





Spok Care Connect[®] Roadmap

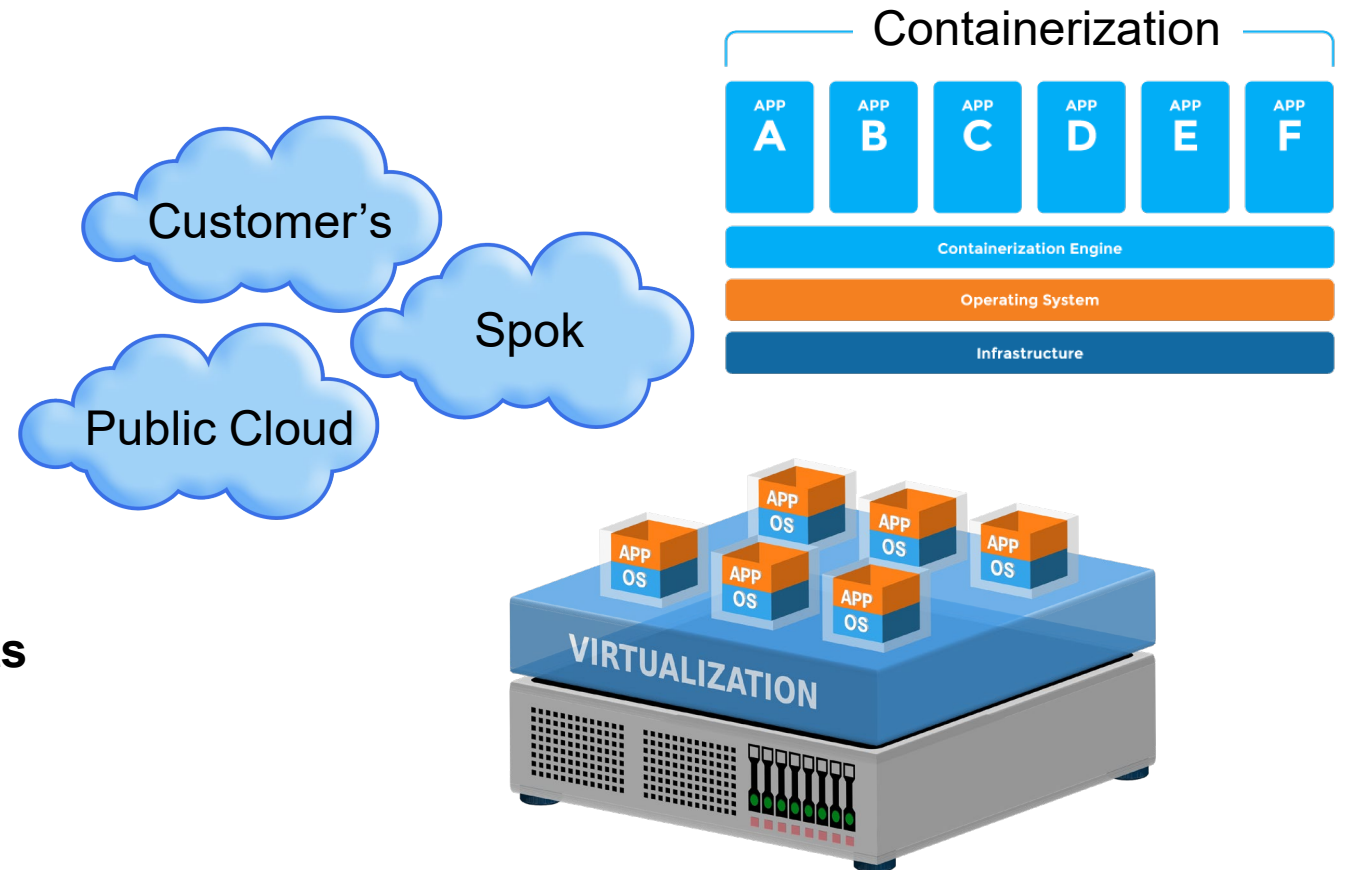
Creating value: Roadmap development



Spok Care Connect[®]: Strategic Area of Focus

Reduce Life Cycle Costs

- Eliminate hardware dependencies
- Server consolidation / Containerization
- Virtualization
- Cloud support (*Customer, Spok*)
- Reduce implementation & upgrade costs



Spok Care Connect[®] 2023 Release Themes



- Refreshed user interface
- Improved reporting
- Deeper clinical integration
- Expanded enterprise support
- CTI / PBX integration leadership
- Client configuration options
- Faster time to market

New roadmap release type & cadence

Software release cadence

- Major Infrastructure Upgrade (~3-4 years)
- Feature Releases (*Twice / year*)
- Software patches as needed

Maximizing Benefit Realization (ROI)

- 3-year managed service
- Upgrades Included
- Designed around customers needs





Go-To-Market Strategy

Jon Wax, EVP Sales

2023 Sales initiatives

Multi-year engagements

Value-Added Services

New business

Customer business reviews

GenA sales

New/AMSI wireless customers

Channel/Partner business growth

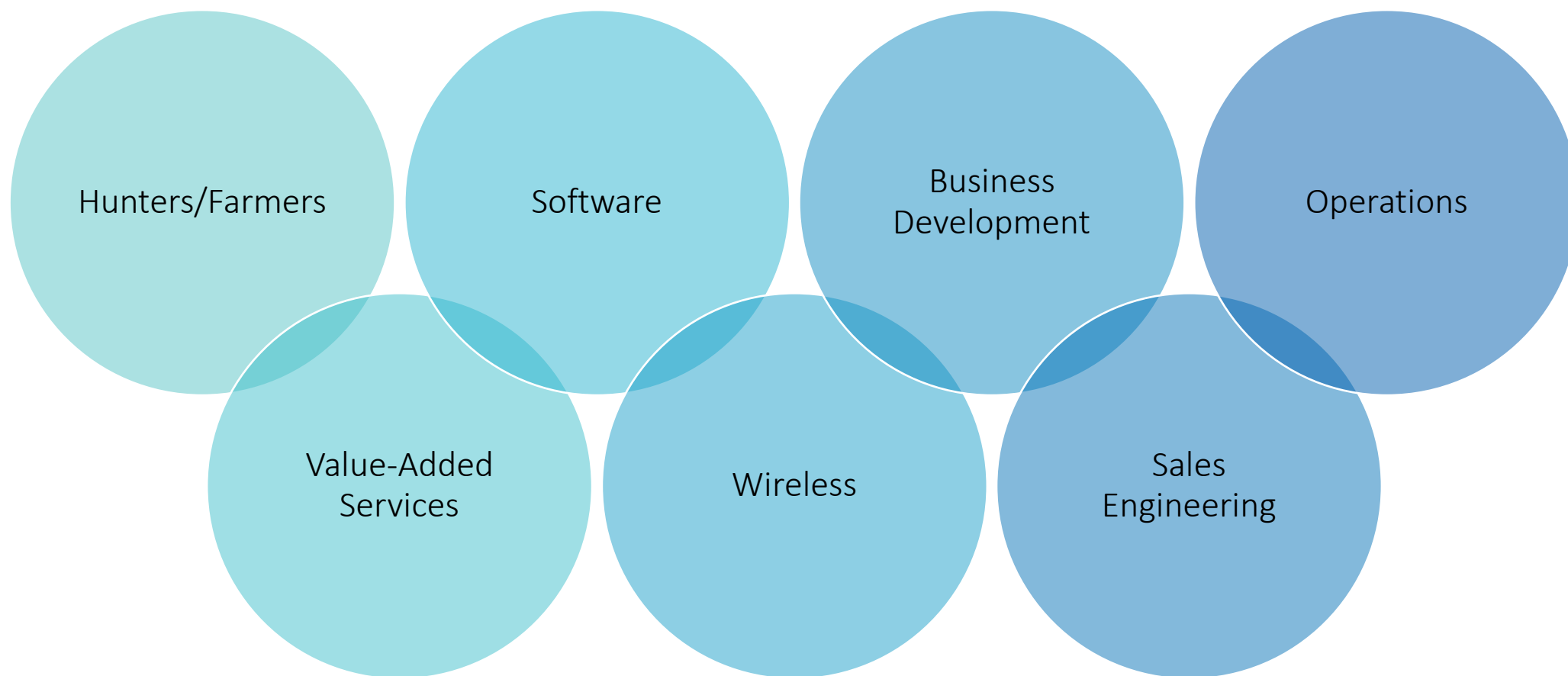
Cross sell collaboration

Premium maintenance

Licensing expansion



Sales Resources Across East-West Regions

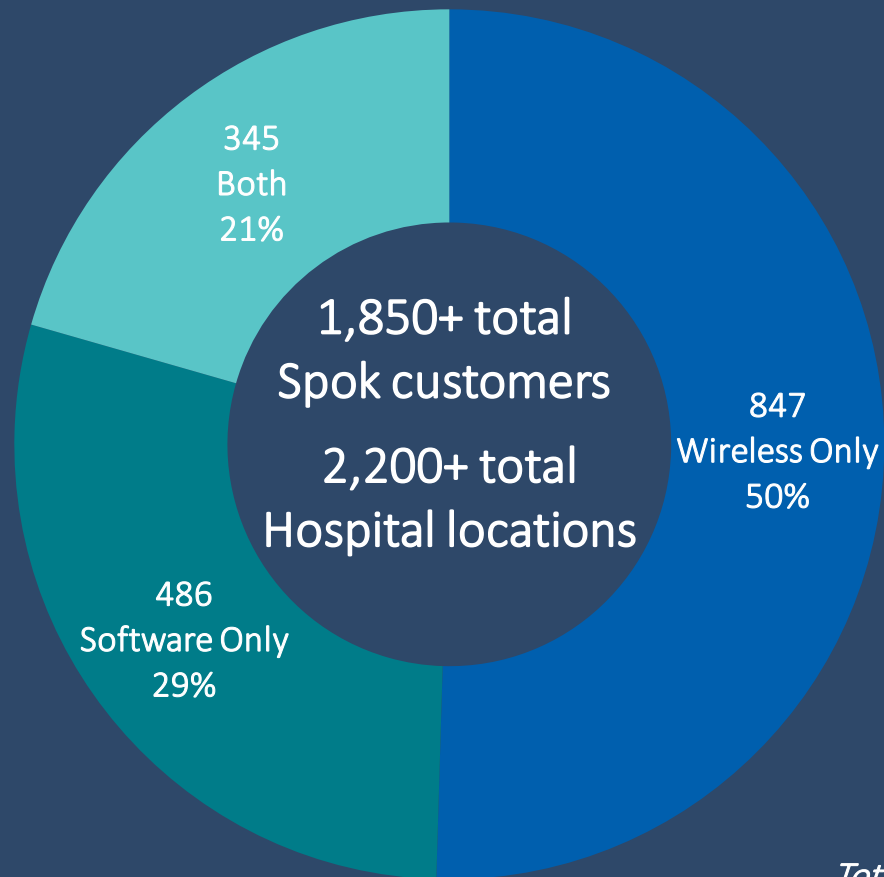




 Software

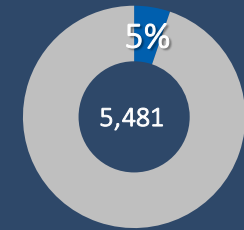
The word "Software" is centered on the slide in a large, white, sans-serif font. To its left is a small icon consisting of a 4x4 grid of dots, with the dots in the first two columns being teal and the dots in the last two columns being white.

US health systems/hospitals by lines of business*

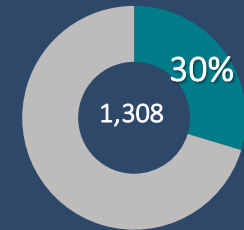


Total Population 7,079
26% Market Penetration

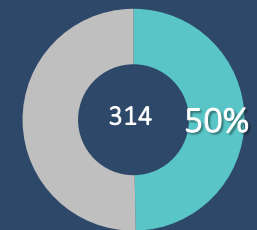
Software-only market share by bed size*



1-199 Beds
268 customers



200-599 Beds
382 customers



600+ Beds
158 customers



Mid-Large US Hospital (Multi-Year Engagements)



Predictable spend



Flattened maintenance for duration of contract



Reduced services **costs** for multiple upgrades included



Ability to **purchase additional licensing and space out the payments**



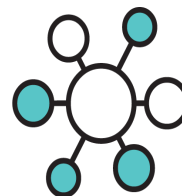
Quicker access to new functionality



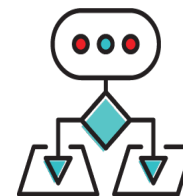
Value-Added Services that help maximize their solution **while reducing risk management**

Maximize business value for our customers through a software satisfaction program.

Includes software, upgrades, Value-Added Services, and support; in a predictable annual expense during the term.



Enterprise Software & Add-on Site Locations



H/A, Redundancy & Test Software



Additional Users & Departments



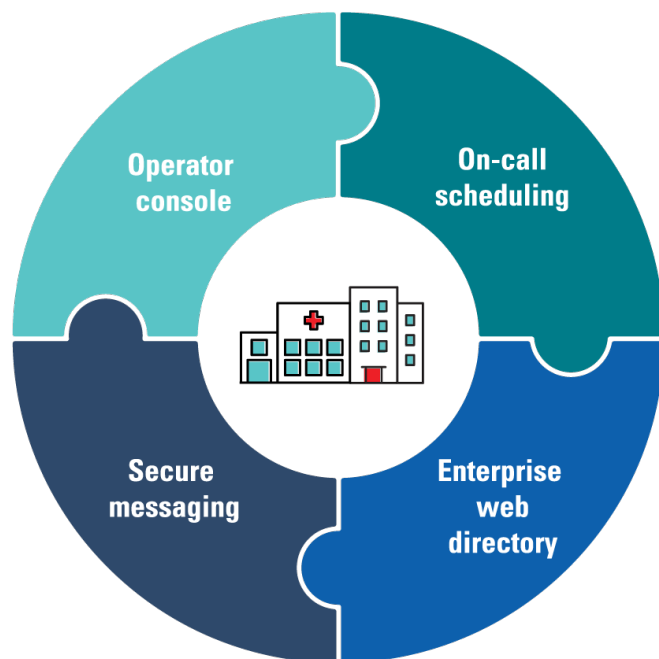
Upgrade Lifecycle Management



Console Integrations
(ex. Code Blue with Messenger)

Small US Hospital Strategy (New subscription offering)

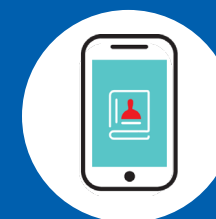
Spok Care Connect® Hosted Solution



Reduces your organization's information technology (IT) burden



Requires no upfront capital or start-up fees



Easy installation upon sign-up



No physical footprint
Minimize or eliminate downtime



Simple monthly subscription model



Second half 2023 initiative

- Low investment to launch
- Not currently included in the Company's Guidance

Channel/Partner growth 2023+

Training | Education | Mindshare | Account mapping | Strategic engagements

Prioritize the top partnerships

Build more strategic partnerships and engagements

Conduct business reviews and account mapping with each partner

Train and educate on the value Spok brings



Our plan is to double the channel partner sales to over \$10M+ in next 12-24 months by working with bigger, better-connected partners across the US and Canada

APAC Strategy



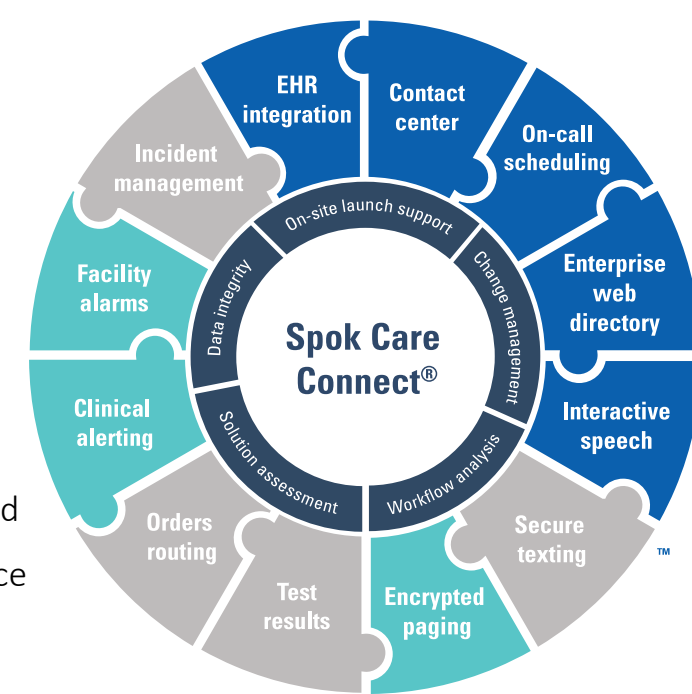
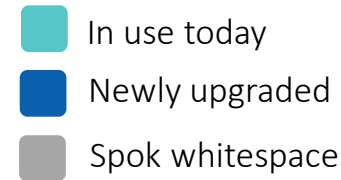
- Maintenance Renewals to drive Upgrades, Expansions
- Spok Console growth as a Priority
 - InTechnology leadership will help drive this
- Quarterly Product Roadmap sessions, Webinars for Clients and Prospects
- Marketing Coordination on various Campaigns
- Product Strategy for Gaming

Key Spok Solutions

Messenger, Spok Console, Web, On-call, Spok Mobile

Recent win: How this Medical Center leverages Spok

Customer since 1980; 43 years (oldest known BOSS Start Date)
18,000 pagers in service,
Over 2,000 GenAs in use
Premium Maintenance customer



114

of Smart Consoles (CTI and non)



272,264

Total monthly pages/messages sent from Console



44,125

Number messages through Speech per month



5,500+

Total # of devices Spok Messenger routes alarms to



600

CODE notifications sent monthly



14,550

Number of Web messages sent per month



18,000

Spok pagers (2000+ GenA)



Medical Center in the Northeast

- **3Y Multi-Year Engagement: Smart Suite Upgrade to 8.X**

(none of this includes their Messenger instances)

- Upgrade onto Smart Suite 8.X
 - For security requirements and to stay on latest Spok release/functionality
 - Upgrade VRU to Spok 's new speech solution
 - *Note: Customer had to take the 2022-quoted IPU and pull in ahead of multi-year due to their Avaya 10.X deadlines. That \$94k IPU Closed/Won in Nov 2022.*
- Customer requested Spok supply all applicable hardware
- VAS annual health check added to maximize the Spok solutions
- Overview of Spok-Customer landscape
 - Grand total of 114 Smart Suite workstations (CTI, non-CTI, Test; Refresh PC is N/A)

- **Deal breakdown financially**

- TCV/CBV = \$1,497,657
 - Software - \$27,500 (upgrade to Spok Voice Connect)
 - PSG - \$296,768
 - VAS - \$26,857
 - Hardware - \$213,805
 - 3Y Net-new Maintenance - \$20,625
 - 3Y Current Maintenance - \$912,102
- SBV = \$571,805

Future opportunities



- Spok Messenger expansion (Enterprise Rauland nurse call + Spok)
 - Messenger + Smart Suite integration
- Enterprise licensing for Smart Suite (getting into new hospitals and beyond the switchboard)
- Wireless: GenA pager growth

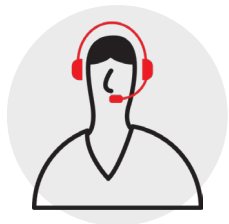
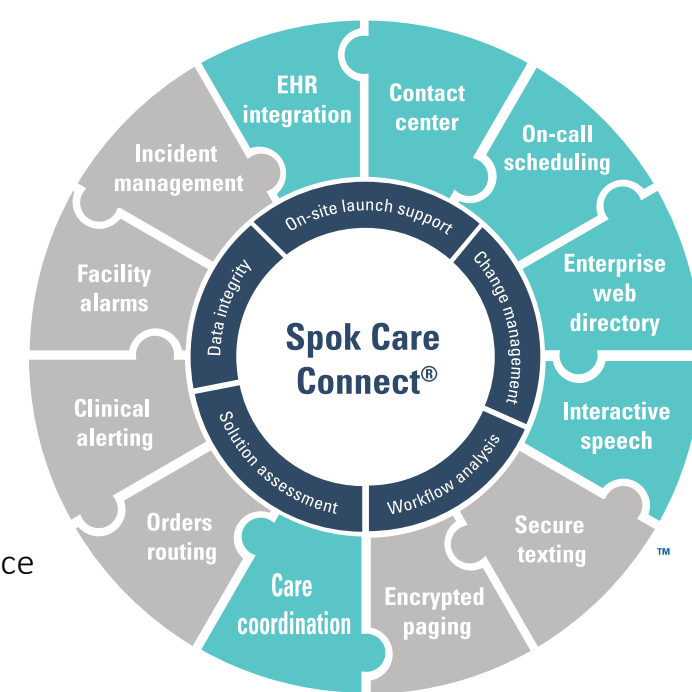
Recent win: How this Health organization leverages Spok

Customer since 2008

40+ operator workstations at 6 call centers manage switchboard traffic for the entire health system

Spok value added services included to further optimize each call center location

 In use today
 Spok whitespace



6 & 40+

6 Call center locations with 40+ operator workstations



100,000+

Monthly messages are sent through Spok application



400+

CODE and message groups managed in system



Single

Source of truth web directory



224

Monthly CODE procedures are routed through the system



320+

On-call schedules managed monthly



Health center in MidWest USA

- **3Y Multi-Year Engagement:**

- Platform upgrade to SmartSuite v8.x and unlimited in-place upgrades
 - Upgrading production, test and redundant Spok environments
- Six Avaya to Cisco CTI conversions for their remote contact center locations
 - Hammond, Munster, Crown Point, Lafayette Central, Olympia Fields, and Michigan City
 - Cisco tried to displace our solution and failed
- Data integrity services included to aid in Spok database clean up so future workflows can be added
- Three solution assessments are included to optimize their largest contact centers

- **Deal breakdown financially**

- TCV/CBV = \$935,190
 - 3yrs annual maintenance: \$416,914
 - Professional Services: \$187,271
 - Future upgrades: \$140,453
 - CTI Conversions (x6): \$85,932
 - 3rd party components: \$39,620
 - Data Integrity Service: \$35,000
 - Solution Assessments (x3): \$30,000
- SBV = \$523,028

Future opportunities

- Adding Spok Messenger for expanded alerting and alarm routing
- Remote alarm monitoring
- Coexistence with EPIC to manage additional workflows
- Nurse call and patient monitoring alerts
- AMSI takeaway for Spok paging expansion

Our value proposition

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



Care team communication

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



Efficient clinical workflows

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



Enterprise call processing

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

How Spok Care Connect sets us apart



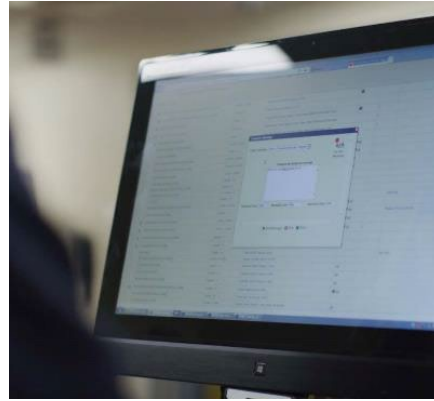
Enterprise platform
for health systems,
hospitals, & IDNs

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



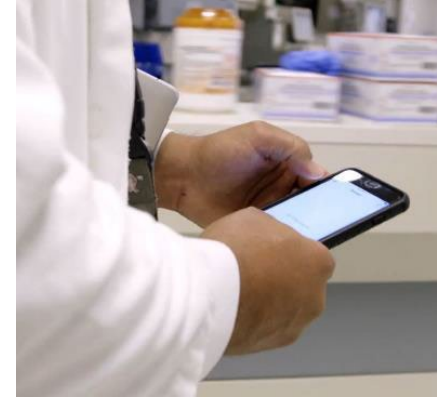
Extensive
interoperability that
supports existing
workflows

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

A decorative graphic consisting of a 4x4 grid of small dots. The dots in the first two columns are light blue, while the dots in the last two columns are white.

Financials

Calvin Rice, CFO



Strategic pivot

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

02 Completed rightsizing the company to focus on cash flow and stabilizing revenue in our core Spok Care Connect and Wireless Service lines

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

04 \$24.5 million of Proforma adjusted EBITDA generated in 2022 - \$25.0 million in cumulative capital returned to shareholders since the implementation of the strategic business plan in the first quarter of 2022

Full Year 2022 and 1Q 2023 Financial Results

(Dollars in millions)

| | <u>For the Three Months Ended March 31,</u> | | <u>For the Twelve Months Ended December 31,</u> | |
|--------------------------------|---|---------------|---|---------------|
| | 2023 | 2022 | 2022 | 2021 |
| Total Revenue | \$33.2 | \$33.8 | \$134.5 | \$142.2 |
| <i>Wireless</i> | <i>\$19.0</i> | <i>\$18.8</i> | <i>\$75.6</i> | <i>\$78.8</i> |
| <i>Software</i> | <i>\$14.2</i> | <i>\$15.0</i> | <i>\$58.9</i> | <i>\$63.4</i> |
| Adjusted EBITDA ⁽¹⁾ | \$6.9 | \$(2.1) | \$15.0 | \$(4.9) |

- Capital returned to stockholders totaled \$6.9 million for the three months ended March 31, 2023, and \$25.0 million for the full year 2022, in the form of the Company's regular quarterly dividend
- Cash and equivalents balance of \$29.5 million at March 31, 2023, and no debt

First Quarter 2023 Highlights

- Company executing on strategic business plan generating \$3.1 million of GAAP net income, and \$6.9 million of adjusted EBITDA
- Software operations bookings increased nearly 9% from prior year with 15 six figure customer contracts
- Wireless average revenue per unit continues upward trends, up to \$7.59, or 4.8%, with units in service down only 3.2%, on an annual basis
- Increased financial guidance for full year 2023



2022 Pro Forma & 2023 Adjusted EBITDA⁽²⁾

(Dollars in millions)

| | <u>2022</u> | <u>1Q23</u> | <u>2023⁽¹⁾</u> |
|--|-------------|-------------|---------------------------|
| Adjusted EBITDA ⁽²⁾ | \$ 15.0 | \$6.9 | \$25.5 |
| Terminated Employees | 7.5 | - | - |
| Non-Payroll Spok Go [®] and Other | 2.0 | - | - |
| Pro Forma Adjusted EBITDA ⁽²⁾ | \$ 24.5 | \$6.9 | \$25.5 |





Balance Sheet

- Exceptionally clean and simple balance sheet
- No debt
- Common stock only
- \$29.5 million of cash and equivalents
- Significant deferred tax assets to shield income from taxes for many years



A decorative graphic consisting of a 4x4 grid of small dots. The dots in the first two columns are light blue, while the dots in the last two columns are white.

Capital Allocation

Vince Kelly, CEO



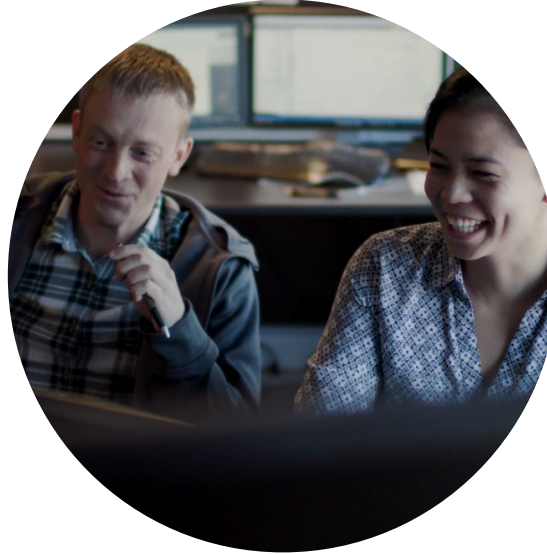
Capital Allocation

Total Cash & equivalents
of \$29.5 million and no
debt.



Return of Capital

- Higher \$1.25 annual dividend since February 2022
- Opportunistic capital deployment for shareholder value via share repurchase authorization – current basket of \$10.0 million



Internal Investment

- Product innovation and technology expansion with our Spok Care Connect Suite to grow software revenue
- Automation and efficiency initiatives



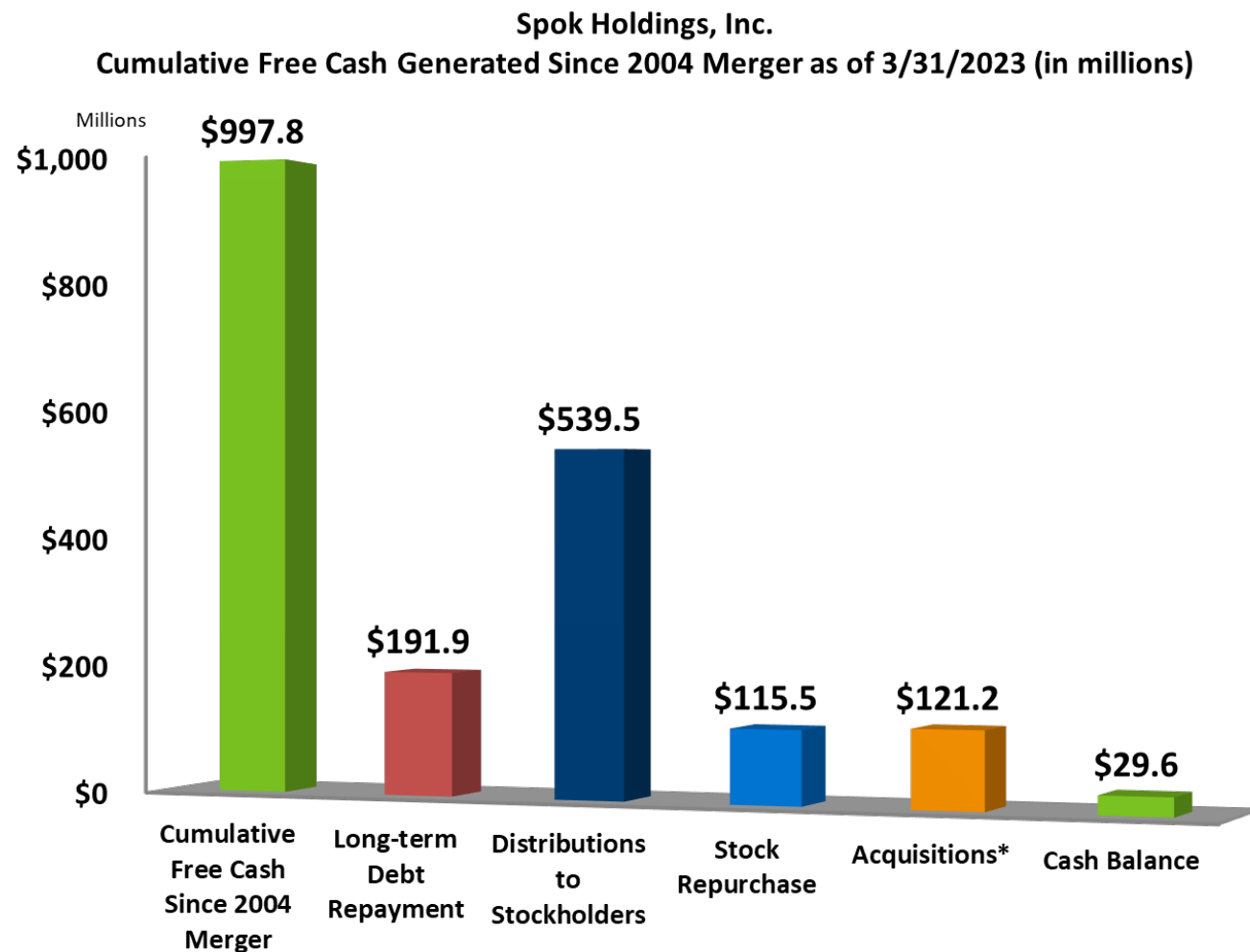
M&A

- Not a current focus/priority
- Will approach with an open mind, but current focus is on executing our plan



History of FCF generation and return of capital

- Since the 2004 merger, Spok has generated almost \$1 billion in cumulative free cash flow.
- Both our Wireless and Software businesses drive significant FCF and allow for the continued investment in our software business.



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



Wrap-Up

Vince Kelly, CEO

Spok Value



Enormous customer base and strong relationships with leading healthcare providers



Largest wireless paging network in the country with 800,000+ units in service



Stable re-occurring wireless and software maintenance revenue with opportunities to grow total revenue



No debt, \$29.5mm cash balance, significant deferred tax assets, funding 80%+ of dividend from free cash flow, substantial dividend yield with solid outlook



Q & A



Non-GAAP Reconciliations

Reconciliation of Adjusted EBITDA

(Dollars in millions)

| | <u>For the Three Months Ended March 31,</u> | | <u>For the Twelve Months Ended December 31,</u> | |
|---|---|---------|---|----------|
| | 2023 | 2022 | 2022 | 2021 |
| Net income (loss) | \$3.1 | (\$7.2) | \$21.9 | (\$22.2) |
| Add back: | | | | |
| Provision for (benefit from) income taxes | \$1.9 | (\$1.4) | (\$20.9) | (\$5.2) |
| (Other income) expense | \$0.0 | \$0.0 | (\$0.2) | (\$0.1) |
| Interest income | (\$0.2) | \$0.0 | (\$0.6) | (\$0.3) |
| Depreciation, amortization, and accretion | \$1.2 | \$0.9 | \$3.6 | \$10.4 |
| EBITDA | \$6.0 | (\$7.7) | \$3.8 | (\$17.3) |
| Adjustments: | | | | |
| Capitalized software development impairment | - | - | - | \$15.7 |
| Capitalized software development costs | - | - | - | (\$10.8) |
| Stock-based compensation | \$0.9 | \$1.1 | \$3.8 | \$7.2 |
| Severance and restructuring | \$0.0 | \$4.5 | \$7.3 | \$0.3 |
| Adjusted EBITDA | \$6.9 | (\$2.1) | \$15.0 | (\$4.9) |



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