

REINFORCING THE NEED FOR STOCKHOLDER-DRIVEN CHANGE ATOP KVH INDUSTRIES, INC.

REBUTTAL PRESENTATION PREPARED BY VIEX CAPITAL ADVISORS, LLC
JUNE 2021



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KVHI'S MISLEADING INVESTOR PRESENTATION REINFORCES THAT INDEPENDENT STOCKHOLDERS ARE NEEDED IN THE BOARDROOM

- VIEX is troubled by the Board's decision to spend more than 5% of KVHI's cash position on defense advisors who prepared an 82-slide presentation filled with distortions and highly-personalized, misleading attacks
- VIEX believes KVHI's presentation was designed to distract from the Company's sustained underperformance, poor corporate governance and history of anti-stockholder conduct
- Underscoring just how little credibility KVHI has, the Company appears to have reissued its presentation today to remove disingenuous content relating to the Board's ownership
- Rather than respond to each inaccuracy in KVHI's presentation, VIEX addresses what it considers to be the most important issues in the subsequent slides

If KVHI was willing to issue a presentation last week containing certain falsehoods and mischaracterizations that it later had to remove, how can stockholders trust anything the Board says?

VIEX'S RESPONSES

ISSUE #1

While KVHI claims its new nominees were “identified by a leading independent director search firm,” both candidates seem to have recent overlap with the Company’s advisors

Executive Summary (2 of 2)

KVH’s candidates bring relevant expertise and enhance board diversity

- KVH’s nominees - Cielo Hernandez and Cathy-Ann Martine-Dolecki - were identified by a leading independent director search firm, have no prior connections to the Board or the Company and will bring fresh perspectives to the KVH boardroom
- Ms. Hernandez and Ms. Martine specifically possess the deep global telecommunications, commercial maritime, financial and executive leadership experience that will be directly valuable to the Company

The right board and governance practices

- The election of KVH’s two new nominees, Cielo Hernandez and Cathy-Ann Martine-Dolecki, will have been a positive development since the beginning of 2020 - including one aspect of our engagement with ~9% shareholders regarding the election
- Following the election of Ms. Hernandez and Ms. Martine, half of the independent directors will be female, most will have significant telecommunications experience and the average tenure will be less than five years
- The Board has a track record of engaging constructively with shareholders and tried to do the same here - but after one conversation with the Company, VIEX delivered a notice of intent to nominate and then VIEX rejected numerous reasonable attempts to settle

VIEX’s nominees are not the right candidates for the Board

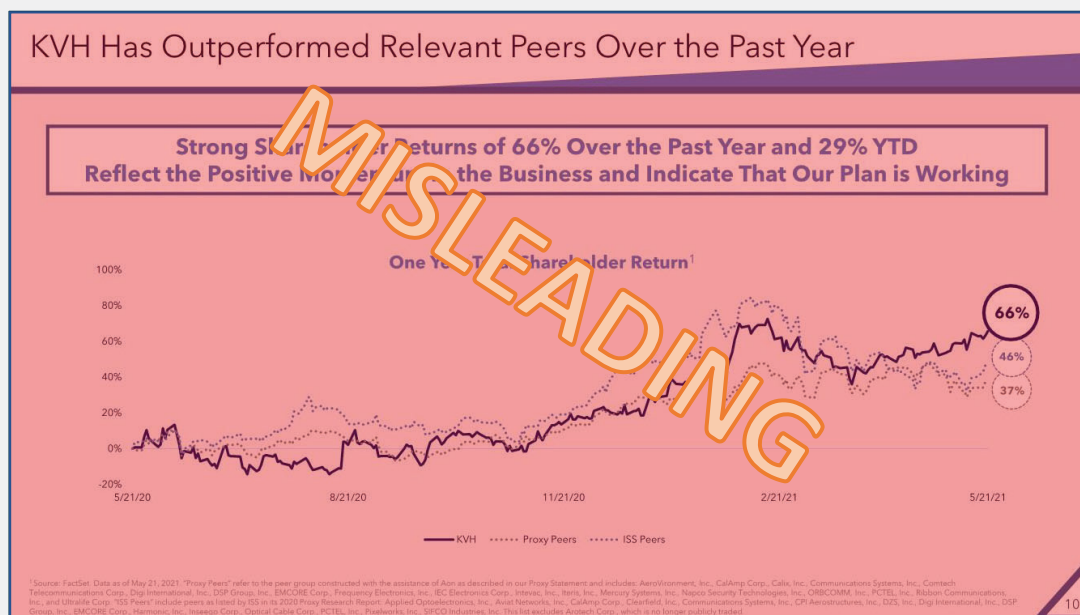
- VIEX and its group are recent investors that have demonstrated virtually no knowledge of our business and have no plan for improvement
- VIEX’s nominees have troubling records and no relevant industry experience
- KVH’s Board believes the fact that three members of the VIEX group, Eric Singer, Peter Shaper and Potomac Capital, have been found by courts of law to have breached or aided and abetted the breach of fiduciary duties as directors is highly concerning and further demonstrates that they are not the right choice

- ✗ KVHI’s proxy solicitor was also the proxy solicitor for South Jersey Industries, Inc. (NYSE: SJI) when nominee Cielo Hernandez served as Chief Financial Officer
- ✗ KVHI’s activism defense advisor was also the activism defense advisor to TESSCO Technologies, Inc. (NASDAQ: TESS) during the period when nominee Cathy-Ann Martine-Dolecki was placed on the Board for one month

How can stockholders believe in the Company’s Board refresh in light of these facts?

ISSUE #2

We contend KVH's claim that it has "outperformed" over the past year is extremely misleading



- ✗ We believe the Company fails to acknowledge that VIEX and other investors essentially bid up what is known to be a highly-illiquid stock during late 2020 and early 2021
- ✗ The Company fails to acknowledge that significant stock price appreciation occurred after the VIEX-led investor group filed its proxy
- ✗ The Company does not have a clear peer group, despite apparent attempts to compare itself to cherry-picked companies

ISSUE #3

We believe that KVHI's claim that it has "actively refreshed" over the past year-and-a-half is not credible



Here are the facts:

- X The Company only added Robert Tavares to the Board after Vintage Capital Management nominated director candidates in 2020
- X The Company replaced Mark Ain (a 24-year director) and Stan Honey (a 26-year director) after VIEX nominated director candidates in 2021
- X James Dodez, who joined the Board in 2017, was an insider and had advised/worked at KVHI for more than 20 years

We believe the Company would not have taken any of these actions without outside pressure from its stockholders, which is why we contend stockholder perspectives are sorely needed in KVHI's boardroom

ISSUE #4

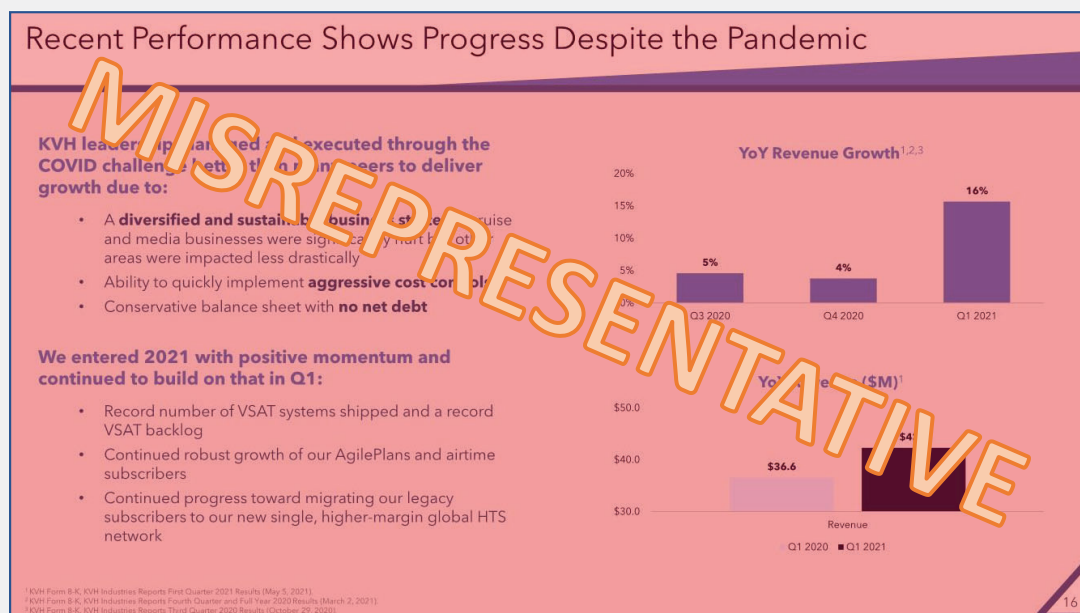
Rather than provide an honest assessment of its performance over one, three and five years, KVHI has drawn on a cherry-picked peer set to show outperformance



- ✗ This appears to be the first time that the Company is disclosing a breakdown of peers
- ✗ This appears to be a hand-picked peer set of a narrow group of companies, including many that have filed for bankruptcy
- ✗ The Company fails to disclose that it has underperformed various indices, including the Russell 2000 Utilities: Telecommunications Index, over every relevant time horizon
- ✗ The Company previously compared its own performance to the NASDAQ Composite Index and NASDAQ Telecommunications Index (each of which it has underperformed)

ISSUE #5

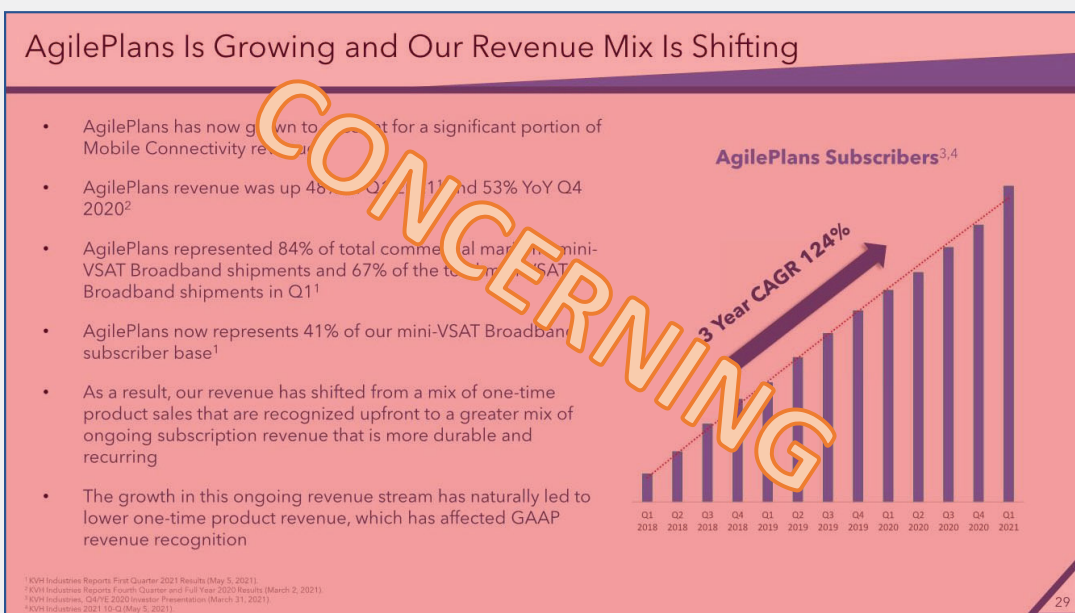
In our view, KVHI is using convenient data points and spin to depict “progress”



- ✗ The Company has lost money in four out of the past five years
- ✗ The Company lost nearly \$4 million during Q1
- ✗ The Company's Q1 revenue growth is likely the result of deferred demand from pandemic-ravaged months
- ✗ The Company had not publicly shared a strategy with investors until its defensive advisors showed up and this election contest began

ISSUE #6

KVHI is touting revenue growth from AgilePlans without providing stockholders any near-term guidance on achieving profitability



- ✗ While KVHI has grown revenues from AgilePlans over the past three years, it has consistently lost money from continuing operations
- ✗ KVHI has not provided stockholders with any substantive detail about how it attracts and retains customers signing on to AgilePlans – raising questions about the business line’s viability as a profit engine

ISSUE #7

KVHI failed to mention its prior business relationship with Raymond James when highlighting sell-side coverage (which came out right before advisory firm meetings)

Analyst Support For KVH's Direction

“ We reiterate **Outperform** rating on KVHI and raise target price to \$16, following 1Q21 results helped by the completion of a large TACNAV order announced in Q1 and with a possible end in sight for the maritime industry's COVID-19 headwinds.”¹

RAYMOND JAMES May 5, 2021

“ Our long-term thesis remains intact: the shift towards recurring connectivity-as-a-service revenue via AgilePlans and KVH Watch, should create more predictable free cash flows, **with AgilePlan revenues up 48% y/y and 41% of subs now on the plans (vs. 38% in 4Q20).**”¹

RAYMOND JAMES May 5, 2021

“ KVHI started 2021 on a strong note, reporting better than expected financial results and encouraging trends in the mini-VSAT business, including: (1) double-digit airtime growth, (2) record VSAT shipments for the second straight quarter, (3) record customer demand for AgilePlans, and (4) a healthy margin improvement.”²

CHRIS QUILTY May 17, 2021

“ KVHI drove growth and margin expansion through new product introduction and subscriber migration to High-Throughput Satellites (HTS, with airtime revenue up 56% y/y), and legacy network usage expected to be turned off 12/31/2021.”¹

RAYMOND JAMES May 5, 2021

MISLEADING

¹ Raymond James, Reiterate Outperform, Raise PT to \$16, Improving Margins and Macro Drive LT Cash Generation (May 5, 2021). Permission to use quotation neither sought nor obtained. Emphasis added to quotation.
² Quilty Analytics, KVHI Record VSAT Shipments and Customer Uptake of AgilePlans, Raising 2021 EBITDA by 25% (May 17, 2021). Permission to use quotation neither sought nor obtained. Emphasis added to quotation.

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- ✗ The Company's business relationship with Raymond James dates back to at least the early 2000s, when the bank was a co-manager on a sizable stock offering
- ✗ Chris Quilty of Quilty Research was an analyst at Raymond James for 20 years, including during the period when the bank was being paid by the Company
- ✗ Raymond James and Quilty Research are 2/3 of the analysts covering the Company

ISSUE #8

KVHI's depiction of its Board's alignment with stockholders seems highly disingenuous



- ✗ Robert Tavares is completely independent of Vintage Capital Management, meaning it was outrageous to count the firm's 9.1% shareholdings
- ✗ Notably, the Company's revised investor presentation omits this highly-misleading representation of adding Vintage Capital Management's ownership to the Board's beneficial ownership
- ✗ The VIEX-led investor group currently holds nearly 10% of the Company's outstanding shares, meaning the 5.7% utilized is a conveniently misleading data point
- ✗ Based on our review, none of the Company's independent directors have purchased a meaningful amount of stock on the open market
- ✗ KVHI has consistently diluted stockholders by nearly 15% since 2016 to issue stock to insiders

ISSUE #9

We believe KVHI is a portrait of dismal corporate governance

KVH Is Committed to Good Corporate Governance

Our Board of Directors Has Adopted Governance Measures It Determines to Be in the Best Interest of Its Shareholders

| A Diverse, Independent Board | Accountable Compensation Structure |
|--|--|
| <ul style="list-style-type: none">✓ Three of our six independent directors will be women after the annual meeting, if our candidates are elected✓ Six of our seven directors are independent✓ Strong lead independent director to serve as a liaison between independent directors and Chair | <ul style="list-style-type: none">✓ Majority of NEO compensation is variable✓ Annual incentive payouts tied to key drivers of shareholder value, such as revenue and adjusted EBITDA✓ No long-term employment agreements or change-of-control agreements |
| Focus on Board Improvement | Strong Risk Mitigation Practices |
| <ul style="list-style-type: none">✓ Four of our seven directors are new since 2020✓ Comprehensive annual Board evaluation process focusing on Board composition, effectiveness, culture and candid discussion and overall performance✓ Conducted a rigorous search with leading independent director search firm to identify and recruit two new director nominees | <ul style="list-style-type: none">✓ We prohibit shorts sales, trading in derivatives, hedging and pledging of KVH securities by directors and officers✓ Cash and equity awards under our 2016 Equity and Incentive Plan are subject to clawbacks✓ Cap on incentive payouts |

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- ✗ Classified board structure
- ✗ Combined Chairman and CEO role
- ✗ No ability to act by written consent
- ✗ Supermajority vote required to amend bylaws
- ✗ Multiple insiders on the Board
- ✗ Nepotism at the Company
- ✗ Board only recorded four meetings last year during a global pandemic
- ✗ Threatened to try to invalidate our nomination

ISSUE #10

In the process of trying to smear Eric Singer, KVHI blatantly stretched the truth by saying he was censured – this is completely false

Delaware Law Watchers Noted Mr. Singer's Extraordinary Censure

“...It was clear that the Court reprimanded **Singer's failure to share information** with the board as **both a very serious mistake and a sign of his trustworthiness**, which is the essential quality that a Delaware director must have.”

CADWALADER November 19, 2018

“...[T]he court held that the activist fund, acting through its co-manager **Singer, had knowingly participated in—indeed caused—the directors' breaches of duty** by withholding material information from the board and by working to engineer the sale that he had wanted from the outset.”²

ABA November 19, 2019

“The court found that the board members **breached their fiduciary duties** as a result of various process and disclosure deficiencies to stockholders, many of which were **due to Singer having manipulated the sale process** and Singer and the company's financial advisor having **withheld information from the other board members.**”³

Arnold & Porter March 2019

“Singer **did not personally come up with [any meaningful ideas]** other than selling the Company], so his proxy adviser offered some generic ideas that '[h]istorically ... have worked' at other companies. As its 'plan,' **Potomac incorporated nearly verbatim its proxy adviser's generic list of ideas.**”⁴

THE CLS BLUE SKY BLOG November 29, 2018

²Richard Brand, et al., Delaware Court of Chancery Finds Director Breaches of Fiduciary Duty and Aiding and Abetting Liability for Activist Investor in Shareholder Class Action Suit, Cadwalader Clients & Friends Memo, Nov. 19, 2018. Permission to use quotation neither sought nor obtained. Emphasis added to quotation.
³Thomas S. Novello, In re PLX-A Merger Play for Our Times, ABA Business Law Today, Nov. 19, 2019. Permission to use quotation neither sought nor obtained. Emphasis added to quotation.
⁴Nicholas O'Keefe, et al., Significant 2018 Decisions Affecting Private Company M&A, Mar. 2019 at 25. Permission to use quotation neither sought nor obtained. Emphasis added to quotation.

X The Company is trying to distract from its serious issues by misrepresenting the PLX case:

- ✓ Since the 2018 PLX case, neither A10 Networks nor Immersion Corporation chose to mischaracterize a case stemming from a sale of a company after VIEIX nominated Mr. Singer to their boards
- ✓ Both chose instead to work constructively with Mr. Singer and enter into cooperation agreements that led to Mr. Singer's appointments to the boards
- ✓ Mr. Singer's fellow directors at A10 and Immersion have renominated him and elevated him as Lead Independent Director and Executive Chairman, respectively, since the PLX case, and leading independent proxy advisory firms supported him several times
- ✓ Mr. Singer's fund won the PLX case at both the trial court and appellate court – both courts found no damages
- ✓ Mr. Singer's fund had no right to appeal the trial court's opinion independently since it won the original case
- ✓ Plaintiffs appealed the ruling in the hopes of recovering damages, which allowed Mr. Singer's fund to cross-appeal
- ✓ The trial court's finding of liability was unsupported by facts
- ✓ We welcomed the opportunity for the appellate court to rule on this, but the Plaintiffs lost again on appeal, rendering the cross-appeal moot and leaving the appellate court without the need to address and overturn the trial court's opinion

ISSUE #11

Rather than acknowledge that John Mutch would be a strong addition to the Board, KVHI held a sham interview with him and continues to launch attacks – but they do not hold up



✗ Given the Company's string of poorly executed refreshments, Mr. Mutch would be far and away the most qualified director in the boardroom

- ✓ Deemed the "fix-it man" by *The San Fernando Valley Business Journal*, we believe Mr. Mutch is a world-class operator and board member in the technology and satellite space
- ✓ After joining bankrupt Peregrine Systems, he turned it around and ultimately sold the business to Hewlett-Packard for \$425 million
- ✓ Since he joined the board of Aviat Networks Inc. (NASDAQ: AVNW) in January 2015, shares have appreciated more than 100%
- ✓ Since he joined the board of Agilysys Inc. (NASDAQ: AGYS) in March 2009, shares have appreciated more than 1,100%
- ✓ He has held several c-level positions across the sector

ISSUE #12

KVHI wants to take credit for the stock price appreciation fueled by our buying when it is convenient, but demonizes and recklessly accuses us of violations later



- ✗ VIEX has a long history of complying with and respecting securities regulations, including 13D filing requirements
- ✗ VIEX does not recruit "wolfpacks" – the fact that other sizable stockholders joined our group is a testament to investors' dissatisfaction with the Company
- ✗ VIEX periodically partners with other aggrieved investors – in a compliant manner – when poorly-run companies need stockholder-driven change
- ✗ VIEX engaged constructively with the Company, as evidenced by its stated willingness to settle for one designee

ISSUE #13

KVHI disclosed it is spending at least \$2 million – or 5% of its cash position – on defense advisors just a year after taking \$6.9 million under the Paycheck Protection Program



Law Firm



Proxy
Solicitor



PR Firm



Defense
Advisor



Private
Investigator

KVHI's lengthy presentation (and revised presentation) fails to address the poor optics and potential risks associated with recklessly wasting money on this campaign after taking a government loan

RECAP: THE VIEX NOMINEES ARE THE RIGHT REMEDY
AT THE RIGHT TIME

OUR NOMINEES HAVE SUPERIOR EXPERIENCE AND OWNERSHIP PERSPECTIVES

KVHI needs a credible Board refresh that adds experienced individuals with meaningful ownership perspectives – not hastily chosen nominees wedged into a defensive refresh

| <u>Nominees</u> | <u>Sizable Stockholder</u> | <u>Prior Public Board Experience</u> | <u>Prior Public Turn-Around Experience</u> | <u>Technology Industry Expertise</u> | <u>Software and Cloud Experience</u> | <u>Capital Allocation Acumen</u> |
|---------------------------|----------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|----------------------------------|
| John Mutch | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Eric Singer | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cielo Hernandez | X | X | X | ✓ | ✓ | ✓ |
| Cathy-Ann Martine-Dolecki | X | ✓ | X | ✓ | X | X |

Only served on one other public company board for approximately 30 days before being voted off

OUR NOMINEES WILL ADD VALUE IN THE BOARDROOM ON DAY 1

Messrs. Mutch and Singer would work collaboratively with the incumbents to hold management accountable and pursue a pro-stockholder agenda that includes:

Implementing Stockholder-Friendly Governance



Advocating for Extended Cost Containment



Establishing a Disciplined Capital Allocation Policy



Setting Key Performance Indicators to Enhance Operational Rigor



Integrating New Executives and Ensuring the Right Management Runs KVHI



Developing a Public Plan for Attaining Near-Term Profitability





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