

The background of the slide is a solid blue color. It features several white and light blue graphic elements: a horizontal line of binary code (0s and 1s) near the top, a horizontal line of binary code near the bottom, a large, smooth white sine wave that spans the width of the slide, and a smaller, more complex white waveform below it. A bright white light flare is positioned at the peak of the large sine wave.

**Investor Presentation**  
**AUGUST 2018**

# Safe Harbour Statement

## Forward Looking Statements

Certain statements in this presentation may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management's intentions, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond our control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include, but are not limited to, the distinctive characteristics of Vecima's operations and industry that may have a material impact on, or constitute risk factors in respect of Vecima's future financial performance, as set forth under the heading "Risk Factors" in the Company's Annual Information Form dated September 25, 2017, a copy of which is available at [www.sedar.com](http://www.sedar.com). In addition, although the forward-looking statements in this presentation are based on what management believes are reasonable assumptions, such assumptions may prove to be incorrect. Consequently, investors should not place undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Vecima disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measurements

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and earnings presentation materials, the following non-GAAP information which management believes provides useful information to investors. Vecima provides a reconciliation between GAAP and non-GAAP financial information in our quarterly results announcements used in the company's quarterly call. This information is available on our website at [www.vecima.com](http://www.vecima.com).

# Who We Are

## Our Mission Statement

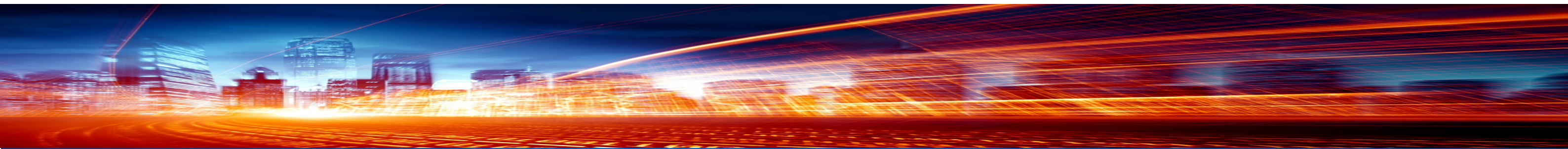
*To be a globally recognized leader in creating and delivering breakthrough technology solutions that:*

- ❖ enable our network service provider partners to better connect people and enterprises to information and entertainment worldwide.*
- ❖ provide fleet managers the key information and analytics they require to optimally manage their business.*

## Our Strategy

*Our growth strategy focuses on the development of our core technologies, including next generation platforms such as our new DOCSIS 3.1 platform, Entra, as well as new IP video storage and distribution technologies being developed within Concurrent. We also intend to continue pursuing profitable growth both organically and when appropriate, through value enhancing strategic acquisitions.*

- 
- Canadian company founded in 1988
  - Canadian offices in Victoria, Vancouver and Saskatoon
  - 410 employees (as at March 31, 2018)
  - Listed on the Toronto Stock Exchange (TSX:VCM)
  - Global offices in USA, Japan and Europe
  - 30 consecutive years of profitability



# Vecima At-A-Glance

<i>in CDN\$ (M's)</i>	YTD	For Year Ended		
	Mar 31, 2018	Jun 30, 2017	Jun 30, 2016	Jun 30, 2015
Cash & ST Investments	\$64.1	\$89.2	\$74.1	\$59.7
Total Assets	\$210.1	\$194.0	\$186.2	\$168.1
Long-term debt	\$2.0	\$2.2	\$2.5	\$2.7
Shareholders' equity	\$189.6	\$182.2	\$169.0	\$151.3
Adjusted Earnings Per Share	\$0.03	\$0.40	\$0.99	\$0.73
Employees	410	352	509	489
Weighted Average Number of Common Shares outstanding as at May 10, 2018 = 22,392,288				

# What We Do

Vecima's business is organized into three segments:

## Video and Cable Broadband Solutions

Core business in design and manufacturing of platforms and modules that process data from the cable network and deliver it in formats suitable to be consumed on televisions and Internet devices

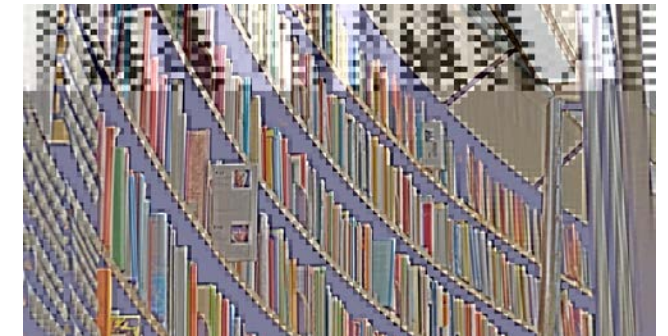
- creates hardware and software products that enable Multiple System Operators in the cable industry utilize their existing delivery infrastructures to better serve subscribers
- allows service providers a cost-effective Last Mile Solution® for both video and broadband access, especially in the demanding business services market segment



## Content Delivery and Storage Solutions

Content delivery and storage business, managed under the Concurrent brand, provides breakthrough technologies in storage, protection, transformation, and delivery of visual media assets

- Addressing a \$3.7 Billion Market Growing at 10%/Year
- Proven go-to-market model; blue-chip customer base
- Proven leadership team in place executing growth strategy



## Telematics

Telematics business provides fleet managers with the key information and analytics they require to optimally manage their mobile and fixed assets under the Contigo, Nero Global Tracking, and FleetLynx brands.



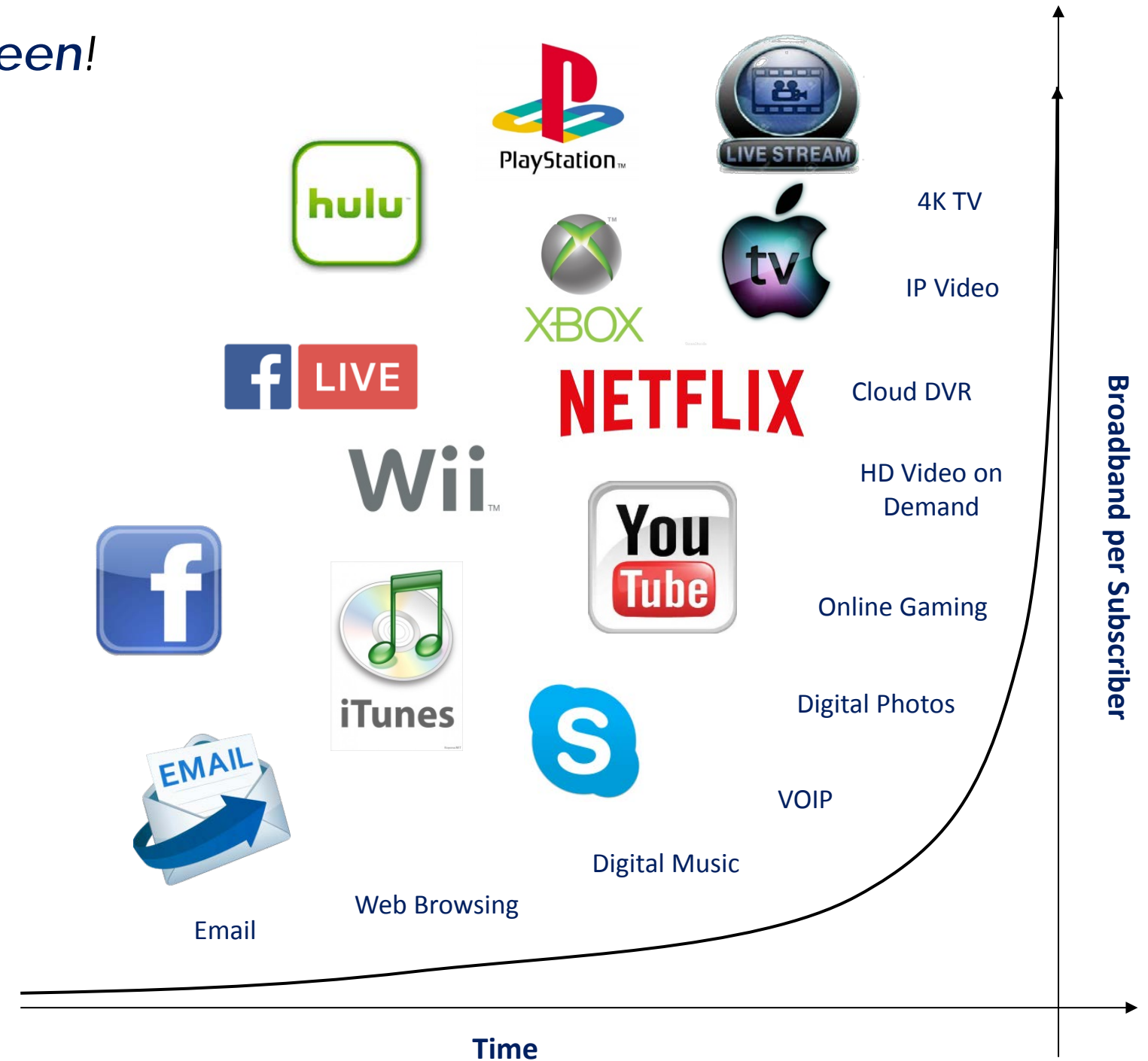
# The Demand

*By 2021, 82% of global internet consumption will be video content*

*- Any content, anytime, anyplace, on any screen!*

*Since 1996, the U.S. cable industry has invested over \$250 billion in capital infrastructure:*

- To meet continued demand and address capacity needs
- To provide flexibility and innovation for long-term solutions
- To support broadband and video applications
- To bring fibre closer to the home and end-user



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# The Future

*Content Delivery Network (CDN) traffic will carry 71 percent of all Internet traffic by 2021*

*Consumer Video-on-Demand (VoD) traffic will nearly double by 2021*

**Global IP traffic will increase nearly threefold over the next 5 years**

- Overall, IP traffic will grow at a Compound Annual Growth Rate (CAGR) of 24 percent from 2016 to 2021

**Broadband speeds will nearly double by 2021**

- By 2021, global fixed broadband speeds will reach 53.0 Mbps, up from 27.5 Mbps in 2016

**Internet video to TV will grow by more than threefold by 2021**

- Internet video to TV will continue to grow at a rapid pace, increasing 3.6-fold by 2021

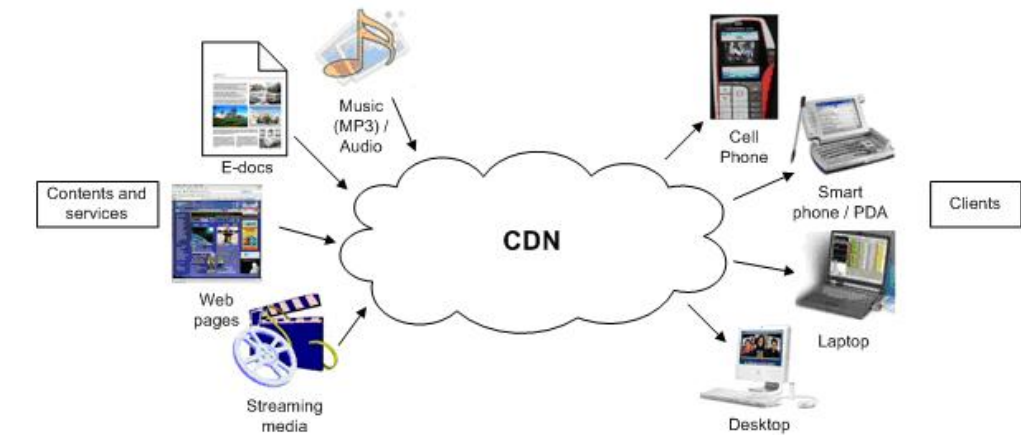
## Global IP Traffic & Service Adoption Drivers



# Broad Market Profile and Reach

## Diversified Portfolio

- As the growth in video across private CDNs and OTT providers continues to accelerate, Vecima is focused on building industry-leading Broadband Access Platforms with Concurrent focused on delivering scalable storage and content delivery solutions.
- Provides an end to end, massively scalable video & data solution to the market



## Capitalizing on the IPTV & VoD Trend

- New platforms required for all-digital drive towards complete mobile usage need both gigabit class internet speeds and full IP-based video delivery
- Vecima's next generation of products unlocks broadband capacity needed to support IP video



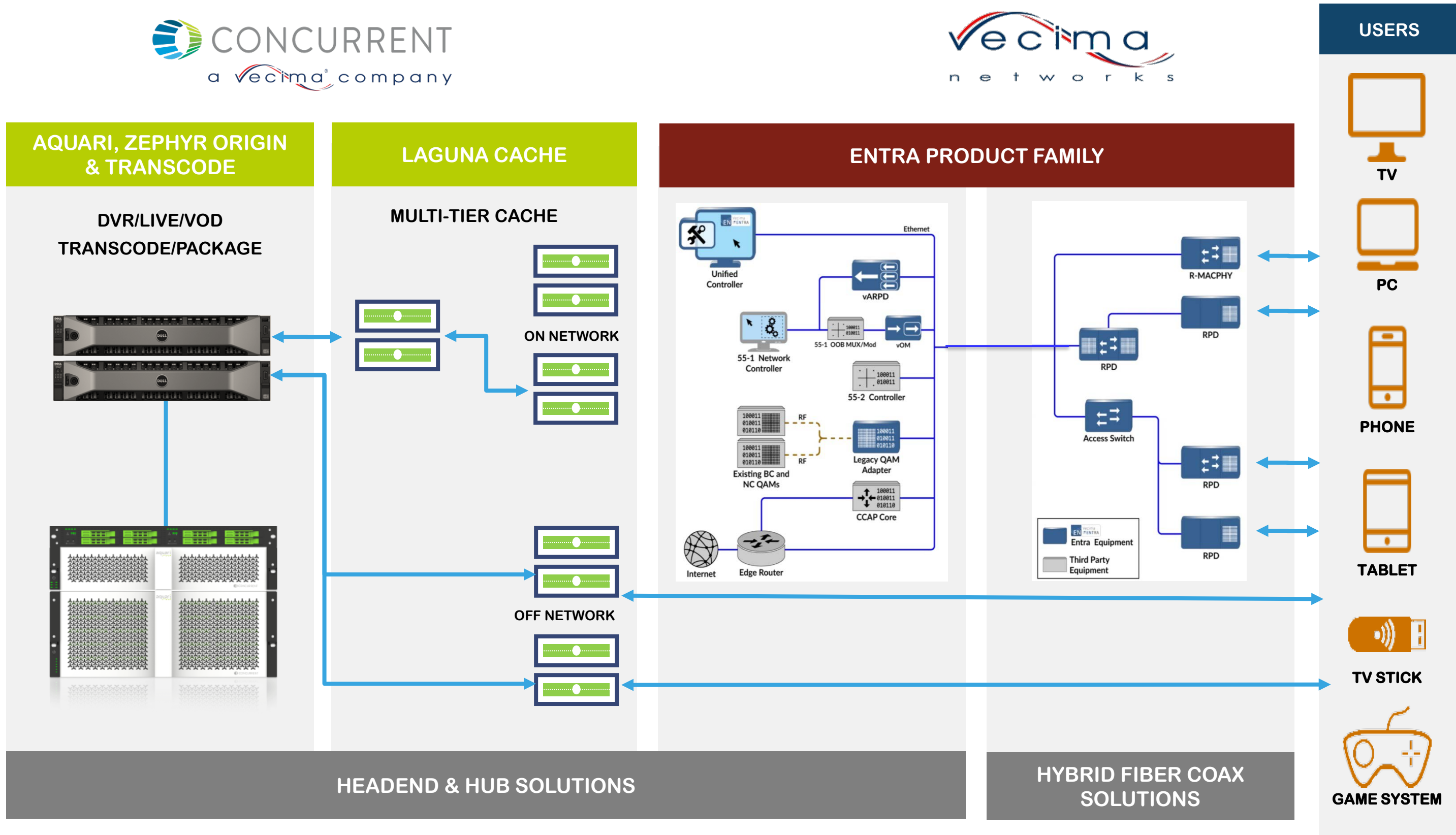
## Global Footprint

- A large global footprint with a presence in the US, and groups in Europe and Asia,
- Well positioned for international expansion and support





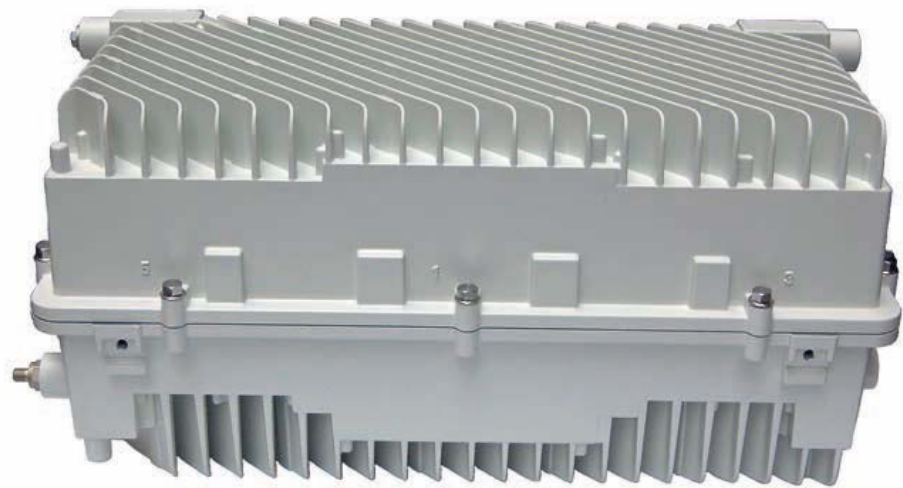
# An End-to-End Video Data Solution



# Entra - Our Next Generation Platform on DOCSIS 3.1

Entra provides a scalable solution that:

- The Entra family of products include a Distributed Access Node, Access Switch, Remote-PHY, Remote MAC-PHY and a Legacy QAM Adapter
- Creates the fastest path for MSOs to compete with fibre over-builders in the commercial segment
- Cost-effectively allows gigabit speeds without fibre distribution in commercial properties
- Provides high-capacity distributed CMTS vastly expanding last mile capacity
- Solves hub space and power issues plaguing centralized solutions
- Supports legacy digital STBs without new network capital spend
- Targets faster evolution to IPTV



*Entra Access Node*



*Entra Legacy QAM Adapter (Front & Rear views)*



*Entra Access Switch*

# Blue-Chip Customers and Cable Industry Partners



Kabel Deutschland



# Financial Overview

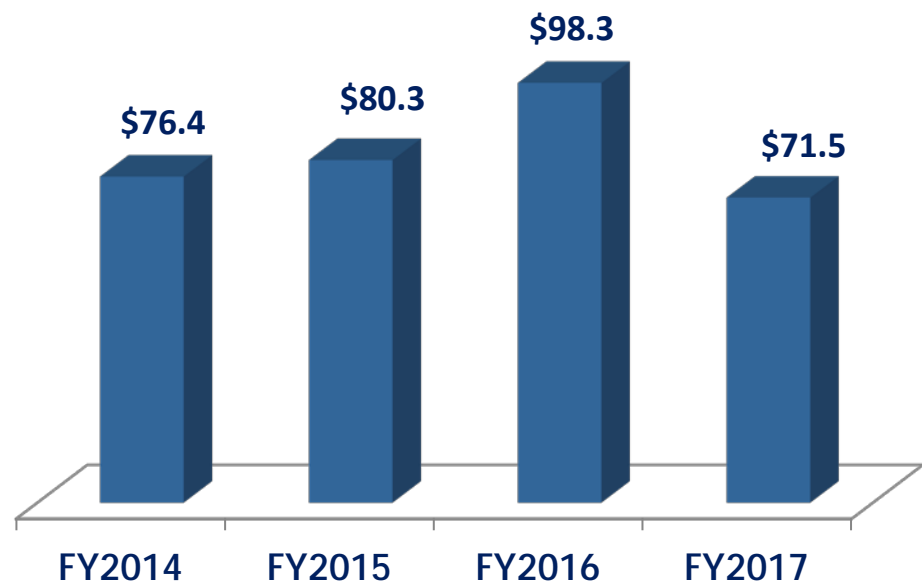
	(Canadian dollars in millions)		
	Q3FY18	Q2FY18	Q3FY17
Sales from continuing operations	\$24.1	\$14.8	\$15.7
Gross margin from continuing operations	51%	52%	52%
Net income	\$0.7	\$1.3	\$10.4
Adjusted EBITDA <sup>1</sup>	\$3.8	\$3.6	\$3.4
Earnings per share <sup>2</sup>	\$0.03	\$0.06	\$0.06
Cash and short-term investments	\$64.1	\$61.0	\$92.0

<sup>1</sup>Adjusted EBITDA and Adjusted Earnings Per Share do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures provided by other issuers.

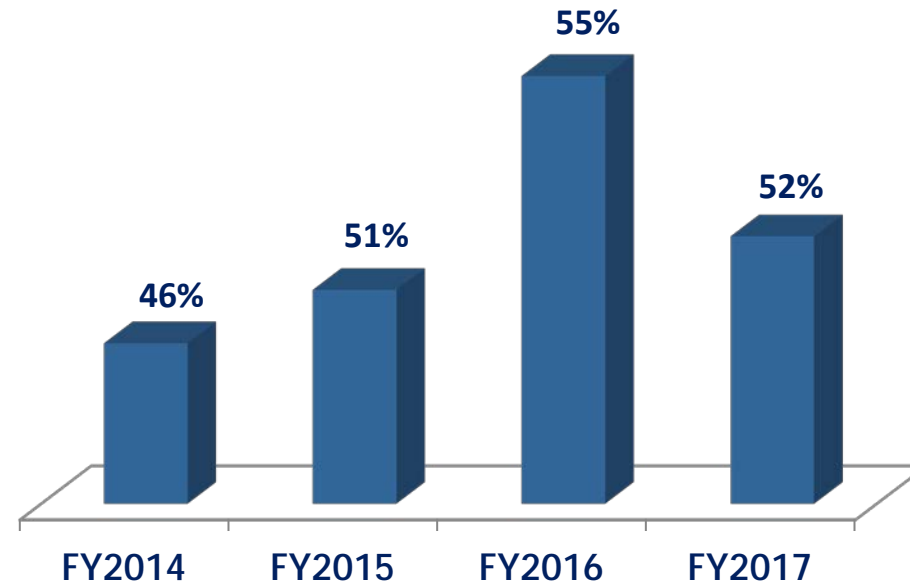
<sup>2</sup>Based on weighted average number shares outstanding.

# Financial Highlights – Annual

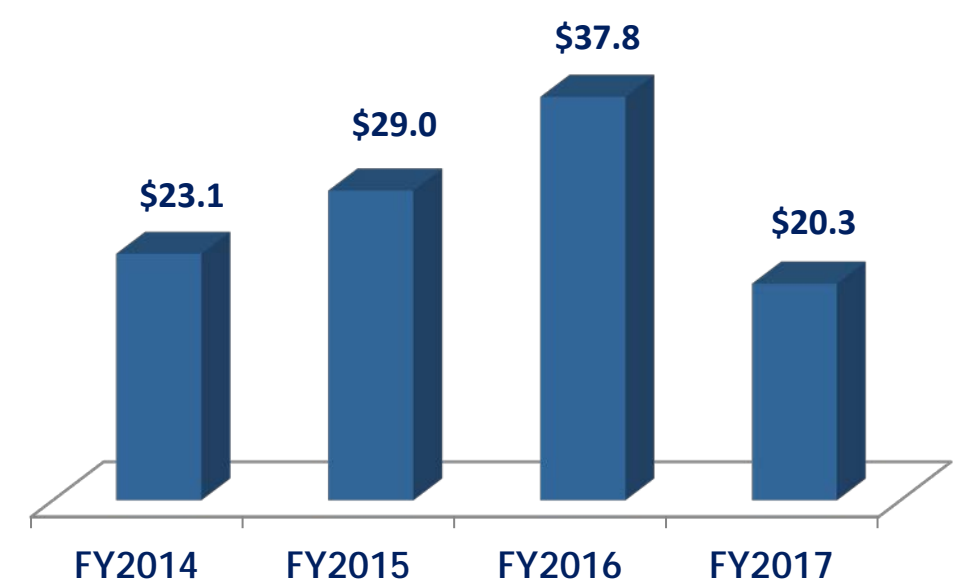
### Revenue (Millions)



### Gross Margin (%)



### Adjusted EBITDA (Millions)



## Fiscal 2018 Outlook

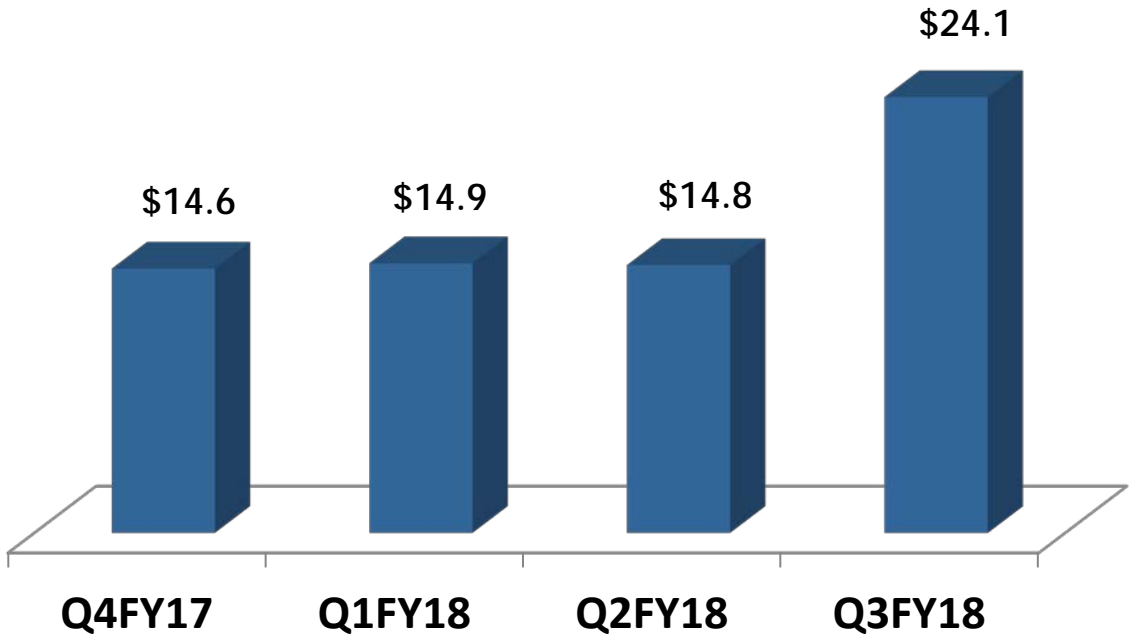
Vecima expects fiscal 2018 to be a year of continued investment and development as we position ourselves for industry leadership in the emerging DOCSIS 3.1 market and the IP video content delivery and storage space.

With a strong financial foundation, we are well positioned to pursue product strategies while also continuing to assess attractive acquisitions that provide significant accretion and give rapid access to technologies that will help drive our growth and success.

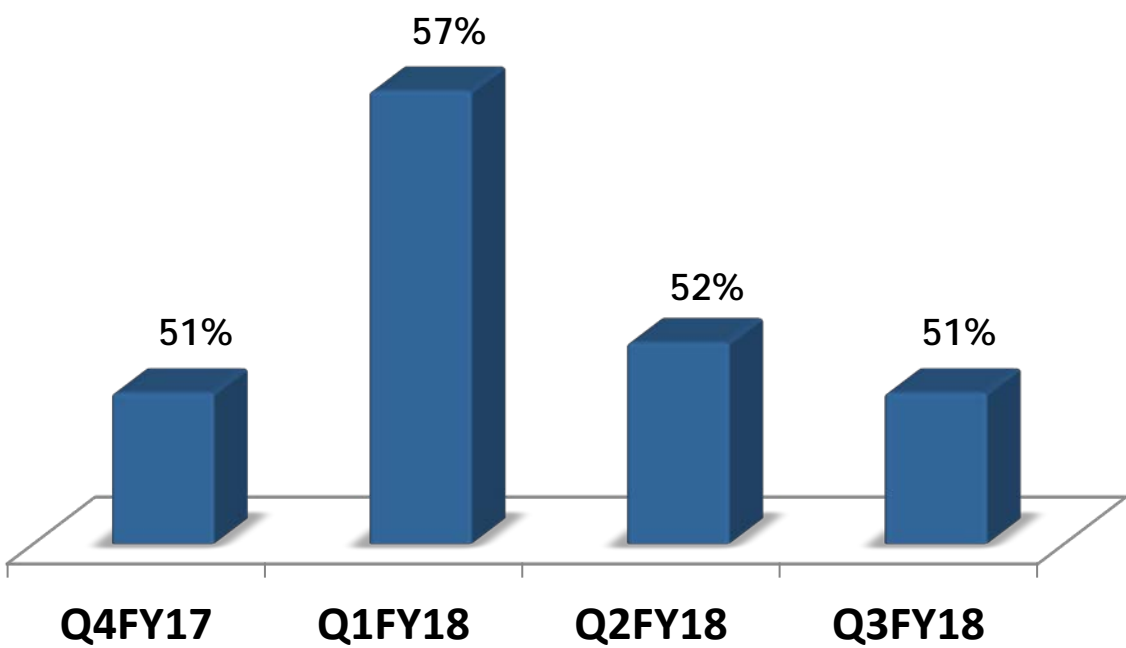
\*updated August 2018

# Financial Highlights - Last Four Quarters

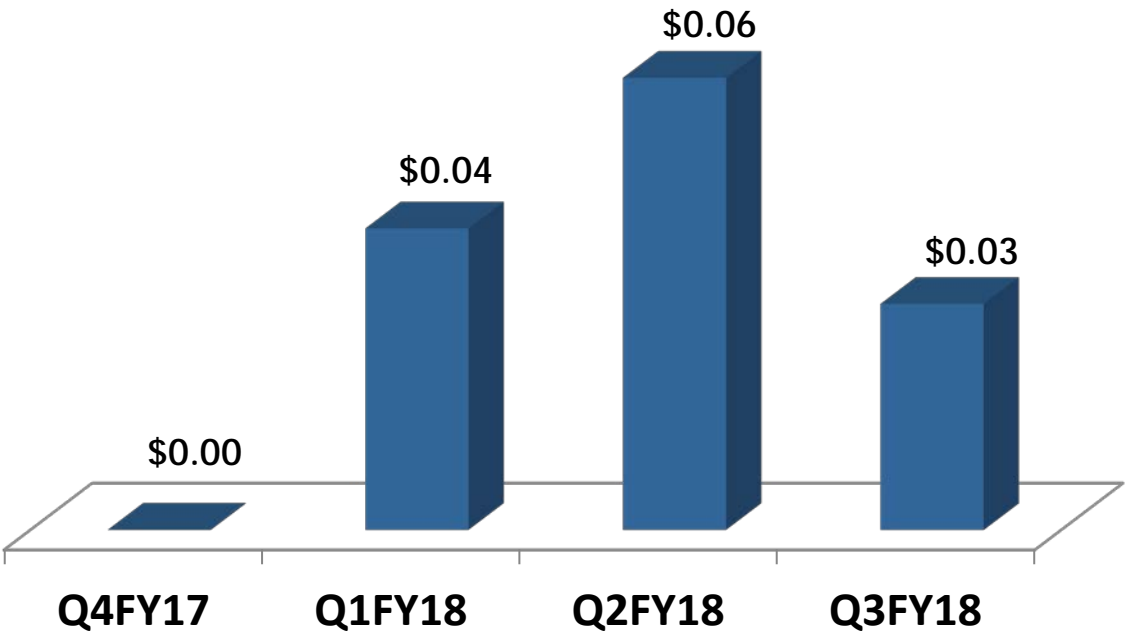
Revenue (Millions)



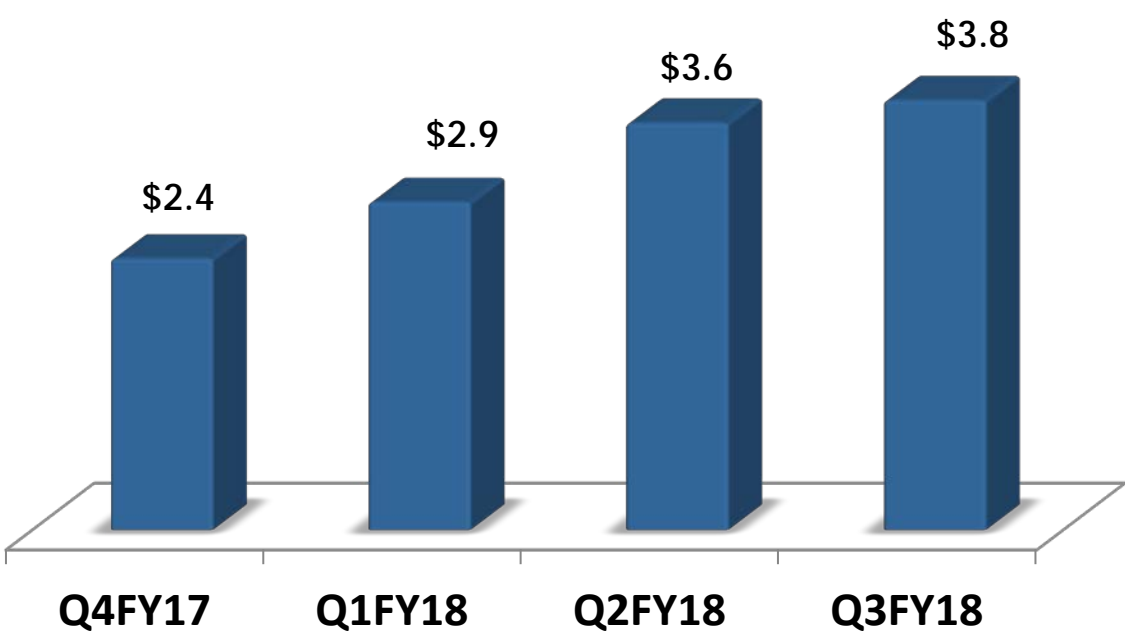
Gross Margin (%)



Adjusted Earnings Per Share



Adjusted EBITDA (\$Millions)



\*updated February 2018

# Investment Value Proposition

- Clear and Differentiated Value Proposition
- Organic and Acquisitive Growth Strategy
- 30 Consecutive Profitable Years
- Dividend Stream
- Strong Balance Sheet
- Strong Management Team



## Our Strategy

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# Board of Directors

## **Surinder Kumar, Chairman**

- Founded Vecima in 1988. Former CEO of Vecima and current Chairman since August 2013.

## **Sumit Kumar, Director**

- President and CEO of Vecima.

## **T. Kent Elliott, Independent Director and Audit Committee Chair**

- Former CEO and Executive Vice-Chairman at ForeScout Technologies, Former Senior VP and Internet Communications at Nokia, and Former President and CEO at Vienna Systems.

## **Danial Faizullahoy, Independent Director and Corporate Governance & Compensation Committee Chair**

- Current CEO of Cypherpath. Former President and CEO of BroadLogic Network Technologies.

## **Ben Colabrese, Independent Director**

- Current Senior Vice-President of Finance and Commercial Relationships for Rogers Communications. Former Vice-President and General Manager of Mobilicity.

## **Derek Elder, Independent Director**

- Current President of Sercomm Americas and Director of Zoom Telephonics. Former President, CEO and Director of Concurrent Computer Corporation.



# Executive Team

## **Sumit Kumar, President and Chief Executive Officer**

- Over 22 years of technical and executive experience at Vecima where he held senior management positions in business development and in R&D in the architecture and development of Vecima legacy products.

## **John Hanna, Chief Financial Officer**

- Over 20 years of experience. Former executive with iFire Technology and The Westaim Corporation where he participated in a variety of corporate M&A transactions, including the investment in and sale of a number of businesses. Also holds a CPA, CGA designation.

## **Mark DePietro, Senior Vice-President, Marketing**

- Over 20 years of experience with Motorola and ARRIS. Former VP of Product Management & Business Development in Video Infrastructure at ARRIS. Held multiple VP positions within Motorola including VP & General Manager of Video Access, VP Strategy & Business Development as well as VP Product Management and Systems Engineering for Digital Network Systems.

## **Mark Briggs, Senior Vice-President, Cable Sales**

- Former VP positions in Marketing, Sales and Business Development with Spectrum Signal Processing. Former Director of Switch Products in the Wireless Messaging Group for Glenayre Inc. and a software designer at Bell-Northern Research.

## **Dean Rockwell, Senior Vice-President and General Manager, Concurrent**

- Almost 30 years of experience leading successful technology-intensive businesses around the world. Worked extensively internationally and held roles including c-level, general management, business and strategy development, direct sales & sales management, product management, product development and operations. Former CEO of In Motion Technology and over 20 years as a senior executive with Scientific-Atlanta as Vice President and General Manager of the Headend Systems and Satellite Television Distribution Networks businesses.

## **Lindsay Ryerson, Vice President and General Manager, Telematics**

- Former CEO of Contigo (prior to acquisition) since 2013. Former executive with NII Norsat International and with Honeywell Security, a division of Fortune 50 company, Honeywell, Inc.

# Contact Vecima

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