

VECIMA INVESTOR PRESENTATION

May 2020

STORE 
PROTECT 
TRANSFORM 
DELIVER 

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 26, 2019, a copy of which is available at 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, non-GAAP information which management believes provides useful information to investors. Non-GAAP measures do not have a standardized meanings prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Additional information is available at www.SEDAR.com or on our website at www.vecima.com.

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- **Company Overview**
- **Our Business**
- **Financials**
- **Team**



COMPANY OVERVIEW

AT-A GLANCE



Victoria



Vancouver



Saskatoon



Atlanta



Tokyo



Amsterdam



London

- 1988 Company Founded
- 2005 Listed on Toronto Stock Exchange - TSX:VCM
- 375 Total Employees (as at March 31, 2020)
- 30 Years of Profitability**
- 7 Offices Globally** – Headquartered in Victoria, BC
- 5 Continents** with Active Deployments
- 3 Business Segments
- \$85M Fiscal 2019 Sales

Vecima is a global leader focused on developing integrated hardware and scalable software solutions for broadband access, content delivery and telematics. We enable the world's leading innovators to advance, connect, entertain, and analyze.



GLOBALLY RECOGNIZED LEADER IN CREATING AND DELIVERING

BREAKTHROUGH TECHNOLOGY *SOLUTIONS*

that:

Empower network service providers to **connect people and enterprises to information and entertainment worldwide**

WHO WE ARE



VECIMA DESIGNS

SOFTWARE AND SYSTEM *SOLUTIONS*

that:

Enable cable MSOs to **leverage** their **existing** delivery **infrastructures** to provide **consumers and businesses** with a **best-in-class Broadband** and **IPTV** offering.

WHAT WE DO

OUR BUSINESS



VECIMA

**VIDEO &
BROADBAND
SOLUTIONS**

\$37.7M*

Cable network infrastructure for gigabit class broadband internet access

Hospitality video platforms for commercial properties



VECIMA

**CONTENT
DELIVERY
& STORAGE**

\$41.9M*

IPTV software and systems from creation to delivery

Streaming, cloud DVR, on-demand, time shift applications



NERO
GLOBAL TRACKING
a vecima company

TELEMATICS

\$5.5M*

GPS-based fleet management solutions

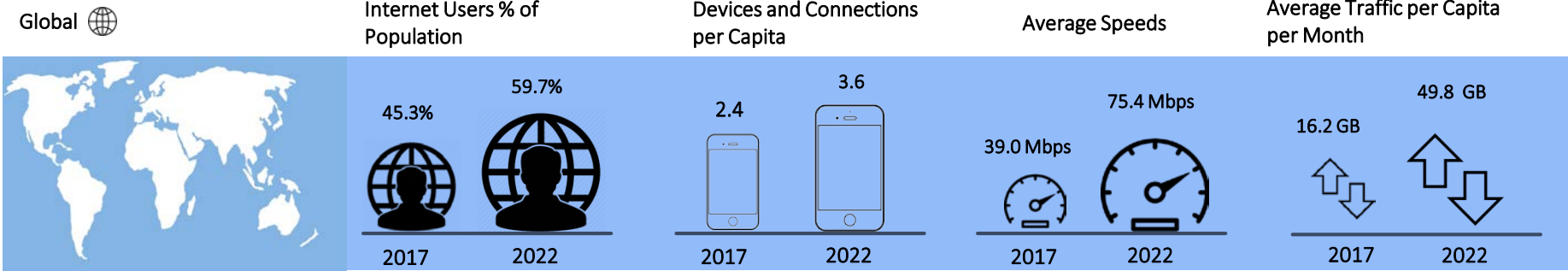
Moveable asset tracking solutions

Regulatory compliance

**Total segmented revenue for Fiscal 2019*

THREE OPERATING BUSINESS SEGMENTS

MASSIVE INTERNET & IPTV GROWTH – DRIVING INVESTMENT



Global Internet traffic will increase more than 3x over 5 years

- Overall, IP traffic will grow at a CAGR of 26% from 2017 to 2022 reaching nearly 400 billion GB/mo.

IPTV will account for 82 percent of global Internet traffic by 2022

- Will grow 4x from 2017 to 2022.

IPTV continues to explode

- By 2022, the gigabyte equivalent of all movies ever made will cross the internet every 1 minute

Home broadband speeds will nearly double by 2022

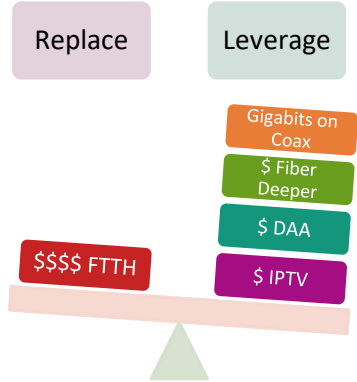
- By 2022, global fixed broadband speeds will reach 75.4 Mbps, up from 39 Mbps in 2017

Cisco Visual Networking Index (VNI) report 2017 - 2022

POSITIONED TO CAPITALIZE ON INDUSTRY EVOLUTION

LEVERAGE INFRASTRUCTURE BY INNOVATING

Millions of miles of current cabling infrastructure that needs to be upgraded to keep up with IPTV and internet traffic demand

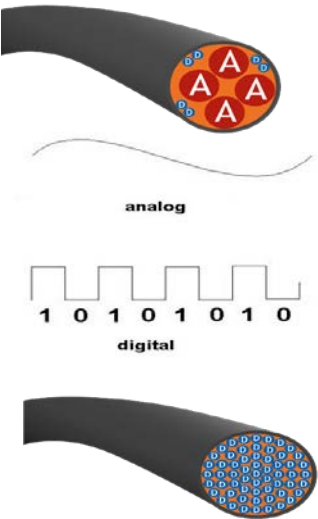


NCTA, the principal trade association for the U.S. cable industry. www.ncta.com

OVER \$250 BILLION SPENT ON CABLE INFRASTRUCTURE UPGRADES IN THE LAST 25 YEARS

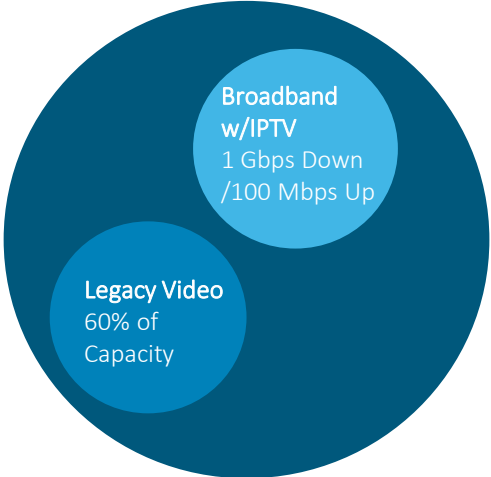
INDUSTRY EVOLUTION

PAST



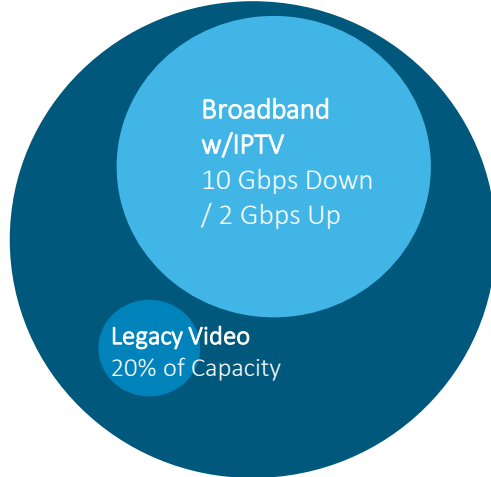
Evolution of data transmission from analog to digital at 10x capacity

PRESENT



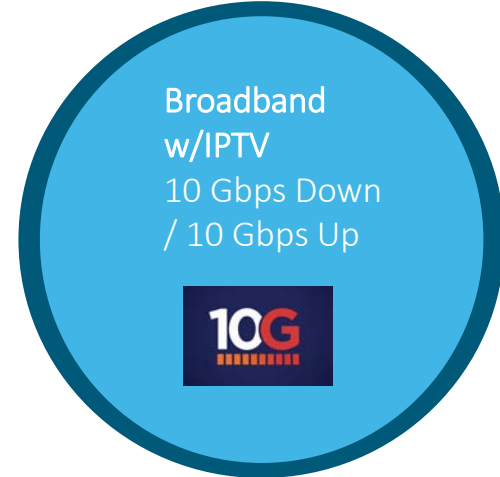
Traditional video in decline as IPTV becomes more sophisticated and ubiquitous
Frees major capacity on network for Broadband Internet

5 YEARS



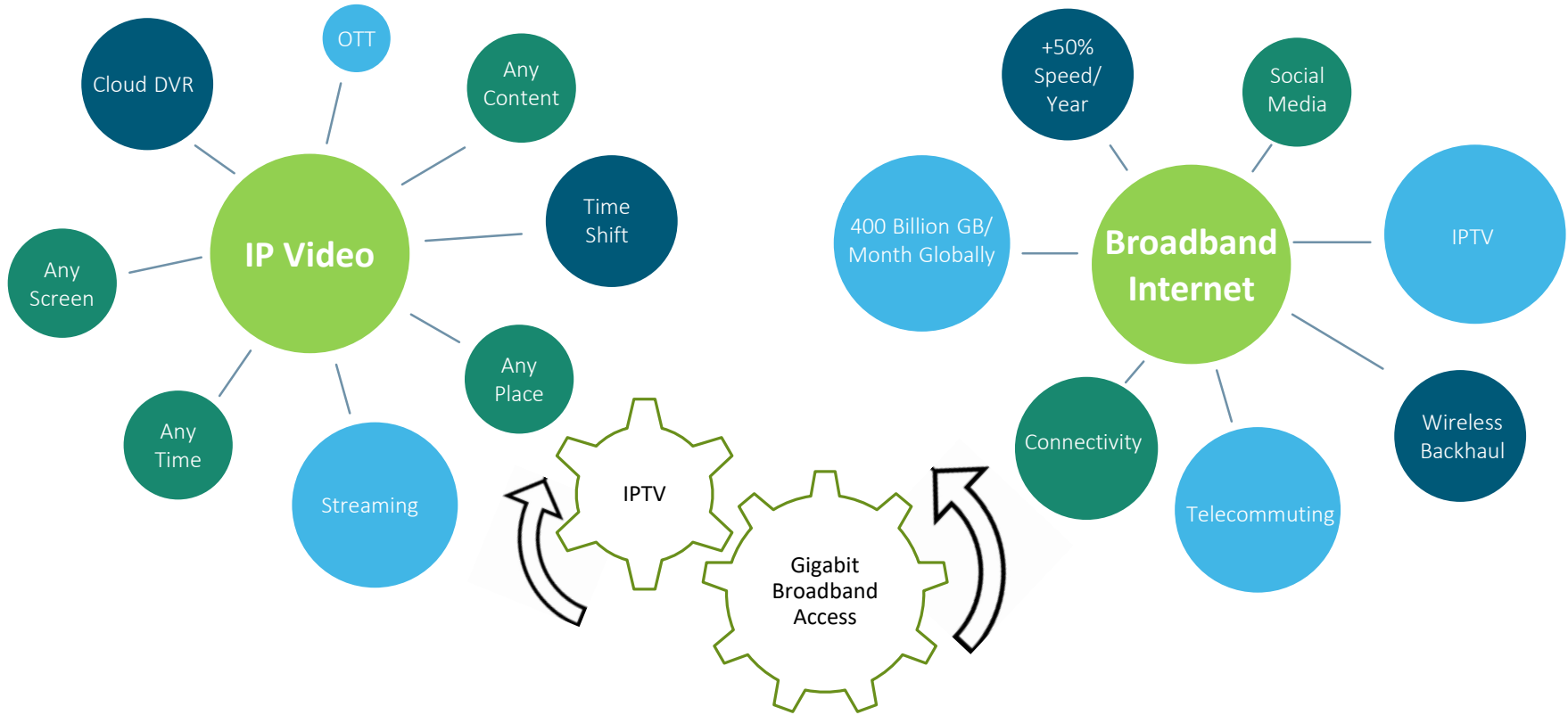
IP Video, VOD, Streaming, Sharing, and OTT have driven the global surge for more data, on more devices, on demand

10 YEARS



A SEISMIC SHIFT IN THE CABLE INDUSTRY

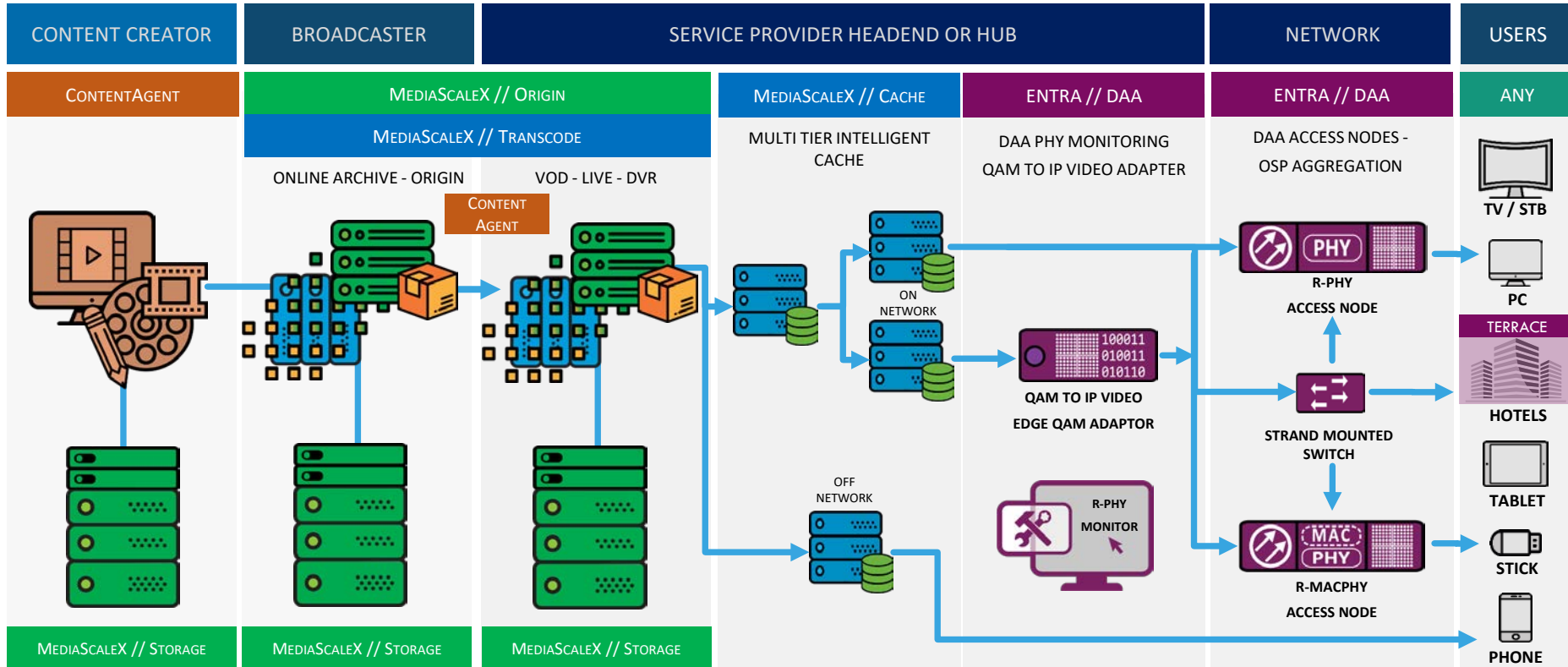
SYNERGISTIC MARKETS → STRATEGIC PORTFOLIO



GEARED FOR SUCCESS

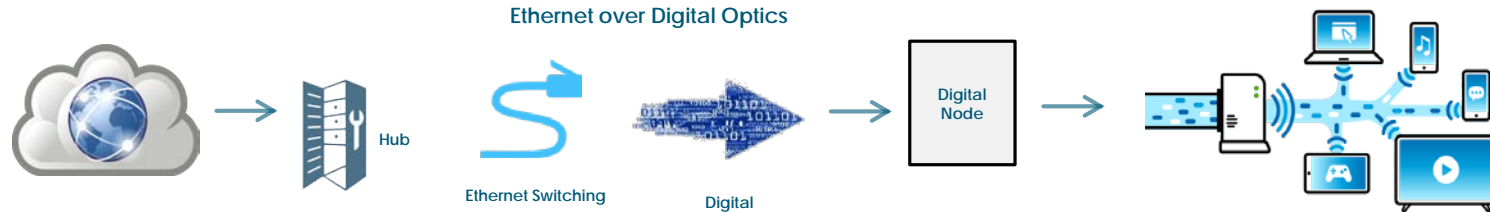
END-TO-END VIDEO PREPARATION, DELIVERY AND ACCESS

Ingest, Manage, Store, Protect, Transform, and Deliver Media Assets to Any Screen, Anytime, Anywhere



- DOCSIS pioneer since the 1990s
- Vecima products span the headend, outside plant, and premises
- Industry leading expertise in broadband access & video ecosystems with volume deployments of Vecima products
- Fully committed to Distributed Access Architecture (DAA) and DOCSIS 3.1/4.0 research & development investment

Distributed Access Architecture



DAA IS CABLE'S ANSWER TO FTTH

ENTRA – OUR DAA SOLUTION

Cable operators need to provide fast gigabit speeds and greater bandwidth to their subscribers

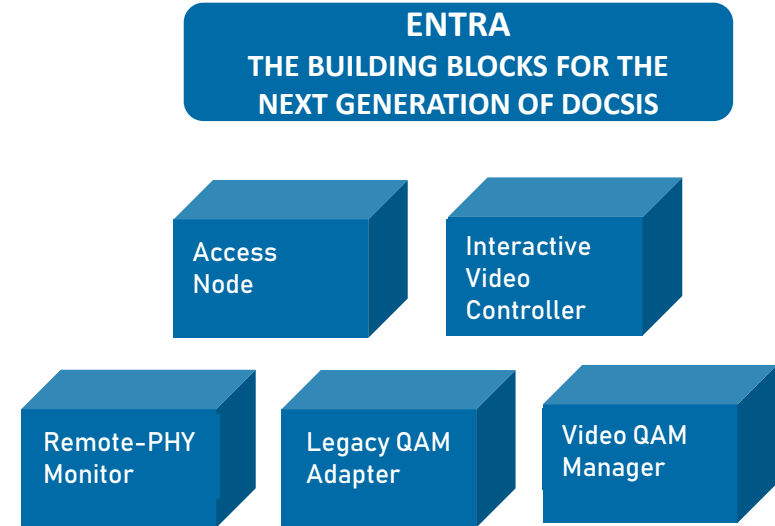
Entra is Vecima's next generation scalable DOCSIS 3.1 platform

Entra:

- Creates the fastest and lowest cost path for MSOs to compete with fiber to the home
- Cost-effectively allows gigabit speeds without fiber
- Scales download and upload speeds at pace meeting residential & business demand
- Solves hub space and power issues plaguing legacy centralized DOCSIS solutions
- Supports legacy digital set-top boxes without new network capital spend
- Enables faster evolution to IPTV

Vecima's Entra family of products include:

- Remote-PHY and convertible Remote MAC-PHY Access Node
- Remote-PHY Monitor
- Legacy QAM Adapter
- Video QAM Manager
- Interactive Video Controller



DELL'ORO Group www.delloro.com

ADDRESSING A \$1.5+ BILLION MARKET

Service providers are migrating to IPTV to deliver a state of the art multiscreen experience

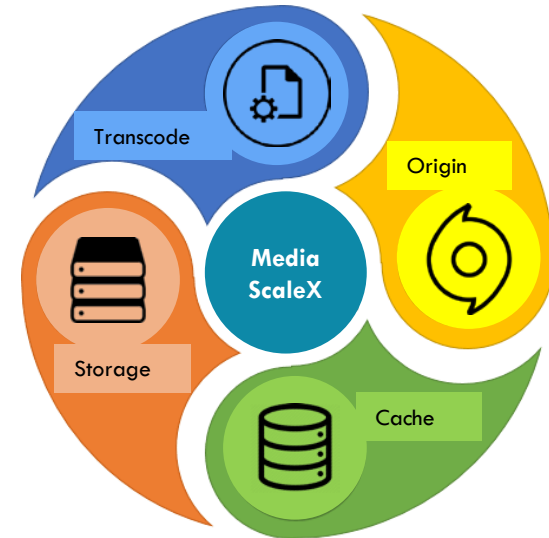


- Content owners must move all content “Online”. Drives significant investment in storage systems.
- On Demand, Cloud DVR, Start Over TV, IP Linear and others all drive spend on CDN and Storage
- Public Clouds do not scale financially. Need for hybrid systems aimed to reduce OpEx costs.

EXPONENTIAL DEMAND FOR IP VIDEO - SERVICE PROVIDER & OTT PLATFORMS

Providing breakthrough technologies in storage, protection, transformation, and delivery of visual media assets

- The MediaScaleX™ product line includes:
 - Storage - a software-defined storage platform with an open architecture
 - Cache - a complete multi-tiered caching solution that reduces latency and network utilization for video service providers to maximize the delivery of over-the-top (OTT) and TV Everywhere (TVE) video services
 - Origin – a comprehensive origin platform for ingesting, hosting, and distributing video content to any device, any time, over any network
 - Transcode - provides unsurpassed video quality through shared computing resources for processing of audio and video content
- Proven go-to-market model; blue-chip customer base



Frost & Sullivan

\$4.5+ BILLION MARKET FOR CONTENT DELIVERY & STORAGE

GPS Fleet Management Software and Moveable Asset Tracking System

A complete solution package of real-time GPS vehicle and asset tracking throughout North America

- Increase visibility into fleet systems
- Streamline operations
- Increase revenue & Asset ROI
- Focused on fleets of 10-150 vehicles



*Source: <https://www.prnewswire.com/news-releases/fleet-management-software-market-to-exhibit-an-impressive-cagr-of-16-52-by-2026-increasing-focus-on-fleet-effectiveness-to-propel-the-market-says-fortune-business-insights-300886516.html>

GLOBAL TELEMATICS MARKET TO HIT 16.5% CAGR*

OUR ADVANTAGE

Flexibility



Interoperability



Innovation



Customer Service



MARKET REQUIREMENTS

More than just a product

Scalable Fast
Open Agile
Evergreen Flexible
Cost-Effective
Simplify Automate
Independence

SOLUTION



The Right Partner

A strategic **Business & Technology Partner**, with the experience, vision & capability to support **Media & Service Provider** businesses to **profitably create, deliver & delight**


WHAT THE MARKET NEEDS

PRODUCT, CUSTOMER AND REGIONAL DIVERSITY



OVER 200 BLUE CHIP CUSTOMERS

 CABLE & TELCO OPERATORS

 CONTENT CREATORS & BROADCAST

 FLEET MANAGEMENT & MOVEABLE ASSET TRACKING



FINANCIALS

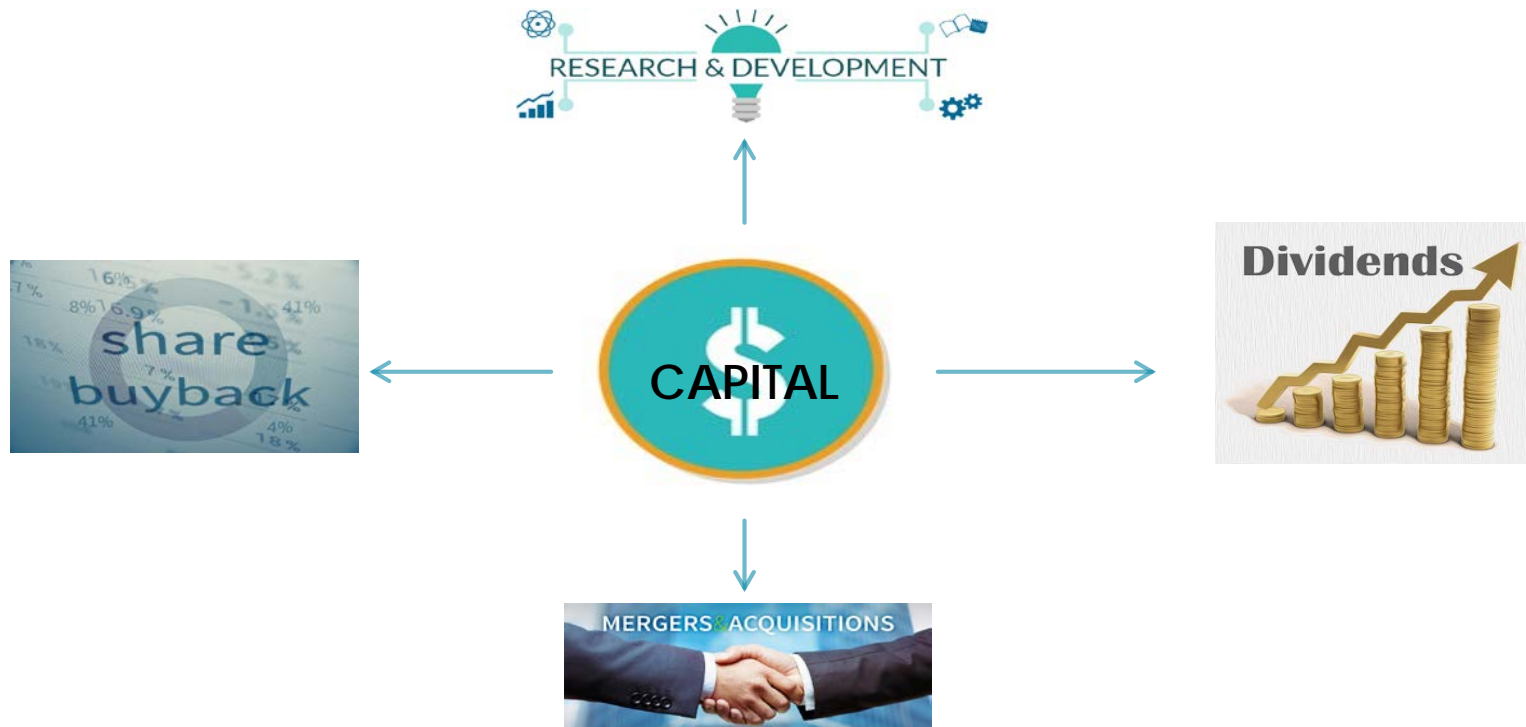
Why Vecima?

- Expert Management Team
- Solid Balance Sheet
- Clear and Differentiated Value Proposition
- Organic and Acquisitive Growth Strategy
- Quarterly Dividends (\$28.7M returned to shareholders from October 2014 to May 2020)

<i>in CDN\$</i>	As At Fiscal 2019 Year End	As At March 31, 2020
Cash & ST Investments	\$44.4 M	\$36.2 M
Total Assets	\$200.8 M	\$212.6 M
Long-term debt	\$1.7 M	\$5.2 M
Shareholders' equity	\$180.8 M	\$182.9 M
Employees	364	375

Recent Market Cap of \$229M (as at May 27, 2020)

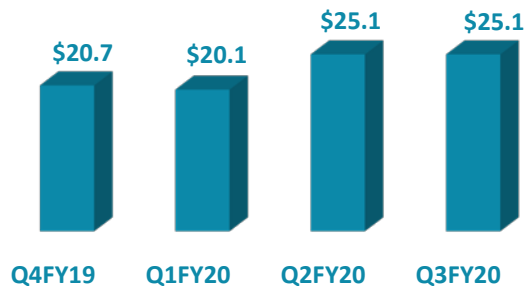
FOCUSED ON PROFITABILITY AND RETURN ON EQUITY



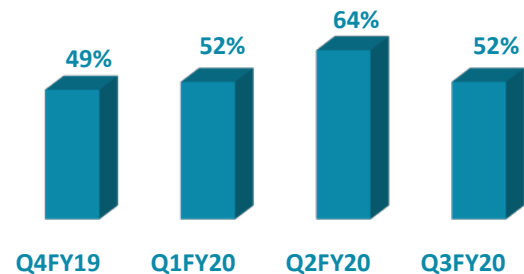
USE OF CASH

FINANCIAL HIGHLIGHTS - QUARTERLY

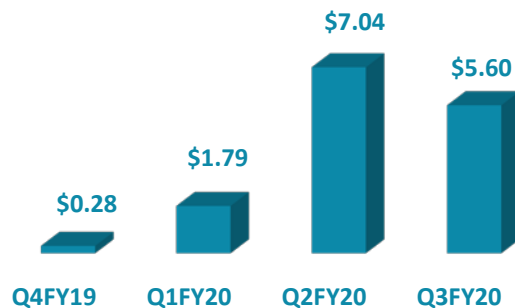
Revenue (Millions)



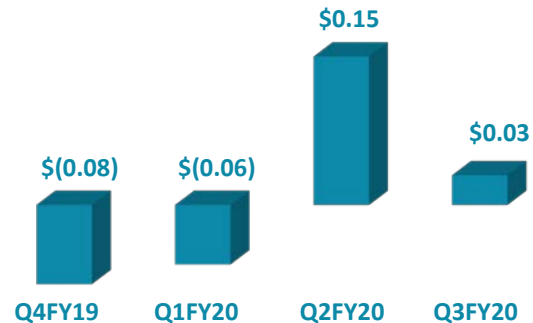
Gross Margin (%)



Adjusted EBITDA (Millions)

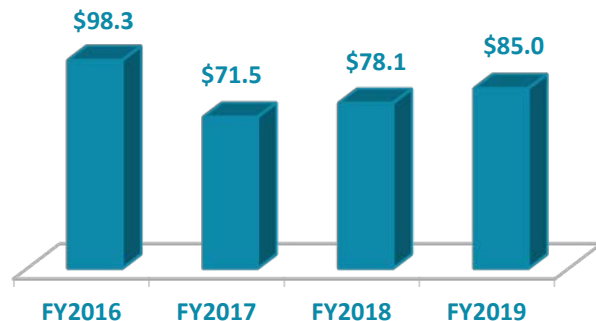


Adjusted Earnings Per Share

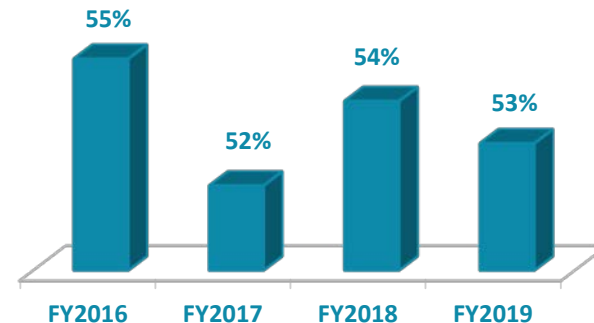


FINANCIAL HIGHLIGHTS - ANNUAL

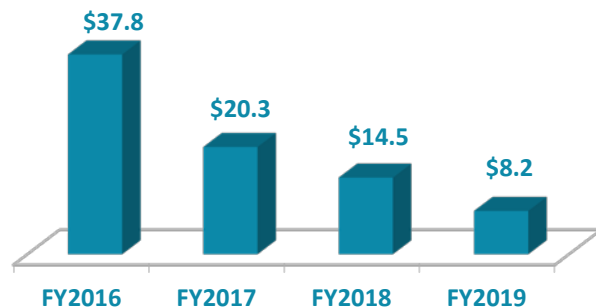
Revenue (Millions)



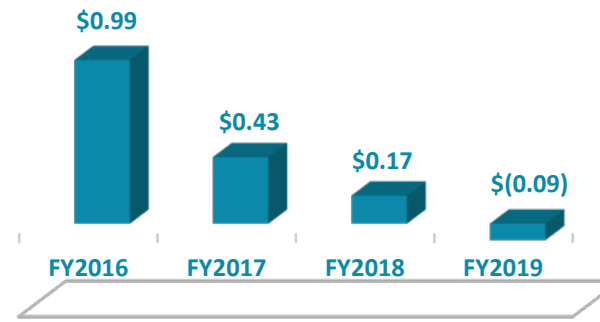
Gross Margin (%)



Adjusted EBITDA (Millions)



Adjusted Earnings Per Share



Around the globe, social distancing and stay-at-home mandates related to the COVID-19 pandemic are driving unusually high levels of utilization across our customers' cable and IPTV networks. As a manufacturer and provider of communications solutions that expand the capacity of our customers' networks, Vecima's operations are not only deemed essential, but we have seen interest in our solutions increase in recent months.

We have taken a number of proactive steps to protect the health and safety of our employees and to support our ability to provide our products and platforms to our customers worldwide.

Employee Health and Safety: Our highest priority continues to be the well-being of our employees, more than 80% of whom are able to perform their job functions outside of a Vecima facility and have transitioned to working remotely. A small number of Vecima employees, primarily those in our Saskatoon manufacturing facility, have roles whose physical presence is required to perform their job function. These employees continue to report to work but are subject to strict protocols intended to reduce the risk of transmission, including social distancing, increased cleaning and availability of personal protective equipment as necessary.

Operations and Supply Chain: Our manufacturing sites have continued to operate at or near normal levels, and by moving early to increase inventory levels, we have been successful in fulfilling orders. While lead times for some of our component supplies have subsequently increased, and in certain limited cases we have needed to seek out alternate sources of supply, we have not as of yet encountered significant disruptions to our supply chain.

We will continue to monitor the situation closely and make adjustments to our business as necessary. We thank all of our employees for their commitment to meeting our customers' needs through these challenging times and acknowledge the exceptional R&D, manufacturing and customer service work that continues to be done despite the changes to our normal ways of operating.



Surinder Kumar, Chairman of the Board
Founder of Vecima Networks



Sumit Kumar, Director
President and CEO of Vecima Networks



T. Kent Elliott, Independent Director
Former CEO and Executive Vice-Chairman at ForeScout Technologies



Danial Faizullahoy, Independent Director
CEO of Cypherpath



Ben Colabrese, Independent Director
EVP Finance for the Toronto Blue Jays and SVP, Finance for Rogers Communications



Derek Elder, Independent Director
President of Sercomm Americas and Director of Zoom Telephonics

- ✓ **4 Independent Directors**
- ✓ **Technology Sector Experience**
- ✓ **Executive Leadership Experience**

Targeted skillsets in:

- ✓ **M&A**
- ✓ **Finance**
- ✓ **Venture Capital**
- ✓ **Strategic Growth**

LEADERSHIP TEAM



**Sumit Kumar,
President and CEO**

Over 25 years of c-level, executive and technical experience, including senior management positions in strategy, business development and R&D.



**Dale Booth,
Chief Financial Officer**

Over 30 years of senior management experience in finance, corporate accounting and investments. CPA, CA designated.



**Dean Rockwell,
Executive Vice President**

Over 30 years of experience in c-level and senior management roles in sales, business development, strategy, product management and operations.



**Clay McCreery,
Chief Revenue Officer**

Over 20 years in the technology sector with experience in c-level management, M&A transactions, strategy development, sales and product management.

***Dynamic
Leadership Team***

***Extensive Industry
Experience***

***Driving Growth and
Profitability***

Corporate Head Office:

771 Vanalman Avenue,
Victoria, BC, Canada V8Z 3B8

Tel: (250) 881-1982

Fax: (250) 881-1974

U.S. Office:

4375 River Green Parkway, Suite 100
Duluth, GA, USA 30096

Tel: (678) 258-4112

Fax: (678) 258-4300

Manufacturing Facility:

150 Cardinal Place
Saskatoon, SK, Canada S7L 6H7

Tel: (306) 955-7075

Fax: (306) 955-9919

Website: www.vecima.com

Email: invest@vecima.com

