



Vecima Networks Inc.

Q2FY21 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$14.27* 52-Week Range: \$7.51 - \$14.90 * Shares Outstanding: 22.9M * Market Cap: \$326.3M

Vecima (TSX:VCM) 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. We build technologies that transform content delivery and storage, enable high-capacity broadband network access, and streamline data analytics.



Video and Broadband Solutions	Content Delivery and Storage	Telematics
Includes platforms and modules that process data from the cable network and deliver it in formats suitable to be consumed on televisions and Internet devices.	Includes solutions and software, under the MediaScaleX™ and Content Agent brands, for industries and customers that focus on storing, protecting, transforming and delivering high value media assets.	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.

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, distribution and transcoding technologies being developed under the MediaScaleX™ and ContentAgent brands. We intend to continue pursuing profitable growth both organically and when appropriate, through value enhancing strategic acquisitions.

Highlights for Q2FY21

Corporate

- Second quarter revenue increased to \$30.4 million, up 21% year-over-year

Video and Broadband Solutions

- Delivered exceptional revenue growth of 98% year-over-year with \$16.5 million in segment sales
- Deployments of Entra DAA products accelerated to \$8.0 million from \$1.1 million in Q2FY20

Content Delivery and Storage

- Generated segment sales of \$12.5 million with service revenues hitting an all-time high and growing by 12% year-over-year
- Secured an additional IPTV customer win for the entire MediaScaleX portfolio, encompassing IP Linear, IP Video on Demand, and cloud DVR

Telematics

- Increased engagement with municipal government customers with expansions adding 330 new subscribers

Executive Team

Sumit Kumar,
President and CEO

Dale Booth,
CFO

Corporate Office:
771 Vanalman Avenue
Victoria, BC, Canada

U.S. Office:
4375 River Green Parkway
Suite 100
Duluth, GA, U.S.A.

Manufacturing Facility:
150 Cardinal Place
Saskatoon, SK, Canada

Corporate Information

Employees: 466

Investor Contact

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Financial Results (C\$ in millions except percentage and per-share data)

	Q2FY21	Q1FY21	Q2FY20
Revenue	\$30.4	\$27.8	\$25.1
Gross Margin	50%	47%	64%
Net (Loss) Income	\$(3.1)	\$(0.8)	\$3.6
(Loss) Earnings Per Share*	\$(0.14)	\$(0.04)	\$0.16
Adjusted EBITDA**	\$2.5	\$2.2	\$7.0
Cash and Short-term Investments	\$20.8	\$27.3	\$40.2

*Based on weighted average number of shares outstanding.

**Adjusted EBITDA is a Non-GAAP measure. For reconciliation of adjusted EBITDA to the most directly comparable financial measure calculated in accordance with GAAP, please see Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at www.sedar.com and on the Company's website at www.vecima.com.

Outlook

In our Video and Broadband Solutions segment, we anticipate a continued building of momentum for our next generation Entra DAA products in fiscal 2021, particularly in the second half. Together with the new DAA Remote MACPHY, access controller and 10G EPON products gained through our recent acquisition of the Nokia cable access portfolio, we believe Vecima now offers the industry's strongest and most relevant DAA portfolio for the cable industry evolution underway and we anticipate meaningful sales growth for our entire Entra portfolio in fiscal 2021. Our Content Delivery and Storage segment is positioned for measured growth in fiscal 2021 as we consolidate the record-setting new business wins of fiscal 2020 and attract new operators that are just beginning their evolution to IPTV. We note, as always, that the Content Delivery and Storage segment is prone to significant quarter-to-quarter revenue variations due to the size and timing of orders. In the Telematics segment, we anticipate incremental growth in demand from the fleet tracking market in fiscal 2021, along with continued gradual growth in demand for our asset tracking services. Overall, we anticipate a very strong fiscal 2021 for Vecima as our multi-year investment, development, and strategic acquisition strategy continues to bear fruit.

*Certain statements in this fact sheet may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. For additional details on Forward-Looking Information or for further details on Vecima's Fiscal 2021 Outlook, please refer to Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at www.sedar.com and on the Company's website at www.vecima.com.