

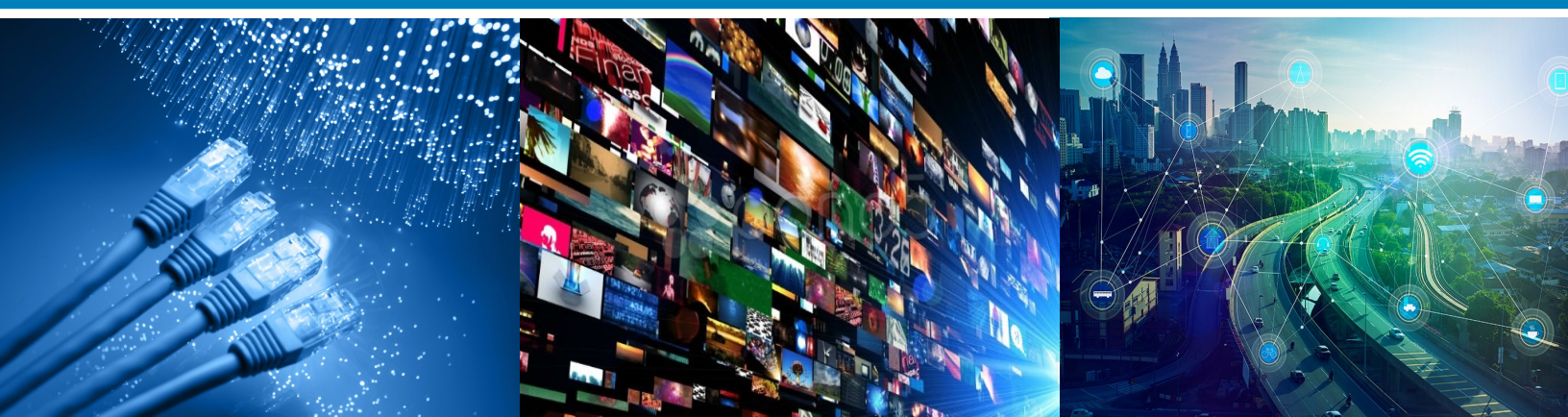


# Vecima Networks Inc.

## Q1FY23 Investor Fact Sheet

TSX: VCM \* Recent Share Price: \$17.00 \* 52-Week Range: \$13.85 - \$20.16 \* Shares Outstanding: 23.1M \* Market Cap: \$392.9M

**Vecima Networks Inc. (TSX: VCM) is leading the global evolution to the multi-gigabit, content-rich networks of the future. Our talented people deliver future-ready software, services, and integrated platforms that power broadband and video streaming networks, monitor and manage transportation, and transform experiences in homes, businesses, and everywhere people connect. We help our customers evolve their networks with cloud-based solutions that deliver ground-breaking speed, superior video quality, and exciting new services to their subscribers. There is power in connectivity - it enables people, businesses, and communities to grow and thrive.**



Video and Broadband Solutions	Content Delivery and Storage	Telematics
<p>Includes platforms that process data from the cable network and deliver high-speed internet connectivity to homes over cable and fiber, as well as adapt video services to formats suitable to be consumed on televisions in commercial properties</p>	<p>Includes solutions and software, under the MediaScale™ brand, for service providers and content owners that focus on ingesting, producing, storing, delivering and streaming video for live linear, Video on Demand (VOD), network Digital Video Recorder (nDVR) and time-shifted services over the internet</p>	<p>Provides fleet managers with the key information and analytics they require to optimally manage their mobile and fixed assets under the Contigo and Nero Global Tracking brands</p>

### Our Strategy

*Our growth strategy focuses on the development of our core technologies, including next-generation platforms such as our Entra DAA platform, as well as our IP video storage and distribution technologies being sold and deployed under the MediaScale brand within the Content Delivery and Storage segment. We will continue to pursue profitable growth both organically and when appropriate, through value-enhancing strategic acquisitions.*

## Highlights for Q1FY23

### Corporate

- Achieved new quarterly revenue record of \$73.4M; Adjusted EBITDA of \$17.2M; EPS at \$0.41

### Video and Broadband Solutions (VBS)

- Entra sales set a quarterly record of \$53.0M, up 192% YoY
- Significant market adoption of Vecima's next-generation fiber and cable access solutions with deployments at eight of the twelve largest cable operators in North America.

### Content Delivery and Storage (CDS)

- First quarter sales of \$11.0M
- Continued coverage expansion with a large Tier 1 customer in CALA, with MediaScale solutions now deployed across nine countries in the customer's network

### Telematics

- Added 12 new restoration industry customers, with the total number of moveable assets being monitored growing to over 28,000 units
- Achieved strong gross margin percentage of 66.1%

### Executive Team:

**Sumit Kumar,**  
President and CEO

**Dale Booth,**  
CFO

**Dean Rockwell,**  
Executive Vice-President

**Clay McCreery**  
Chief Operating Officer

**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: 607

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

	Q1FY23	Q4FY22	Q1FY22
<b>Revenue</b>	<b>\$73.4</b>	\$60.0	\$32.4
<b>Gross Margin</b>	<b>45.9%</b>	47.5%	48.5%
<b>Net Income</b>	<b>\$9.5</b>	\$3.5	\$0.7
<b>Earnings Per Share*</b>	<b>\$0.41</b>	\$0.16	\$0.03
<b>Adjusted EBITDA**</b>	<b>\$17.2</b>	\$11.1	\$4.3
<b>Cash and Cash Equivalents</b>	<b>\$(2.5)</b>	\$12.9	\$17.9

\*Based on weighted average number of shares outstanding.

\*\*Adjusted EBITDA is a non-IFRS measure. For reconciliation of adjusted EBITDA to the most directly comparable financial measure calculated in accordance with IFRS, please see Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.vecima.com](http://www.vecima.com).

\*\*\*Cash and Cash Equivalents include bank overdraft

## Outlook

Around the globe, high levels of utilization across our customers' cable, fiber, and IPTV networks, and increasing competition and investment amongst all broadband service providers, is requiring MSOs to expand capacity and increase speeds across their networks. Vecima is responding to this intensification of demand with an industry-leading portfolio of DAA, commercial video and IPTV solutions that enable our customers to expand their capacity and network offerings. In our **VBS** segment, heavy demand for our next-generation DAA cable and fiber access products continues to escalate. Accelerated Q1 deliveries included some shipping pull-ins from Q2 as we responded to high customer demand and took advantage of material availability. As a result of these pull-ins to Q1, we anticipate similar quarterly sales across the first half of fiscal 2023 following the exceptionally strong growth pace achieved in Q1. Overall, we continue to expect full year Entra family product sales to grow significantly in fiscal 2023. We also emphasize that we are still in the early stages of broad industry DAA adoption. We see an extraordinary and lengthy growth runway for Entra and are focused on leveraging our industry-leading product portfolio, strong customer relationships, and growing global reach to continue capturing market share in this large and rapidly growing market. In our **CDS** segment, demand for our IPTV and open caching solutions continues to increase and we anticipate moderate sales growth for this segment in fiscal 2023. In the **Telematics** segment, we anticipate incremental growth in demand from the fleet tracking market in fiscal 2023, along with continued gradual growth in demand for our asset tracking services. We note that global supply chain challenges persist and have the potential to constrain or impact our revenue growth and put pressure on gross margins. We have significantly increased our inventories of finished goods and raw materials and boosted our investments in expediting working capital to help us respond to our growing order backlog, leveraging our strong financial position and excellent supplier relationships as we address the fast-growing demand for our next-generation solutions.

\*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 2023 Outlook, please refer to Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.vecima.com](http://www.vecima.com).