



Vecima Networks Inc.

Q1FY24 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$17.27 * 52-Week Range: \$15.59 - \$23.31 * Shares Outstanding: 24.3M * Market Cap: \$419.6M

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
Includes the Entra™ family of DAA technologies that process data from cable networks to deliver high-speed internet connectivity to homes over cable and fiber, and the Commercial Video product lines that adapt video services to formats suitable for media consumption at commercial properties	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	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

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 Q1FY24

Corporate

- Generated quarterly revenue of \$61.5 million
- Achieved gross profit of \$28.8 million
- Gross Margin of 46.9% and Adjusted Gross Margin** of 47.9%

Video and Broadband Solutions

- Q1FY24 VBS revenue of \$44.1 million
- Engagements for Entra cable and fiber access now span 158 unique program opportunities across 108 service providers globally

Content Delivery and Storage

- First quarter CDS sales grew 43% to \$15.7 million YoY, including a 56% increase in product sales and a 24% increase in service sales

Telematics

- Achieved best quarter-to-date for additions of new moveable asset subscriptions, adding 14 new customers and increasing the number of moveable assets being monitored to over 57,000 units

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: 591

Investor Contact

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Financial Results (C\$ in millions except percentage)	Q1FY24	Q4FY23	Q1FY23
Revenue	\$61.5	\$75.5	\$73.4
Gross Margin	46.9%	50.5%	45.9%
Net Income	\$1.7	\$5.1	\$9.5
Earnings Per Share*	\$0.07	\$0.21	\$0.41
Adjusted EBITDA**	\$8.1	\$15.1	\$17.2
Cash and Cash Equivalents	\$2.3	\$2.3	\$4.3

*Based on weighted average number of shares outstanding.

**Adjusted EBITDA and Adjusted Gross Margin are non-IFRS measures. For reconciliation of adjusted EBITDA and Adjusted Gross Margin please see Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at www.sedarplus.ca and on the Company's website at www.vecima.com.

Outlook

Around the globe, MSOs are upgrading their cable, fiber, and IPTV networks to expand capacity, respond to increasing competition, and meet customers' expectations for ever-faster internet speeds and enhanced services. In the broadband market, these trends, together with significant government investment into rural broadband initiatives, are fueling a wave of demand for Vecima's world-class Entra DAA cable and fiber access solutions; demand that further amplifies the need to upgrade networks when compounded with the continuous capacity increases that must regularly occur. With the industry poised to move to even wider adoption of DAA, we expect demand for our solutions will grow even stronger as we move into the latter part of fiscal 2024, while continuing to note that in the near term the macro environment is in transition. Our Video and Broadband Solutions segment is preparing to launch major DAA rollouts with key customers in fiscal 2024. While exact timing of these rollouts is customer-dependent, we expect to see Entra sales momentum building significantly in the second half and continuing into fiscal 2025 and beyond. In our Content Delivery and Storage segment, demand for our IPTV and open caching solutions continues to grow as existing IPTV customers undertake network expansions and new customers come on board. We expect to build on the segment's strong fiscal 2023 sales performance with low double-digit growth in fiscal 2024. We also continue to see robust longer-term growth potential as IPTV gains momentum and our newer open caching and dynamic ad insertion solutions become an important driver of CDS performance. In the Telematics segment, we anticipate incremental growth in subscriptions from the fleet tracking market, along with continued increases in demand for our asset tracking services that have been an important driver of segment differentiation and gains in recent quarters. As we move forward, we anticipate that our market and product mix will continue to gradually shift to higher volume, lower-margin cable access products. Overall, we expect fiscal 2024 will further demonstrate our ability to capture the major and multi-year opportunities in the compelling DAA and IPTV markets as we continue to build value for our shareholders.