



# Investor Overview

FY 2024 – Q3 RESULTS

VECIMA NETWORKS (TSX: VCM)

May 15, 2024

March 2024 Q3 Results

VECIMA

# SAFE HARBOUR

## 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 21, 2023, a copy of which is available at [www.sedarplus.ca](http://www.sedarplus.ca). 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.

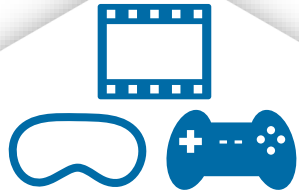
## Additional Reference Materials

This presentation should be read in conjunction with materials from Vecima, including news releases, material change reports, most recent annual financial statements and related management discussion and analysis ("MD&A"), for full details of the information referenced throughout this presentation. Additional information is available at [www.sedarplus.ca](http://www.sedarplus.ca) or on our website at [www.vecima.com](http://www.vecima.com).

## Non-IFRS Financial Measurements

In an effort to provide investors with additional information regarding the Company's results as determined by International Financial Reporting Standards (IFRS), the Company also discusses, in its earnings press release and earnings presentation materials, non-IFRS information which management believes provides useful information to investors. Non-IFRS measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

# Dynamics driving industry growth through to 2030



Bandwidth-  
Intensive Apps

4K & 8K, AR, VR & XR  
Cloud Gaming & AI

10<sup>+</sup>

GBPS  
Data Rates

Symmetrical services  
with <5ms latency

25%

CAGR  
Network Traffic

Up to 3,300 EB/m  
by 2030

\$B

Broadband  
Equity Stimuli

Bridging 'digital divide'  
accelerates growth

Source: ITU, Juniper Research

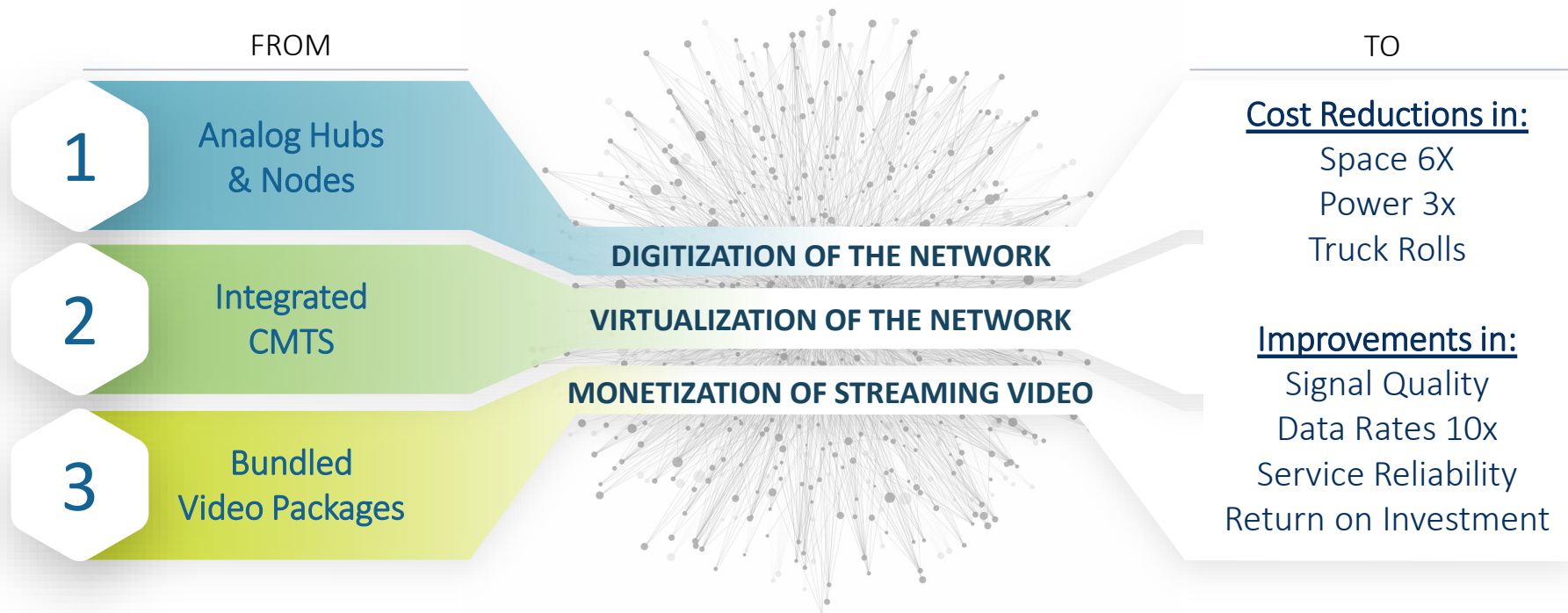
HELPING BSPs MEET THE FUTURE NEEDS OF THEIR CUSTOMERS

# Dynamics driving industry growth through to 2030



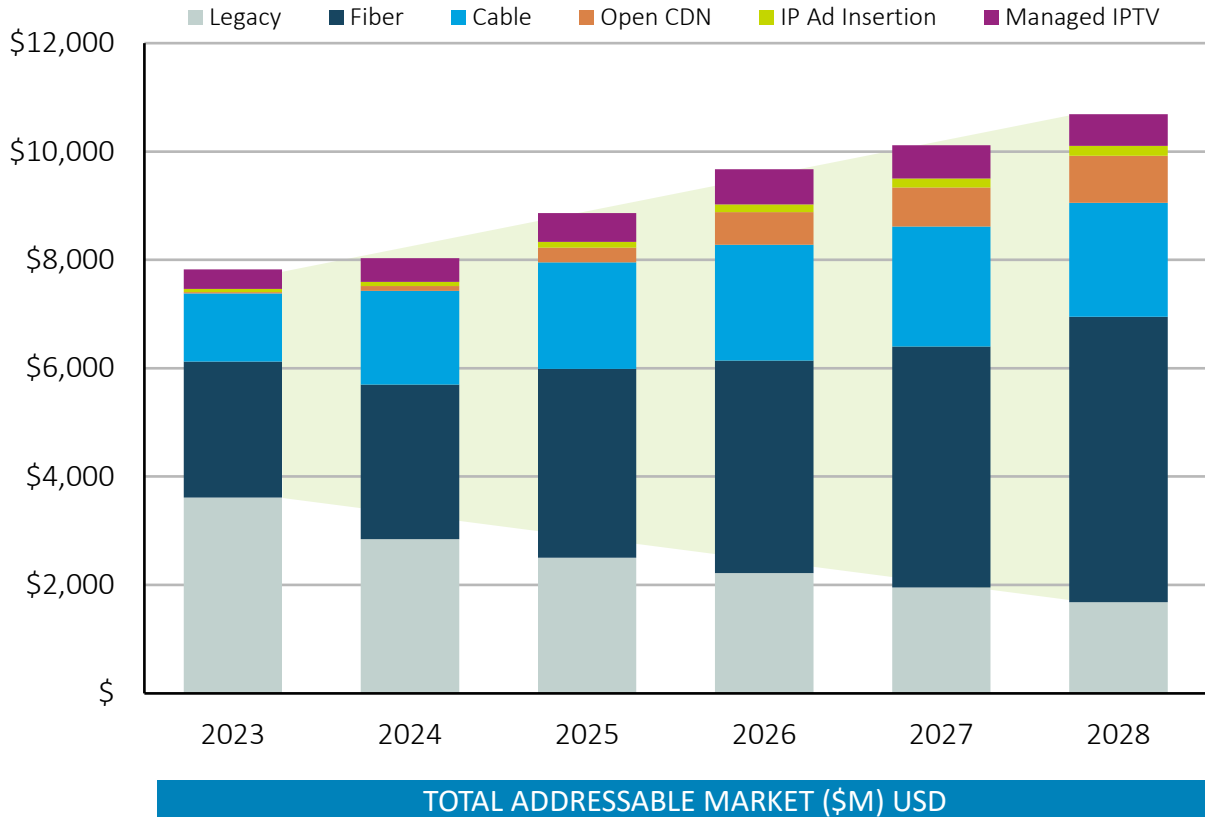
**VECIMA IS STRATEGICALLY ALIGNED TO MEET BSP NEEDS**

# Dynamics driving industry growth through to 2030



**VECIMA IS STRATEGICALLY ALIGNED TO MEET BSP NEEDS**

# Next-gen technologies dominate TAM growth



33%

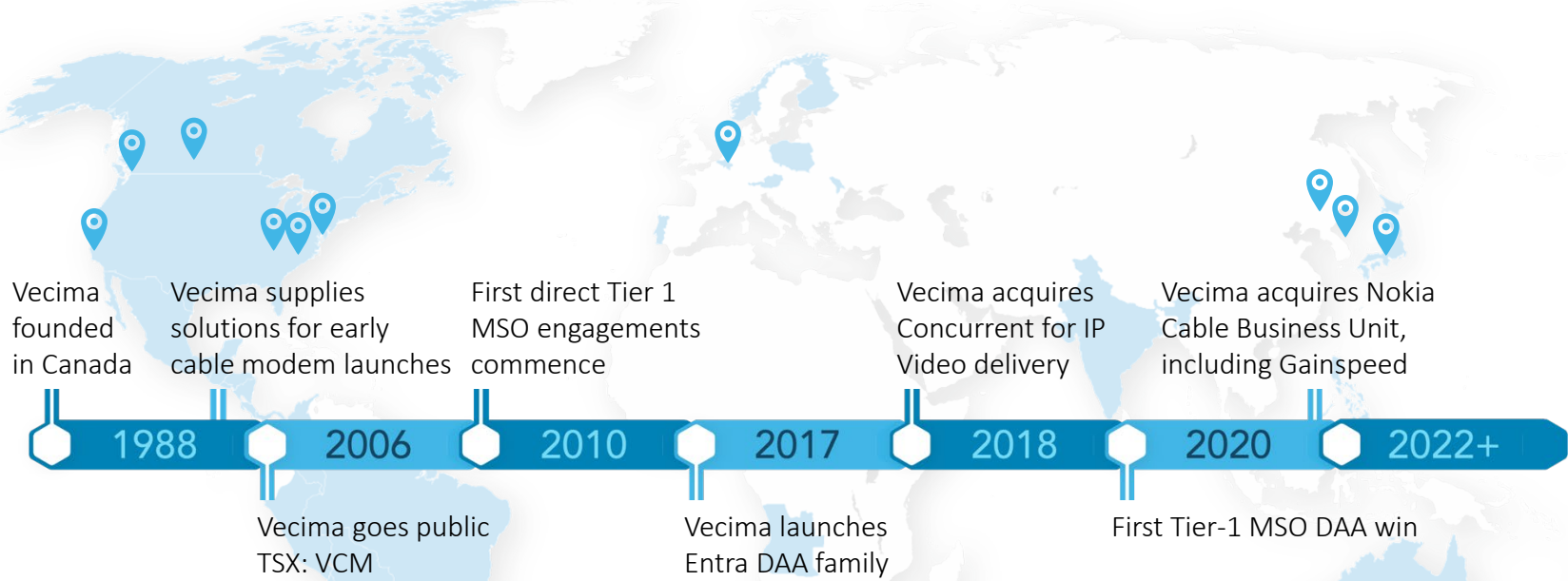
TAM Growth to \$10.7B

73%

Next-Gen TAM growth to \$9B:

- Fiber
- Cable
- Open CDN
- IP Ad Insertion
- Managed IPTV

# 35+ years of growth and technology excellence



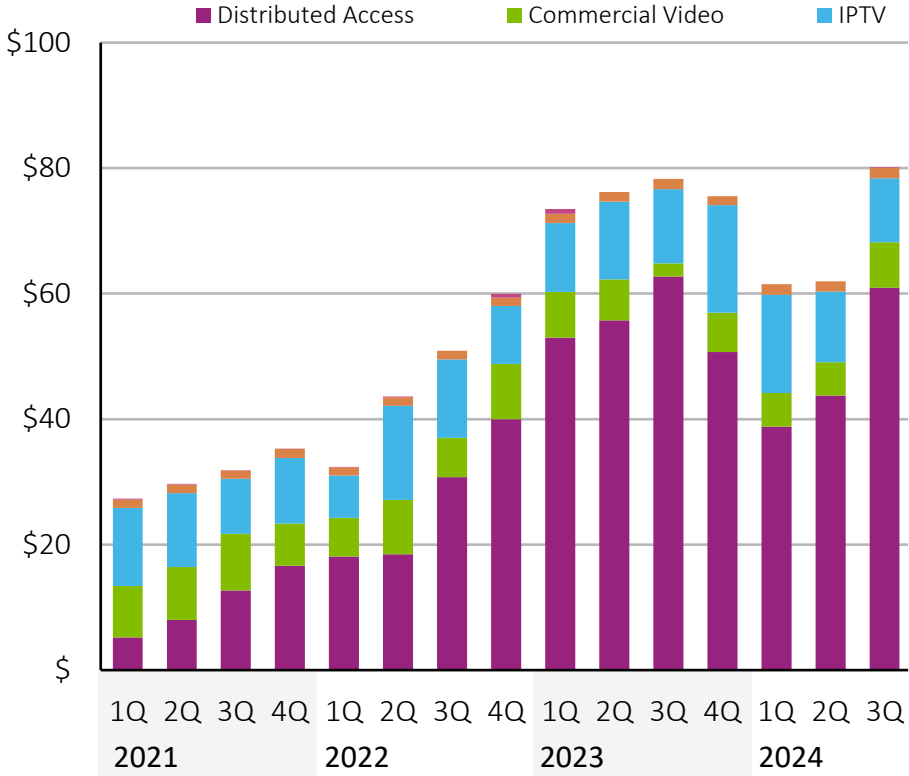
Vecima was launched as an OEM focused on high-speed data solutions and now provides complete end-to-end solutions for next-gen access

10  
Offices  
worldwide

591  
Employees  
globally

~60%  
Engineers  
and R&D

# Solid market traction with new product introductions



NEW PRODUCT REVENUE (\$M) CAD

193%

Growth in top-line revenues  
1Q2021 vs 3Q2024

29%

Growth in top-line revenues  
2Q2024 vs 3Q2024

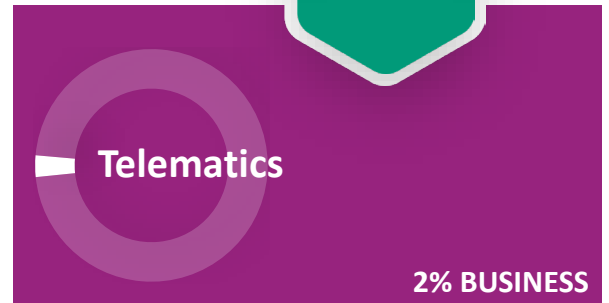
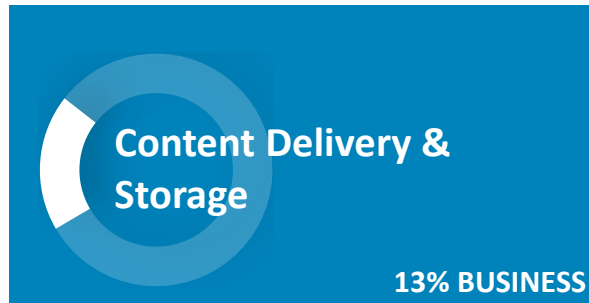
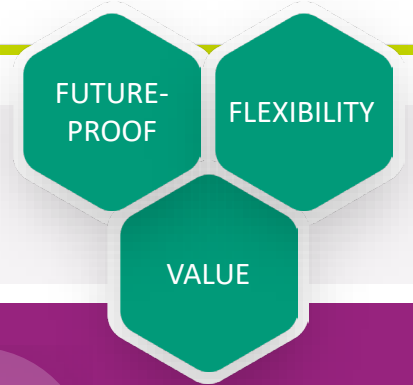
76%

Revenue attributed to Distributed Access  
(Fiber + Cable Broadband)



# Vecima has the strategy and structure to win

Deliver high-performance Network & Content Delivery technologies for Service Providers that enable outstanding quality of experience for their subscribers



## Accelerating network convergence:

- Focus R&D in transformational growth sectors
- Innovate & lead cloud-based, access network management technologies and the PON & DAA nodes that they power

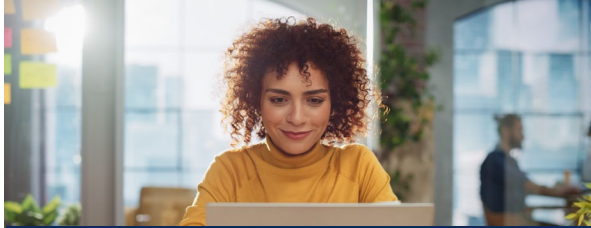
## Bringing Video to life:

- Optimize the video delivery chain to maximize quality of viewing experience
- Generate new revenues for providers

## Realizing potential of mobile assets

- Cloud-based tracking & monitoring of vehicles, assets, and people
- Ensuring resources are in the right place at the right time to reduce costs, boost productivity and safety

# New phase of growth and development



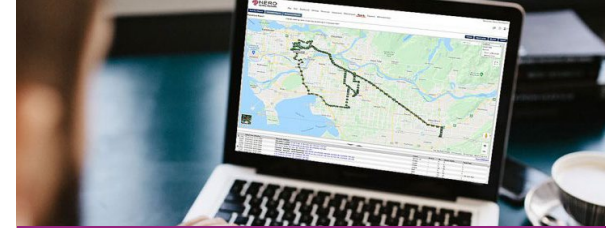
## Video & Broadband Solutions

- Strong start for Gen 2 Entra ERM3 R-PHY Module
- Full availability of DOCSIS 4.0-ready GAP Node
- Entra fiber access products integral for BEAD in U.S.



## Content Delivery & Storage

- IPTV and OTT streaming expanding exponentially
- Strong growth potential for MediaScale, including dynamically targeted advertising and Open CDN



## Telematics

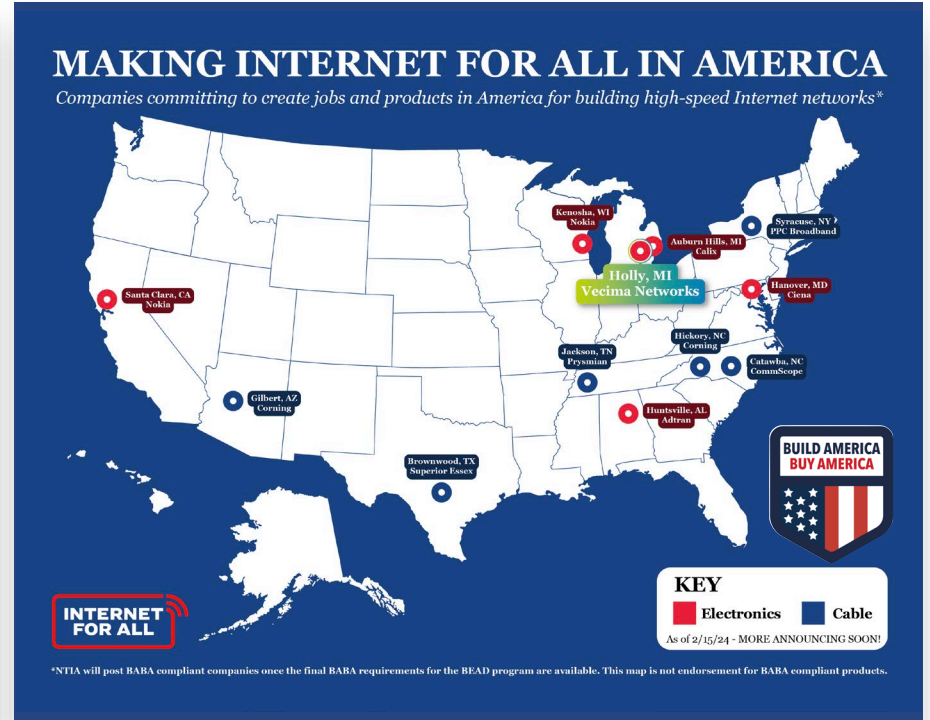
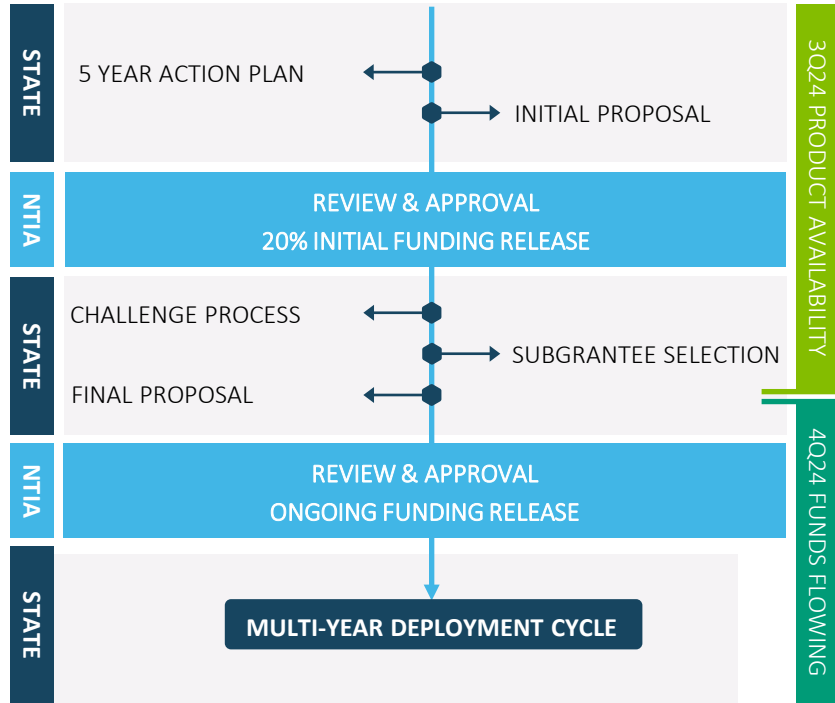
- Consistent growth in fleet tracking and moveable asset services
- Leading the transition to asset tracking

**EACH BUSINESS UNIT IN EARLY STAGE OF GROWTH CURVE**

# Proudly serving 100+ Operators and 100m people globally



# BEAD: Extending Broadband reach across the US



## US-MADE PRODUCTS: 3Q 2024 AVAILABILITY

# Huge and growing Rural Broadband investment

More than \$65B in subsidies pouring into North American Broadband Networks

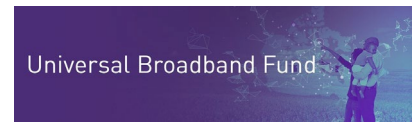


## Rural Digital Opportunity Fund (RDOF)



- \$20.4B USD to:
- Build out rural fiber in US over 10 years
  - Many Vecima customers have received funding
  - Vecima Tier 1 US operator initiating huge fiber build
  - Incremental to existing FTTH opportunity

## Universal Broadband Fund in Canada



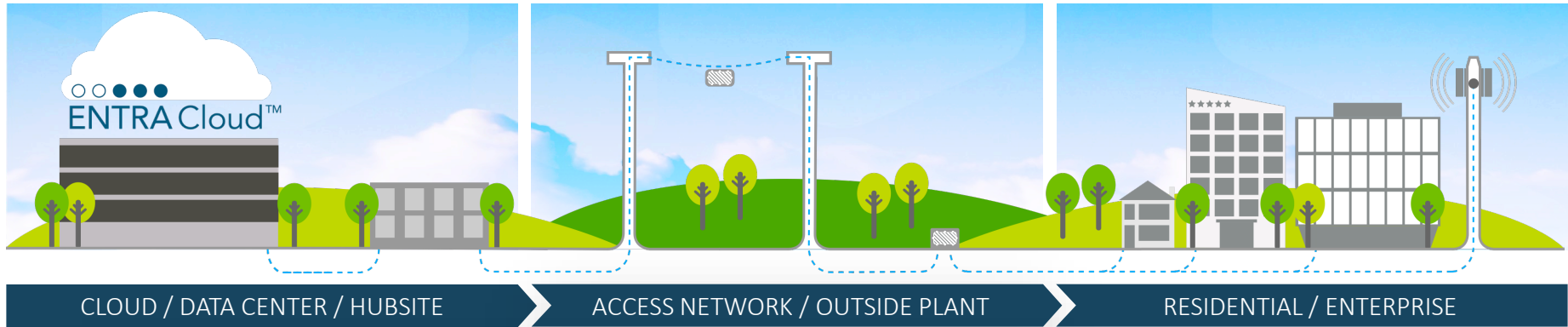
- \$3.225B CAD to:
- Build high-speed broadband infrastructure across the country
  - Improve Broadband access for rural households (46% currently) and First Nations households (35% currently).

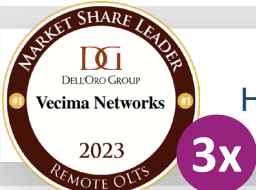



## Broadband Equity Access and Deployment (BEAD)



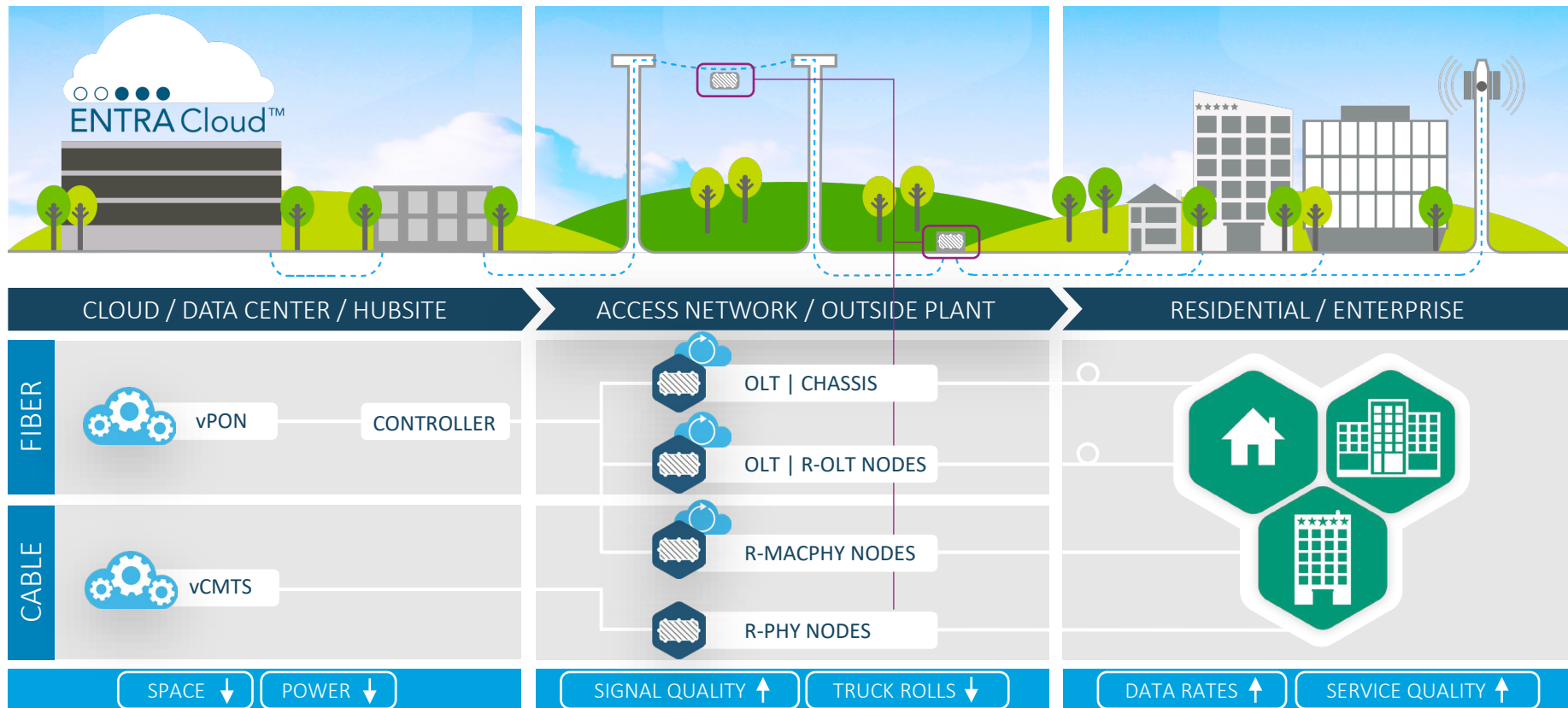
- \$42.45B USD to:
- Expand high-speed internet access by funding planning, infrastructure deployment and adoption programs
  - Funding distributed largely by the States

# Transforming next-gen Broadband Networks



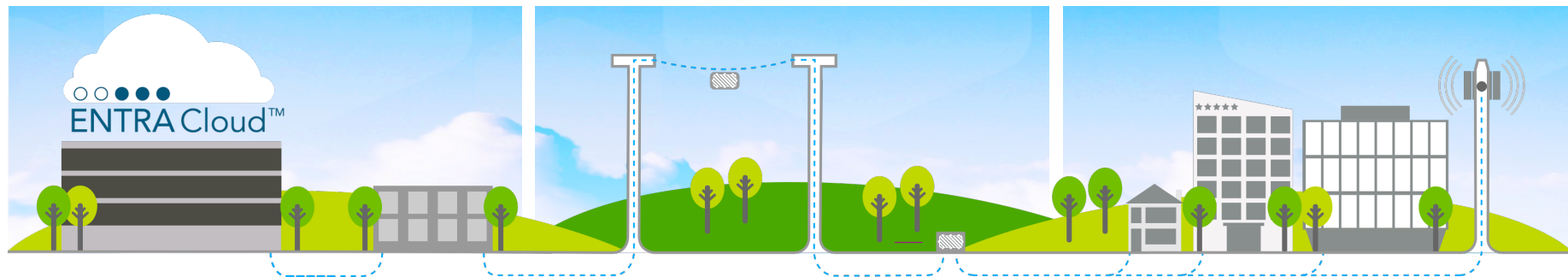
FIBER	 <p>Helping Fiber Broadband providers accelerate to 10G+ FTTx</p>	
CABLE	 <p>Helping Cable Broadband providers digitize networks to deliver multi-Gigabit data services to 10G+</p>	

# Transforming next-gen Broadband Networks



# US Tier 1 Win Case Study

Vecima DAA for Cable Network Upgrade



## CLOUD / DATA CENTER

21

Regional Data Centers which manage connectivity across the network

## HUB SITE

2,000+

Hub Sites will consolidate to virtual environments replacing Legacy HW CCAPs

## ACCESS NETWORK

195,000+

Analog Nodes being replaced with DAA

## RESIDENTIAL / ENTERPRISE

50M homes will be passed with DAA

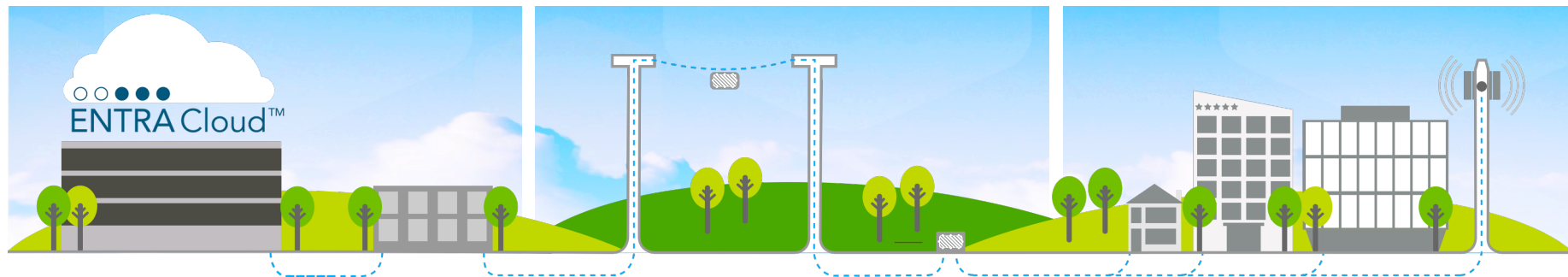
2.275M SMBs & Enterprise Customers

**PARTNERED THE LARGEST BROADBAND SERVICE PROVIDERS**



# US Tier 1 Win Case Study

Vecima DAA for Fiber Network Expansion



CLOUD / DATA CENTER

21

Regional Data Centers  
Vecima Virtualized  
Controller Software  
Common for Cable & Fiber

HUB SITE

2,000+

Hub Sites  
Freed by virtualizing Fiber  
Network

ACCESS NETWORK

Vecima  
R-OLTs

Rural FTTH growth,  
Digital Nodes upgrades

RESIDENTIAL / ENTERPRISE

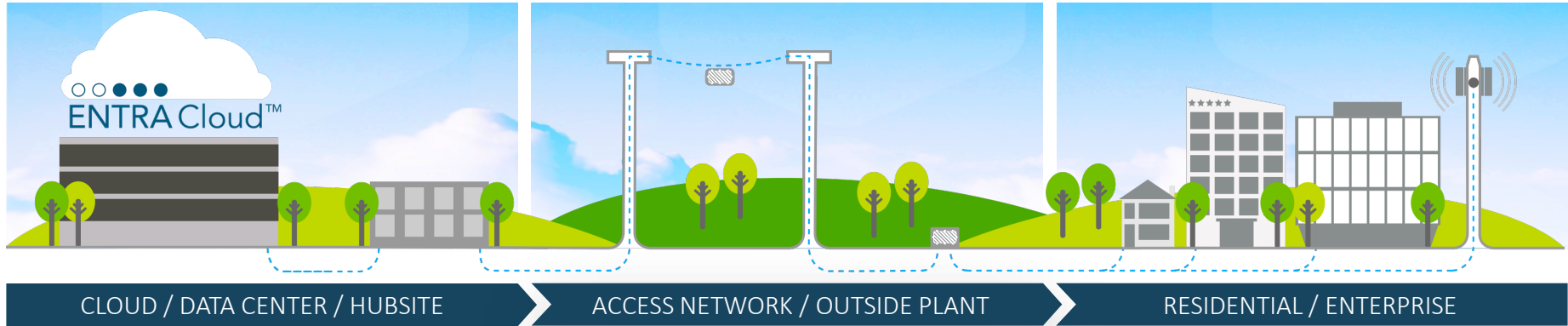
+1.75M

New FTTH Passings w/  
RDOF underway

+xM FTTH Passings  
w/BEAD yet to come

VECIMA IS ALIGNED TO THE MOST CRITICAL PARTS OF BSP INVESTMENTS

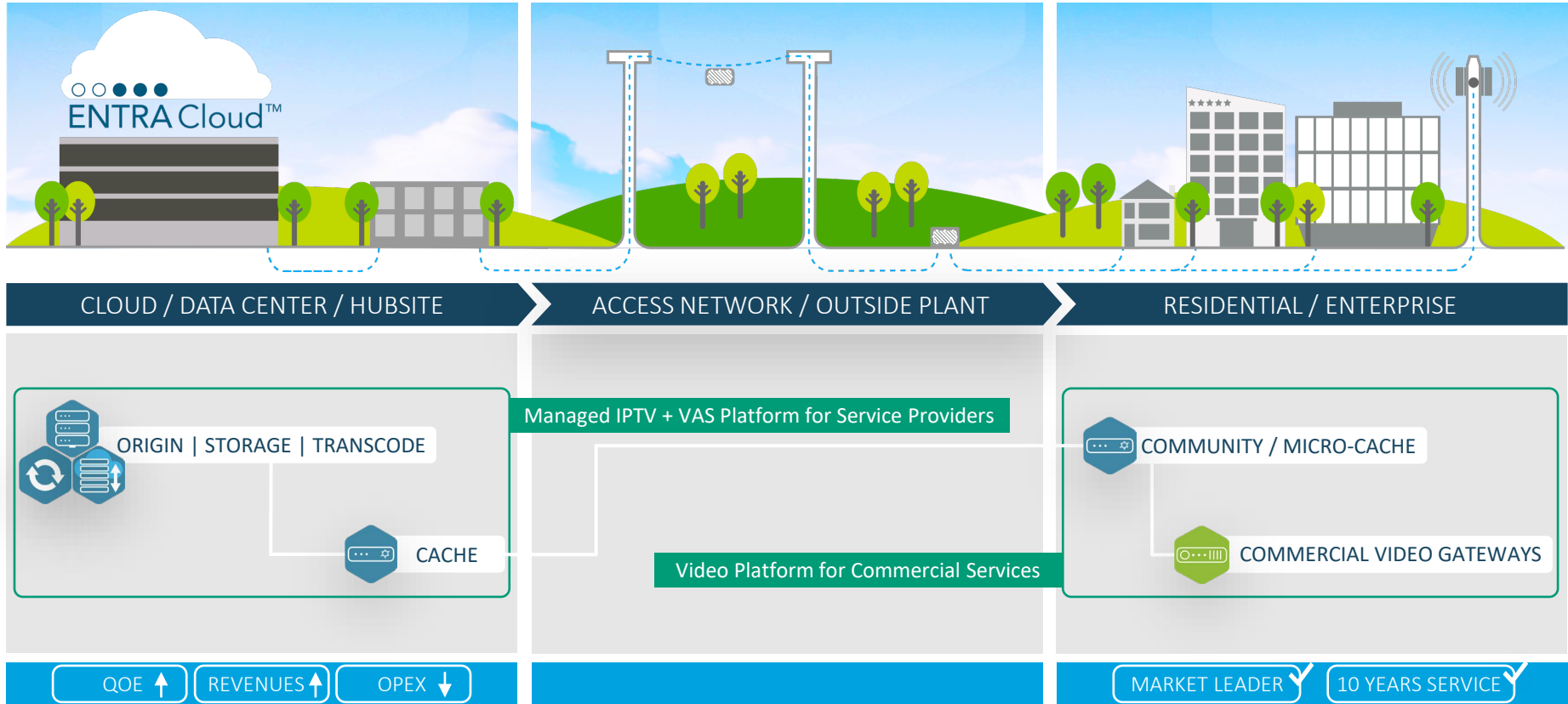
# Bringing video to life



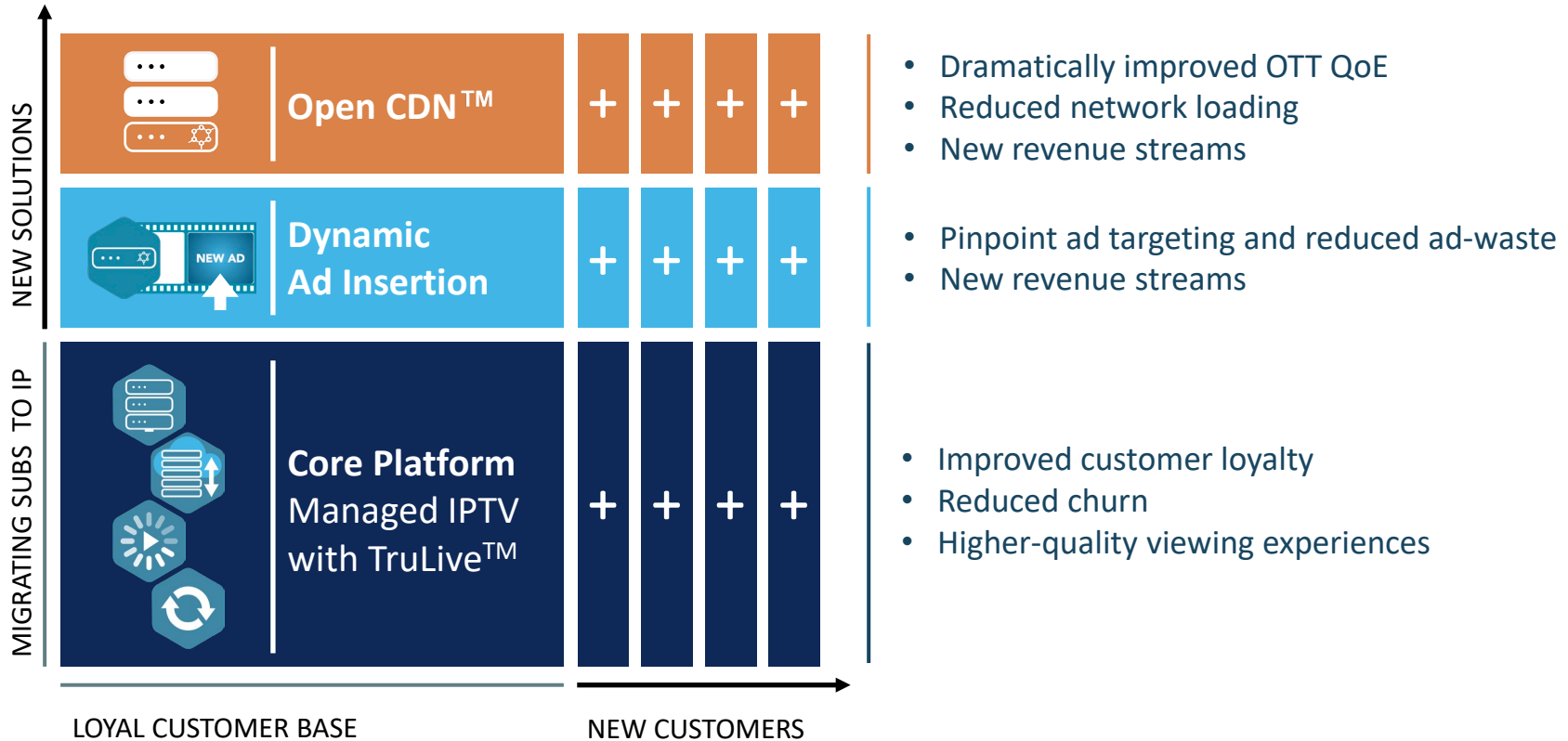
Helping Operators migrate subs from Legacy QAM to IP,  
Better monetize video, and deliver superior quality of experience



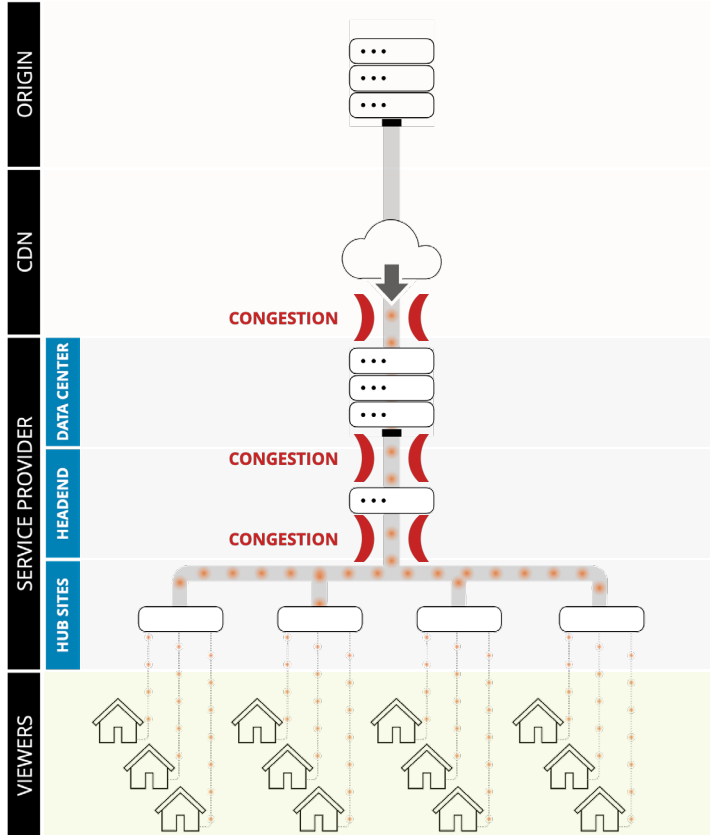
# Bringing video to life



# Igniting new experiences, revenues & loyalty



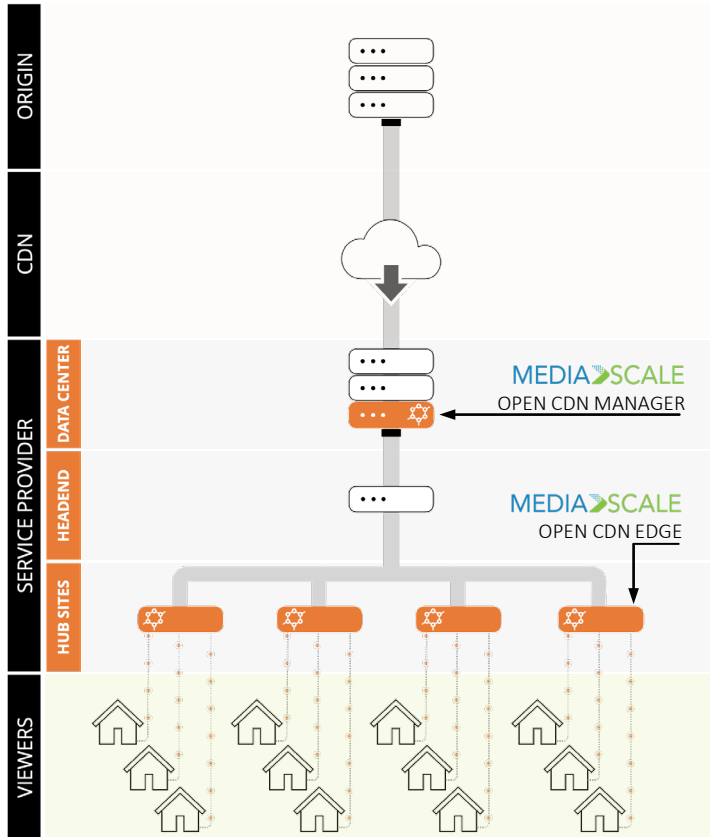
# Overcoming the challenges of OTT streaming



- 1 Content Providers pay Public CDNs to sync & serve libraries
- 2 Stream requests fulfilled from the CDN across entire network
- 3 Congestion builds from the CDN across the core network
- 4 Viewers get an inconsistent quality of experience



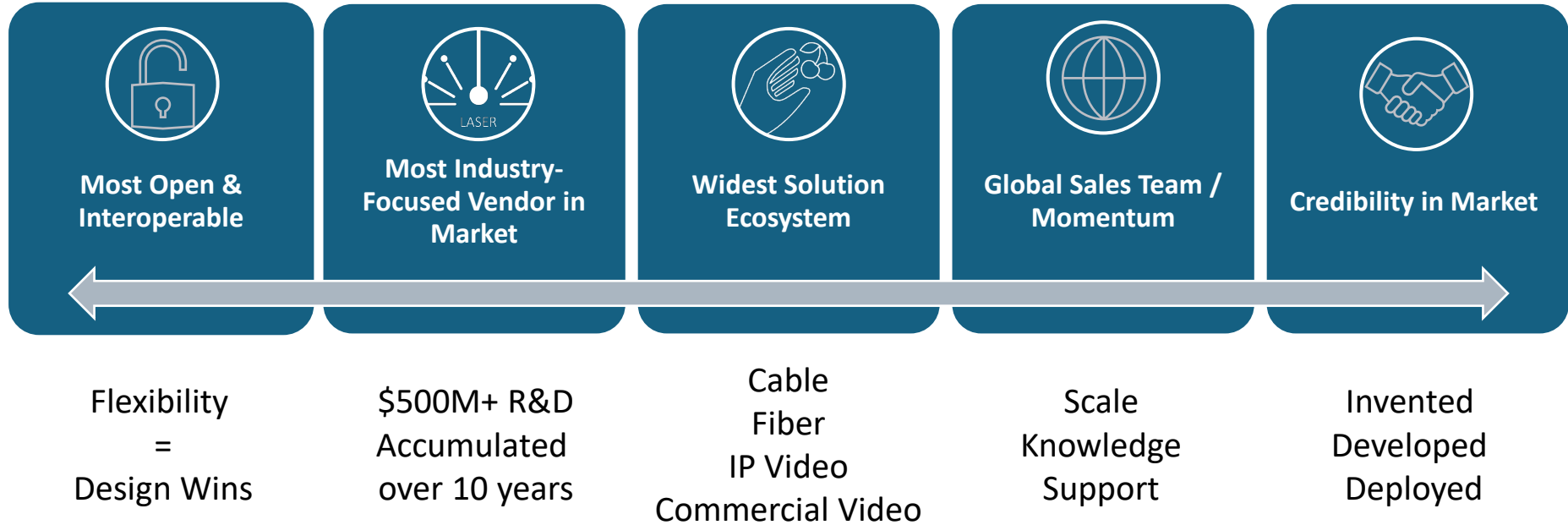
# Improving quality and generating revenue



- 1 Content Providers pay CDNs only once
- 2 Open Cache captures content in the Hubs, reducing traffic
- 3 Viewers dramatically improved viewing experience
- 4 Content Provider revenues are shared with Service Providers



# Vecima's Competitive Edge



**35 YEARS OF IP DEVELOPMENT, LASER FOCUS ON BSPs, SCALE, CREDIBILITY**

# Core focus on growth and profitability

CASH, NET OF REV. LOC (\$CAD)

(\$78.4M)

SHORT & LONG-TERM DEBT (\$CAD)

\$15.49M

WORKING CAPITAL (\$CAD)

\$82.09M

SHAREHOLDER'S EQUITY (\$CAD)

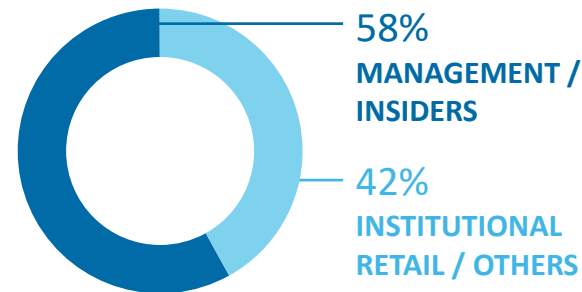
\$226.84M

TOTAL ASSETS (\$CAD)

\$412.36M

EMPLOYEES

591



24.3M  
BASIC SHARES  
OUTSTANDING

Market Cap ~\$483.7M (as at March 31, 2024)

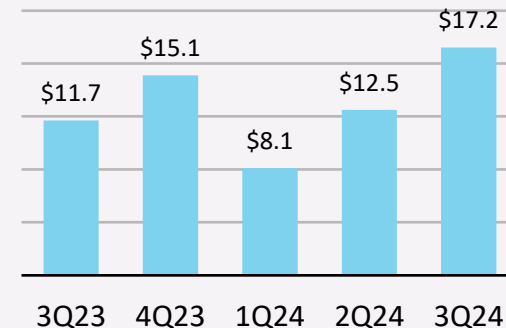
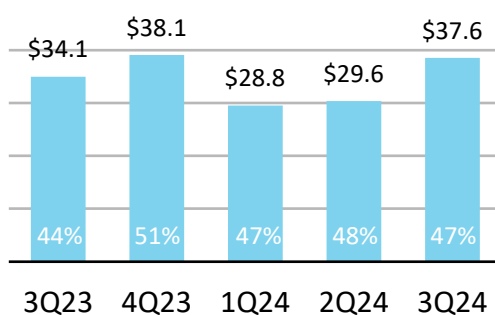
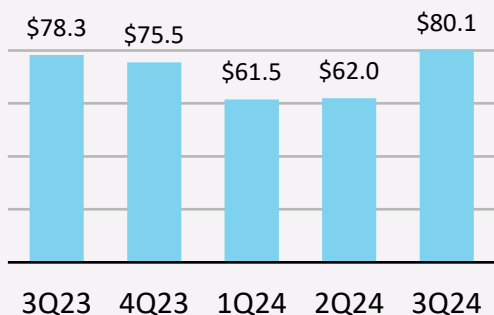
Solid Balance Sheet

\$49.2M Returned to shareholders in Quarterly Dividends since Oct 2014

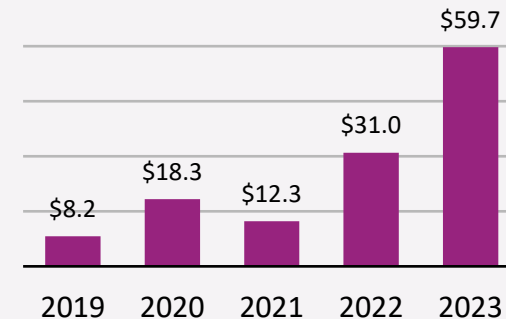
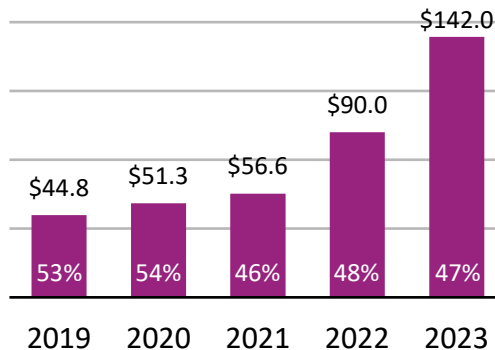
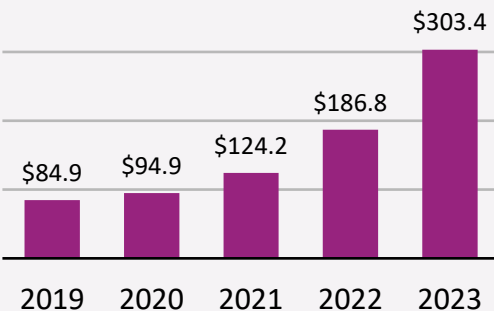


# Strong, consistent financial performance

QUARTERLY



ANNUAL



REVENUE (\$M) CAD

GROSS MARGIN (\$M) CAD

ADJUSTED EBITDA\* (\$M) CAD

# Leadership with extensive experience



**Sumit Kumar**  
**PRESIDENT & CEO**

30 years of C-level and executive leadership across strategy, business development, and R&D



**Dale Booth**  
**CHIEF FINANCIAL OFFICER**

30+ years of experience and CPA, CA designated, leading finance and accounting



**Dean Rockwell**  
**EXECUTIVE VICE PRESIDENT**

30+ years of C-level, executive & technical experience in strategic growth, business development, and innovation



**Clay McCreery**  
**CHIEF OPERATING OFFICER**

20+ years driving success in technology, with C-level, M&A, strategy, sales, and product expertise



**Colin Howlett**  
**CHIEF TECHNOLOGY OFFICER**

20+ years of technical expertise in cable broadband, driving innovation with customers and standards



**Heather Asher**  
**GENERAL COUNSEL**

15+ years advising on transactions, compliance, governance, and security

**STEWARDED ANOTHER HIGH-GROWTH ERA FOR VECIMA**

# Leadership with extensive experience



Surinder Kumar  
**CHAIRMAN**

Founder,  
Vecima Networks



Sumit Kumar  
**PRESIDENT & CEO**

30 years of C-level  
and executive  
leadership across  
strategy, business  
development, and  
R&D



Rick Brace  
**INDEPENDENT  
DIRECTOR**

Former president  
of Rogers Media  
and former  
chairman of CTV  
Specialty  
Television and  
Discovery, Canada



D. Faizullabho  
**INDEPENDENT  
DIRECTOR**

CCO and Senior  
Advisor at  
Glasnostic; Senior  
advisor at Platina  
Systems



James Blackley  
**INDEPENDENT  
DIRECTOR**

2020 Cable Hall of  
Fame Honoree;  
former EVP  
advisor to the CEO  
at Charter  
Communications



Scott Edmonds  
**INDEPENDENT  
DIRECTOR**

Advisor to the CEO  
at Stemcell  
Technologies;  
2014 finalist for EY  
Entrepreneur of  
the Year in B2B



Samuel Chernak  
**INDEPENDENT  
DIRECTOR**

30+ Years leading  
Comcast  
operations for  
cellular, VoIP,  
access  
architecture, and  
DOCSIS teams

**STEWARDED ANOTHER HIGH-GROWTH ERA FOR VECIMA**

# Why invest?



Established technology leader in Broadband and Video - \$500M R&D invested

Growing base of loyal customers, across a global footprint

~2x Serviceable Market growth forecast to 2024 to 2028

Consistently profitable with a proven operational track record

Proven, professional team, able to execute

**PROFITABILITY. STABILITY. GROWTH.**

Bandwidth-intensive apps and competitive pressures are driving utilization, network capacity, and broadband speeds up 25% annually

Broadband Service Providers (BSPs) must upgrade and digitize their networks to meet the market requirements of today

More than \$65B in government subsidies will continue to drive incremental investment in access networks for years to come

Opportunities to improve monetization for both Managed IPTV & OTT content will provide BSPs an improved ROI for video services

**Vecima is strategically aligned to take advantage of the global cable network upgrade, massive fiber buildout, and the disruptive forces in video delivery**



Thank you.

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

Tel: (250) 881-1982  
Fax: (250) 881-1974

[invest@vecima.com](mailto:invest@vecima.com)  
[www.vecima.com](http://www.vecima.com)

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