

Ooma, Inc. - Key Metrics (unaudited)

	2QF24	1QF24	4QF23	3QF23	2QF23	
Users - thousands ₁	1,237	1,225	1,210	1,202	1,181	
Premium users - thousands ₂	779	762	742	729	708	
Premium users as a % of users	63%	62%	61%	61%	60%	
Annualized exit recurring revenue - millions _{3,4,8}	\$215	\$210	\$207	\$204	\$187	
Annual net dollar subscription retention rate _{5,8}	99%	99%	99%	99%	99%	
Annual net dollar subscription retention rate as historically reported (prior to fiscal year 2024) _{5,8}	NA	NA	94%	95%	94%	
Average revenue per user _{6,8}	\$14.51	\$14.28	\$14.24	\$14.16	\$13.80	
Organic/Total core subscription service revenue growth rates (yr./yr.) ₇						
	Business	15%/27%	13%/27%	15%/29%	16%/30%	16%/17%
	Residential	0%	0%	2%	2%	3%
	Combined	8%/14%	7%/14%	9%/16%	9%/16%	10%/10%

1. Users include residential customers and business user extensions. Talkatone users are not included. During 2QF23 we acquired OnSIP, which added approximately 50 thousand users.

2. Premium users are subscribers to Ooma Business, Ooma Premier residential service and other premium services. All OnSIP users have been included as business users.

3. Recurring revenue is the total subscription and service revenue of Ooma Business and Ooma Residential services. Talkatone revenue is not included.

4. Annualized exit recurring revenue or AERR is calculated by multiplying average revenue per user or ARPU for a quarter by the number of Users at the end of that quarter, and then the resulting value is multiplied by twelve to annualize it. Because OnSIP was acquired late in 2QF23, it was not included in AERR until 3QF23.

5. Effective in the first quarter of Fiscal 2024, we transitioned to a new calculation methodology for our net dollar subscription retention rate ("NDRR"). With the majority of our subscription revenue now generated from Ooma Business customers, we believe the new methodology better reflects our operational performance during the reporting period and is more in alignment with the reporting of our industry peers.

Prior to the current fiscal year, we calculated the NDRR as a function of the year-over-year growth in average revenue per user and churn. Under the new methodology, we define our NDRR as (i) one plus (ii) the quotient of Net Dollar Change divided by Average Monthly Recurring Subscription Revenue. We define Net Dollar Change as the quotient of (i) the difference of our Monthly Recurring Subscription Revenue at the end of a period minus our Monthly Recurring Subscription Revenue at the beginning of a period minus our Monthly Recurring Subscription Revenue at the end of the period from new customers we added during the period, all divided by (ii) the number of months in the period. We define our Average Monthly Recurring Subscription Revenue as the average of the Monthly Recurring Subscription Revenue at the beginning and end of the measurement period.

The new NDRR calculation methodology is mathematically described as follows:

Monthly recurring subscription revenue at the end of a period = S_e

Monthly recurring subscription revenue at the beginning of a period = S_b

Monthly recurring subscription revenue from customers added during the period = S_a

Months in the period: M_p

$$NDRR = 1 + \left[\frac{(S_e - S_b - S_a) / M_p}{(S_e + S_b) / 2} \right]$$

6. Average revenue per user (ARPU) is a per-month value and represents a weighted-average mix of Business and Residential ARPU based on the number of Users for respective category at the end of that quarter. ARPU for Business and Residential users are calculated by dividing respective subscription and services revenue (excluding Talkatone) for a quarter by the average number of users during that quarter, and the resulting value is divided by 3. Because OnSIP was acquired late in 2QF23 it was not included in ARPU until 3QF23.

7. Organic/Total growth of core business and residential subscription services revenue does not include Talkatone, but it does include OnSIP in total growth beginning 2QF23. 3QF23 was the first full quarter of OnSIP contribution. OnSIP was acquired nine days before the end of 2QF23 and contributed business revenue of approximately \$0.3 million during 2QF23. The organic growth comparisons do not include OnSIP.

8. Prior to fiscal year 2024, annual net dollar retention rate was calculated as the percentage year-over-year change in our AERR per user, which was then multiplied by the percentage of users retained during the same period. Because OnSIP was acquired late in 2QF23 it was not included in the net dollar subscription retention rate calculation until 3QF23.