

Ooma[®]

Smart Connected Services

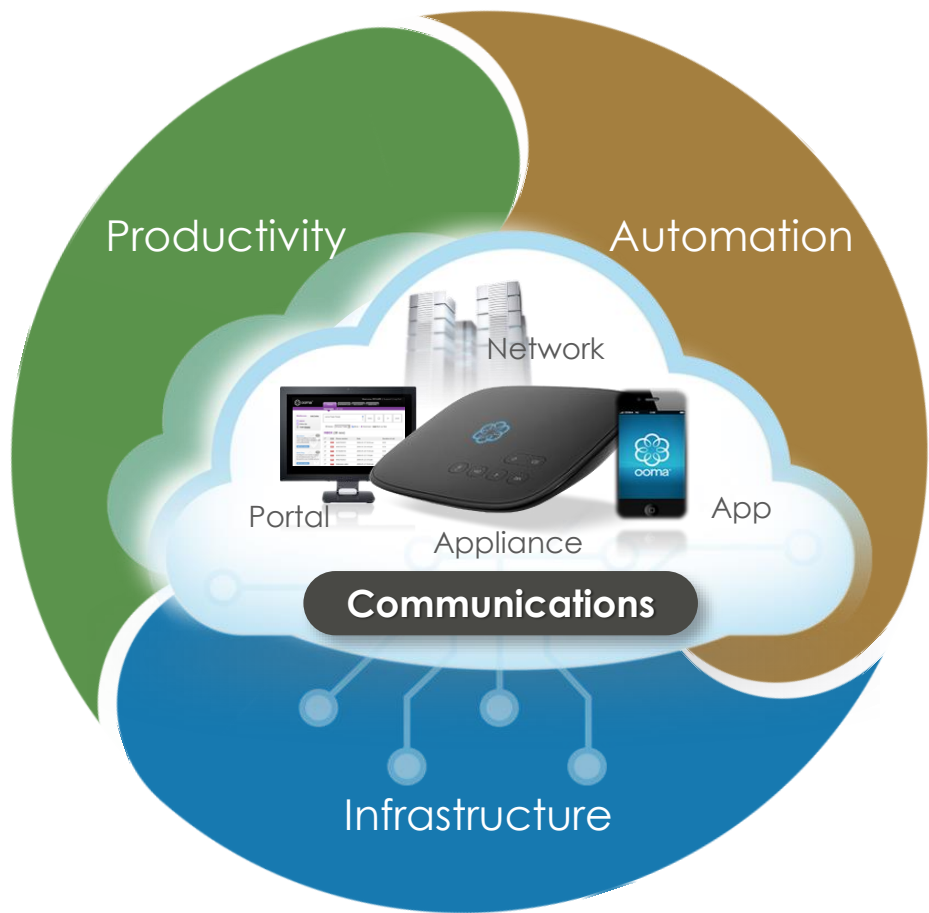
Investor Presentation

Information as of
August 27, 2019

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Ooma is a cloud/SaaS provider of communications and other connected services, with solutions for business, home, and mobile users

www.ooma.com

Company Overview



Founded 2003

HQ: Sunnyvale, California

IPO in 2015, NYSE: OOMA

Multi-tenant SaaS platform

>1 million core users

90%+ recurring revenue

103% recurring revenue retention

~770 Employees/contractors

Investment Highlights

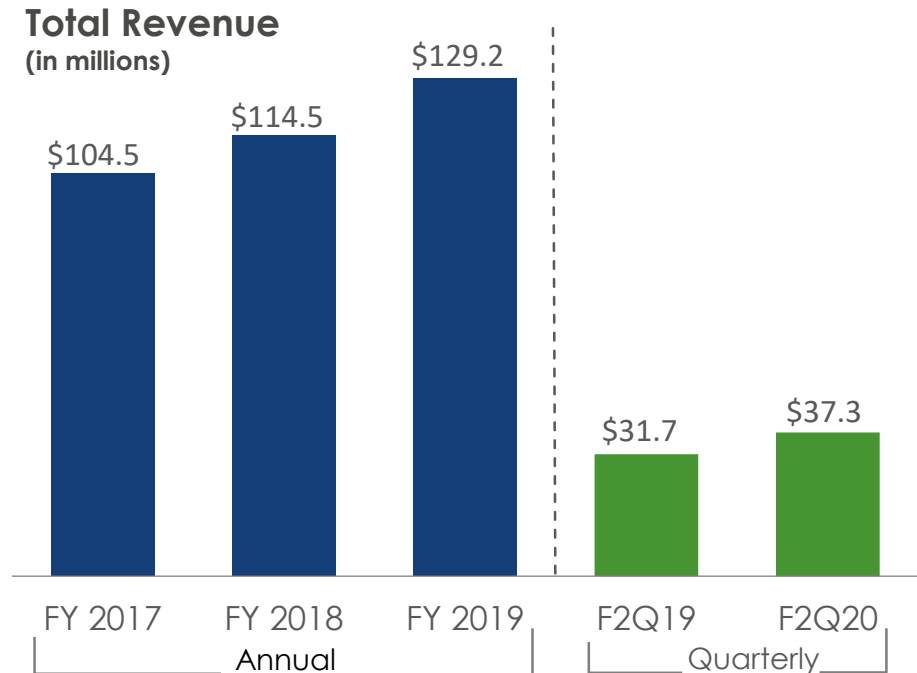
Massive Connected Services Opportunity

Unique Hybrid SaaS Platform Solution

Disruptive Cloud Communications and Other Connected Services

Efficient Integrated Go-to-Market Strategy

Predictable SaaS Subscription Business/Financial Model



1: Core users include home user accounts and business user extensions.

Mega Trends Drive Our Business

Cloud Communications

“Traditional methods for voice are ripe for replacement.” - Macquarie

SMB SaaS

“SMBs are expanding the SaaS market opportunity for vendors.” - JPMorgan

IoT

“The Internet of Things represents huge potential ... need for more ... systems to deploy, manage and make use of ... devices.” - IDC

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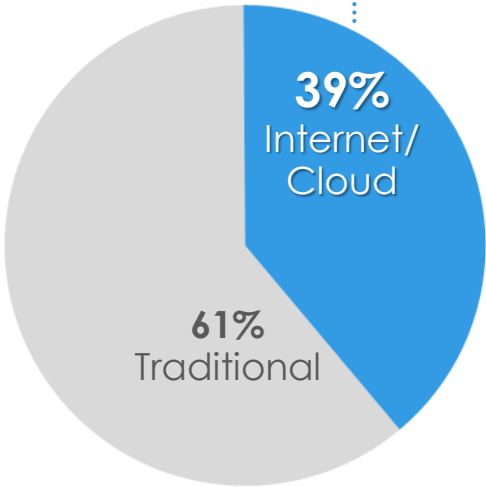
Disruptive Cloud Communications Opportunity

Business



62M Business Lines in North America

30% CAGR¹

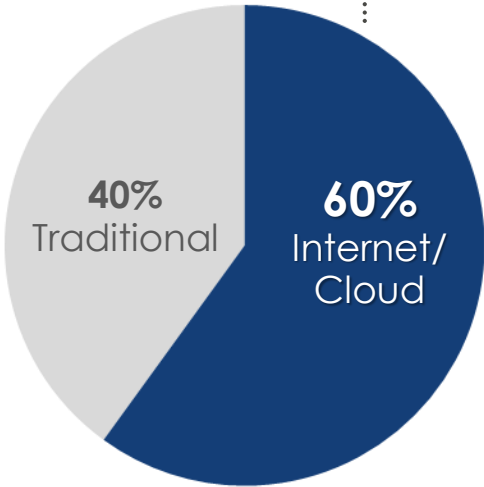


Home



74M Home Lines in North America

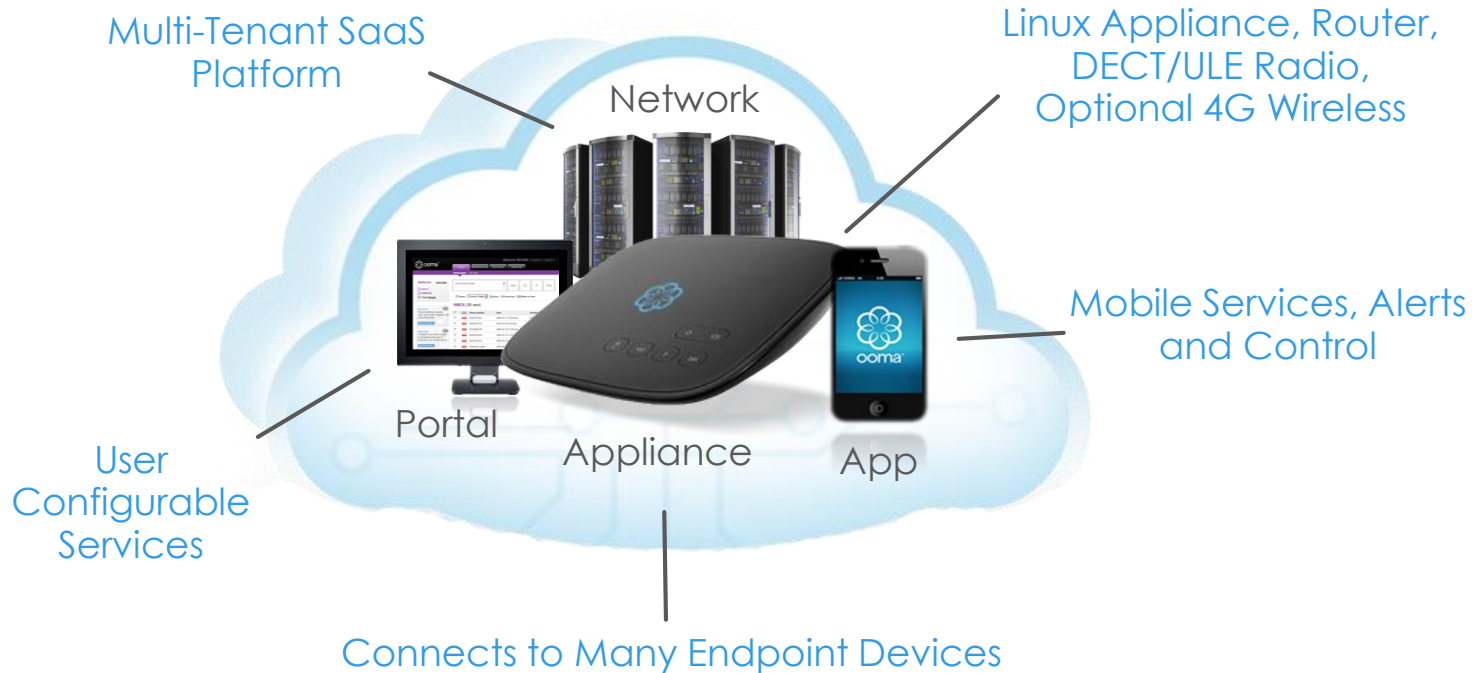
2% CAGR¹



We Target Communications to Drive Adoption of the Ooma Platform

¹: 2013 - 2016
Source: FCC Voice Telephone Services: Status as of December 31, 2016, CRTC Communications Monitoring Report 2016, IDC; U.S. Consumer Landline Voice Services 2014-2018 Forecast

Unique SaaS Platform with CPE



Integrated, Managed Platform Enabling Communications and Other Connected Services

Competitive Advantages

Breakthrough Voice
Quality

- Proprietary PureVoice Technology

Innovative Services

- Unique Applications that Create Customer Interest and Stickiness

Enhanced User
Experience

- Plug-and-Play Solutions, Diagnostics and New Service Upgrades

Superior Value

- Disruptive Low Cost Calling Architecture with 2 million User Scale

Customers Rate Ooma #1



Office

#1 Ranked by Readers
6 Years in a Row

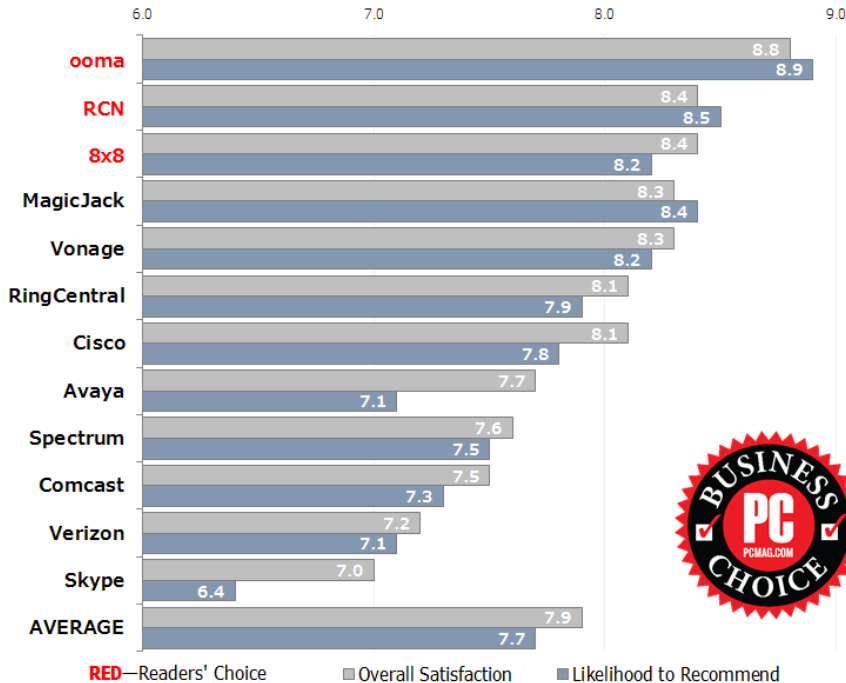


Home

Top Ranked by Readers
7 times in a row

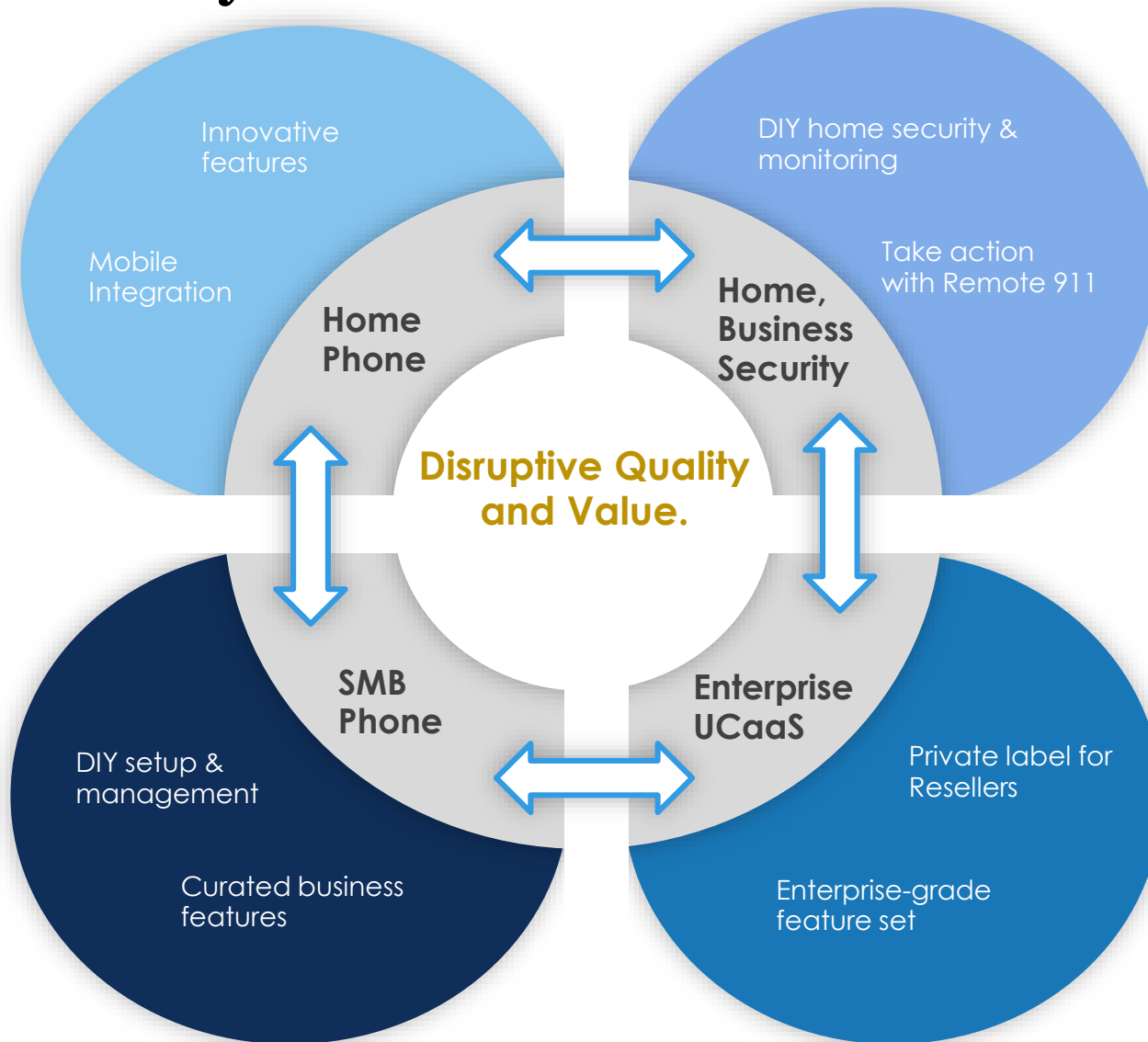


Voice over IP (VoIP) Services 2019



Order	Type	Provider	Reader score	Survey results			
				Value	Reliability	Call quality	Support
1	VoIP	Ooma	88	●	●	●	●
2	VoIP	WOW	82	●	●	●	●
3	VoIP	Vonage	81	●	●	●	●
4	VoIP	SuddenLink	78	●	●	●	●
5	VoIP	MagicJack	78	●	●	●	●
6	VoIP	Bright House Networks	77	●	●	●	●
7	fiber	Verizon FIOS	76	●	●	●	●
8	VoIP	RCN	75	●	●	●	●
9	VoIP	Cablevision/Optimum	75	●	●	●	●
10	VoIP	Cox	74	●	●	●	●
11	land	Cincinnati Bell	73	●	●	●	●
12	land	Cox	73	●	●	●	●
13	land	TDS	73	●	●	●	●
14	VoIP	Charter	72	●	●	●	●
15	fiber (2)	AT&T U-verse	72	●	●	●	●
16	fiber (2)	CenturyLink	72	●	●	●	●
17	land	Windstream	70	●	●	●	●
18	land	Verizon	70	●	●	●	●
19	land	FairPoint	70	●	●	●	●
20	VoIP	Time Warner Cable	69	●	●	●	●
21	fiber	Frontier	69	●	●	●	●
22	land	CenturyLink	69	●	●	●	●
23	VoIP	Comcast/Xfinity	69	●	●	●	●
24	land	Frontier	68	●	●	●	●
25	land	AT&T	67	●	●	●	●

Ooma Ecosystem



SMB Services: Ooma Office

Business Services

- Virtual Receptionist
- Music-on-Hold
- Voicemail
- Call Transfers
- eFax
- Conferencing
- Call Forwarding
- Ring Groups
- Mobile Apps



And More!



Base Station



IP Phones



Analog Fax



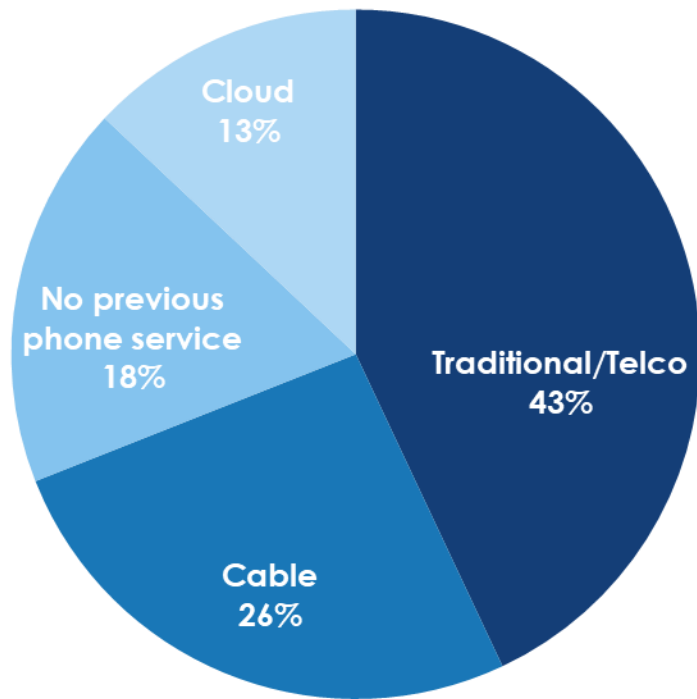
Analog Phones

- Suite of user configurable cloud PBX features
- Broadest solution available
- Eliminates expensive specialist IT support
- Makes small businesses sound like big businesses

Small Businesses Are Switching From Traditional/Cable Phone Service

Previous Phone Service

%



Source: Ooma Survey for Feb. 2017 – Jan. 2018

Reasons For Purchasing Ooma Office

1. Cost savings/unlimited nationwide calling
2. Easy to install/simple to configure
3. Uses regular (existing) phones
4. Powerful features
5. Great voice quality (PureVoice/AR)

Enterprise UCaaS: Ooma Enterprise

Enterprise Services

- Integrations
- Rich Telephony
- Contact Center
- Global Service
- Mobile Apps
- Collaboration
- High Availability
- Tailored Desk phone Experience
- Reporting

And More!

- Enterprise Targeted Solution
- Enhanced Quality Of Service
- Bespoke Solutions
- White Label with Partners
- Broadsmart Acquisition to Accelerate Growth



DECT Desk Phone



IP Phone



Conference Phone

Home Phone: Ooma Telo

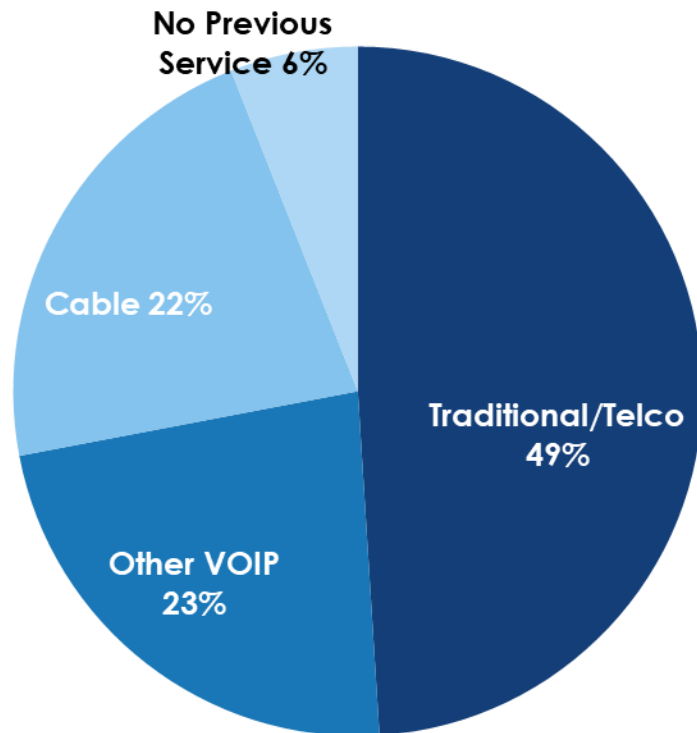


- Free basic home phone service, just pay taxes and fees
- Innovative Premier features
- Ideal for families with children, multi-generational households, in-home businesses, second homes, and anyone who cares about safety and security

Homes Are Switching From Traditional Service

Previous Phone Service

%



Reasons For Purchasing Ooma Telo

1. Free Calling/No More Phone Bills
2. Uses Existing Home Phones
3. Easy Installation
4. Great Voice Quality
5. Bundled Calling Features/Premier Features

Source: Ooma Survey for Feb. 2017 – Jan. 2018

Smart Security: Ooma Home

Security Services

Remote 911
Automatic Arm/Disarm
Phone call Alerts
Text & Push Notifications

Facial Recognition
Video Battery Backup
Video On-board Memory
DIY Installation

And More!



- Do-it-yourself smart security that leverages the Ooma Telo
- Rich notifications via mobile
- Remote 911 for emergency response from anywhere
- Video with A.I. facial recognition and back-up storage
- 4G internet connectivity

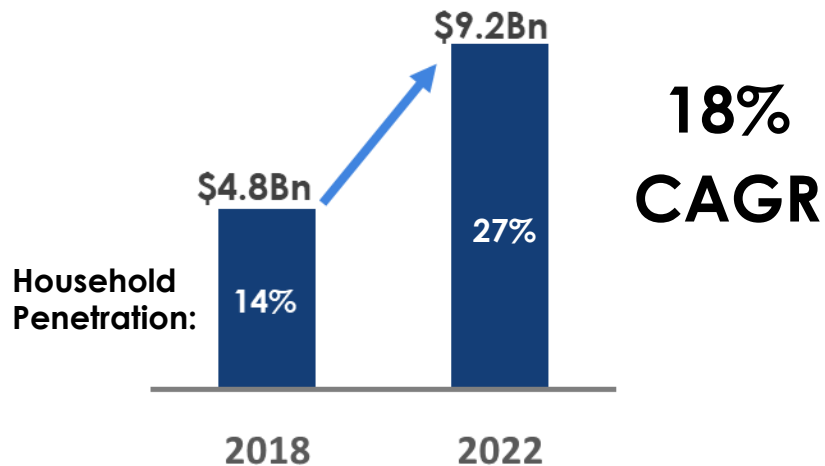
New Ooma Smart Cam



- Facial recognition for personalized alerts
- Keeps working during internet and power outages
- More powerful user experience
 - Geofencing
 - Security system integration
- And all the basics:
 - Indoor/outdoor
 - 1080p full HD, with night vision
 - Live streaming and two way talk
 - Instant on video capture
 - 7 days free storage

Smart Home Growth Opportunity

Smart Home Security Market Growth* North America



Ooma Opportunity

- Large, growing market
- Unique integrated solution
- Leverage of existing platform/customers
- Disrupt expensive traditional security

*Source: <https://www.statista.com/outlook/281/104/security/north-america#market-revenue>

Integrated Growth Strategy

Efficient Marketing

TV / Traditional Media

- Broad Reach
- Low Cost
- Builds Brand Image



Online

- Targeted Campaigns
- Directly
- Through Retailers



Social / Word of Mouth

69% Net Promoter Score¹

1: PCMag, 2019, for Ooma's Small Business Solution

Cost-Effective Sales

Leading Retailers

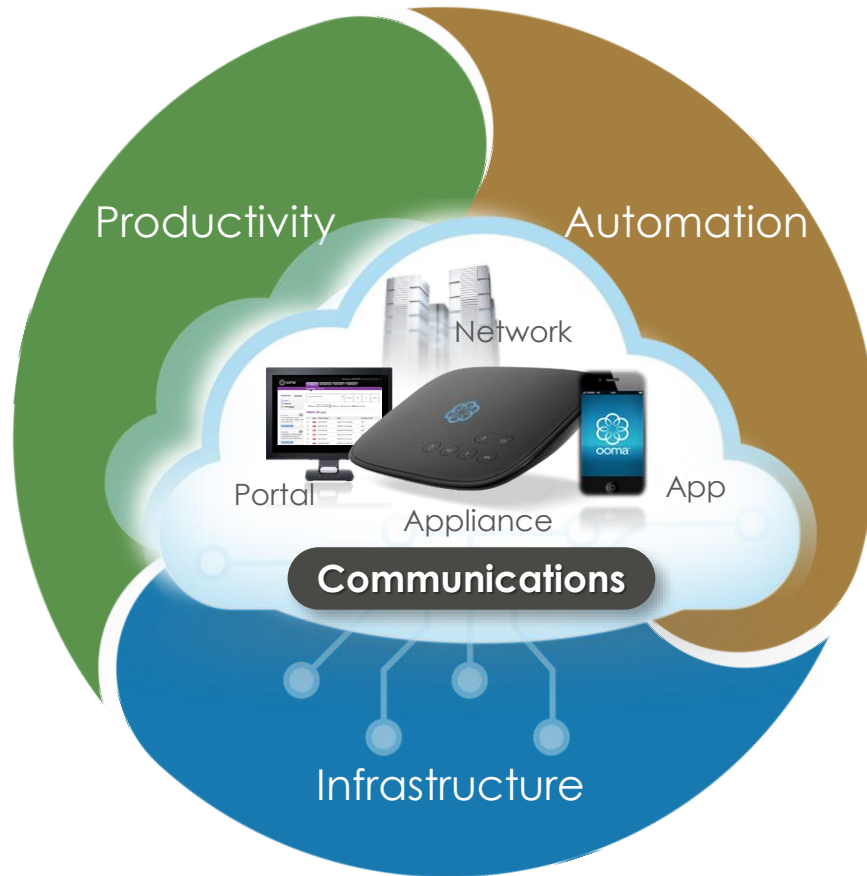


Direct Sales



Resellers And Partners

Growth Drivers



- **SMB/Home Cloud Communications**
- **Enterprise UCaaS**
- **Security and Other Connected Services**
- **International Markets**

Investment Highlights

Massive Connected Services Opportunity

Unique Hybrid SaaS Platform Solution

**Disruptive Cloud Communications and
Other Connected Services**

Efficient Integrated Go-to-Market Strategy

Predictable SaaS Subscription Business/Financial Model

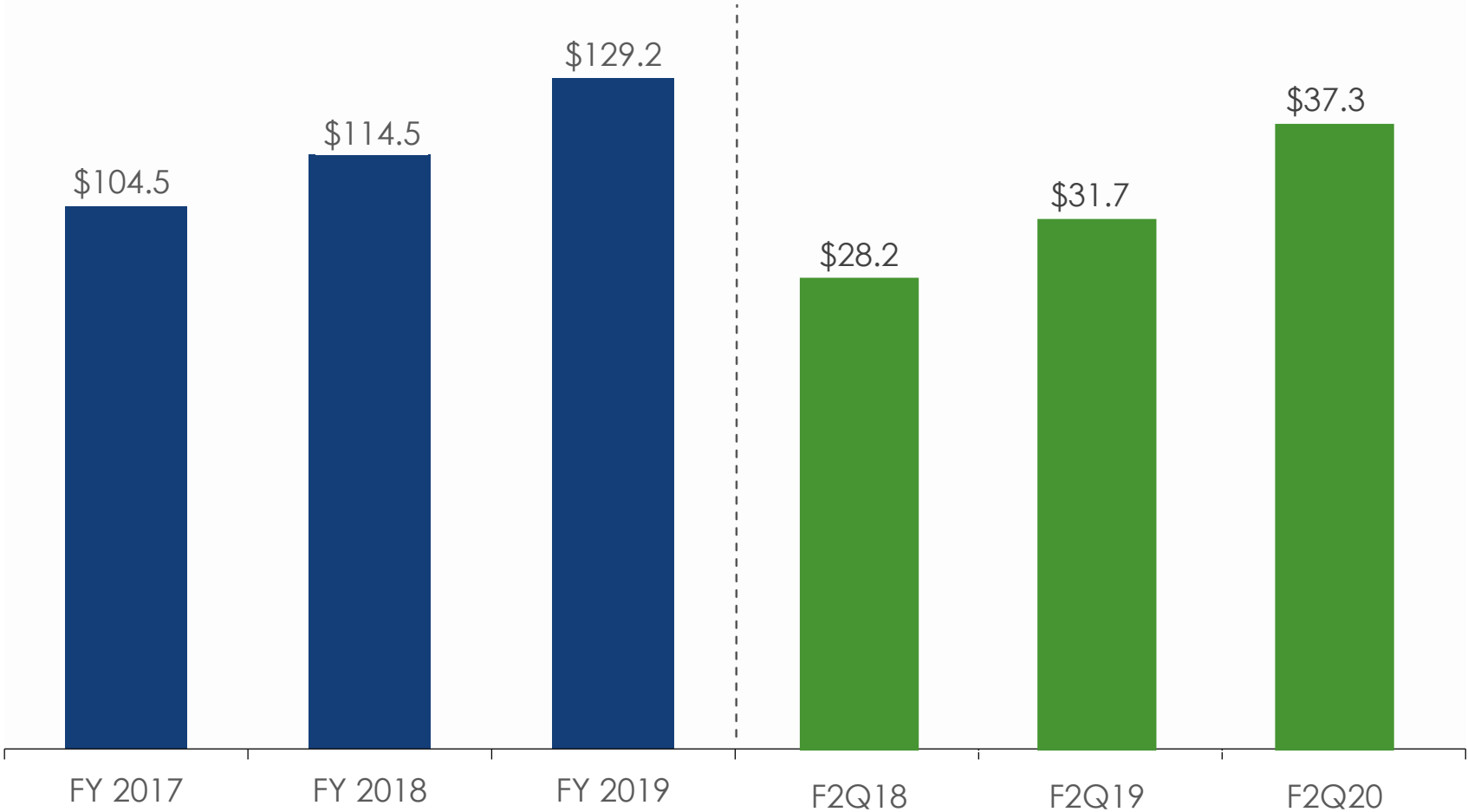
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Financial Overview

Steady Revenue Growth

Annual Revenue

Quarterly Revenue

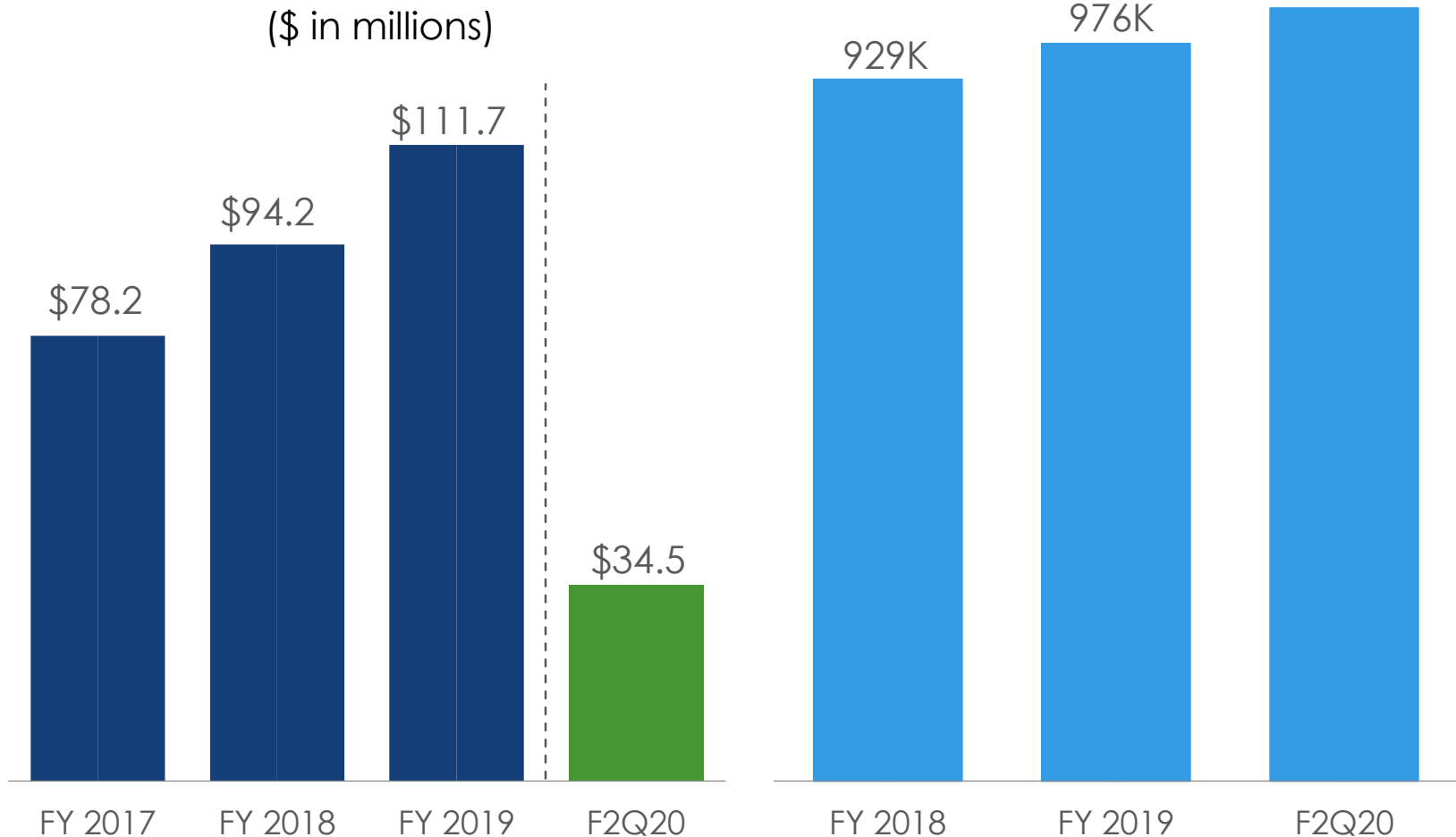


\$ Millions

Core Subscription Revenue & Users

Subscription & Services Revenue
(\$ in millions)

Subscribers



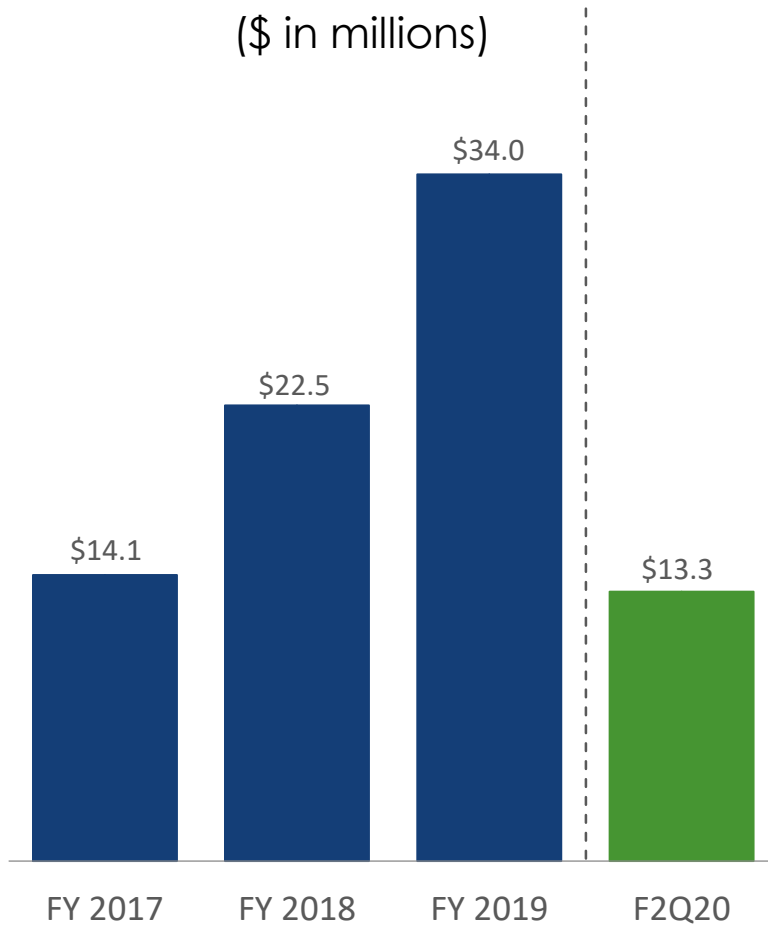
2Q20 Core Subscription Revenue Growth of 23% yr./yr.

(16% excluding the 2Q20 Broadsmart Acquisition)

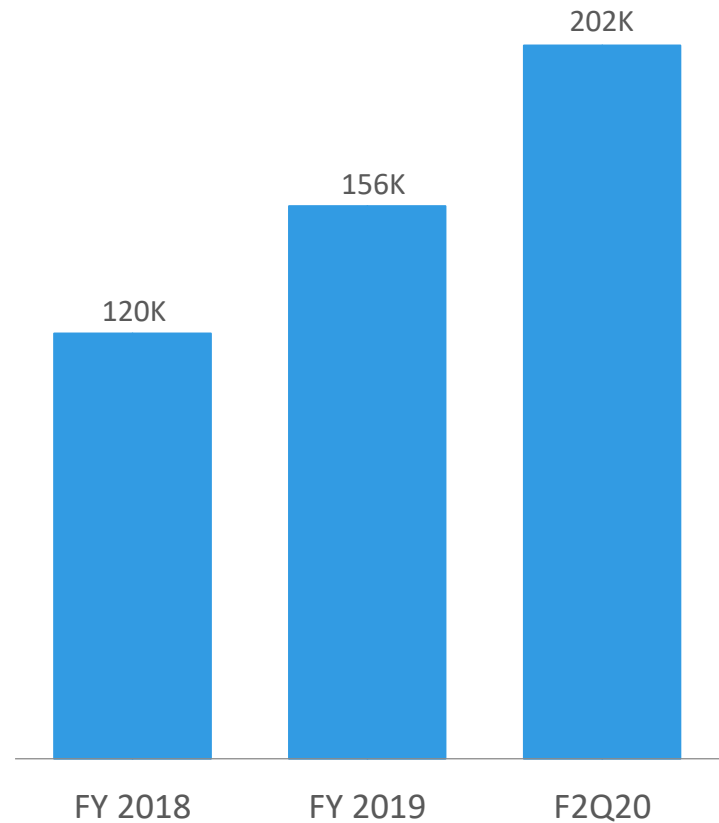
2Q20 Overall Subscription & Services Revenue, as well as Subscribers includes Broadsmart and excludes Talkatone

Business – Small Office & UCaaS

Business Subscription & Services Revenue
(\$ in millions)



Business Subscribers

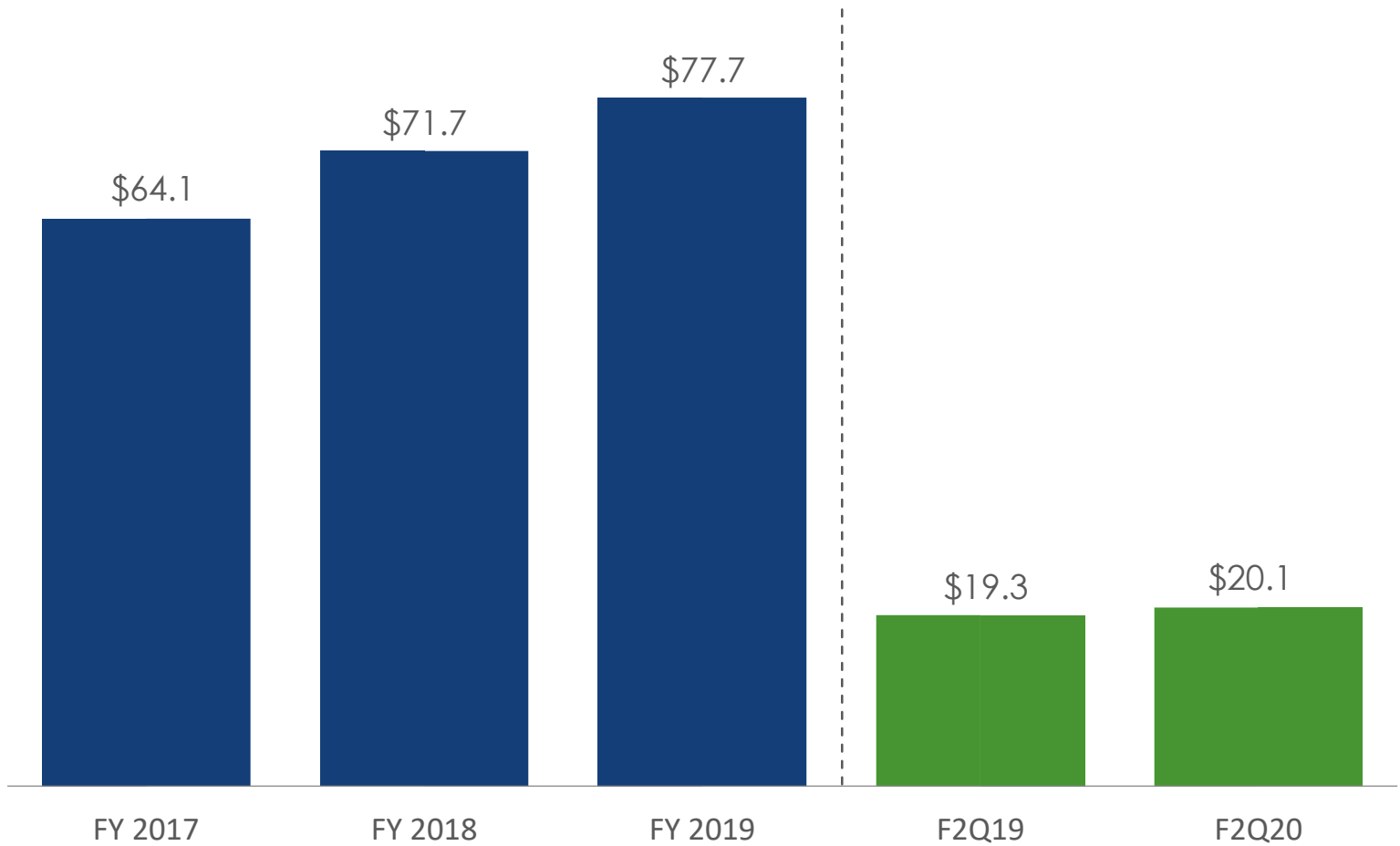


2Q20 Business Subscription Revenue growth of 68% yr./yr. (46% excl. Broadsmart)

Business Subscription & Services Revenue Includes Ooma Office and Ooma Enterprise with Broadsmart

Residential

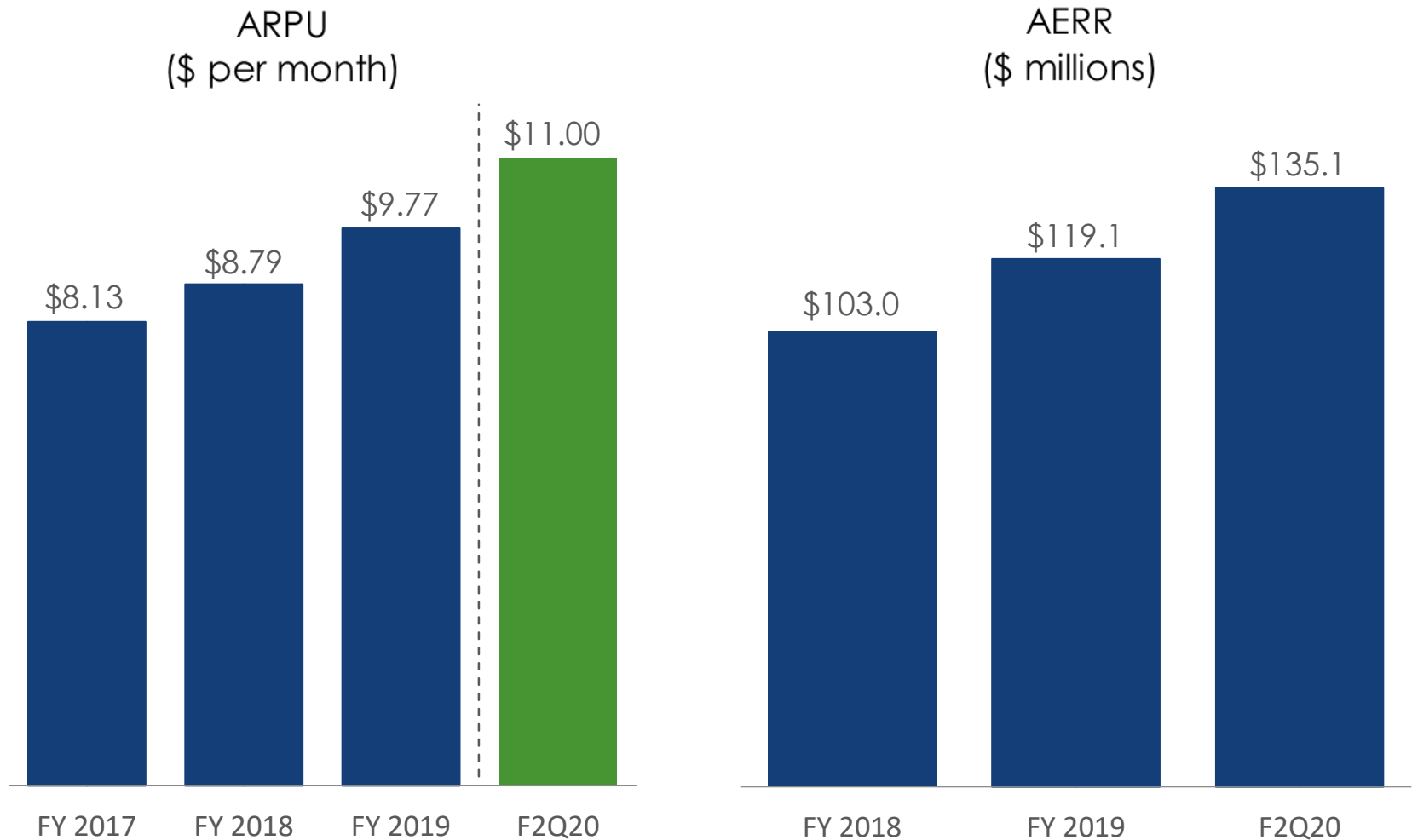
Residential Subscription & Services Revenue (millions)



2Q20 Residential Subscription Revenue Growth of 4% yr./yr.

Residential Subscription & Services Revenue Excluding Talkatone

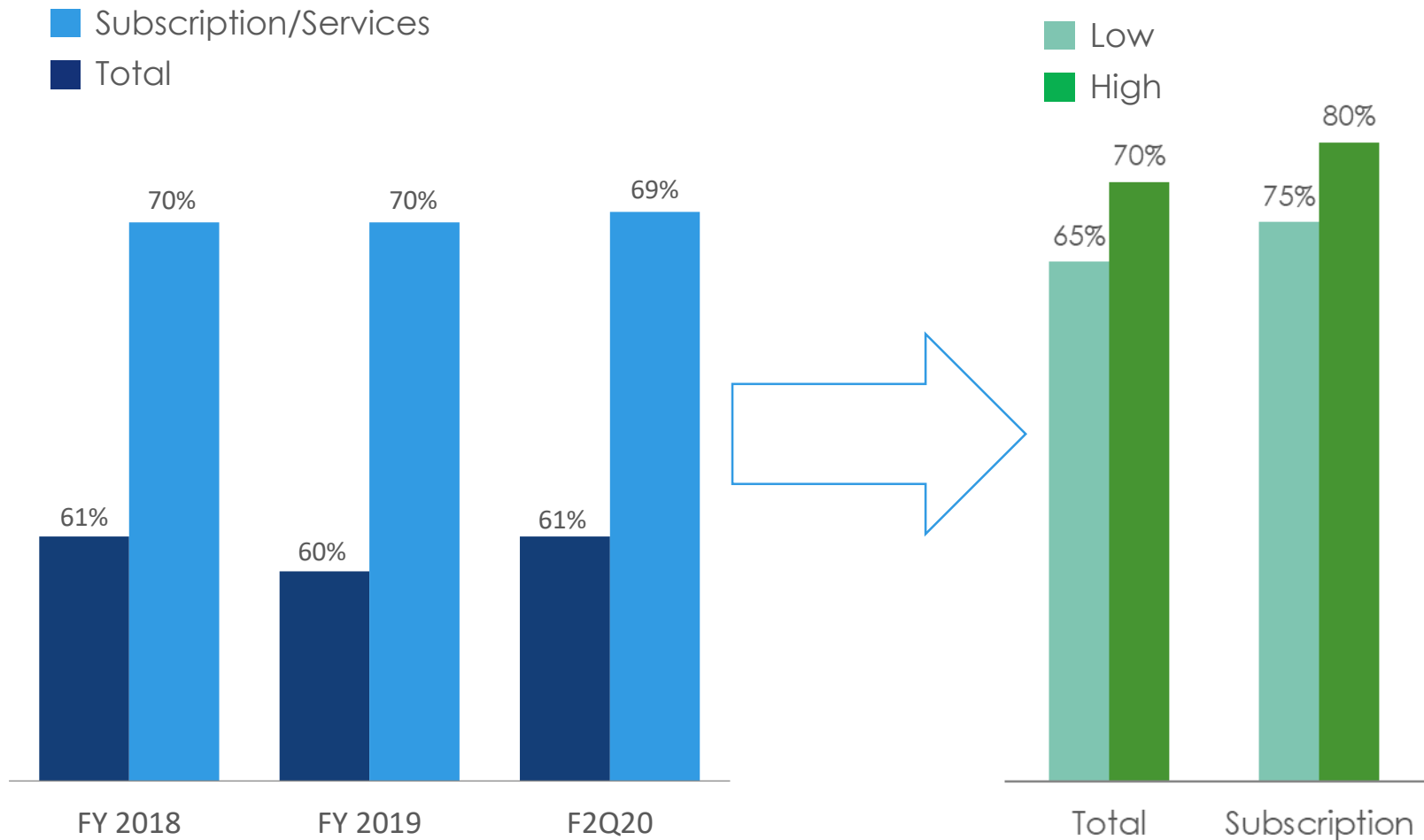
Key Metrics



ARPU is blended monthly average subscription and services revenue per core user/seat. AERR is annualized exit recurring revenue.

Robust Gross Margin

Long-Term Gross Margin Ranges



Strong Financial Position

(\$ millions)	FY 2018	FY 2019	F2Q20
Cash and Investments (no debt)	\$51.8	\$42.6	\$28.7
Cash from (used in) Operations	\$3.2	(\$3.9)	(\$0.4)
Capital Spending	(\$2.5)	(\$1.9)	(\$1.0)
Adjusted EBITDA	(\$0.2)	(\$1.9)	(\$0.5)

Long-Term Model (Non-GAAP)

% REVENUE	FY 2018	FY 2019	F2Q20	3-YEAR TARGETS	LONG-TERM RANGES
Subscription & Services Gross Margin	70%	70%	69%	70%-75%	75% - 80%
Total Gross Margin	61%	60%	61%	62%-65%	65% - 70%
Sales & Marketing	31%	30%	32%	32%-35%	20% - 25%
Research & Development	22%	23%	22%	17%-19%	12% - 15%
General & Administrative	9%	10%	10%	7%-9%	6% - 8%
Adjusted EBITDA	(0%)	(1%)	(1%)	5%	20% - 25%

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Thank You

GAAP to Non-GAAP Reconciliation

\$ Thousands	FY 2017	FY 2018	FY 2019	F2Q19	F2Q20
GAAP Gross Profit	\$59,329	\$68,092	\$76,491	\$18,773	\$22,320
Add: Stock-based compensation expense and related taxes	1,038	1,129	957	249	354
Amortization of Intangibles	162	183	549	139	124
Non-GAAP Gross Profit	\$60,529	\$69,404	\$77,997	\$19,161	\$22,798
GAAP Sales and Marketing	\$33,768	\$37,302	\$40,761	\$10,499	\$12,834
Add: Stock-based compensation expense and related taxes	(1,455)	(\$1,857)	(1,501)	(397)	(542)
Amortization of Intangibles	-	-	(159)	(45)	(184)
Non-GAAP Sales and Marketing	\$32,313	\$35,445	\$39,101	\$10,057	\$12,108
GAAP Research and Development	\$24,239	\$29,328	\$33,903	\$8,443	\$9,597
Add: Stock-based compensation expense and related taxes	(3,619)	(4,046)	(3,906)	(994)	(1,276)
Amortization of Intangibles	(7)	(6)	(5)	(1)	(1)
Non-GAAP Research and Development	\$20,613	\$25,276	\$29,992	\$7,448	\$8,320
GAAP General and Administrative	\$14,598	\$15,186	\$17,613	\$3,995	\$5,168
Add: Stock-based compensation expense and related taxes	(3,754)	(4,086)	(4,331)	(1,179)	(1,326)
Amortization of Intangibles	(179)	(124)	(27)	(12)	-
Acquisition related costs	-	(118)	(423)	(73)	(177)
Litigation costs	-	-	(142)	-	(72)
Change in fair value of acquisition-related contingent consideration	-	-	342	128	-
Non-GAAP General and Administrative	\$10,665	\$10,858	\$13,032	\$2,859	\$3,593
GAAP Operating Loss	(\$13,276)	(\$13,724)	(\$15,786)	(\$4,164)	(\$5,279)
Add: Stock-based compensation expense and related taxes	9,866	11,118	10,695	2,819	3,498
Amortization of Intangibles	348	313	740	197	309
Acquisition related costs	-	118	423	73	177
Litigation costs	-	-	142	-	72
Change in fair value of acquisition-related contingent consideration	-	-	(342)	(128)	-
Non-GAAP Operating Loss	(\$3,062)	(\$2,175)	(\$4,128)	(\$1,203)	(\$1,223)