

Ooma[®]

Smart Connected Services

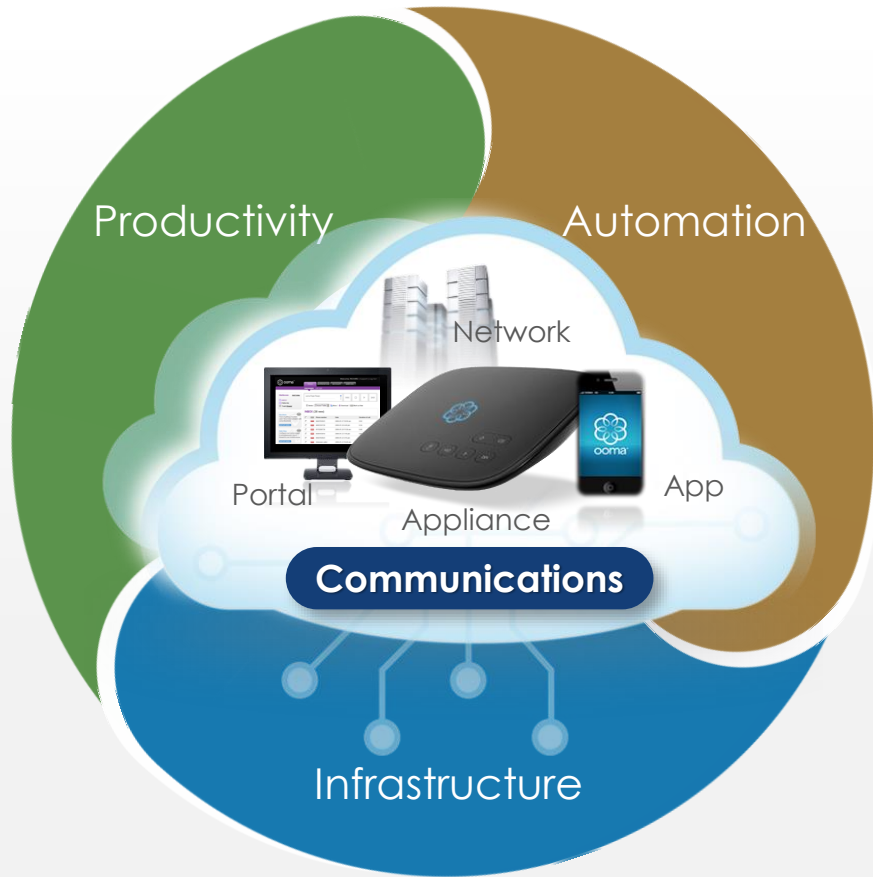
Investor Presentation

Information as of
May 21, 2019

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This presentation contains forward-looking statements. In particular, statements regarding future economic performance, finances, and expectations and objectives of management constitute forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical facts and generally contain words such as "believes", "expects", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates", "anticipates", and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Although the forward-looking statements contained in this presentation are based upon information available at the time the statements are made and reflect management's good faith beliefs, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to differ materially from anticipated future results. Important factors that could cause actual results to differ materially from expectations include, among others: inability to attract new customers on a cost-effective basis; our inability to retain customers; intense competition; our reliance on retailers and reseller partnerships to sell our products; our reliance on vendors to manufacture the on-premise appliances and end-point devices we sell; our reliance on third parties for our network connectivity and co-location facilities; our reliance on third parties for some of our software development, quality assurance and operations; our reliance on third parties to provide the majority of our customer service and support representatives; our limited operating history; and interruptions to our service. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

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www.ooma.com

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

Company Overview



Founded 2004

HQ: Sunnyvale, California

IPO in 2015, NYSE: OOMA

Multi-tenant SaaS platform

985k core users

91% recurring revenue

99% recurring revenue retention

~700 Employees/contractors

Investment Highlights

Massive Connected Services Opportunity

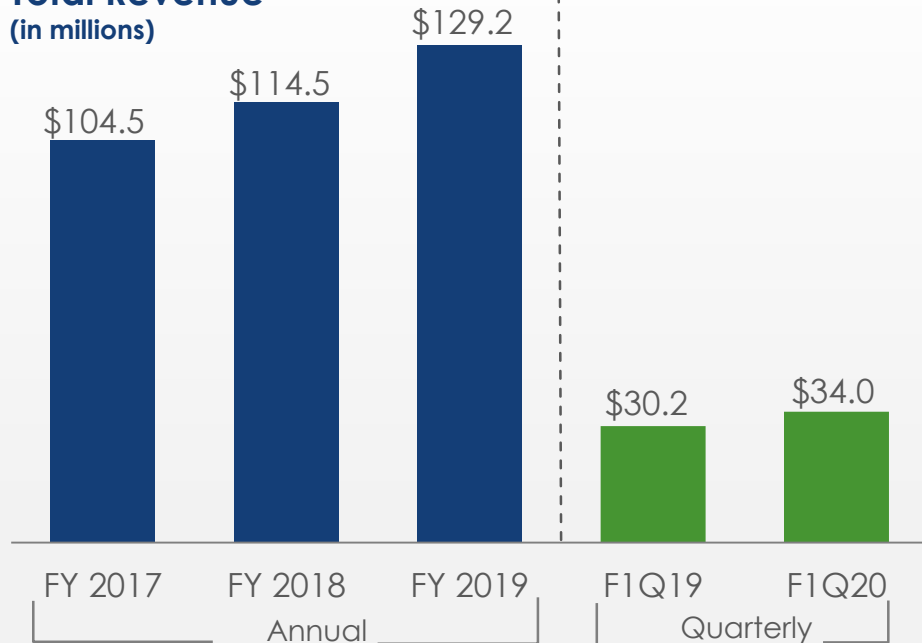
Unique Hybrid SaaS Platform Solution

Disruptive Cloud Communications and Other Connected Services

Efficient Integrated Go-to-Market Strategy

Predictable SaaS Subscription Business/Financial Model

Total Revenue
(in millions)



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



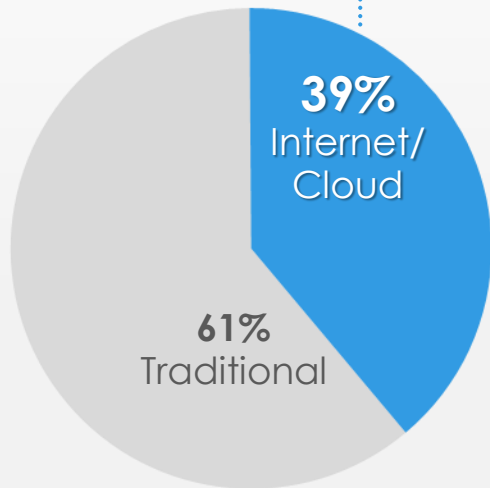
Disruptive Cloud Communications Opportunity

Business



62M Business Lines in North America

30% CAGR¹

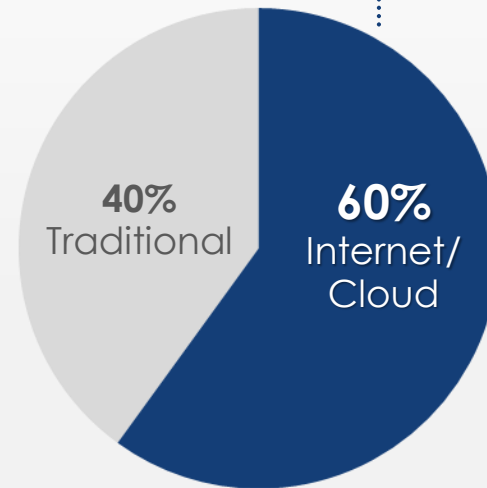


Home



74M Home Lines in North America

2% CAGR¹

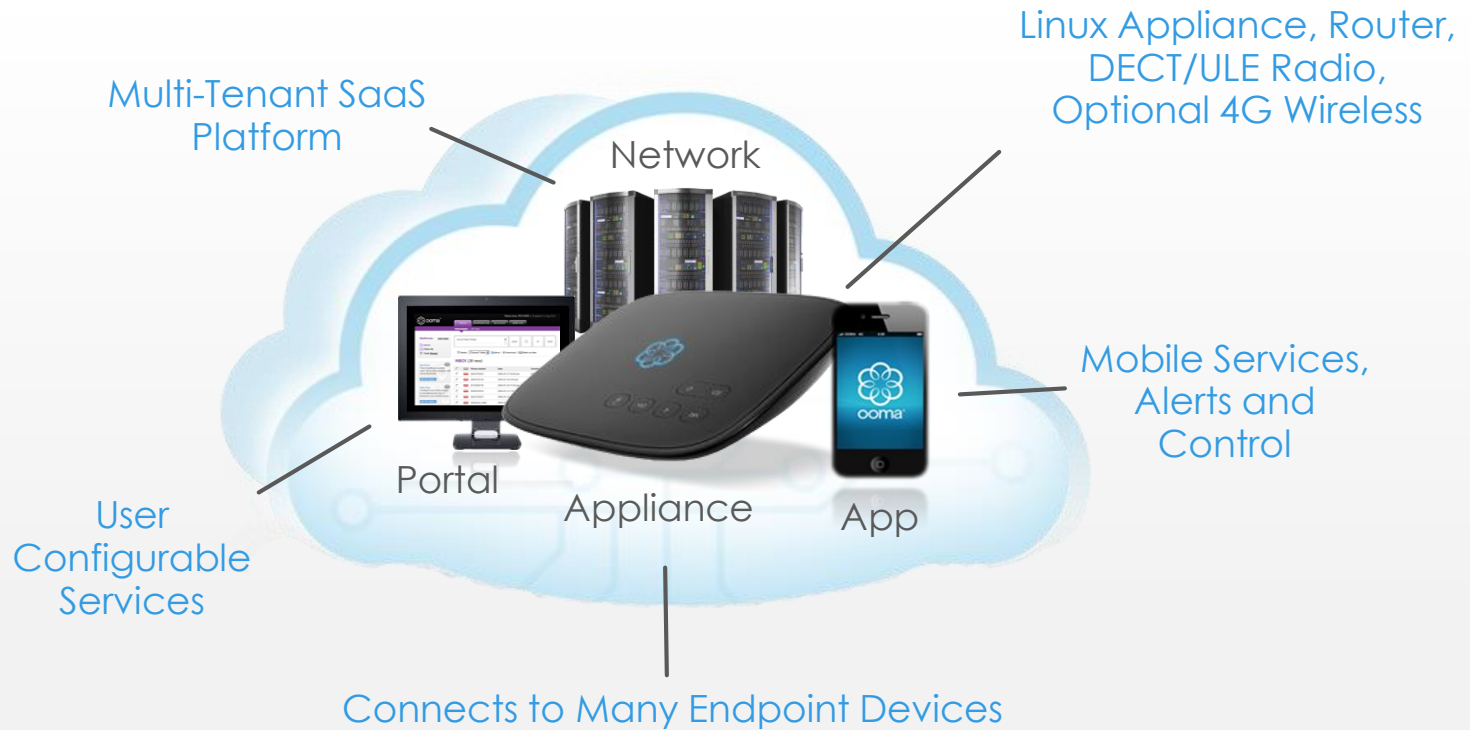


We Target Communications to Drive Adoption of the Ooma Platform

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



Integrated, Managed Platform Enabling Both 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

Customers Rate Ooma #1



Office

#1 Ranked by Readers
6 Years in a Row

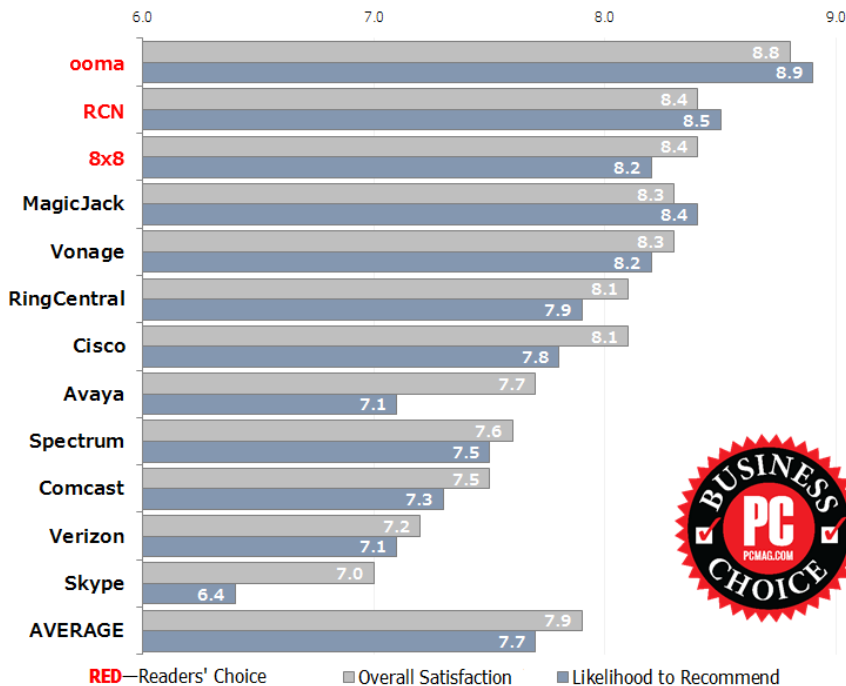


Home

Top Ranked by Readers
in last 7 surveys, including
2018

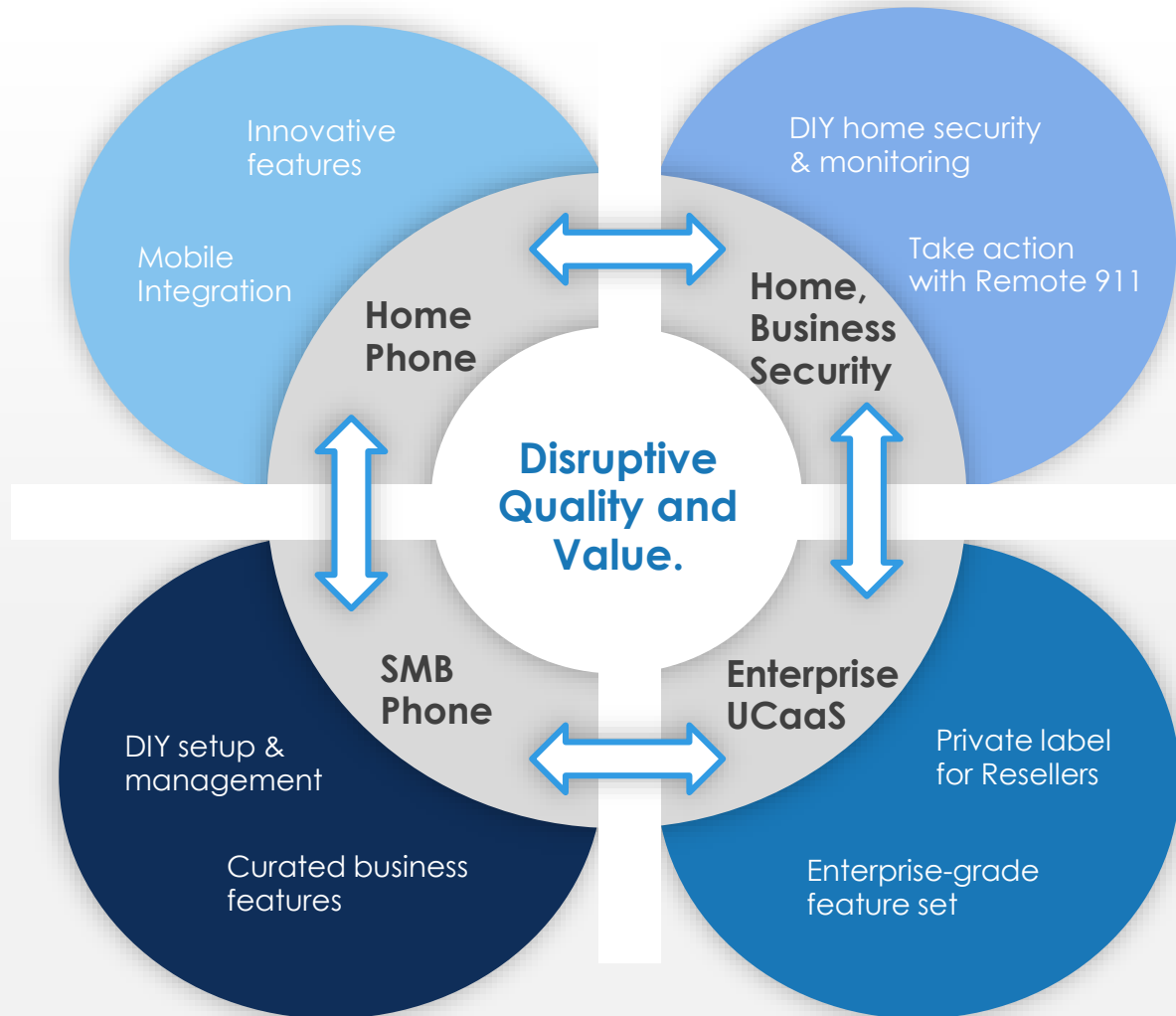


Voice over IP (VoIP) Services 2019



Order	Type	Provider	Reader score		Survey results			
			Value	100	Value	Reliability	Call quality	Support
1	VoIP	Ooma	88	100	●	●	●	●
2	VoIP	WOW	82	100	●	●	●	●
3	VoIP	Vonage	81	100	●	●	●	●
4	VoIP	SuddenLink	78	100	●	●	●	●
5	VoIP	MagicJack	78	100	●	●	●	●
6	VoIP	Bright House Networks	77	100	●	●	●	●
7	fiber	Verizon FIOS	76	100	●	●	●	●
8	VoIP	RCN	75	100	●	●	●	●
9	VoIP	Cablevision/Optimum	75	100	●	●	●	●
10	VoIP	Cox	74	100	●	●	●	●
11	land	Cincinnati Bell	73	100	●	●	●	●
12	land	Cox	73	100	●	●	●	●
13	land	TDS	73	100	●	●	●	●
14	VoIP	Charter	72	100	●	●	●	●
15	fiber	AT&T U-verse	72	100	●	●	●	●
16	fiber	CenturyLink	72	100	●	●	●	●
17	land	Windstream	70	100	●	●	●	●
18	land	Verizon	70	100	●	●	●	●
19	land	FairPoint	70	100	●	●	●	●
20	VoIP	Time Warner Cable	69	100	●	●	●	●
21	fiber	Frontier	69	100	●	●	●	●
22	land	CenturyLink	69	100	●	●	●	●
23	VoIP	Comcast/Xfinity	69	100	●	●	●	●
24	land	Frontier	68	100	●	●	●	●
25	land	AT&T	67	100	●	●	●	●

Ooma Ecosystem

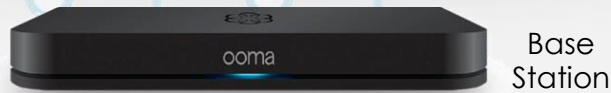


SMB Phone: Ooma Office

Business Services

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

And More!



IP Phones



Analog Fax



Analog Phones

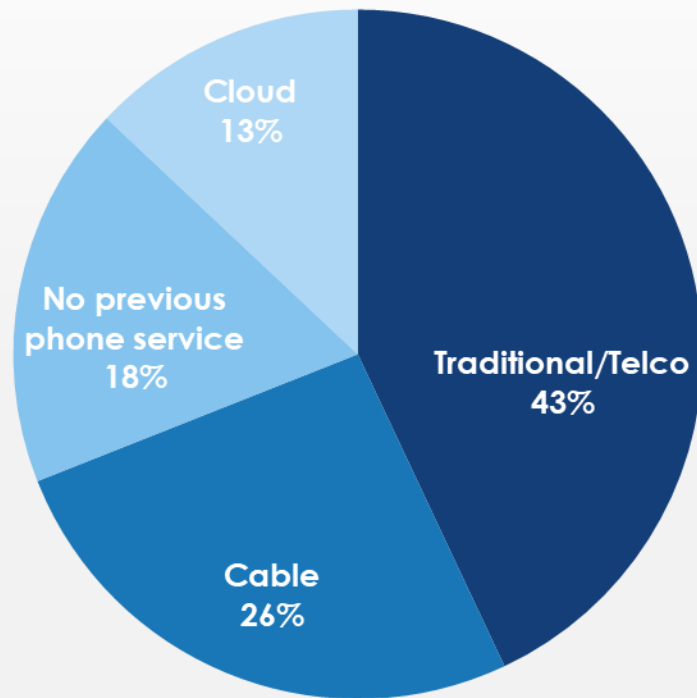
- Suite of user configurable cloud PBX features
- Broadest solution available
- Eliminates expensive specialist IT support
- Makes small businesses sound like big businesses

Small Businesses Are Switching From Traditional/Cable Phone Service



Previous Phone Service

%



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

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

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



DECT Desk Phone



IP Phone



Conference Phone

Home Phone: Ooma Telo



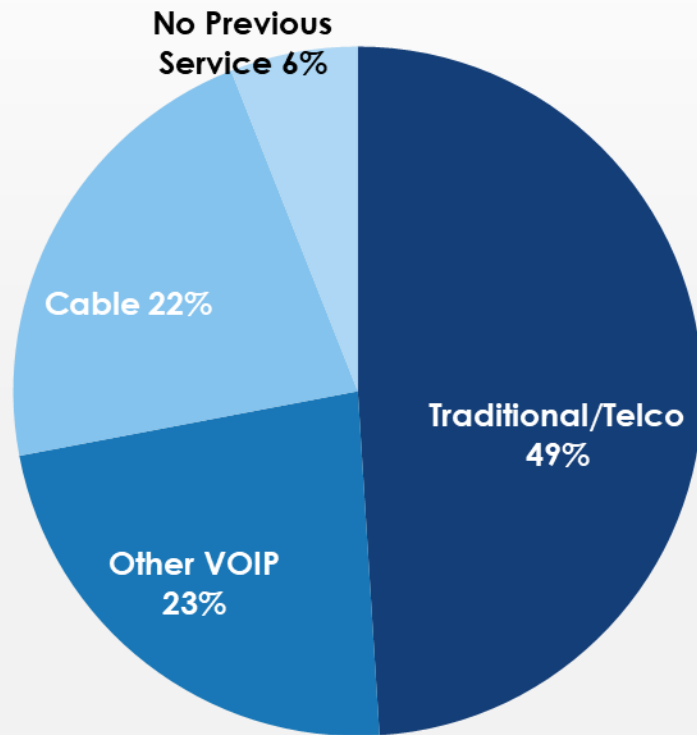
- Free basic home phone service, just pay taxes and fees
- Innovative Premier features
- Ideal for families with children, multi-generational households, homes with in-home businesses, second homes, and anyone who cares about safety

Homes Are Switching From Traditional/Cable Phone 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	Facial Recognition
Automatic Arm/Disarm	Video Battery Backup
Phone call Alerts	Video On-board Memory
Text & Push Notifications	DIY Installation

And More!



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

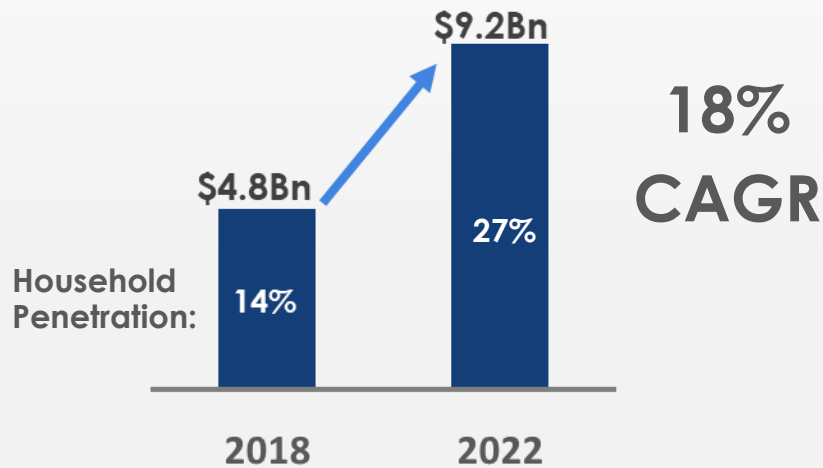
New Ooma Smart Cam



- 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 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

Cost-Effective Sales

Leading Retailers

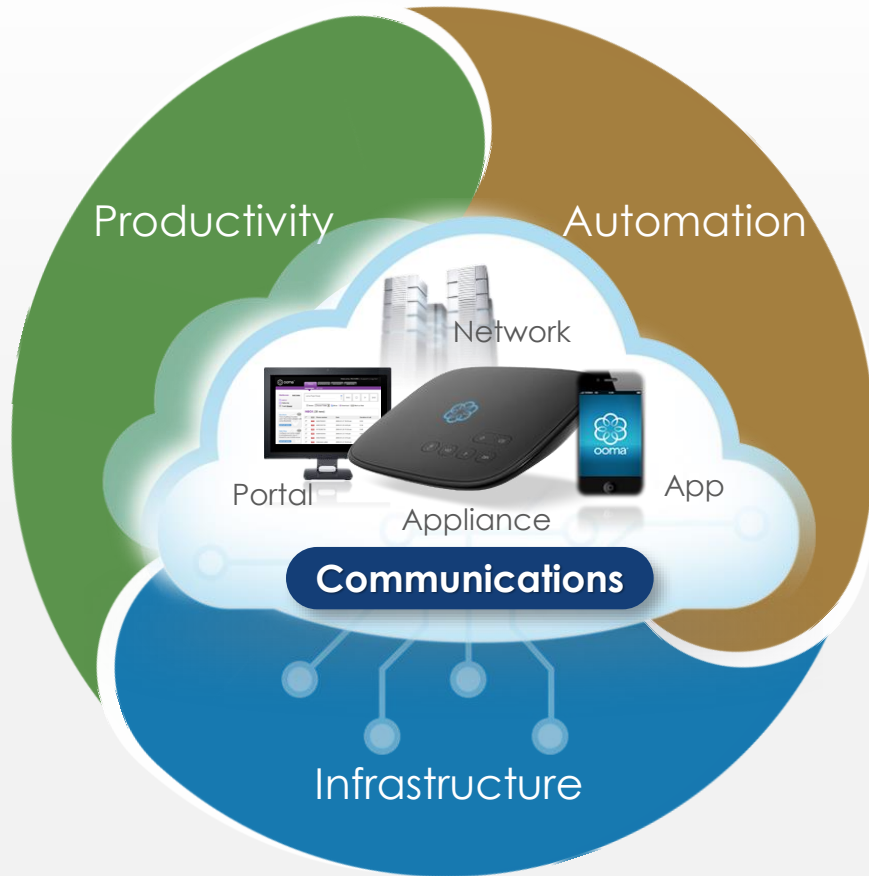


Direct Sales



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

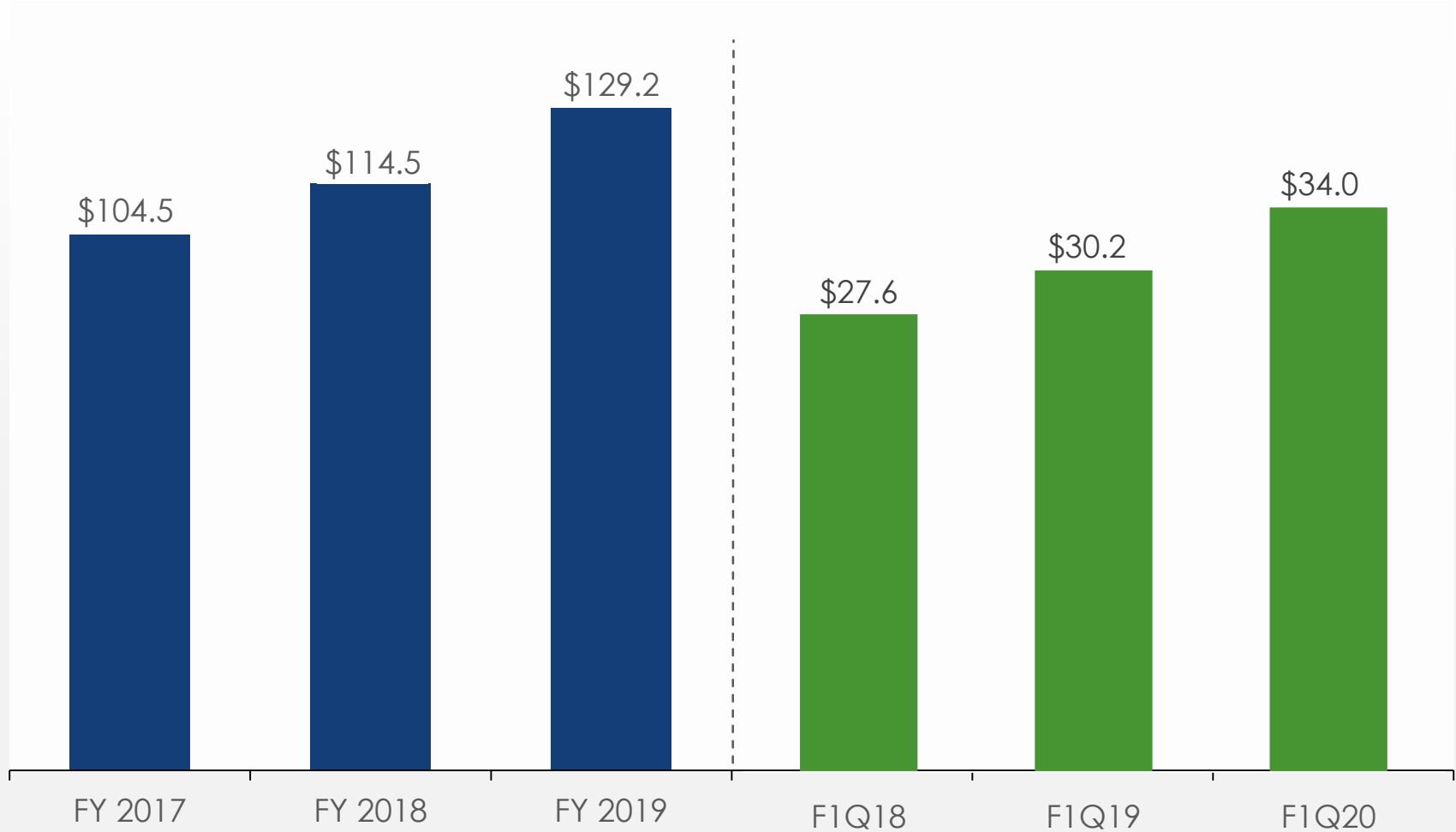
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Financial Overview

Steady Revenue Growth

Annual Revenue

Quarterly Revenue

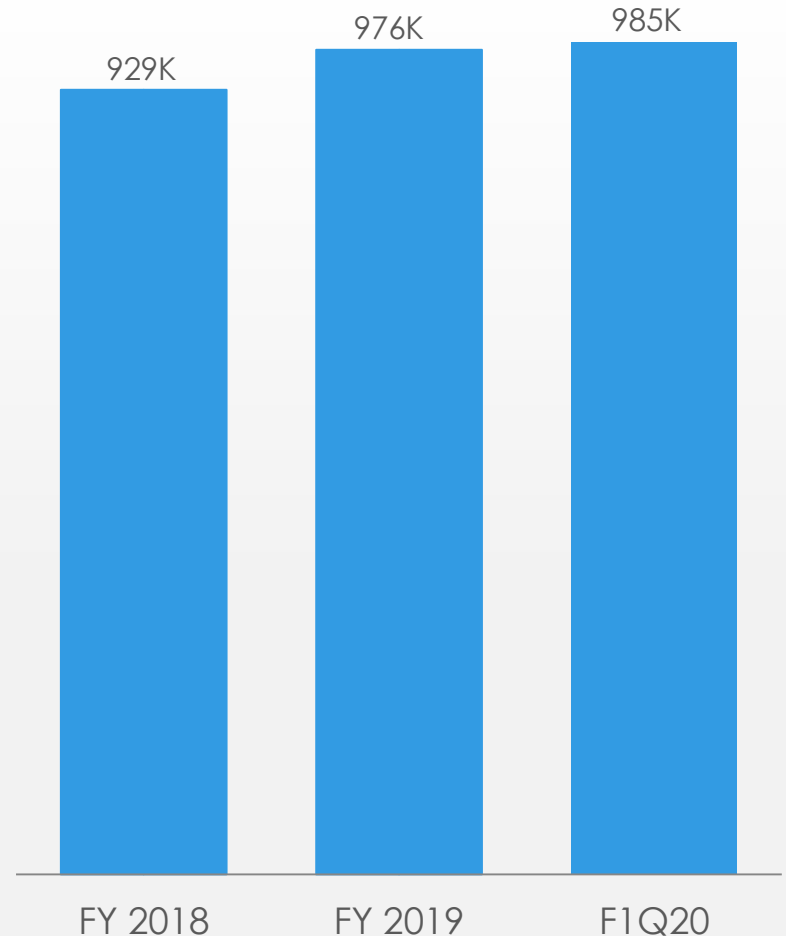
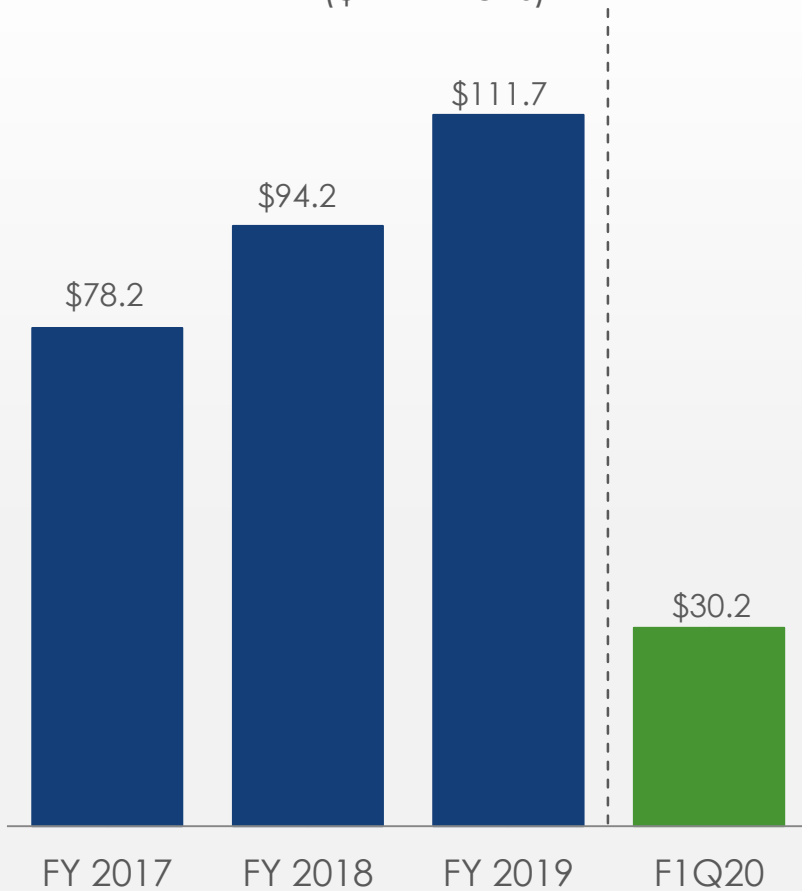


\$ Millions

Core Subscription Revenue & Users

Subscription & Services Revenue
(\$ in millions)

Subscribers

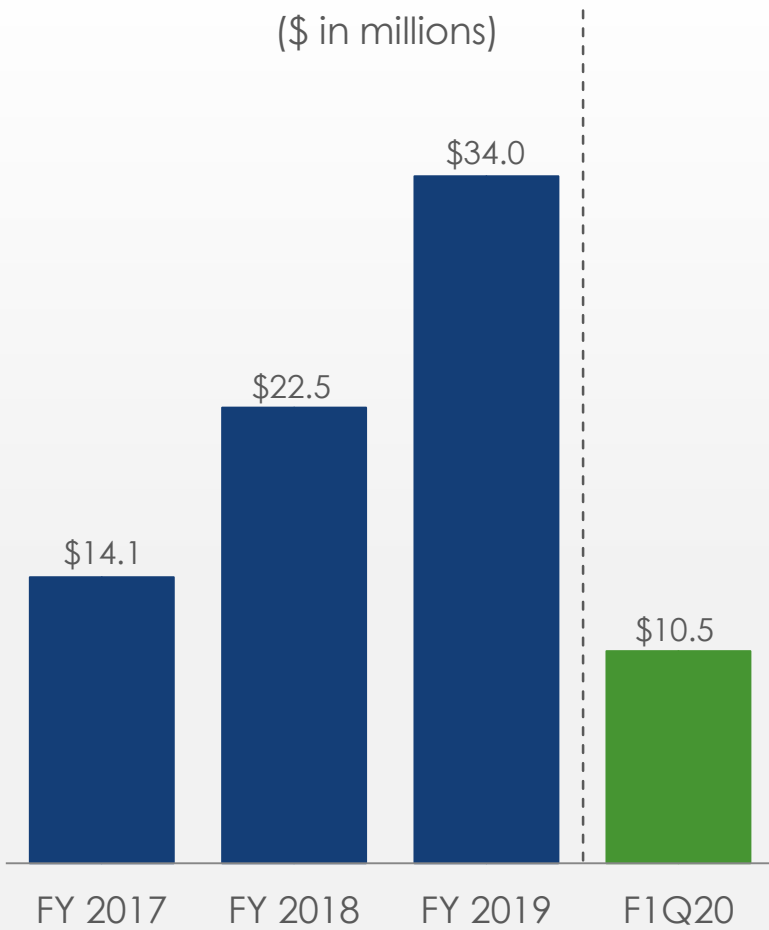


1Q20 Combined Business and Residential Subscription Revenue Growth of 15% yr./yr.

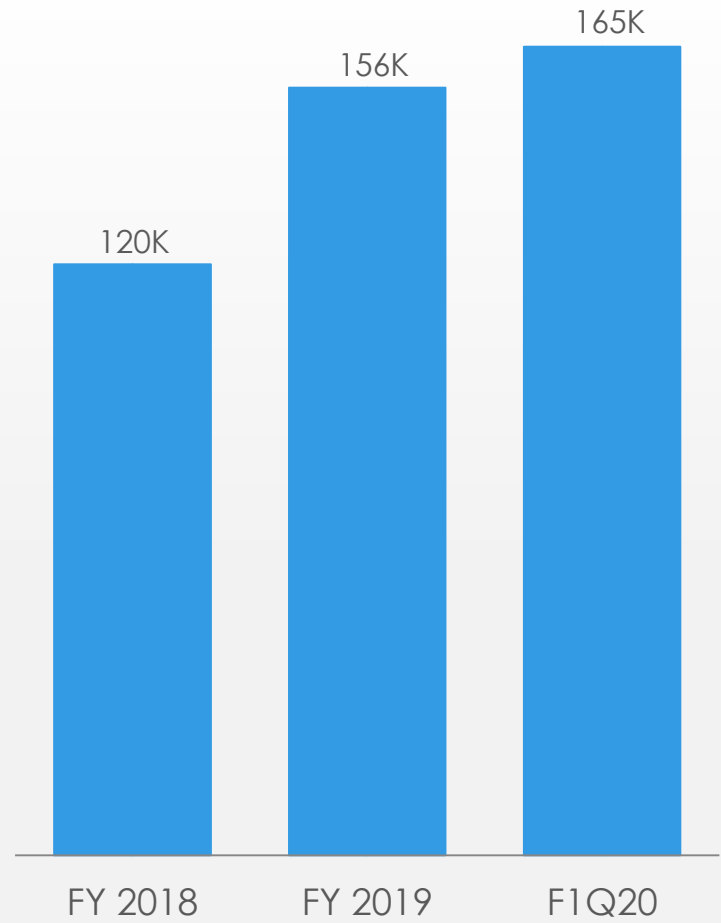
Overall Subscription & Services Revenue Excluding Talkatone

Business – Small Office & UCaaS

Business Subscription & Services Revenue
(\$ in millions)



Business Subscribers

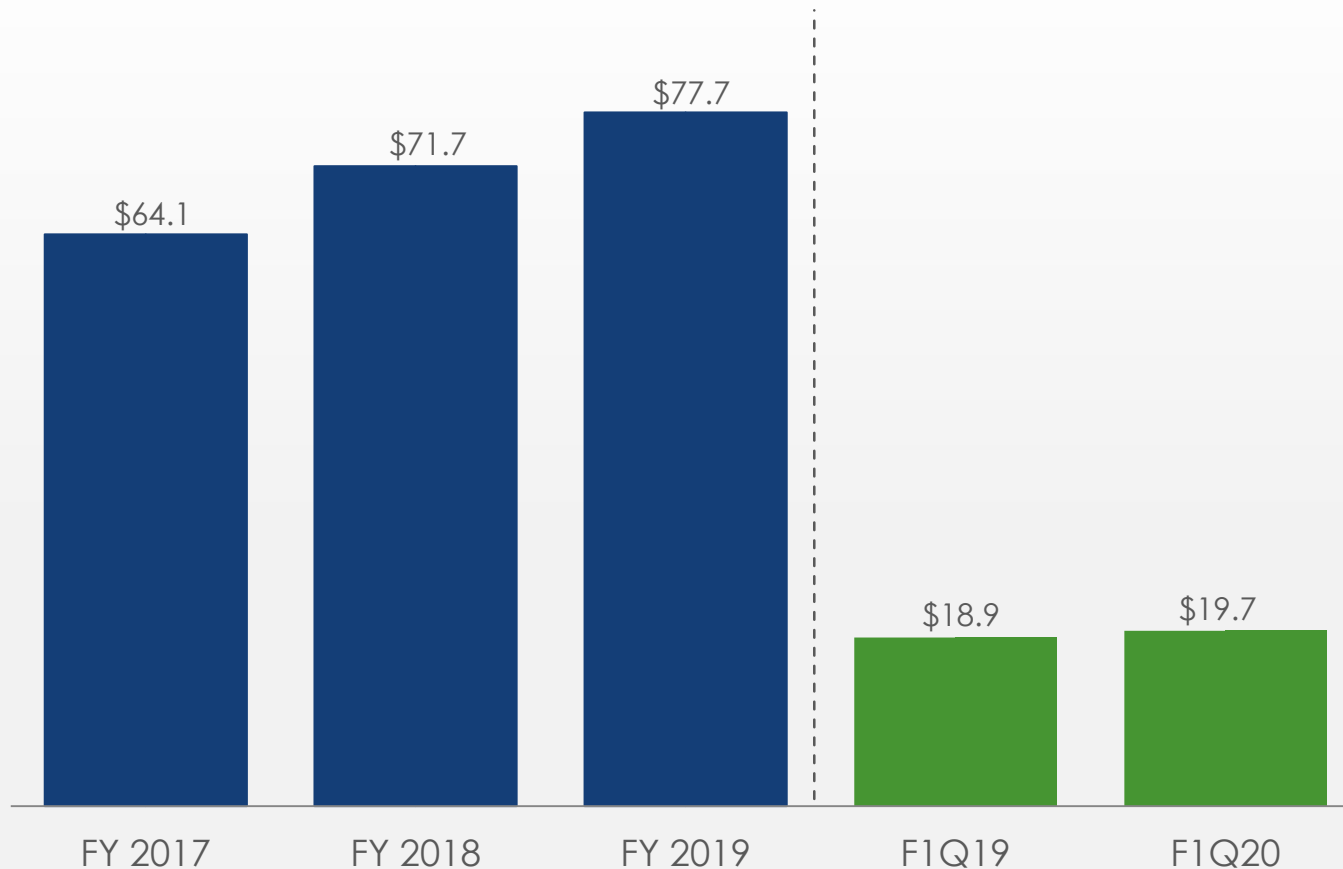


1 Q20 Business Subscription Revenue growth of 45% yr./yr.

Business Subscription & Services Revenue Includes Ooma Office and Ooma Enterprise

Residential – Communications & Security **Ooma**[®]

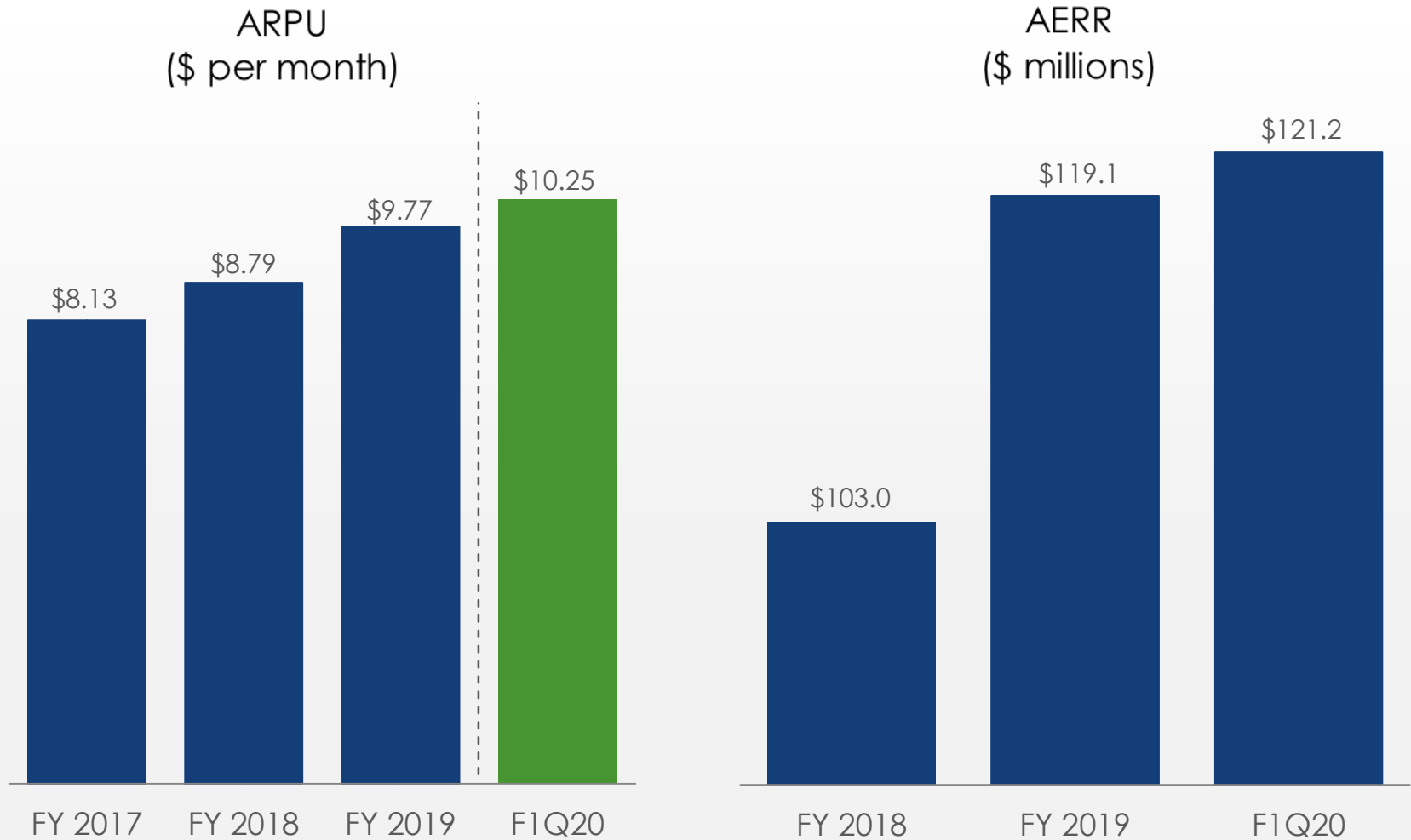
Residential Subscription & Services Revenue (millions)



1Q20 Residential Subscription Revenue Growth of 4% yr./yr.

Residential Subscription & Services Revenue Excluding Talkatone

Key Metrics



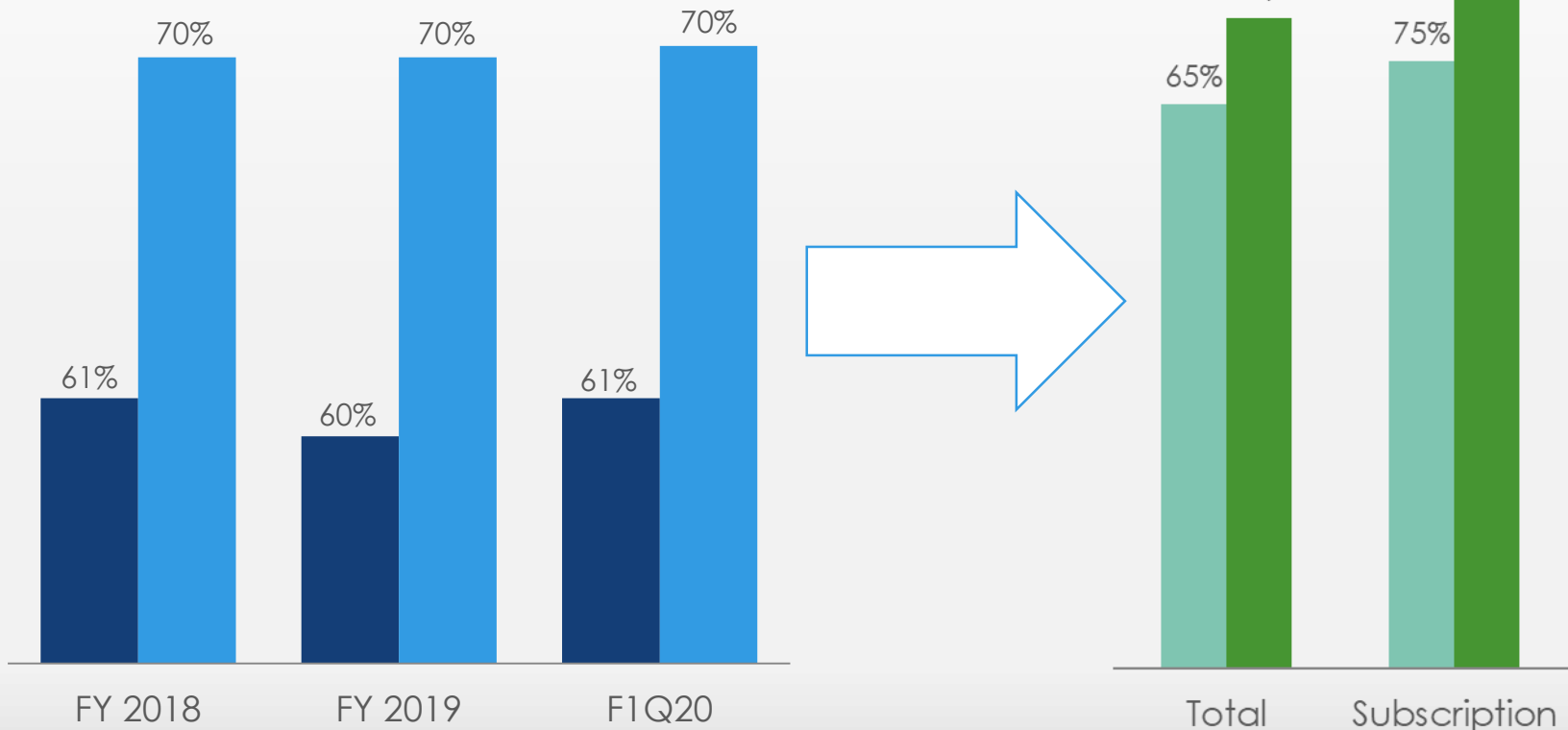
ARPU is blended monthly average subscription and services revenue per core user/seat. AERR is annualized exit recurring revenue.

Improving Gross Margin

Long-Term Gross Margin Ranges

■ Subscription/Services
■ Total

■ Low
■ High



Strong Financial Position

(\$ millions)	FY 2018	FY 2019	F1Q20
Cash and Investments (no debt)	\$51.8	\$42.6	\$37.2
Cash from (used in) Operations	\$3.2	(\$3.9)	(\$5.7)
Capital Spending	(\$2.5)	(\$1.9)	(\$0.6)
Adjusted EBITDA	(\$0.2)	(\$1.9)	(\$0.5)

Long-Term Target Model (Non-GAAP)

% REVENUE	FY 2018	FY 2019	F1Q20		LONG-TERM RANGES
Subscription & Services Gross Margin	70%	70%	70%		75% - 80%
Total Gross Margin	61%	60%	61%		65% - 70%
Sales & Marketing	31%	30%	32%		20% - 25%
Research & Development	22%	23%	23%		12% - 15%
General & Administrative	9%	10%	10%		6% - 8%
Adjusted EBITDA	(0%)	(1%)	(0%)		20% - 25%

Note: Non-GAAP excludes amortization of Intangibles, acquisition related expenses, litigation expenses and stock-based compensation

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Thank you

GAAP to Non-GAAP Reconciliation

\$ Thousands	FY 2017	FY 2018	FY 2019	F1Q19	F1Q20
GAAP Gross Profit	\$59,329	\$68,092	\$76,491	\$17,938	\$20,433
Add: Stock-based compensation expense and related taxes	1,038	1,129	957	202	304
Amortization of Intangibles	162	183	549	115	155
Non-GAAP Gross Profit	\$60,529	\$69,404	\$77,997	\$18,255	\$20,892
GAAP Sales and Marketing	\$33,768	\$37,302	\$40,761	\$8,895	\$11,459
Add: Stock-based compensation expense and related taxes	(1,455)	(\$1,857)	(1,501)	(348)	(475)
Amortization of Intangibles	-	-	(159)	(24)	(45)
Non-GAAP Sales and Marketing	\$32,313	\$35,445	\$39,101	\$8,523	\$10,939
GAAP Research and Development	\$24,239	\$29,328	\$33,903	\$8,522	\$8,882
Add: Stock-based compensation expense and related taxes	(3,619)	(4,046)	(3,906)	(906)	(1,155)
Amortization of Intangibles	(7)	(6)	(5)	(2)	(2)
Non-GAAP Research and Development	\$20,613	\$25,276	\$29,992	\$7,614	\$7,725
GAAP General and Administrative	\$14,598	\$15,186	\$17,613	\$4,452	\$5,112
Add: Stock-based compensation expense and related taxes	(3,754)	(4,086)	(4,331)	(953)	(1,189)
Amortization of Intangibles	(179)	(124)	(27)	(5)	(5)
Acquisition related costs	-	(118)	(423)	(350)	(36)
Litigation costs	-	-	(142)	-	(534)
Change in fair value of acquisition-related contingent consideration	-	-	342	-	-
Non-GAAP General and Administrative	\$10,665	\$10,858	\$13,032	\$3,144	\$3,348
GAAP Operating Loss	(\$13,276)	(\$13,724)	(\$15,786)	(\$3,931)	(\$5,020)
Add: Stock-based compensation expense and related taxes	9,866	11,118	10,695	2,409	3,123
Amortization of Intangibles	348	313	740	146	207
Acquisition related costs	-	118	423	350	36
Litigation costs	-	-	142	-	534
Change in fair value of acquisition-related contingent consideration	-	-	(342)	-	-
Non-GAAP Operating Loss	(\$3,062)	(\$2,175)	(\$4,128)	(\$1,026)	(\$1,120)