Q&A Sessions

Submit questions using the Q&A box
Caution Concerning Forward-Looking Statements
Various remarks that the Company makes contain forward-looking statements regarding future financial results, growth, growth priorities or plans, new products and related investment, revenues, adjusted EBITDA, churn, seats, lines or accounts, average revenues per customer, cost of communications services, new products and related investment, capital expenditures, and other statements that are not historical facts or information constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on information available at the time the statements are made and/or management's belief as of that time with respect to future events and involve risks and uncertainties that could cause actual results and outcomes to be materially different. Important factors that could cause such differences include but are not limited to: the competition we face; the expansion of competition in the cloud communications market; our ability to adapt to rapid changes in the cloud communications market; realizing the expected benefits of our business optimization or other cost-savings plans; risks related to the acquisition or integration of businesses we have acquired; our ability to scale our business and grow efficiently; the nascent state of the cloud communications for business market; our ability to retain customers and attract new customers cost-effectively; developing and maintaining effective distribution channels; risks associated with sales of our services to medium-sized and enterprise customers; the effects of COVID-19 on our business; our reliance on third-party hardware and software; our dependence on third-party vendors; reliance on third parties for our 911 services; the impact of fluctuations in economic conditions, particularly on our small and medium business customers; the effects of significant foreign currency fluctuations; developing and maintaining market awareness and a strong brand; retaining senior executives and other key employees; security breaches and other compromises of information security; system disruptions or flaws in our technology and systems; our ability to comply with data privacy and related regulatory matters; unfavorable litigation or governmental investigations; our ability to obtain or maintain relevant intellectual property licenses or to protect our trademarks and internally developed software; fraudulent use of our name or services; intellectual property and other litigation that have been and may be brought against us; rapid developments in global API regulation and uncertainties relating to regulation of VoIP services; liability under anti-corruption laws or from governmental export controls or economic sanctions; risks associated with the taxation of our business; governmental regulation and taxes in our international operations; our history of net losses and ability to achieve consistent profitability in the future; our ability to fully realize the benefits of our net operating loss carry-forwards if an ownership change occurs; actions of activist shareholders; restrictions in our debt agreements that may limit our operating flexibility; our ability to obtain additional financing if required; risks associated with the settlement and conditional conversion of our Convertible Senior Notes; potential effects the capped call transactions may have on our stock in connection with our Convertible Senior Notes; certain provisions of our charter documents; and other factors that are set forth in the “Risk Factors” section and other sections of our Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and amendments to these reports. While the Company may elect to update forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so, and therefore, you should not rely on these forward-looking statements as representing the Company's views as of any date subsequent to today.

Non-GAAP Financial Measures
This presentation contains non-GAAP financial measures (including adjusted EBITDA, adjusted EBITDA minus capex, constant currency, net debt (cash), free cash flow), as defined in Regulation G adopted by the SEC. The Company provides a reconciliation of these non-GAAP financial measures to the most directly comparable financial measure at the end of the presentation and in the Company’s quarterly earnings releases, which can be found on the Vonage Investor Relations website at http://ir.vonage.com
<table>
<thead>
<tr>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome</td>
<td>Hunter Blankenbaker, VP Investor Relations</td>
</tr>
<tr>
<td>The Path Forward</td>
<td>Rory Read, Chief Executive Officer</td>
</tr>
<tr>
<td>Financial Overview</td>
<td>Steve Lasher, Chief Financial Officer</td>
</tr>
<tr>
<td>Transformation Framework</td>
<td>Joy Corso, Chief Marketing Officer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>Vonage Team</td>
</tr>
<tr>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>Go-to-Market</td>
<td>Jay Bellissimo, Chief Operating Officer</td>
</tr>
<tr>
<td>API Platform</td>
<td>Sunny Rao, SVP API Global Sales</td>
</tr>
<tr>
<td>Unified Communications and Contact Center</td>
<td>Rodolphe Cardenuto, President UC/CC</td>
</tr>
<tr>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>Meet our new Head of Product &amp; Engineering</td>
<td>Savinay Berry, EVP Product &amp; Engineering</td>
</tr>
<tr>
<td>Vonage Communications Platform</td>
<td>Sagi Dudai, Chief Technology Officer</td>
</tr>
<tr>
<td>API Platform</td>
<td>Roland Selmer, SVP Product Management</td>
</tr>
<tr>
<td>Unified Communications and Contact Center</td>
<td>Ron Maayan, SVP Product Management</td>
</tr>
<tr>
<td>AI Across the Platform</td>
<td>Noam Fine, Head of Artificial Intelligence</td>
</tr>
<tr>
<td>Q&amp;A &amp; Closing Remarks</td>
<td>Vonage Team</td>
</tr>
</tbody>
</table>
Rory Read, CEO

- Joined in July 2020. **30+ years of technology industry experience** and a deep background in executive leadership, **SaaS and software**
- Proven track record of **business execution excellence** and driving key strategic and transformational objectives
- Most recently **Chief Operating Executive of Dell Technologies**, **EVP of Dell Boomi** and **President and CEO of Virtustream**
- Led the **historic integration** to combine Dell and EMC into the world's largest privately controlled technology company
- Previously **CEO and President of Advanced Micro Devices** and **President and COO of Lenovo**
The Cloud Communications Revolution Has Just Begun

Convergence of technology waves

Mainframe

Client Server

Internet

Mobile

Cloud

Programmable Communications
To Connect Anywhere Through Any Experience

On Prem to Cloud

Digital Transformation

Remote Everything

Customer Experience
It’s Changing How the World Connects...

- 3.5 billion smartphones globally
- 2.3 trillion texts sent annually
- 1.31 billion mobile payment transactions
- 87 zetabytes of data in the cloud by 2025
- 300 billion emails sent and received
Driving Significant Growth Across Business Communications

Cloud Communications TAM growing to $76B by 2023

SOURCE: IDC
Vonage Has Been on a Journey

Accelerating Innovation Through **Focus, Acquisitions** and **Organic R&D**

**2016**
- Introduced **SmartWAN**
- Granted Adaptive Routing™ patent
- Receives record number patents

**2017**
- Next-Gen Voice API
- Expands International Footprint
  - London
  - Germany
  - Japan
  - China

**2018**
- Built own UCaaS solution—VBC
- Team Messaging Integration Suite
- Messages API
- Vee Chatbot

**2019**
- One Vonage Business Rebrand
- Number Programmability
- App Center Ecosystem
- CX Cloud Express

**2020**
- **Vonage Communications Platform (VCP)**
- Vonage Meetings
- Single Pane of Glass
- CX Cloud Elevate
- 1 million+ developers

**ACQUIRED**
- **nexmo**
- **tokbox**
- **NewVoiceMedia**
- **over.ai**
VCP is now Vonage

0% of revenues in 2012

79% of revenues in 2021*

*2021 represents the average of total VCP revenue guidance and total Consumer revenue guidance
Our Vision
Accelerate the World’s Ability to Connect

Our Mission
We enable next generation communications that are more flexible, intelligent and personal, empowering our customers to do what is next and stay ahead
Our Strategy

Deliver a single leading cloud communications platform that powers our customers’ and partners’ global engagement solutions using our APIs, UCaaS and CCaaS innovations.
Comprehensive Business Communications Portfolio

Unified Communications as a Service

Contact Center as a Service

Artificial Intelligence

STUDIO/VISUAL BUILDER

Communications APIs

Voice

Chat

SMS

Video

Verify

Dispatch

Conversations

Messaging

Number Insight
A Single Vonage Communications Platform (VCP)

CUSTOMERS
- Employees/Agents
- Contact Centers
- Developers
- Partner API Solutions

REPORTING & ANALYTICS

BILLING

SECURITY

COMMON IDENTITY

UNIFIED DEVX

COMMON DOCUMENTATION

ORCHESTRATION

ARTIFICIAL INTELLIGENCE

COMMUNICATIONS APIs

USE CASE APIs

TOOLS & ENABLERS

NETWORKING
- Numbers
- SIP
- Interconnect

INFRASTRUCTURE
- Public Global Cloud
- Global Carrier Network
- Communication Core
VCP Has Global Reach and Scaled Operations

2020 Revenues

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenues (M)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$568M</td>
<td>62%</td>
</tr>
<tr>
<td>EMEA</td>
<td>$206M</td>
<td>23%</td>
</tr>
<tr>
<td>APAC</td>
<td>$141M</td>
<td>15%</td>
</tr>
</tbody>
</table>
Across a Range of Industries

2020 Services Revenue by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce/Retail</td>
<td>20%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>12%</td>
</tr>
<tr>
<td>Social, Media &amp; Gaming</td>
<td>11%</td>
</tr>
<tr>
<td>Finance/Insurance</td>
<td>9%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>8%</td>
</tr>
<tr>
<td>Travel/Hospitality</td>
<td>7%</td>
</tr>
<tr>
<td>Technology</td>
<td>3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3%</td>
</tr>
<tr>
<td>Government/Non-Profit</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: Data is for select industries only and percentages are rounded to the nearest whole number.
Transforming Into Execution Engine ... a Growth Business

- Execution
  - Data Driven
  - Business Analytics
  - Management System

- Strategy
  - Strategic Alignment

- Foundation
  - Vision & Mission
  - Culture - The Vonage Way
Positioned for Growth Over the Next 3 Years

- Innovations
- Strategic Investments
- Culture

- Growth and Scale

Balanced Operations
Experienced Leadership Team to Execute on Our Vision

Rory Read  
Chief Executive Officer

Joy Corso  
Chief Marketing Officer

Stephen Lasher  
Chief Financial Officer

Omar Javaid  
President, API Platform Group

Jay Bellissimo  
Chief Operating Officer

Savinay Berry  
EVP of Product and Engineering

Stephen Lasher  
Chief Financial Officer

Sue Quackenbush  
Chief Human Resources Officer

Sagi Dudai  
Chief Technology Officer

Vinod Lala  
Chief Strategy Officer

Rodolpho Cardenuto  
President, UC/CC

Omar Javaid  
President, API Platform Group

Sanjay Macwan  
Chief Information Security Officer

Randy Rutherford  
Chief Legal Officer and Secretary

Joined in 2020-2021
Creating Value Through Progressive Improvement in Rule of 40

<table>
<thead>
<tr>
<th>Objective</th>
<th>2020 Actual</th>
<th>2021 Guidance</th>
<th>2022 Objective</th>
<th>2023 Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>VCP Rule of 40</td>
<td>9%</td>
<td>13%</td>
<td>16%-18%</td>
<td>30%+</td>
</tr>
<tr>
<td>VCP Services Revenue Growth %</td>
<td>+17 pts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCP AEBITDA %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Growth rate based on pro forma service revenue assuming NewVoiceMedia (acquired 10/31/2018) and TokBox (acquired 7/30/2018) owned at beginning of period.
Path for “March on 30 in 30”

**Extend API Leadership**
- SMS growth
- High Value growth
- Grow platform usage

**Reinvigorate UC & CC**
- Continue VBC & VCC growth
- Renew Micro & Small focus
- Relaunch Channel
- Leverage powerful direct salesforce
Why We Will Win

- Strong Product Portfolio
- Large Growing Market
- Transformational Leadership
- Operational Excellence
VCP New Financial Reporting and Outlook
Steve Lasher, CFO

• **24 years of finance leadership** experience at IBM
• Focus on **software and cloud solutions**, global business services and AI
• Deep expertise in overseeing financial operations, strategies, management, and controls for sales functions to **drive finance and business transformations**
• Most recently **VP of Finance for IBM Global Markets and Integrated Accounts** responsible for financial management for the company’s **$70B global sales function that drives client adoption of hybrid cloud and Artificial Intelligence (AI) for enterprises**
VCP Discussion Topics

- New Segment Disclosure
- Forward Outlook
- Rule of 40
- Financial Flexibility
Segment Disclosure Reveals the Value of Vonage

**Consumer**
Residential VoIP with highly tenured customer base

$600M+ of cash flows over the next 5 years

**VCP**
Leading API-first cloud communications platform

Value as a standalone cloud business
VCP Is Our Strategic Focus and Our Future

Focus to drive VCP growth and cloud leadership

*2021 represents the average of total VCP revenue guidance of $1,038M to $1,054M and total Consumer revenue guidance of ~$285M.
VCP Will Be a $1 Billion Business with Strong Growth

VCP 2021 service revenue growth of 15% to 17%

Note: Total VCP revenues (which include Service, Product, Access and USF) were $804M for 2019 and $915M for 2020; 2021 total VCP revenue guidance is $1,038M to $1,054M.
API Continues to Be a Growth Leader

Strong product portfolio positioned for continued growth
API Growth Drivers

**SMS Market Growth**
- SMS growth at market or better
- Resurgence in COVID impacted industries

**Customer Usage Expansion**
- DBNE 120 - 130% range over last three years
- Significant cross-sell upside

**High Value Focus**
- Represents ~20% of API revenue, + 8 pts YoY
- Led by Video, Voice, Messages, Verify
Reinvigorating UC & CC Growth in 2021

Inflection point for UC & CC with improving growth beginning Q2’21
**UC & CC Growth Drivers**

**VBC + VCC Growth**
- VBC+VCC 70%+ of UC & CC service revenue
- Growing in low double digits to mid-teens %

**Micro & Small Renewed Focus**
- 40%+ of UC & CC service revenue
- Micro & Small re-acceleration - focused GTM

**Investments in Focused GTM**
- Tailored focus on Mid-Market and Enterprise
- Relaunch channel
Operational Excellence Yielding Results

Operating structure successfully rebalanced for growth

*VCP operating expenses include stock-based compensation, transformation / restructuring expenses and acquisition / integration related expenses which primarily relate to VCP.
Improved profitability better positions VCP for growth

VCP Adj. EBITDA Margin %
-13%  -6%  0-1%

$5M-$9M

2019  2020  2021

VCP Adj. EBITDA

-$103M  -$57M  +$57M

+$46 Improvement

+$64 Improvement

Provides new flexibility for growth reinvestment
## Longer Term VCP Model

<table>
<thead>
<tr>
<th>Service Revenue Growth</th>
<th>2019*</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22%</td>
<td>19%</td>
<td>15-17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross Margin %</th>
<th>47%</th>
<th>48%</th>
<th>~47-48%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; Marketing</td>
<td>43%</td>
<td>36%</td>
<td>~32-34%</td>
</tr>
<tr>
<td>Engineering &amp; Development</td>
<td>7%</td>
<td>8%</td>
<td>~7-8%</td>
</tr>
<tr>
<td>G&amp;A**</td>
<td>18%</td>
<td>18%</td>
<td>~14-16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBITDA Margin %</th>
<th>-13%</th>
<th>-6%</th>
<th>0-1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule of 40</td>
<td>9%</td>
<td>13%</td>
<td>16-18%</td>
</tr>
</tbody>
</table>

### Guidance

- **2020**
  - Low 20%s
  - Mid 20%s

- **2021**
  - Low Single %
  - Low/Mid Single %
  - Mid 20%s
  - 30%+

*Growth rate based on pro forma service revenue assuming NewVoiceMedia (acquired 10/31/2018) and TokBox (acquired 7/30/2018) owned at beginning of period

**G&A includes stock-based compensation and one-time transformation and restructuring expenses
VCP Revenue Growth to Accelerate Through 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>VCP Service Revenue</th>
<th>API</th>
<th>UCaaS &amp; CCaaS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$720M</td>
<td>~30%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$856M</td>
<td>~30%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td>Low - mid single</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td>Approaching ~30%</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td>Mid 20%s Growth</td>
</tr>
</tbody>
</table>

Growth Rates:
- 2019: High single to low teens
- 2020: Approaching ~30%
- 2021: 15-17%
- 2022: Approaching ~30%
- 2023: Approaching ~30%
Creating Value Through Progressive Improvement in Rule of 40

VCP Rule of 40

- **VCP Services Revenue Growth %**
- **VCP AEBITDA %**

**2019 Actual**
- 9%

**2020 Actual**
- 13%

**2021 Guidance**
- 16%-18%

**2022 Objective**
- Mid 20%s

**2023 Objective**
- 30%+

**Note**: Growth rate based on pro forma service revenue assuming NewVoiceMedia (acquired 10/31/2018) and TokBox (acquired 7/30/2018) owned at beginning of period.
Vonage is Positioned to Execute on Our Strategy

Revenue Growth
Growth led by API leadership and reinvigorated UC & CC

Rule of 40
Path towards our “March on 30 in 30”

Financial Flexibility
Dependable cash flow and balance sheet strength
Transformation Framework
Joy Corso, CMO

- **25+ years** of leadership experience in marketing and communications across multiple industries including technology, financial services, healthcare and professional services
- Recognized as one of the *Top 50 Most Powerful Women In Tech*, 2020
- **Deep expertise** in building high performing teams, leading corporate transformations, and driving brand engagement across key audiences
- **Joined from Virtustream** where she was **SVP and Chief Marketing Officer**. Previously held senior roles in Advanced Micro Devices, Raytheon, Fidelity Investments and Iron Mountain
Transforming and Strengthening the Business

Execution
- Data Driven
- Business Analytics
- Management System

Strategy
- Strategic Alignment

Foundation
- Vision & Mission
- Culture - The Vonage Way
Our Culture - The Vonage Way

Our culture is our human capital competitive advantage that empowers us to win in the marketplace!
Our Values

We are one team made up of smart, passionate and innovative people who get stuff done. We are in this together because we know our differences make us stronger.
Prioritizing Diversity, Equity & Inclusion

Commitment

To create an environment that supports our innovative spirit and fast pace, we must foster inclusion by being champions of fairness and equality.

- Strategic Approach
- Advisory Board
- Investments in Employee Training and Development
- Employee Resource Groups
- Talent Attraction

Our Differences Make Us Stronger
Strategy - Strategic Pillars for Global Alignment

Customer First

Inspired Team

Business Growth

Operational Excellence
Vonage Cares

Accelerating the world’s ability to connect

Employee Involvement

Volunteerism
52,000 Volunteer Hours
Matching Contributions

Giving Back

Charitable Contributions
Vonage Foundation
Closing the Digital Divide for Children

Social Good

58 Million Minutes donated to education, healthcare, and non-profits to keep the world connected during COVID-19
Transformation - Strategy and Culture Integration

Accelerating the World’s Ability to Connect

Goals
Objectives

Cascade

Strategy
Culture

Values
Behaviors

VONAGE
Data-driven and Analytics-based Decisions

- Monthly Dashboard - Key Operating Metrics
- Sales Productivity
- ARR & Revenue Churn
- Customer Cohort Trends
- ROI for Engineering & Development
- Pipeline Analytics
- LTV/CAC
- DBNE
Execution - Strategic Planning & Tactical Implementation

- Structured cadence
- Consistent process
- Measurable results
- Continuous cycle
- Outcome and Data Based
Transformation Strategy

- Clear Strategy with a **Growth Focus** and **Balanced Operations**
- Strong Operating Model
  - **Execution Excellence**
- **Aligned Global Team**
- **A Strong Cultural Foundation**
  - **The Vonage Way**
- **Seasoned Leadership** Team with Deep Experience
Go-to-Market Strategy
Jay Bellissimo, COO

- **30+ years of innovative leadership** driving business transformation and digital reinvention across several industries
- Served as General Manager (GM) and **CRO of IBM's Watson & Cloud Platform** business and most recently, GM of the U.S. Federal and Public market
- Recognized as a **thought leader** in business strategy, AI, and Cloud solutions
- **Proven track record** of helping organizations accelerate their journeys to the cloud
Positioning VCP for the next 3 years

- Increased focus on customer success
- Single Platform solving all customer and partner communications and engagement needs
- Innovation & Growth: improve ability to develop and sell multi-product portfolio across the platform
Pillars of Growth

Expand Customer Diversification
- "Customer First" approach
- Strong balance across geo's
- Scale industry use cases

Scale Our API Business
- "Out of the Box" APIs
- Invest in developer experience/account coverage
- Increase sales coverage

Accelerate Our UC/CC Business
- Redesigned partner program and portal
- Renewed focus on SMB
- Self-Serve Ecommerce For Micro
## Segmented GTM Model

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales Model</th>
<th>Channel Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprise</strong></td>
<td>Field Sales</td>
<td>SI/ISV/Channel/VAR Developer</td>
</tr>
<tr>
<td>&gt;$120K ARR</td>
<td>Enterprise Sales Developer</td>
<td></td>
</tr>
<tr>
<td><strong>MidMarket</strong></td>
<td>Field Sales</td>
<td>Teaming</td>
</tr>
<tr>
<td>$12K to $120K ARR</td>
<td>SDR Developer</td>
<td>SI/ISV</td>
</tr>
<tr>
<td><strong>Small</strong></td>
<td>Inside Sales</td>
<td>Teaming</td>
</tr>
<tr>
<td>$3K to $12K ARR</td>
<td>Developer</td>
<td>ISV</td>
</tr>
<tr>
<td><strong>Micro</strong></td>
<td>Ecommerce</td>
<td>Channel DTC</td>
</tr>
<tr>
<td>&lt;$3K ARR</td>
<td>Telesales Developer</td>
<td>ISV</td>
</tr>
</tbody>
</table>
Accelerating Time to Customer Value and Outcomes

**Sales**
Solution selling with partners

**Acct. Mgmt.**
Training and business reviews to drive adoption

**Care**
Customer first model with innovative tools and highly technical support

**Product**
Roadmap coordination and co-development

**Senior Leadership**
Executive sponsorship and connectivity

**Eng./Dev.**
Customized solutions expanding API and AI use on the platform
Go-to-Market Takeaways

Customer First Approach
It's our passion to consistently deliver innovative solutions to exceed customer expectations

Refocused GTM
- Expand Customer Diversification
- Scale Our API Business
- Accelerate Our UC/CC Business

VCP Scale
Building on our own platform provides us the opportunity to scale our business and cross-sell our products/solutions globally
API Go-to-Market
Sunny Rao
SVP Global API Sales
Global Go-to-Market Strategy

Developers

Enterprise Sales

Partnerships
Developers Love Our Platform and Global Reach

1.15M+ Developers
600+ Partners
110% 2020 Revenue Growth From Partners

Second largest CPaaS developer base continues to grow
API Market Drivers

The outcomes our customers are trying to achieve

1. Customer Engagement (attract, serve, convert, retain)
2. Radically change the way they operate
3. Great Developer Tools and Global Reach

The trends shaping the market

1. The Next Normal
2. Developer Power
3. Usage Based Model
API GTM Structure

- **Strategic**
  - Top 50 Accounts

- **Enterprise**
  - > $50k

- **Developers**
  - < $50k
API Enterprise Sales

- Differentiate through **Solution Selling**
- **Land and expand** More usage & products
- Continued emphasis on **High Value APIs**
- Sales engineering and partnerships **accelerate transformation**

30%+ growth in sales HC
Why We Win in Enterprise

Broad set of core communication APIs

- Voice
- Video
- Verify
- SMS/MMS
- Social
- In-App

Global Reach & Footprint
API Breadth
AI Integrations
Developer Experience
Domain Expertise
Identity and Fraud Solutions
UC/CC Go-to-Market
Rodolpho Cardenuto
President UC/CC
Drive Growth With Tailored GTM by Customer Segment

Customer size segmentation:
- **MidMarket**
  - $12K to $120K ARR
- **Enterprise**
  - >$120K ARR

Deal Size (ARR):
- **Small**
  - $3K to $12K ARR
- **Micro**
  - <$3K ARR
- **MidMarket**
  - $12K to $120K ARR
- **Enterprise**
  - >$120K ARR

Efficiency - Easy to do business:
- Ecommerce
- Self-provision/Self-serve
- Online/AI based Care
- Value for money product/feature set

Run Rate Business:
- Channel first motion with Small & MM Sales
- Shared SE+PS resources
- Care included
- Targeted product messaging and promos
- Limited cross sell

Premium/Land & Expand:
- Enterprise Sales with partner teaming
- Engineering SWAT team; custom development
- Product roadmap tie in
- VIP Care
- UC/CC/API cross sell

Efficiency - Easy to do business:
- Ecommerce
- Self-provision/Self-serve
- Online/AI based Care
- Value for money product/feature set
Re-Ignite Micro and Small Business - Full Customer Life Cycle

Easy to Acquire
- Lead flow from digital, partners, and wholesale customers
- Self sign-up infrastructure
- Ecommerce Platform

Easy to Implement
- Seamless customer journey from buy to set up
- Automated provisioning
- Self Provisioning

Easy to Support
- Self-serve/chat solutions
- Enhanced IVR
- Vonage AI

Vonage has “right to win” in Micro/SMB: strong brand, value proposition, and track record
Launch Vonage Accelerate Program

- Always Teaming
- Enablement, Training, Certification Investments
- Aggressive Targeted Incentives
- Sub-Agent Deal Support
- Channel Portal
  - Channel Life Cycle Management
  - From Lead, Quote to Cash
Differentiated Account Management Approach

Transform
Rally entire company around the mission of customer success

Insights & Actions
Turn data into meaningful actions across the team

Outcomes
Proactively deliver customer outcomes at scale

- Consultative Selling
- Customer’s business outcomes
- Health score monitoring
- Data driven engagements - AI
Cross-Sell Opportunities

45% Increase ARR

43% Rev/Cust

50% Attach in Ent

Total ARR from Cross Sell Customers

Average Revenue per Customer

Cross Sell Customers: +43% YoY

Entire Customer Base: +19% YoY
Meet our New EVP of Product & Engineering
Savinay Berry
EVP Product & Engineering

• 20 years of experience in technology and software
• Extensive cloud expertise and proven track record of developing highly innovative products and driving results-driven transformational change
• Most recently SVP, Cloud Services at OpenText, leading cloud services and strategy, infrastructure, service delivery, managed services and developer services
• Instrumental in driving more than 40% of Y/Y cloud growth for OpenText, a $3B+ company, accelerating the organization's cloud transformation, and enabling a quarterly release cycle across hundreds of products
• Led the creation of OpenText's native cloud platform, foundational to its cloud transformation
Vonage Communications Platform
Sagi Dudai, CTO

- **25 years+** of leadership experience in software R&D and engineering in **cloud, mobile, machine learning and artificial intelligence (AI)**
- **Deep expertise** in building high performing R&D teams, building cloud platforms, and driving execution through **large, global engineering teams**
- Led Vonage’s **technology vision, architecture and design** for the past 9 years
Our Strategy

Deliver a single leading cloud communications platform that powers our customers’ and partners’ global engagement solutions using our APIs, UCaaS and CCaaS innovations
Vonage’s Global Technology Footprint

**Reach**
- 800+ Global Carriers
- 190+ Countries
- 170+ Number Types

**People/Skills**
- 800+ Product/Technology/Operations Employees
- Global R&D
  - San Francisco
  - Tel Aviv
  - London
  - NJ / NYC
  - Bangalore
  - Madrid
  - Wroclaw
  - Atlanta

**Scale**
- 16 AWS Regions
- 50 Availability Zones
- +99.999% Core Platform Availability
Vonage Communications Platform Architecture

CUSTOMERS

- Employees/Agents
  - Unified Comms
  - Contact Centers

- Developers

- Partner API Solutions

ORCHESTRATION

ARTIFICIAL INTELLIGENCE

COMMUNICATIONS APIs

USE CASE APIs

TOOLS & ENABLERS

NETWORKING

- Numbers
- SIP
- Interconnect

INFRASTRUCTURE

- Public Global Cloud
- Global Carrier Network
- Communication Core
Product strategy to extend leadership

**CPaaS – API**
Extend our global APIs leadership and grow High Value APIs

**CCaaS – VCC**
Improve standalone capabilities; extend CRM partnerships and cross-sell; enhance through APIs and AI

**UCaaS – VBC**
Optimize go-to-market and leverage APIs and AI to drive competitive differentiation; enhance integration strategy
API Product Initiatives
Roland Selmer
SVP Product Management
Why We Win

- **Number of channels and feature breadth** enabling omnichannel contextual conversations

- **Global services** providing time, expertise & SLAs from a designated team to ensure success

- **Extensive partnerships** with SIs, ISVs and technology partners
API Product Strategy

Designed for Developers, Built for the Enterprise
Attract, activate and retain developers

Conversations Evolved
Be everywhere that customers choose

From Channels to Platform
Consistent capabilities and UX across VCP
Breadth of Vonage API Platform is a key differentiator
Unlimited Use Cases Using API Building Blocks

1:1 & Multiparty Video

1:1:
- Telehealth
- Tutoring
- Customer Service
- Financial Advice
- Dating

Multiparty:
- Classrooms
- Online Events Entertainment

Contact Center Augmentation

Expanding the Contact Center:
- Programmable
- SIP Trunking
- Desktop Termination
- Messages for Call Deflection

Enriching the Call Experience:
- Simple/Speech Enabled IVR
- Virtual Agent
- Call Recording

Omnichannel Messaging

Across WhatsApp, Facebook, Viber and SMS
- Integrated notifications
- Conversations & Selling for eCommerce
- Marketplaces
- Financial Services
Extend Video Leadership

$3 billion
Market in the next 2 years*

Accelerate for Growth
Elastic scaling, security and compliance

Innovate in Core
Video/Audio quality enhancements

Enable Faster Integration
Optimized APIs for key use cases

Developer Experience
Consistent UX and new tooling
Scale Messaging

Operational Efficiency
Automation & flexible billing models

Partnerships
Extend capabilities through partners

Expand Channels
Increase number of messaging channels

Regional Data Isolation
Ensuring regional data compliance

$5 billion
Market in the next 2 years*
Enhance and Integrate Voice

Contact Center
Enhance API offering for contact centers

Payments
PCI compliant payments over the phone

AI Enablement
Integrate AI as a feature and with 3rd parties

Stability & Security
Enhanced security and improved failover strategy

$8 billion
Market in the next 2 years*
UC/CC Product Initiatives
Ron Maayan
SVP Product Management
Why We Win

- Modern Customer Engagement
- Unified Customer Experience
- Intelligent Remote Interactions
VBC & VCC Product Strategy

Next Gen Platform

Expand Market Access

Lead with Innovation
Grow the Platform

- **Native Omnichannel** built with Vonage API Platform
- Continue to **lead with Salesforce**
- Scale **Collaboration & Mobility** capabilities
Expand Market Access

- Expand Integration with **MS Dynamics & ServiceNow**
- **VBC MS Teams** Native Integration
- Integrated **VCC & VBC** Offering
Lead with Innovation

- **Native Video Integration for VCC**
- **App Center** Partner Ecosystem
- **Voice AI** for VCC - Pre, Post and On-call Assist
Artificial Intelligence
Noam Fine, Head of AI
From Digitization to Intelligence

The digital tipping point has been reached in most industries.

The next wave of digitization is coming through new frontier technologies including general ledger technologies like artificial intelligence based technologies.
Deliver value through a layer of artificial intelligence insights and functionalities integrated across every digital communication channel.
Elements of Intelligent Communication

Big Data
Accurate, granular, complete (with robust metadata) and low latency

Advanced Analytics
To create continuously learning and adapting processes, and deliver actionable insights

Intelligent Applications
APIs and customer interfaces to consume analytics and enable Human-Machine interactions
2021: Introducing AI Infused Communication APIs and Applications
Unlocking The Market For AI

Native AI
Delivering turnkey value

Unified Support
and billing

Data and privacy
by design

Cost efficiency
at scale
Vonage Communications Platform Intelligence

The Future of Customer Interactions
Conversational AI | Monitoring/Supervision
No code visual tools | Advanced analytics

AI APIs for Next Gen Apps
Integrating AI across the communication stack
NLU | AI Analytics (FireFlame)

Vonage Communications Platform Intelligence
A single data and intelligence communications platform to power our customers’ next generation engagement solutions
Introducing a new vision for intelligent communications, transforming calling and meeting experiences for people and organizations around the world.
VCP Wrap Up
Sagi Dudai
Chief Technology Officer
Why We Win - VCP

- World Class Scalable Cloud
- Global Carrier Network
- Security, Privacy, & Trust by Design
- API Platform
- Intelligence & AI
- Best in Class Video
Appendix
$1B+ Vonage Communications Platform business well positioned to accelerate growth

Unique position in the early innings of a $76 billion cloud communications TAM to drive attractive long-term growth

Single API-based cloud platform powering our customers’ and partners’ global engagement solutions

Significantly improving Rule of 40 driven by accelerating growth and profitability

Experienced team to execute strategy and successfully address the large and growing TAM
### VCP Segment

**VCP Revenues**

<table>
<thead>
<tr>
<th></th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenues</td>
<td>159,345</td>
<td>180,014</td>
<td>183,701</td>
<td>196,454</td>
<td>195,649</td>
<td>212,310</td>
<td>218,456</td>
<td>230,077</td>
<td>719,514</td>
<td>856,492</td>
</tr>
<tr>
<td>Access and product revenues</td>
<td>11,697</td>
<td>11,707</td>
<td>12,120</td>
<td>10,708</td>
<td>10,122</td>
<td>9,109</td>
<td>8,757</td>
<td>8,596</td>
<td>46,232</td>
<td>36,584</td>
</tr>
<tr>
<td><strong>Total VCP Revenue</strong></td>
<td>170,042</td>
<td>191,721</td>
<td>195,821</td>
<td>207,162</td>
<td>205,771</td>
<td>221,419</td>
<td>227,213</td>
<td>238,683</td>
<td>765,746</td>
<td>893,076</td>
</tr>
</tbody>
</table>

**Cost of Revenues**

<table>
<thead>
<tr>
<th></th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost of revenues</td>
<td>69,835</td>
<td>86,259</td>
<td>87,352</td>
<td>92,549</td>
<td>92,357</td>
<td>109,638</td>
<td>105,593</td>
<td>114,461</td>
<td>336,045</td>
<td>413,079</td>
</tr>
<tr>
<td>Access and product cost of revenues</td>
<td>13,871</td>
<td>13,594</td>
<td>13,688</td>
<td>12,312</td>
<td>11,996</td>
<td>10,266</td>
<td>9,894</td>
<td>10,723</td>
<td>53,455</td>
<td>42,479</td>
</tr>
<tr>
<td><strong>Total Cost of Revenues</strong></td>
<td>83,706</td>
<td>99,853</td>
<td>101,120</td>
<td>104,861</td>
<td>103,935</td>
<td>110,904</td>
<td>114,457</td>
<td>125,194</td>
<td>389,500</td>
<td>455,558</td>
</tr>
</tbody>
</table>

**Gross Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Margin %</td>
<td>56.2%</td>
<td>52.1%</td>
<td>52.4%</td>
<td>52.9%</td>
<td>52.8%</td>
<td>52.8%</td>
<td>51.7%</td>
<td>50.2%</td>
<td>53.3%</td>
<td>51.8%</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>51.0%</td>
<td>47.9%</td>
<td>48.3%</td>
<td>49.5%</td>
<td>49.5%</td>
<td>49.9%</td>
<td>49.2%</td>
<td>47.5%</td>
<td>49.1%</td>
<td>49.0%</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>48.6%</td>
<td>45.6%</td>
<td>45.8%</td>
<td>47.1%</td>
<td>46.4%</td>
<td>48.0%</td>
<td>47.8%</td>
<td>46.4%</td>
<td>46.5%</td>
<td>47.8%</td>
</tr>
</tbody>
</table>

**Operating Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing</td>
<td>80,602</td>
<td>89,804</td>
<td>78,706</td>
<td>84,375</td>
<td>82,165</td>
<td>87,833</td>
<td>82,601</td>
<td>77,083</td>
<td>342,757</td>
<td>320,702</td>
</tr>
<tr>
<td>Engineering and development</td>
<td>13,933</td>
<td>14,154</td>
<td>14,280</td>
<td>16,547</td>
<td>16,838</td>
<td>17,890</td>
<td>18,103</td>
<td>20,181</td>
<td>58,804</td>
<td>73,012</td>
</tr>
<tr>
<td>General and administrative</td>
<td>32,438</td>
<td>33,642</td>
<td>38,154</td>
<td>36,486</td>
<td>36,608</td>
<td>38,764</td>
<td>53,847</td>
<td>38,425</td>
<td>140,720</td>
<td>167,704</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>19,577</td>
<td>19,115</td>
<td>19,852</td>
<td>21,653</td>
<td>19,198</td>
<td>19,630</td>
<td>21,292</td>
<td>24,433</td>
<td>81,197</td>
<td>85,210</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>155,540</td>
<td>156,805</td>
<td>151,062</td>
<td>159,061</td>
<td>154,899</td>
<td>164,157</td>
<td>170,480</td>
<td>160,122</td>
<td>621,268</td>
<td>655,628</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(98,323)</th>
<th>(94,968)</th>
<th>(95,451)</th>
<th>(98,580)</th>
<th>(93,051)</th>
<th>(92,642)</th>
<th>(94,754)</th>
<th>(96,060)</th>
<th>(246,322)</th>
<th>(218,110)</th>
</tr>
</thead>
</table>

**Adjusted EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>(36,652)</th>
<th>(29,536)</th>
<th>(19,339)</th>
<th>(17,739)</th>
<th>(21,088)</th>
<th>(17,513)</th>
<th>(14,396)</th>
<th>(3,968)</th>
<th>(103,266)</th>
<th>(56,968)</th>
</tr>
</thead>
</table>

**Adjusted EBITDA margin percentage**

-20% -15% -9% -8% -10% -8% -6% -2% -13% -6% |

**Pro forma Service Revenue Growth**

18% 22% 20% 27% 23% 18% 19% 17% 22% 19%

**Rule of 40**

-2% 8% 11% 10% 13% 10% 13% 15% 9% 13%
### Non-GAAP Reconciliation

**VONAGE HOLDINGS CORP.**

**TABLE 3. RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA AND TO ADJUSTED EBITDA MINUS CAPEX**

(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>For the Years Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2020</td>
<td>September 30, 2020</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$ (13,965)</td>
<td>$ (10,062)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7,384</td>
<td>7,373</td>
</tr>
<tr>
<td>Income tax</td>
<td>10,911</td>
<td>(7,937)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>24,853</td>
<td>22,887</td>
</tr>
<tr>
<td>Amortization of costs to implement cloud computing arrangements</td>
<td>938</td>
<td>670</td>
</tr>
<tr>
<td>EBITDA</td>
<td>30,121</td>
<td>12,931</td>
</tr>
<tr>
<td>Share-based expense</td>
<td>11,695</td>
<td>11,530</td>
</tr>
<tr>
<td>Acquisition related transaction and integration costs</td>
<td>80</td>
<td>-</td>
</tr>
<tr>
<td>Organizational transformation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>3,731</td>
<td>15,182</td>
</tr>
<tr>
<td>Other non-recurring items</td>
<td>2,654</td>
<td>1,959</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>48,201</strong></td>
<td><strong>41,602</strong></td>
</tr>
</tbody>
</table>

|                      | December 31, 2020  | September 30, 2020  | December 31, 2019  |
| Consumer Adjusted EBITDA | $ 52,169         | $ 56,001             | $ 62,542           | $ 227,152          | $ 261,362  |            |
| VCP Adjusted EBITDA   | (3,968)           | (14,399)             | (17,739)           | (56,968)           | (103,266)  |            |
| **Adjusted EBITDA**   | **48,201**        | **41,602**           | **44,803**         | **170,184**        | **158,096** |            |

**Less:**

|                      | December 31, 2020  |
| Capital expenditures | (2,853)            |
| Intangible assets    | (52)               |
| Acquisition and development of software assets | (11,584)          |
| **Adjusted EBITDA Minus Capex** | **33,712**          |

---

(1) The cost identified as “Organizational transformation” are related to the Company’s previously announced goal of becoming a pure-play software-as-a-service ("SaaS") company, offering a suite of communications solutions for businesses. These costs include employee related exits including CEO succession, system change management, facility exit costs, and rebranding.

(2) Restructuring activities relate to the Company’s business-wide optimization and alignment project initiated in 2020 and include employee related exits and further facility exit costs executed upon as part of the overall project.

(3) Other non-recurring items principally include certain litigation charges and other non-recurring project costs such as the review of the Consumer business and the business optimization project, both of which were initiated in 2020.
Non-GAAP Reconciliation

### Table 5. Free Cash Flow
(Dollars in thousands) (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2020</th>
<th>September 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$32,449</td>
<td>$12,628</td>
<td>$33,076</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(2,853)</td>
<td>(2,863)</td>
<td>(4,847)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(52)</td>
<td>(70)</td>
<td>(318)</td>
</tr>
<tr>
<td>Acquisition and development of software assets</td>
<td>(11,584)</td>
<td>(10,057)</td>
<td>(7,652)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$17,660</td>
<td>(362)</td>
<td>$20,259</td>
</tr>
</tbody>
</table>

### Table 6. Reconciliation of Indebtedness Under Revolving Credit Facility, and Convertible Senior Notes to Net Debt
(Dollars in thousands) (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible senior notes, net</td>
<td>290,784</td>
<td>276,658</td>
</tr>
<tr>
<td>Notes payable and indebtedness under revolving credit facility, net of current maturities</td>
<td>215,500</td>
<td>220,500</td>
</tr>
<tr>
<td>Unamortized debt related costs</td>
<td>5,512</td>
<td>7,108</td>
</tr>
<tr>
<td>Unamortized discount on debt</td>
<td>48,704</td>
<td>61,234</td>
</tr>
<tr>
<td><strong>Gross debt</strong></td>
<td>560,500</td>
<td>565,500</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted cash</td>
<td>43,078</td>
<td>23,620</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>$517,422</td>
<td>$541,880</td>
</tr>
</tbody>
</table>