



Ventus Holdings Acquisition

November 2021

Safe Harbor

This presentation includes forward looking statements. These statements reflect our expectations about future operating and financial performance of both the acquired company and Digi following the acquisition and speak only as of the date of this presentation. Actual results, performance, or developments could differ materially from those expressed or implied by the forward-looking statements contained in this presentation as a result of known and unknown risks, uncertainties, and other factors including those identified in Digi's Form 10-K and other periodic filings with the Securities and Exchange Commission.

Digi Transforms Work by Connecting the World's People and Machines

Solving **MISSION-CRITICAL** and **BUSINESS-CRITICAL** machine communications challenges in the most **DEMANDING ENVIRONMENTS**

- Reliance on Digi's experience, strength, and quality products

Digi differentiates by providing software and service enabled hardware supported by responsive and knowledgeable resources

- Proven, no-nonsense **SOLUTIONS THAT WORK** — and keep working



RELIABILITY



SCALABILITY



SECURITY



MANAGEABILITY

Strength In Numbers

DGII

NASDAQ

1985

Year
Founded

650+

Employees
Worldwide

16

Consecutive Years
of Profitability

279

Million In
F20 Revenue

15%

Profit
Margins



PRODUCTS & SERVICES

- ▶ Grow 5%-10%
- ▶ Simplify, Software, Services
- ▶ Double Digit Profitability

DIGI'S IOT BUSINESS SEGMENTS

- Grow ARR faster than top line growth
- Grow profits faster than top line growth






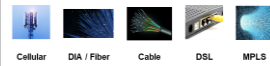


SOLUTIONS

- ▶ Double Digit Growth
- ▶ Vertically Oriented
- ▶ High Margin, Recurring

Ventus is a Wireless Leader in Managed Network as a Service (MNaaS)

Ventus MNaaS Components

- Managed Network Service market is \$57.4B with a projected 7.5% CAGR over the next five years*
- MNaaS combines technical design, implementation, and 24x7 expert management of WAN solutions
- Ventus services >170,000 sites, has averaged 13% growth, and less than 1% annual churn over the past five years

Edge Intelligence 	<ul style="list-style-type: none">• Custom and third party solutions• Accelerated provisioning• Performance reporting	
Connectivity 	<ul style="list-style-type: none">• Cellular primary and failover• Wired solutions• WiFi	
Management 	<ul style="list-style-type: none">• Technical design• Provisioning and installation• 24x7 expert support	

* Markets and Markets September 2021 report

Ventus Accelerates Digi's Transformation

DIGI



Ventus

- Builds off decades of experience with reliable, wireless edge hardware to enable software, services, and subscription
- Long lasting, high retention value proposition and customer relationships more than doubles Digi's ARR
- Profitable and cash generating, Ventus is immediately accretive to A-EPS, and expected to be accretive to EPS in FY23.
- Meaningful growth and R&D synergies
- Ventus' results expected to be reported in our IoT Solutions business segment

Ventus reported revenues of \$25.9M for the first six months of 2021, and ARR of \$45M as of June 30, 2021.

Attractive Terms and Financing

Terms

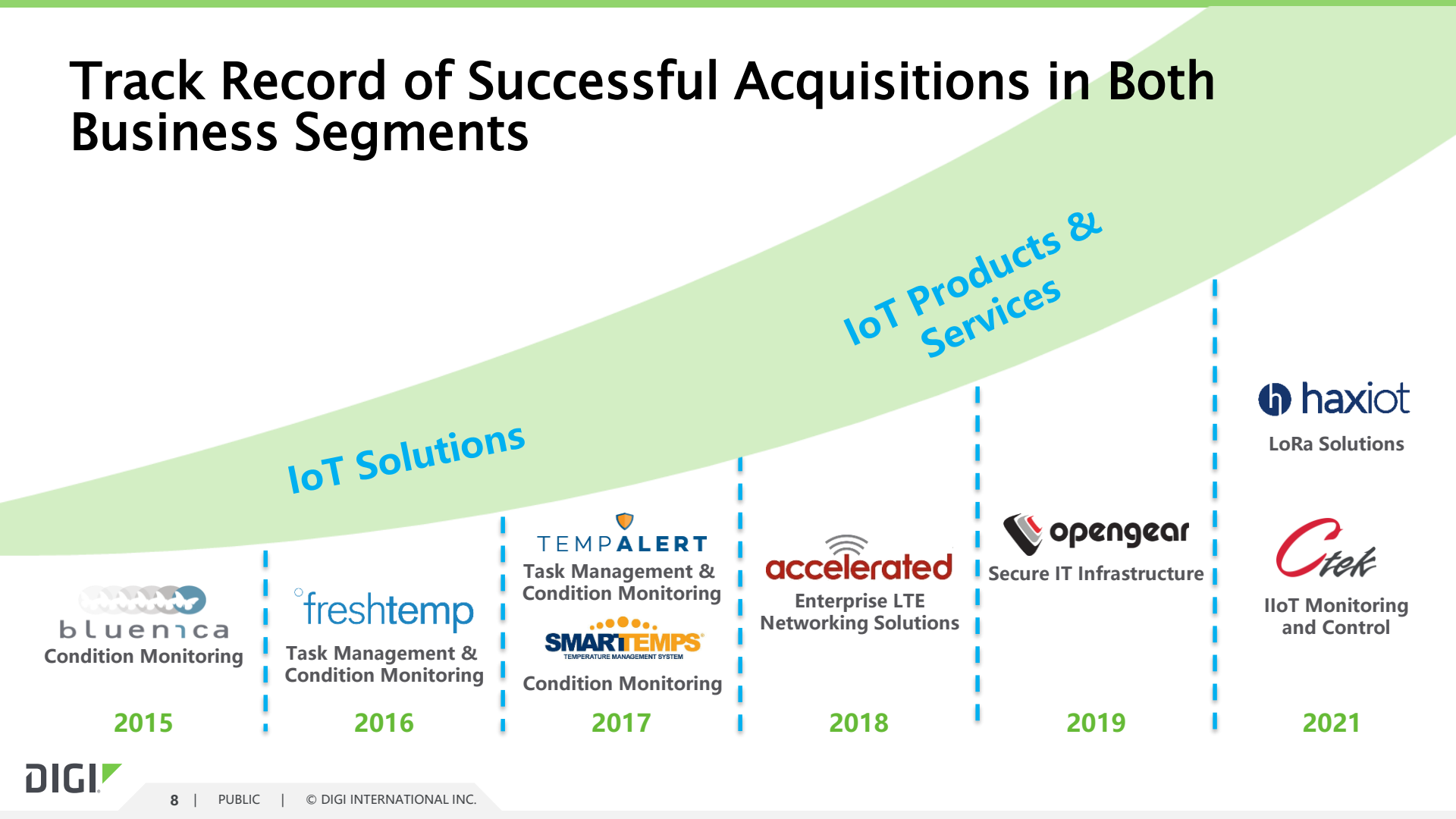
- All cash
- \$347.4M upfront, no earn out
- Represents just over eight times recurring revenue

Financing

- New debt facilities:
 - \$350M Term B Loan
 - \$35M Revolver (untapped)
- BMO Harris Commitment
- Retired existing \$48M debt facility
- Closed 11/1/2021

More details on the combined financials and leverage will be reported on November 10, 2021 earnings.

Track Record of Successful Acquisitions in Both Business Segments





Connect with Confidence