



Investor Presentation

Presented By

Doug Gaylor, President & COO

Ron Vincent, CFO

August 10, 2022

Safe Harbor Statement

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to, among other things, our history, business lines, business strategy, goals, plans and expectations concerning our business, market position and the growth of our business, business lines and future business plans in which we compete and the benefits that our customers will realize from our services. We use the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases to identify forward-looking statements in this presentation.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate or plans could change based upon circumstances and the forward-looking statements based on these assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors, including risks to the business. These risks are explained in detail in our filings with the Securities and Exchange Commission (the "SEC") including Form 10-K for fiscal year ended December 31, quarterly Form 10-Qs as filed with the SEC, and Definitive Proxy filed on May 17, 2022. These forward-looking statements speak only as of the date on which such statements are made, and the company undertakes no obligation to update such forward-looking statements, except as required by law. In addition, information related to our risks is contained and supplemented under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and the definitive proxy. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. We undertake no obligation to update any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this presentation.

This presentation contains certain information that has not been derived in accordance with generally accepted accounting principles ("GAAP"). Reconciliations of such information to the most directly comparable information derived in accordance with GAAP are contained in this presentation. This information should not be considered a substitute for any measures derived in accordance with GAAP.

Today's Presenters



Doug Gaylor
President & COO

12 years with Crexendo
Prior Experience:



Ron Vincent
CFO

10 years with Crexendo
Prior Experience:



Crexendo: Soaring Through The Clouds

- Finished 2021 with **\$28.1M** in revenue a **71%** increase over 2021 and strong non-GAAP earnings of **\$1.7M**
- Q2 2022 Consolidated Revenue of **\$8.84M** and YTD Revenue of **\$17M** a **65%** increase YoY
- Q2 2022 Non-GAAP net income of **\$512K** and GAAP loss of **(\$896K)**
- Adjusted EBITDA for Q2 2022 increased to **\$626K**, compared to a loss of **(\$153K)** for Q2 of 2021
- Q2 Telecom Services revenue increased **10%** year-over-year to **\$5.25M** and Software Solutions revenue of **\$3.6M**
- Backlog at end of Q2 2022 was **\$42.2M** which is up **54%** from Q2 2021
- Cash at the end of Q1 - **\$4.87M**
- Over **205** Licensees reselling our platform and over **175** Agents selling direct end users
- Won TMC 2022 Internet Telephony Product of the Year Award, 2022 Remote Work Pioneer Award and 2022 CRM Excellence Award
- Recently Announced Partnership with Mavenir, a leading Network Software Provider that will have them using our platform for their UCaaS offering and Crexendo white-labeling their omni channel CCaaS offering

Crexendo By The Numbers

Key Metrics



\$28.1M / \$1.6M

Rev. / Adj. EBITDA
(2021)



79% MRR

% of Total Revenue
(2021)



\$409

Avg. MRR
Per Direct Customer



60,000+

Active Direct Customers



2.5M +

Total Seats



205+

Licensee Resellers



175+

Active
Agent/Partners



0.75%

Direct Churn Rate
(Q2 2022)



45 Months

Avg. Customer
Account Tenure



4

Network Data
Centers



\$42.12M

Contracted Backlog



126

Employees
(Aug 2022)

Corporate Overview

Year Founded	• 1999
Headquarters	• Tempe, Arizona
Ticker Symbol	• CXDO
Exchange	• Nasdaq - July 2020
Data Center Locations	• Phoenix, AZ • Las Vegas, NV • Dallas, TX • Grand Rapids, MI

Executive Leadership



Steve Mihaylo
CEO



Doug Gaylor
President & COO



Anand Buch
CSO



Ron Vincent
CFO



David Wang
CTO



Jon Brinton
CRO



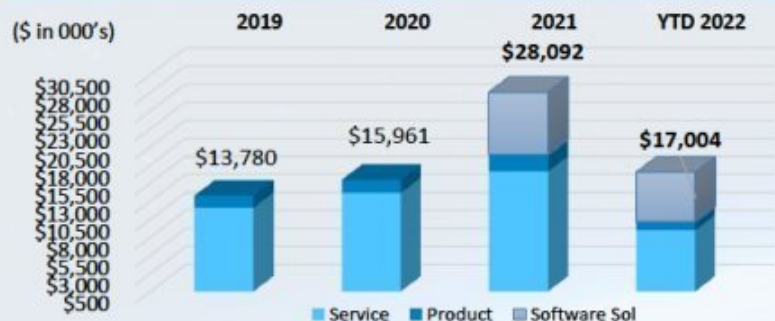
Jim Murphy
EVP



Jeffrey Korn
General Counsel

Growing Financial Profile

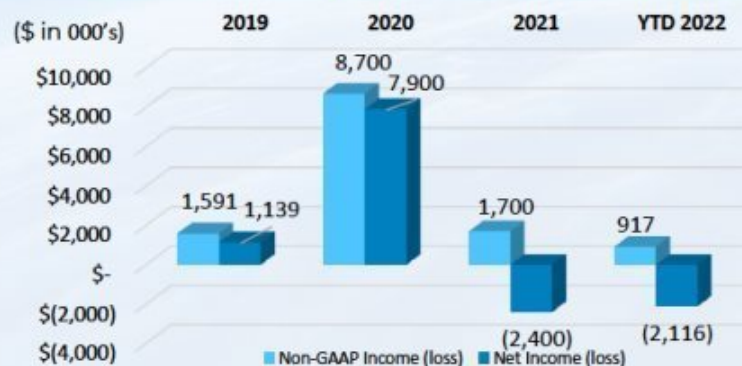
Telecommunications Segment Revenue



Gross Margin



Non-GAAP Income (Loss) & Net Income (Loss) ⁽¹⁾



(1) 2021 Includes \$1,061,000 of NetSapiens acquisition related expenses.

Adjusted EBITDA ⁽¹⁾

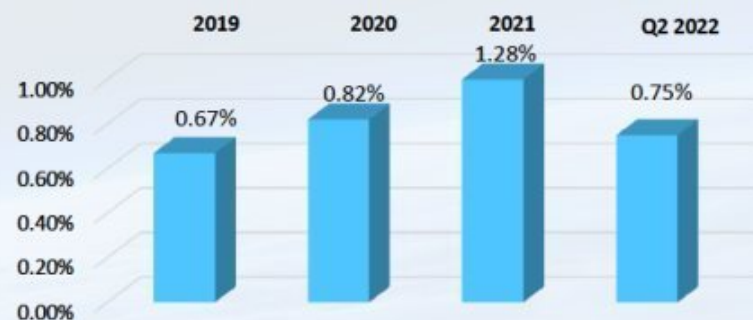


Growing Financial Profile

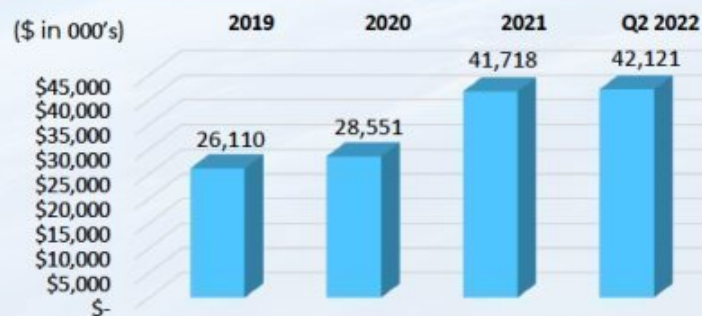
Operating Expenses as a % of Revenue ⁽¹⁾



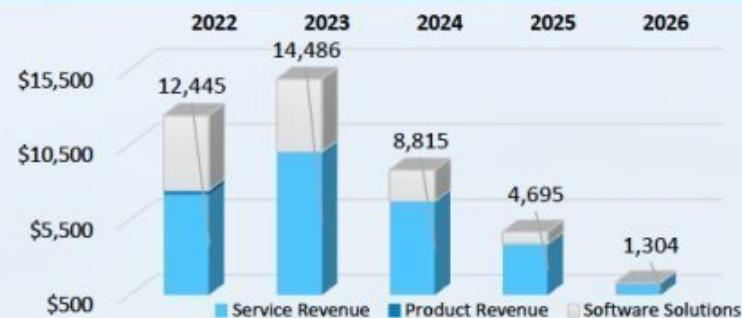
Churn Rate ⁽²⁾



Backlog ⁽¹⁾



Expected Backlog Revenue Recognition



(1) 2021 Includes \$1,061,000 of acquisition related expenses

(2) Average monthly percentage for period

Crexendo: The Complete Cloud Communications Choice



America's Fastest-Growing UCaaS Platform!

With Award-Winning Technology!

Recognized by Frost & Sullivan in 2021 as the fastest-growing UCaaS platform in North America!



Fast-Growing Tech Leader in the UCaaS and Cloud Communications Space



Award Winning Collaboration Offering for Video, Screen Share, & Webinars



Unparalleled Executive Telecom Team with 200+ Years Experience



World Class, Cloud-Hosted System Built for Small and Medium Businesses



Disruptive Sessions Not Seats Pricing Model



Poised for Rapid Growth

The Leader in Cloud Communications



Advanced Development Through In-House Engineering and Third-Party Integrators



Leading Licensee and Agent/Partner Programs



Powerful Recurring Revenue Model



Rapidly Growing Global Platform Supporting 2.5M + Users



Flexible Go-To-Market Offerings



Comprehensive Voice, Video, Meeting, Messaging & Mobile Solutions



Executive Management Team With Wealth of Telecom Experience and Success



Strong Balance Sheet & Revenue Growth



Multiple Revenue Sources With Cross Sell/Upsell Opportunity



Flexibility and Ability to React Quickly

The Way We Communicate Has Changed

UCaaS Market Size



Source: MarketsandMarkets

9.5%
AGR

The global UCaaS market is expected to grow from \$15.8 billion to \$24.8 billion between 2019 and 2024⁽¹⁾

UCaaS Market Adoption

CLOUD MIGRATION PLANS * (% respondents)

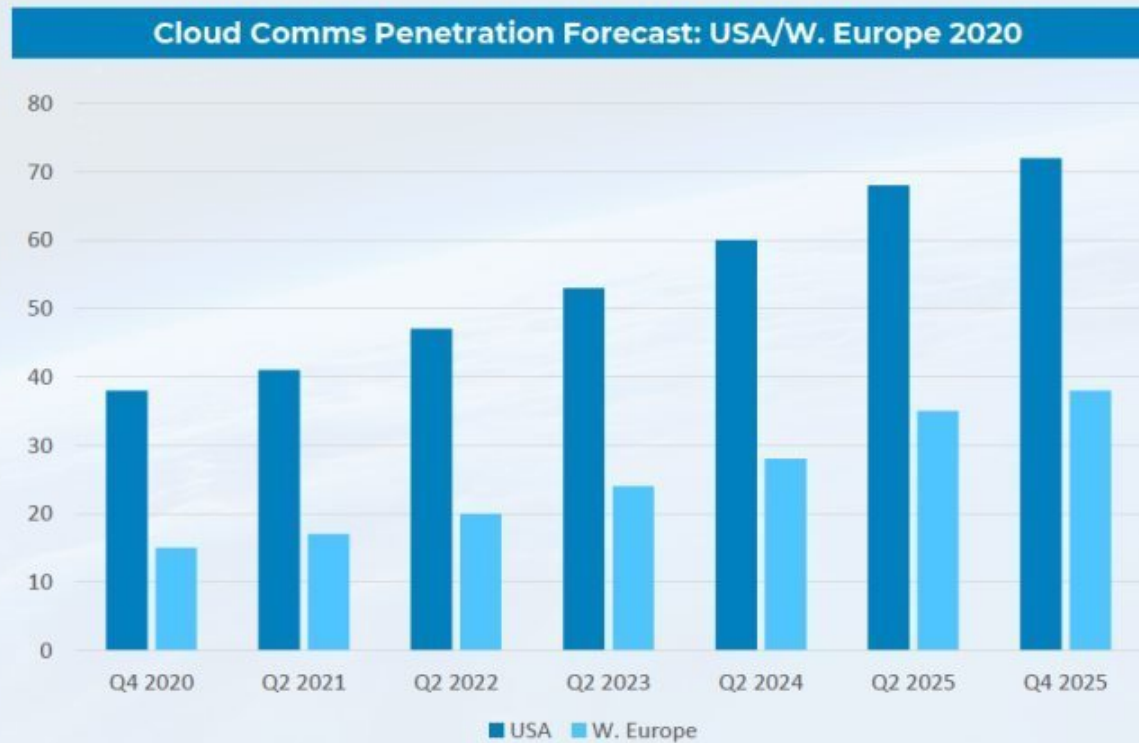


61%

Approximately 61% of businesses in U.S. still operating with antiquated, premise-based systems

*Frost & Sullivan 2021

Tremendous Technology Adoption Still To Come



Source: Cavell Cloud Comms Report USA Q4 2020

Crexendo's Go-To-Market Sales Approach

Direct Sales



- Direct Crexendo Sales representatives selling SMB and Small Enterprise Customers

Crexendo Partner/Agent Sales: Revenue Share Model



- Traditional Telecom Resellers
- Managed Service Providers (MSP's)
- B2B Companies
- Master Agents

Software Solutions Platform Licensees

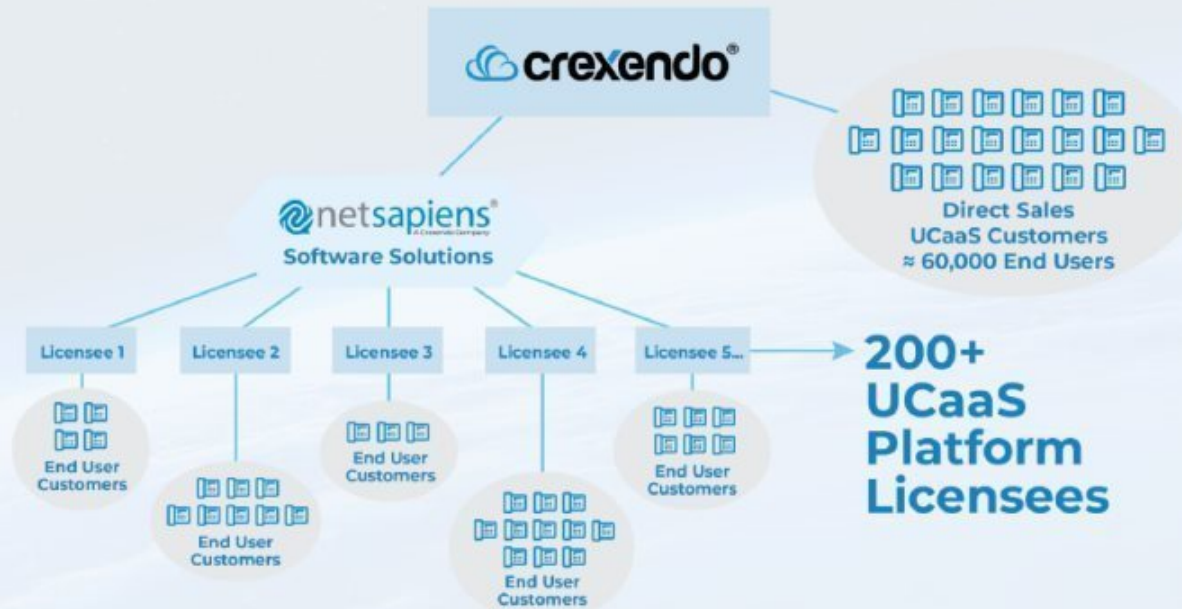


- UCaaS Companies
- MSP's
- LEC's/RLEC's
- White Label Resellers
- Enterprise Clients

Future Growth Drivers



Crexendo's Stocked Fishing Pond



2.5 Million+ End Users Total

Key: Direct Sales to End Users Software Solutions to Resellers End User Customers

Global Presence: Growing Opportunity

Majority of Revenue and Customers Currently in USA

- US Crexendo Agents: 175+
- US NetSapiens Resellers: 195+

Emerging International Markets

- United Kingdom: 9
- Australia: 4
- New Zealand: 1
- Phillipines: 1



VIP – The Future of Business Communications



Video



Interactions



Phone



- **VIP Communications Solution for Business**

- **Cloud-Based UCaaS Platform Powered by NetSapiens**

- **The Platform for How You Work Today**

Investment Highlights: Meeting Our Commitments and Delivering Results

ATTRACTIVE INVESTMENT OPPORTUNITY



High
Growth



Long-Term
Contracts



Recurring
Revenue



Strong
Cash Flow



Industry
Low Churn



Roll-Up
Acquisition
Potential



Organically Up-listed to Nasdaq



Successfully Raise Capital to Fuel Future Growth



Acquire Accretive Acquisition Targets



Added to Russell MicroCap Index



Combined 71% Revenue Growth in 2021



Nearly 100% Customers and Licensees on Long Term Contracts



2.5 M + End Users and Growing

Questions?

Thank You!



Nasdaq: CXDO