CJS Securities 23rd Annual New Ideas for the New Year

1.11.23
Risk Factors & Other Information

Industry, Market and Other Data

Certain information contained in this presentation concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on reports from various sources. Because this information involves a number of assumptions and limitations, you are cautioned not to give undue weight to such information. We have not independently verified market data and industry forecasts provided by any of these or any other third-party sources referred to in this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us.

Pro Forma Financial Information

Unless otherwise specified, all financial data and operating metrics presented herein for Consensus are presented on a pro forma (“PF”) basis giving effect to the separation and distribution described in the Information Statement that is filed as an exhibit to the Registration Statement on Form 10 filed by Consensus on September 21, 2021.

Non-GAAP Financial Information

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) designed to supplement, and not substitute, Consensus’s financial information presented in accordance with GAAP. The non-GAAP measures as defined by Consensus may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that Consensus’ future results or leverage will be unaffected by other unusual or non-recurring items. Please see the Current Report on Form 8-K filed by Consensus on November 10, 2022 for how we define these non-GAAP measures, a discussion of why we believe they are useful to investors, and certain limitations and reconciliations thereof to the most directly comparable GAAP measures.

Forward Looking Statements

Certain statements in this presentation may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in those statements. Readers should carefully review the Risk Factors slide of this presentation. These forward-looking statements are based on management’s expectations or beliefs as of as well as those set forth in our Annual Report on Form 10-K filed by us on April 15, 2022 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time to time with the SEC. We undertake no obligation to revise or publicly release any updates to such statements based on future information or actual results.

Third Party Information

All third-party trademarks, including names, logos and brands, referenced by the Company in this presentation are property of their respective owners. All references to third-party trademarks are for identification purposes only and shall be considered nominative fair use under trademark law.

The following factors, among others, could cause our business, prospects, financial condition, operating results and cash flows to be materially adversely affected:

- Our fax and healthcare interoperability solutions constitute substantially all of our revenue and operating income.
- Reduced use of fax services due to increased use of email, scanning or widespread adoption of digital signatures or otherwise.
- There are particular challenges in addressing the market for healthcare interoperability solutions. If we do not successfully address these challenges, our business will be adversely affected.
- The market for our products and services is relatively new and rapidly evolving. If the market does not develop further, develops more slowly, or in a way that we do not expect, our business will be adversely affected.
- Inability to sustain growth or profitability, and any related impact of U.S. or worldwide economic issues on customer acquisition, retention and usage levels, advertising spend and credit and debit card payment declines.
- Inability to acquire businesses on acceptable terms or successfully integrate and realize anticipated synergies.
- New or unanticipated costs and/or fees or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added and telecommunications taxes.
- The scope and duration of the COVID-19 pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us, as well as other unforeseen global crises, such as war, strife, global health pandemics, earthquakes, or major weather events or other uncontrollable events could negatively impact our revenue and operating results.
- Inability to manage certain risks inherent to our business, such as fraudulent activity, system failure or a security breach; inability to manage reputational risks associated with our businesses.
- Competition from others with regard to price, service, content and functionality.
- Inadequate intellectual property (IP) protection, expiration, invalidity or loss of key patents, violations of 3rd party IP rights or inability or significant delay in monetizing IP.
- Inability to continue to expand our business and operations internationally.
- Inability to maintain required services on acceptable terms with financially stable telecom, co-location and other critical vendors; and inability to obtain telephone numbers in sufficient quantities on acceptable terms and in desired locations.
- Level of debt limiting availability of cash flow to reinvest in the business; inability to repay or refinance debt when due; and restrictive covenants relating to debt imposing operating and financial restrictions on business activities or plans.
- Inability to maintain and increase our customer base or average revenue per user.
- Inability to achieve business or financial results in light of burdensome telecommunications, internet, advertising, health care, consumer, privacy or other regulations, or being subject to existing regulations.
- Inability to adapt to technological change and diversify services and related revenues at acceptable levels of financial return.
- Loss of services of executive officers and other key employees.
- Inability to complete the proposed Fax spin-off transaction in the proposed form, terms or timing or occurrence of higher than anticipated costs or realization of fewer expected benefits of the proposed transaction.
- Other factors set forth in our Form 10-K filed by us on April 15, 2022 with the SEC and the other reports we file from time to time with the SEC.
Today’s Presenters

Scott Turicchi
CEO

John Nebergall
COO

Jim Malone
CFO

Johnny Hecker
EVP, Operations
Business Overview
Our Mission

Be the trusted global source for the transformation, enhancement and secure exchange of digital information
Consensus is the Market Leader

Enterprise Penetration

~700

Enterprise customers include 5 of the top 10 corporations in the world

40%

Embedded in Top 10 Healthcare Ecosystem

We serve 4 of the top 10 Healthcare Companies in the Fortune 500

~100%

High Revenue Visibility

~100% of our revenues are recurring in nature

15

Historical Consolidator

Historical - 15 acquisitions. Current strategy opportunistic M&A

20+

Longevity in Corporate Marketplace

We have served corporate clients for 20+ years

>100%

Strong LTM Q3 2022 Corporate Revenue Retention

We have Corporate Revenue Retention of >100%
Consensus Offerings and Financial Profile Enables Innovation

**Our Offering**

- Leading provider of secure data delivery for enterprise and healthcare interoperability
- Serve the healthcare sector and other highly regulated industries
- High-speed, reliable, trusted product
- HIPAA compliant, HITRUST certified, regional data sovereignty
- Leading provider of cloud fax solutions for SoHo (Single Office Home Office)

**Attractive Financial Profile**

- **Revenue**
  - LTM Sept 30, 2022
  - $369M

- **Adjusted EBITDA margin**
  - LTM Sept 30, 2022
  - 54.3%

- **Total Revenue Growth**
  - LTM Sept 30, 2022
  - 5.7%

- **Corporate Revenue Growth**
  - LTM Sept 30, 2022
  - 14.7%

Consensus is the Leading Global Source for the Transformation, Enhancement and Secure Exchange of Digital Information.
Healthcare and Interoperability Focus
Healthcare Communication and Workflow Challenges

- **Fragmented Ecosystem**: Over 500,000 industry participants with disparate information across different systems.

- **Multiple Protocols**: No single standard protocol and lack of interoperability creates complexity and inefficiency.

- **Incompatibility Across Systems**: No standard routing framework with unreliable message sourcing and delivery.

- **Dominance of Point Solutions**: Multiple vendors with numerous user interfaces and limited connectivity.

*Interoperability Solutions Needed to Improve Healthcare Outcomes and Economics*
Secure Information Exchange Continues to Rely on Fax Protocol

Use Cases
- Record Sharing
- Referrals
- Communicating Labs / Tests / Results
- Referrals
- Payer Communication
- Pharmacy Communication

Growth in Healthcare Data
Number of Exabytes\(^{(1)}\) Produced Globally in Healthcare

- 2013: 153 Exabytes
- 2020: 2,314 Exabytes

\(~15\times\) increase

Fax is the Dominant Transmission Method for Health Records
- Fax: \(~75\%\)
- Other Data Transmission Methods: \(~25\%\)

Consensus Products and Domain Expertise Enables Secure and Effective Communication


\(^{(1)}\) One Exabyte = one billion Gigabytes.

There are \(~9\text{bn}~\) healthcare pages faxed annually.

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Consensus Product Roadmap Focuses on Interoperability

Product Roadmap

- Enterprise Expansion
- New Interoperability Offering
- Expanded Interoperability offerings
- Workflow & Integration
- Intelligent data extraction and transformation
- Electronic Referral Management

TAM for Expanded Tool Set
- 2020: $2.0bn
- 2021: $8.0bn
- 2022 and Beyond: $11.0bn

Interoperability Platform

Provider Workflow Collaboration
Data Exchange Networks

Healthcare Care Data Management and Integration
- Data Extraction
- OCR / NLP Data Transformation
- Real Time Notification
- HCIT Integration

Secure Data Exchange
- Cloud Fax
- Direct Secure Messaging
- Patient Record Query

HIPAA Secure
- API
- HL7
- FHIR

Consensus Product Suite Coupled with its Healthcare Footprint is Well Positioned to Be an Interoperability Market Leader

# Consensus Solutions Address Interoperability Pain Points

<table>
<thead>
<tr>
<th>Business Goal</th>
<th>Products</th>
<th>Use Case / Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bridge the gap between multiple systems, standards, and data sets</strong></td>
<td><em>harmony</em></td>
<td></td>
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<tr>
<td><strong>Ensure communication &amp; connectivity throughout continuum of care</strong></td>
<td><em>clarity</em></td>
<td></td>
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<tr>
<td><strong>Streamline clinical workflows</strong></td>
<td><em>unite</em></td>
<td></td>
</tr>
<tr>
<td><strong>Reduce costs</strong></td>
<td><em>jsign</em></td>
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</tbody>
</table>

- Verified endpoints across ecosystem
- Single API community sharing
- Compatible across protocols
- Reduce manual processing time
- Single vendor full-service solution
- Simplified workflow
- Validate digital signature
- Blockchain security
- Industry’s most recognized name
- Paperless, pure cloud digital technology

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The Consensus Product Suite Addresses a Broad-Range of Healthcare Constituents
Financial Highlights
Consensus Customer Profiles

**SoHo (~1M Customers)**  
Small Office / Home Office
- eCommerce SaaS model
- High transaction volume with limited touch
- Month-to-month or annual plans
- Substantially Fixed subscription

**Corporate (~46K Customers)**  
Small / Medium Businesses
- Inside sales SaaS model
- Sales cycle: 1-3 days / 30-60 days
- Month-to-month or annual plans
- Similar pricing to SoHo with higher page volumes

**Corporate (~700 Customers)**  
Enterprise
- Enterprise Field sales
- Sales cycle: 12-18 months
- 3-year contracts with 1-year auto renewals

**Revenue Mix**
- **Variable** ~10%
- **Fixed** ~90%

**Very sticky base with >100% LTM 9.30.22 Corporate Revenue Retention**
- **Variable** ~35%
- **Fixed** ~65%

**Fixed** ~70%
- **Variable** ~30%

Diversified Customer Base with Limited Concentration Risk
2020/21 & LTM Q3 2022 Historical Revenue Performs In-line with Expectations

On a Constant Dollar Basis Revenue Performance Even Stronger
# LTM Q3 2022 Leverage Ratio

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$104</td>
</tr>
<tr>
<td>5-Year 6.0% Notes (Non Callable 2-Years)</td>
<td>$305</td>
</tr>
<tr>
<td>7-Year 6.5% Notes (Non Callable 5-Years)</td>
<td>$500</td>
</tr>
<tr>
<td>Line Of Credit ($50M available)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>$805</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>$701</td>
</tr>
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</table>

## LTM Credit Statistics

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<tr>
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<tbody>
<tr>
<td>LTM Q3 2022 Adjusted EBITDA</td>
<td>$200</td>
</tr>
<tr>
<td>Gross Debt / LTM Q3 2022 Adjusted EBITDA</td>
<td>4.0x</td>
</tr>
<tr>
<td>Net Debt / LTM Q3 2022 Adjusted EBITDA</td>
<td>3.5x</td>
</tr>
<tr>
<td>Fully Diluted Share Count at 9/30/22</td>
<td>19.9</td>
</tr>
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