



Investor Overview 2024

FORWARD-LOOKING STATEMENTS

This presentation includes, and any related discussion may include, forward-looking statements regarding future events or results within the meaning of the Private Securities Litigation Reform Act. All statements other than statements of historical fact may be forward-looking statements, including but not limited to statements related to our financial prospects and other projections of our outlook or performance and our future business plans, and statements using such words as “expect,” “anticipate,” “believe,” “plan,” “intend,” “could,” “will” and other similar expressions. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Among the important factors that could cause or contribute to such differences are customer concentration, given that the majority of our sales depend on a few large customer relationships, delays or obstacles in our development and release cycles, the degree to which competing business needs may affect our allocation of resources to planned projects, the degree to which our customers adopt, offer and promote our products and services and our planned enhancements and updates thereto or the degree to which their end users adopt them in the time period that we expect or at all, our reliance on third party operating systems for the proper operation and delivery of our solutions and any barriers to our use of such third party technology, our reliance on third party application stores for the distribution of our software applications and any barriers to such distribution, our ability to attract and retain key technical personnel that are essential to our product development efforts, changes in demand for our products from our customers or their end users, changes in requirements for our products imposed by our customers or by the third party providers of software and/or platforms that we use, new and changing technologies and customer acceptance and timing of deployment of those technologies, our ability to effectively integrate, market and sell acquired product lines, and our ability to compete effectively with other software and technology companies. These and other factors discussed in our filings with the Securities and Exchange Commission, including our filings on Forms 10-K and 10-Q, could cause actual results to differ materially from those expressed or implied in any forward-looking statements. The forward-looking statements contained in this presentation and in any related discussion are made on the basis of the views and assumptions of management as of the date of such statements are made, and we do not undertake any obligation to update these statements to reflect events or circumstances occurring after the date of this presentation.

SMITH MICRO (NASDAQ: SMSI)

Years of Software Expertise

Powerful innovation engine trusted by mobile network operators worldwide. Developed deep expertise in mobile platform and operating systems, highly scalable architecture and mobile industry standards.



CUSTOMERS

- Global service providers
- OEMs
- Wireless & cable service providers

SOLUTIONS

- Family location & digital parenting
- Retail engagement & analytics platform
- Next generation voice messaging

LEADERSHIP

- Millions of Smith Micro device agents or apps deployed worldwide



USA



PORTUGAL



SERBIA



SWEDEN

WHO WE ARE AT OUR CORE

- ✓ **Deliver** world-class carrier-grade software solutions
- ✓ **Implement** strategies and tactics to lead a successful implementation and launch
- ✓ **Provide expertise** in all aspects of the program from launch through all stages of life
- ✓ **Collaborate** to make the program a success from training to marketing to customer care
- ✓ **Execute** to exceed the expectations of our partners

OUR MISSION KEEPING FAMILIES AND LOVED ONES SAFE IN THE PHYSICAL & DIGITAL WORLD

- ✓ **The World** becomes increasingly more challenging to navigate every day
- ✓ **Escalation of Conflict, Chaos & Violence** is driving increased concern for the safety of our loved ones, not only children, but also friends and family members
- ✓ **Online Dangers** are more prevalent than ever as we are facing significant threats, including cyberbullying, exposure to harmful content, and bad actors online
- ✓ **Startling Statistics in the United States** 359,094 children were reported missing in 2023, meaning approximately 1,000 kids go missing daily. That's 1 child every 90 seconds
- ✓ **Recent Legislative environment** showcases how online safety is crucial to parents and lawmakers

FAMILY SAFETY IS A PRIMAL NEED

Maslow's Hierarchy of Needs in a digital world and the companies that fulfill them



REGULATIONS & INCREASED FOCUS ON DIGITAL SAFETY



Reuters

<https://www.reuters.com> › world › uks-online-safety-bill... ⋮

UK's Online Safety Bill finally passed by parliament

Sep 19, 2023 – LONDON, **Sept 19** (Reuters) - Britain's long-awaited Online Safety Bill setting tougher standards for social media platforms such as Facebook, ...

- Digital Services Act EU (*passed*)
- UT,CA,AK,TX & LA – Social media regulations (*passed*)
- Italy – AGCOM regulation (*passed*)
- Children and Teens' Online Privacy Protection Act (*pending*)
- Parents Bill of Rights Act (*pending*)
- TikTok Ban (*pending*)
- Kids PRIVACY Act (*pending*)
- Kids Online Safety Act (*pending*)
- Germany, France, Ireland, India, New Zealand, Australia, Singapore and many others.



The New York Times

<https://www.nytimes.com> › 2024/03/13 › technology › ti... ⋮

U.S. House Passes Bill That Could Ban TikTok

Mar 13, 2024 – The **legislation** received wide bipartisan support, with both Republicans and Democrats showing an eagerness to appear tough on China.



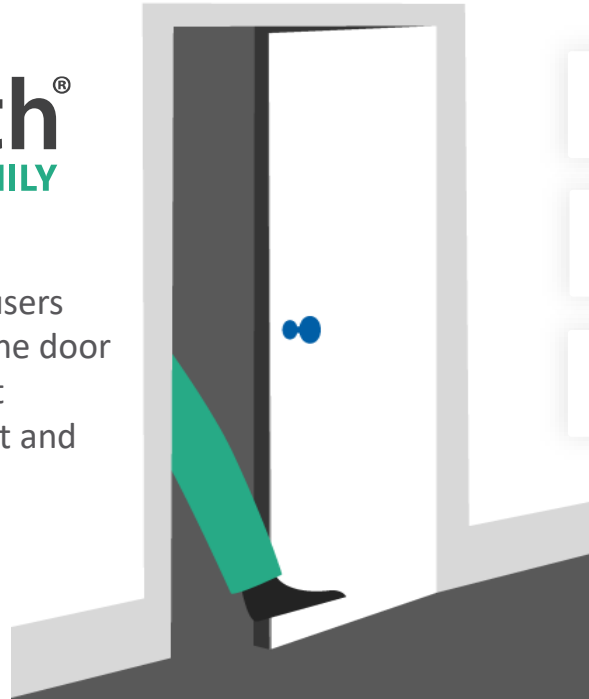
SAFEPath® IS THE RIGHT TOOL AT THE RIGHT TIME



THE JOURNEY ON THE SAFEPath PLATFORM STARTS WITH SAFEPath FAMILY



SafePath Family teaches users the interface and opens the door to enhanced features that respond to current market and consumer needs



CONNECTED LIFE VISION

Family is more than just people – it's also **every connected device** that is a part of the **everyday family digital lifestyle**



ENHANCEMENTS TO MAKE A STRONG PRODUCT PLATFORM EVEN BETTER



SafePath Drive - Provides behavior monitoring and analysis and alert functions



SafePath Home – Delivers peace of mind on any device in the home



SafePath Premium* – Will introduce Social Network Monitoring and Physical Location Intelligence using AI/Machine Learning



SafePath OS* – An Android software-based solution that will have SafePath pre-installed on a kids phone.



SafePath Kids* - Will enable an affordable data plan and phone that specially allows children to have a pleasant and protected first mobile experience

*Denotes roadmap offering.

GO TO MARKET STRATEGY SELL SOLUTIONS THROUGH MOBILE NETWORK OPERATIONS

- ✓ **Leveraging Long Term Strong Relationships** Master agreements throughout the world
- ✓ **Why MNO's?** They are the gatekeepers of people's internet access and location
- ✓ **Why MNO's?** Broad reach delivering connectivity to mobile devices
- ✓ **Why MNO's?** Subscribers trust and rely on their wireless carrier to deliver safe and private connectivity

OUR CUSTOMERS



THE TREMENDOUS OPPORTUNITY

FOCUS ON FAMILY ...

Families – most profitable,
long-term subscribers

They depend on/trust our customers

Tremendous value and upside
anticipating and serving their
needs before OTT players

Anchors families' investment in – and
management of – new devices, lines
and data plans.

... VALUE ADDED SERVICES ARE STICKY ...

Family services are sticky

Family should be the mechanism that
moves those relationships from
transactional to "trusted adviser"

Bridge the inevitable
network transitions

SafePath users network churn less
than overall customer network churn

... ACHIEVING GREATER VALUE

We believe the total market
opportunity can generate between
\$300M and \$500M per annum
per tier one carrier customer

By penetrating ~20% of Families ...

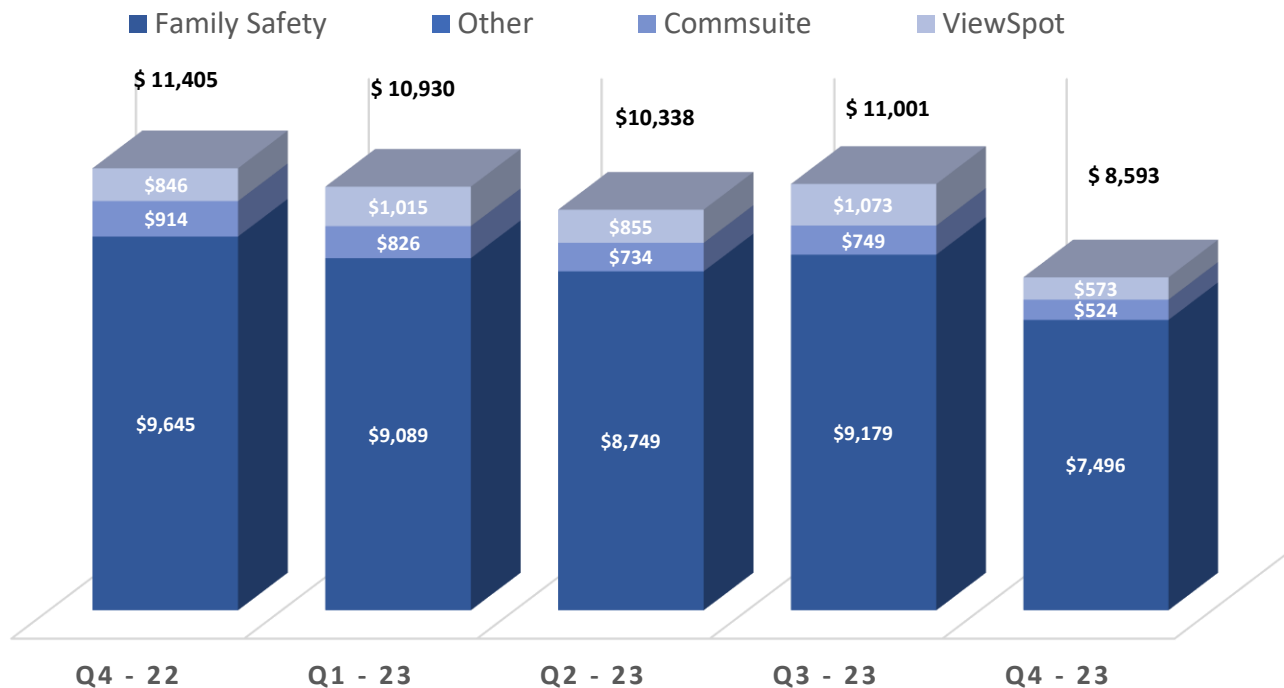
... and by adding new services
to the portfolio

INVESTMENT THESIS

- Dominant Player in white-label Family Safety Mobile application space
- Existing contracts with Tier One Wireless Carriers in the United States & Europe
- Significant untapped available market will allow for significant growth potential
- Recurring revenue stream with ~70% Gross Margins
- Expansion opportunities with the planned launch of several new innovative products in 2024 and growth of existing deployments

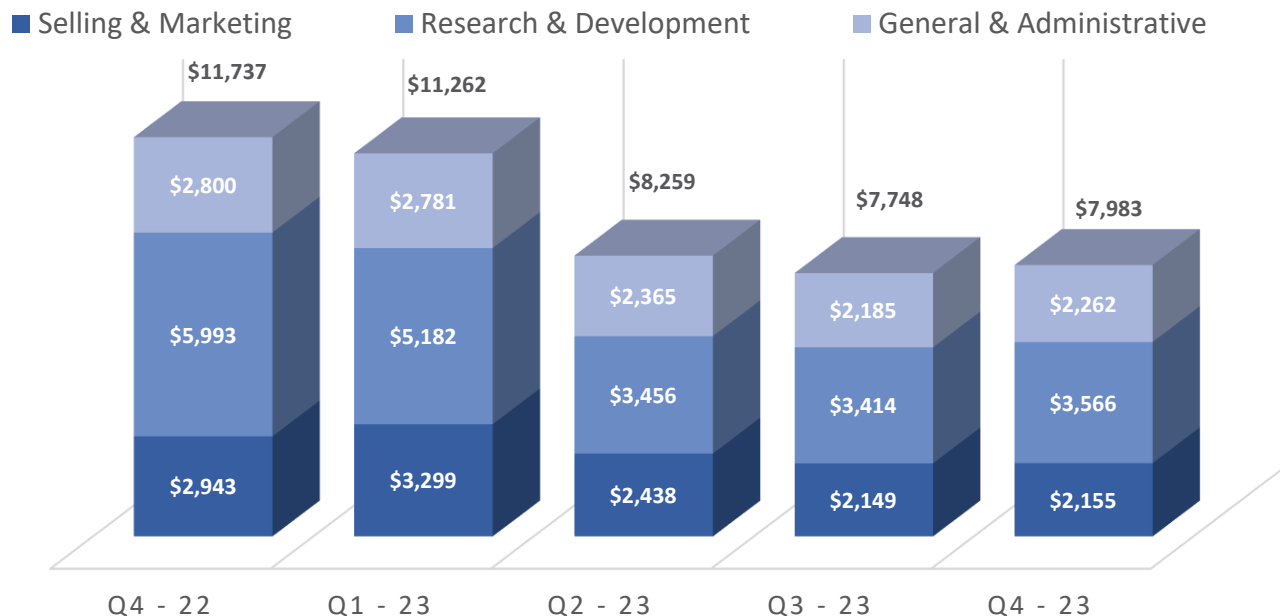
REVENUE TRENDS

REVENUE



OPERATING EXPENSE TRENDS

OPERATING EXPENSES – NON GAAP



Note: Non-GAAP expense excludes amortization (noncash), stock compensation (noncash) personnel severance and reorganization activities. For a reconciliation to the comparable GAAP results, see the immediately following slide.

OPERATING EXPENSE RECONCILIATION

	GAAP	Stock Compensation	Depreciation Amortization	Other (Severance/etc.)	Non-GAAP
Q4-23					
Selling and marketing expenses	\$ 2,457	\$ (302)	\$ -	\$ -	\$ 2,155
Research and development expenses	3,868	(302)	-	-	3,566
General and administrative expenses	3,330	(915)	-	(153)	2,262
Depreciation & Amort. of intangible assets	1,567	-	(1,567)	-	-
Total operating expenses	<u>\$ 11,222</u>	<u>\$ (1,519)</u>	<u>\$ (1,567)</u>	<u>\$ (153)</u>	<u>\$ 7,983</u>
Q3-23					
Selling and marketing expenses	\$ 2,449	\$ (300)	\$ -	\$ -	\$ 2,149
Research and development expenses	3,704	(290)	-	-	3,414
General and administrative expenses	2,934	(749)	-	-	2,185
Depreciation & Amort. of intangible assets	1,567	-	(1,567)	-	-
Total operating expenses	<u>\$ 10,654</u>	<u>\$ (1,339)</u>	<u>\$ (1,567)</u>	<u>\$ -</u>	<u>\$ 7,748</u>
Q2-23					
Selling and marketing expenses	\$ 2,628	\$ (190)	\$ -	\$ -	\$ 2,438
Research and development expenses	3,705	(240)	-	(9)	3,456
General and administrative expenses	3,040	(600)	-	(75)	2,365
Depreciation & Amort. of intangible assets	1,620	-	(1,620)	-	-
Total operating expenses	<u>\$ 10,993</u>	<u>\$ (1,030)</u>	<u>\$ (1,620)</u>	<u>\$ (84)</u>	<u>\$ 8,259</u>
Q1-23					
Selling and marketing expenses	\$ 3,554	\$ (162)	\$ -	\$ (93)	\$ 3,299
Research and development expenses	5,868	(224)	-	(462)	5,182
General and administrative expenses	3,475	(559)	-	(135)	2,781
Depreciation & Amort. of intangible assets	1,686	-	(1,686)	-	-
Total operating expenses	<u>\$ 14,583</u>	<u>\$ (945)</u>	<u>\$ (1,686)</u>	<u>\$ (690)</u>	<u>\$ 11,262</u>
Q4-22					
Selling and marketing expenses	\$ 3,196	\$ (186)	\$ -	\$ (68)	\$ 2,942
Research and development expenses	6,633	(274)	-	(359)	6,000
General and administrative expenses	3,618	(639)	-	(184)	2,795
Depreciation & Amort. of intangible assets	1,786	-	(1,786)	-	-
Total operating expenses	<u>\$ 15,233</u>	<u>\$ (1,099)</u>	<u>\$ (1,786)</u>	<u>\$ (611)</u>	<u>\$ 11,737</u>



SMITHMICRO
SOFTWARE

Thank You