



SMITHMICRO
SOFTWARE

Proven solutions since 1982

INVESTOR OVERVIEW

November 2022

FORWARD-LOOKING STATEMENTS



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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, the impact of the COVID-19 pandemic on our business and financial results, delays in adoption of our products and services by our customers and their end users, changes in demand for our products from our customers and 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, our ability to effectively integrate, market and sell acquired product lines, new and changing technologies, customer acceptance and timing of deployment of those technologies, our ability to compete effectively with other software and technology companies, and the existence and terms of our outstanding convertible notes and related agreements. 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)



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40 Years of Mobile Software Expertise

Trusted by carriers, manufacturers and enterprises 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
- Consumer IoT management
- Retail engagement & in-store journeys
- Next generation voice messaging

LEADERSHIP

- Millions of Smith Micro device agents or apps deployed worldwide
- Worldwide hosting of SaaS platforms



USA



CZECH REPUBLIC



PORTUGAL



SERBIA



SLOVAKIA



SWEDEN

WHAT WE DO



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- ✓ **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
- ✓ **Processes and execution** to exceed expectations of our partners
- ✓ **Support** to make the program a success from training to marketing to customer care in collaboration with our partners

OUR CUSTOMERS



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verizon[✓]

T-Mobile



dish

vodafone



alcatel

sky



PRODUCT LINEUP



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Digital Family Lifestyle™



Bring Devices to Life



Next Generation Messaging

WHY DIGITAL FAMILY SAFETY SOLUTIONS?



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Today's connected family is on the go and parents **need better tools to protect** their families both inside and outside of the home.

Smartphones and other screens offer more communication and entertainment opportunities than ever; **but with those opportunities certain threats become more visible.**

Parents want security and ease. Kids want autonomy and freedom. Many parents don't realize that the right digital safety tool can accomplish both - **SafePath is that tool.**



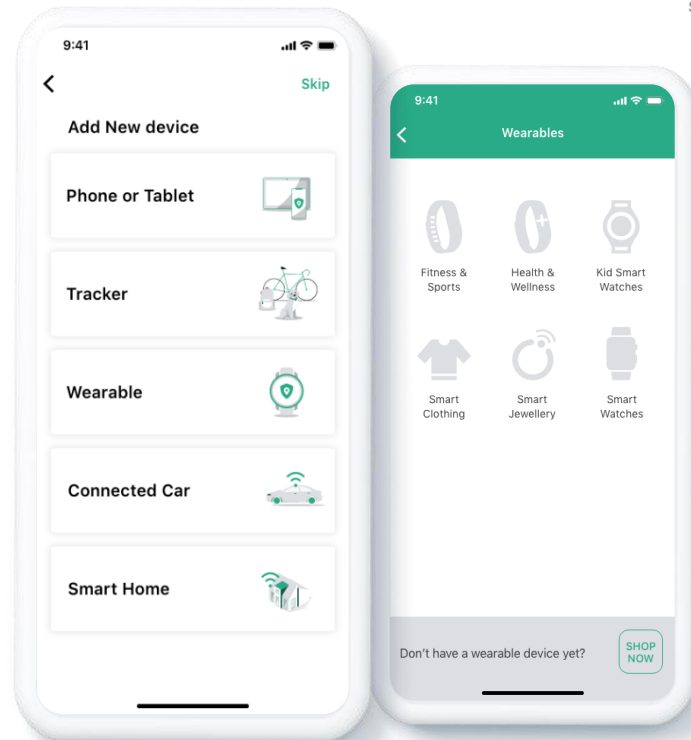
SINGLE PANE OF GLASS

The SafePath Platform provides a comprehensive connected life experience by connecting SafePath Family, IoT, Home and Drive solutions under a single pane of glass.

The breadth and depth of SafePath allows carriers and service providers to adopt the entire platform or select individual components and match different offerings to create their own service offering.



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BEST-IN-CLASS UX/UI DESIGN



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We work closely with our partners to rebrand SafePath screens to create stunning designs that give their customers a premier and branded experience they've come to expect.



EXPERTISE FOR GROWTH



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**Partnership
Focused on
Mutual
Success**



Direct Marketing/CRM



Promotion on Carrier-Owned Assets



Digital Marketing B2B2C Direct to Carrier Customers



Customer Care Support/Care SPIFFS



Store Collateral/Employee Training



Indirect Retailer



Bundling



Retail SPIFFS



Education Segment



Service Portfolio Expansion - Home, IOT, Drive

THE TREMENDOUS OPPORTUNITY



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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

You anchor 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 carrier customer

By penetrating ~20% of Families ...

... and by adding new services to the portfolio

VIEWSPOT STUDIO – AUTONOMOUS NEW DELIVERY MEDIUM



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Easily Create Dynamic Content

- Bold content delivered to devices and display screens
- Consistent branding
- Engaging to customers
- Drive increased sales



Make Immediate Pricing Updates

- Ensure pricing compliance
- Deliver consistent and reliable pricing information
- Eliminate paper waste and labor
- Deploy a quick and simple solution



Deliver Meaningful Analytics

- Provides immediate operational information and customer feedback
- Delivers actionable insights for swift action
- Drives analysis and actions to support acquisition and retention efforts



GLOBAL FOOTPRINT



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15K+ Retail Locations
150M+ Audience

Smith Micro Offices



Pittsburgh PA – USA HQ
Aliso Viejo CA – USA



Belgrade - Serbia



Braga - Portugal



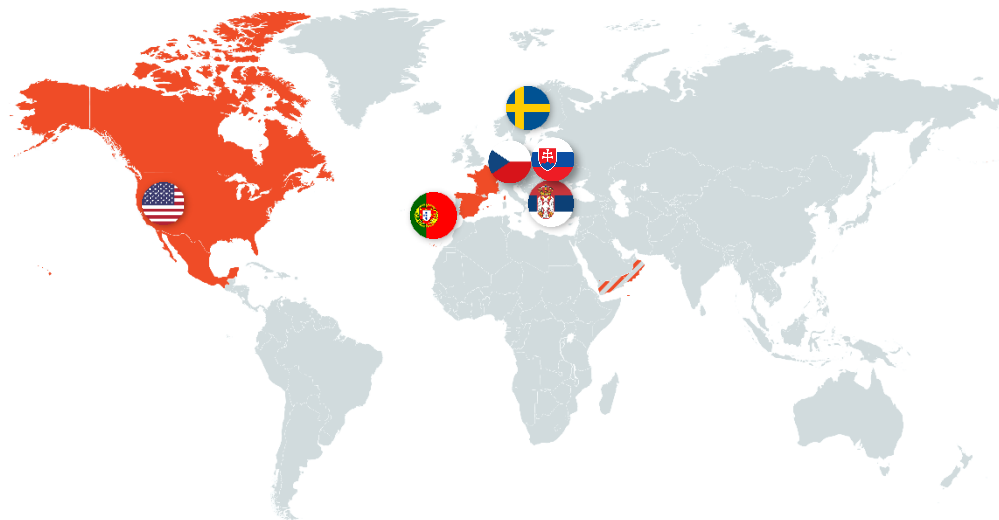
Prague - Czech Republic



Stockholm - Sweden



Zilina - Slovakia



cricket
wireless

verizon✓

 **vodafone**

alcatel

Tracfone®

COMMSUITE – THE NEXT GENERATION



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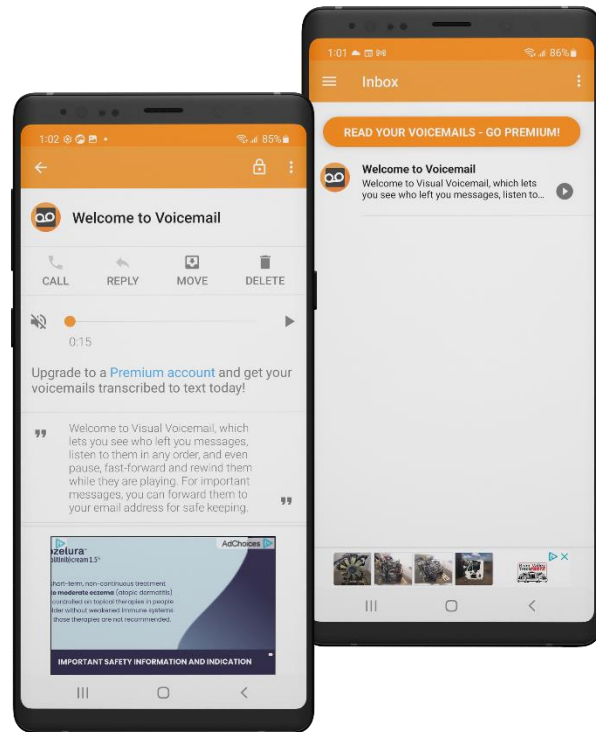
Monetize, modernize and brand the voice messaging experience

Support SMS and MMS messages on any device

Provides best in class Spam capabilities

Retrieve messages on Voice Assistants

Deliver users ads for other products or promotions

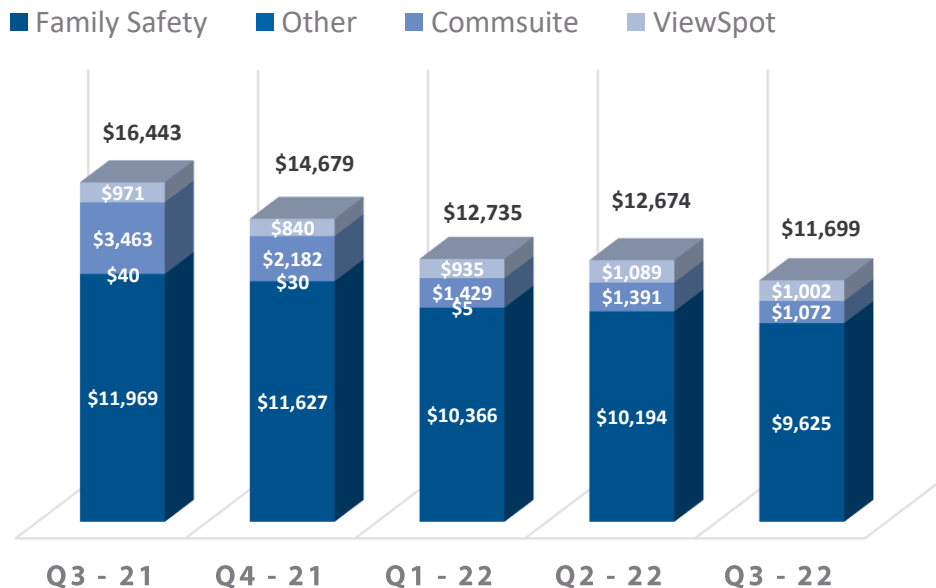


REVENUE TRENDS



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REVENUE



- Company is now the provider of white-label Family Safety applications to all three of the U.S. Tier One Carriers.
- CommSuite revenues are declining as legacy Sprint subscribers transition over to the T-Mobile network and off the CommSuite platform.
- Significant opportunity to increase revenues as migration to SafePath is completed.

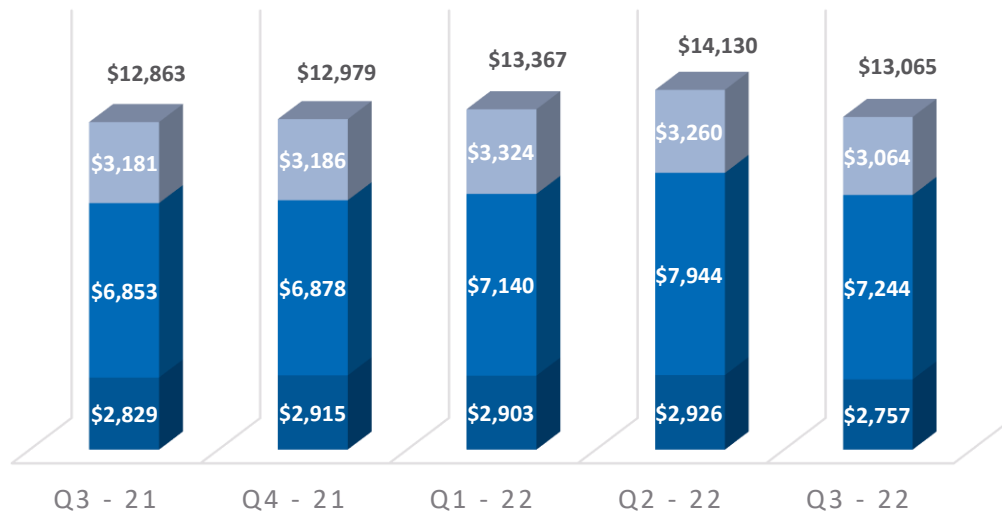
OPERATING EXPENSE TRENDS



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OPERATING EXPENSES – NON GAAP

■ Selling & Marketing ■ Research & Development ■ General & Administrative



Note: Non-GAAP expense excludes amortization (noncash), stock compensation (noncash), severance, IP, CFO transition costs and offering/acquisition expenses. For a full reconciliation see the most recent earnings report filed on Form 8-K.

- Current level of Research & Development costs reflects investment to migrate customers acquired in Avast family safety mobile business to SafePath platform.
- Research & Development expenses decreased during the 3rd Quarter of 2022 due primarily to the reduction in contractors associated with the SafePath Migration efforts.
- Opportunity to further reduce the level of Research & Development costs as the Company continues to near SafePath migration completion.

INVESTMENT THESIS



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- Dominant Player in white-label Family Safety Mobile application space
- Existing contracts with all three Tier One Wireless Carriers in the United States
- Significant untapped available market will allow for significant growth potential
- Recurring revenue stream with ~70% Gross Margins
- Expected opportunities for cost rationalization post-SafePath migrations



Appendix

OPERATING EXPENSE RECONCILIATION



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	GAAP	Stock Compensation	Intangibles Amortization	Offering / Acquisition Costs	Other (Severance/PI/CFO)	Non- GAAP
Q3-22						
Selling and marketing expenses	\$ 2,986	\$ (180)	\$ -	\$ -	\$ (49)	\$ 2,757
Research and development expenses	7,523	(279)	-	-	-	7,244
General and administrative expenses	4,333	(636)	-	(630)	(3)	3,064
Amortization of intangible assets	1,545	-	(1,545)	-	-	-
Total operating expenses	<u>\$ 16,387</u>	<u>\$ (1,095)</u>	<u>\$ (1,545)</u>	<u>\$ (630)</u>	<u>\$ (52)</u>	<u>\$ 13,065</u>
Q2-22						
Selling and marketing expenses	\$ 3,720	\$ (73)	\$ -	\$ -	\$ (721)	\$ 2,926
Research and development expenses	8,213	(268)	-	-	-	7,945
General and administrative expenses	4,026	(767)	-	-	-	3,259
Amortization of intangible assets	1,577	-	(1,577)	-	-	-
Total operating expenses	<u>\$ 17,536</u>	<u>\$ (1,108)</u>	<u>\$ (1,577)</u>	<u>\$ -</u>	<u>\$ (721)</u>	<u>\$ 14,130</u>
Q1-22						
Selling and marketing expenses	\$ 2,985	\$ (83)	\$ -	\$ -	\$ -	\$ 2,902
Research and development expenses	7,402	(261)	-	-	-	7,141
General and administrative expenses	4,045	(721)	-	-	-	3,324
Amortization of intangible assets	1,645	-	(1,645)	-	-	-
Total operating expenses	<u>\$ 16,077</u>	<u>\$ (1,065)</u>	<u>\$ (1,645)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,367</u>
Q4-21						
Selling and marketing expenses	\$ 3,153	\$ (239)	\$ -	\$ -	\$ -	\$ 2,914
Research and development expenses	7,137	(260)	-	-	-	6,877
General and administrative expenses	4,174	(727)	-	(81)	(179)	3,187
Amortization of intangible assets	142	-	(142)	-	-	-
Total operating expenses	<u>\$ 14,606</u>	<u>\$ (1,226)</u>	<u>\$ (142)</u>	<u>\$ (81)</u>	<u>\$ (179)</u>	<u>\$ 12,978</u>
Q3-21						
Selling and marketing expenses	\$ 3,067	\$ (238)	\$ -	\$ -	\$ -	\$ 2,829
Research and development expenses	7,123	(270)	-	-	-	6,853
General and administrative expenses	5,143	(819)	-	-	(1,143)	3,181
Amortization of intangible assets	3,015	-	(3,015)	-	-	-
Contingent consideration	12,864	-	-	(12,864)	-	-
Total operating expenses	<u>\$ 31,212</u>	<u>\$ (1,327)</u>	<u>\$ (3,015)</u>	<u>\$ (12,864)</u>	<u>\$ (1,143)</u>	<u>\$ 12,863</u>



MULTI-GENERATIONAL CONNECTED LIFE VISION



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Family is more than just people – it's also **every connected device** that is a part of the **everyday Digital Family Lifestyle™**

