



INVESTOR OVERVIEW

August 2020

FORWARD-LOOKING STATEMENTS

This presentation includes, and any related discussion may include, forward-looking statements regarding future events or results. All statements other than statements of historical fact may be forward-looking statements, including but not limited to statements regarding the Company's plans or statements of expectation or belief. 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, 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, and our ability to compete effectively with other software and technology companies. 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 regarding future events and business performance as of the date of this presentation, and we do not undertake any obligation to update these statements to reflect events or circumstances occurring after the date of this presentation.

ABOUT SMITH MICRO

OUR CUSTOMERS

Wireless Service Providers and
OEMs around the world



TECHNOLOGY LEADERSHIP

60M Smith Micro device agents or apps
deployed worldwide;
Worldwide hosting centers

SOLUTIONS

Family Location & Parental Controls
Consumer IoT & Monetization
Next-Gen Visual Messaging
Smart Retail & Analytics

SMITH MICRO'S MISSION

Enriching Connected Lifestyles with Carrier-Grade Solutions



PROTECT



Digital Lifestyle

MANAGE



Connected
IoT Devices

ENHANCE



Voice
Messaging

OPTIMIZE



Smart Retail
Experience

PRODUCT LINEUP

SMITHMICRO
SOFTWARE



 **SafePath**[®]

 **CommSuite**[®]

 **ViewSpot**[®]

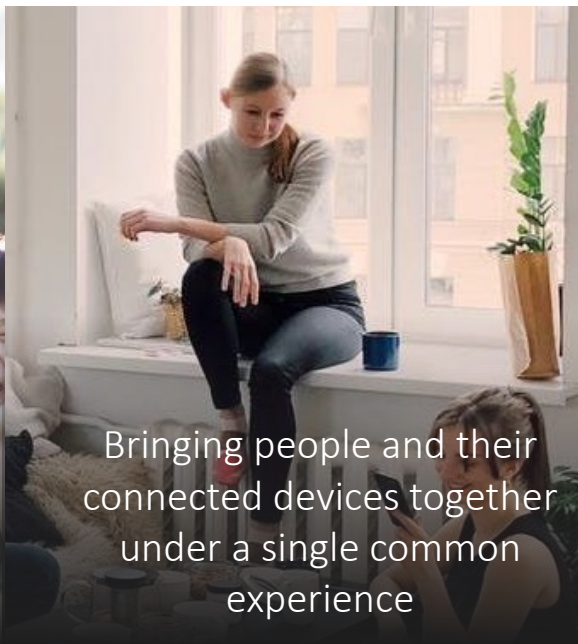
INNOVATIVE PRODUCT PLATFORM

SMITHMICRO
SOFTWARE

 **SafePath**[®]
FAMILY

 **SafePath**[®]
IOT

 **SafePath**[®]
HOME



THOSE WHO MAY WANDER WON'T BE LOST WITH **SAFEPath®** FAMILY

SMITHMICRO
SOFTWARE

Location and parental controls made easy for the entire family



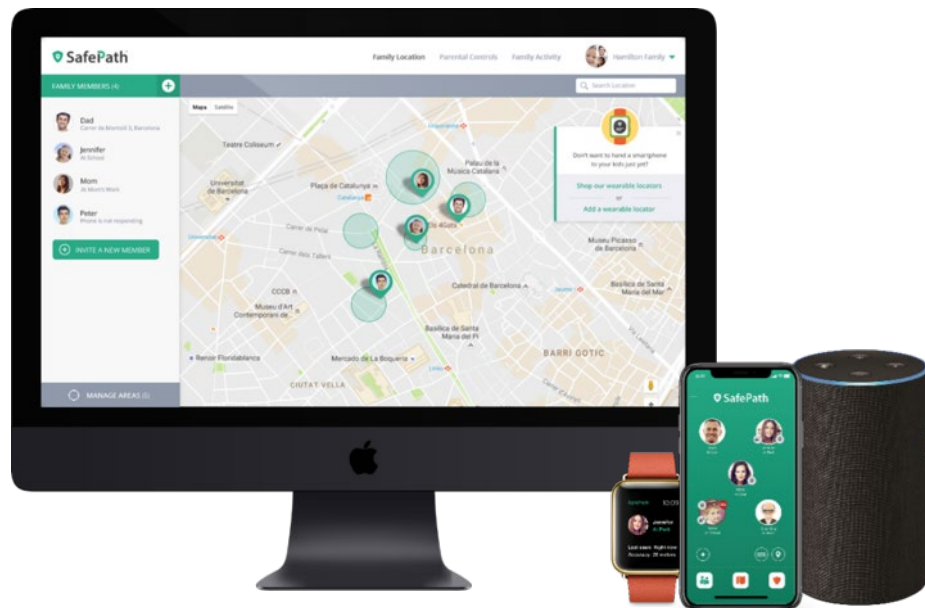
Safety Areas

Notifications

Family Alert

Parental Controls

Phone Security



SAFEPath IoT: A PLATFORM FOR ALL THINGS CONNECTED

SafePath IoT brings people and their devices together under a **single common experience**.



COMBINING BEST-IN-CLASS FAMILY SAFETY SOLUTIONS

Key Takeaways from Acquisition:

- 2 New Carrier Customers – T-Mobile US and Sky UK
- Accelerates SafePath® Road Map
- Positions SMSI on both sides of T-Mobile/Sprint merger



SAFEPATH HOME: EXTEND PARENTAL CONTROLS AND SCREEN TIME MANAGEMENT TO IN-HOME DEVICES

- Manage and control internet traffic at network level
- Profile-based approach enables uniform parental controls inside and outside the home
- Powerful management capabilities via smartphone app or web-based dashboard



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



SMITHMICRO
SOFTWARE



 **CommSuite[®]**

The Next Generation of Visual Messaging



CommSuite[®]



18M+ Devices in the Field



150+ Device Models



1B Messages Per Quarter



Amazon Alexa Integration



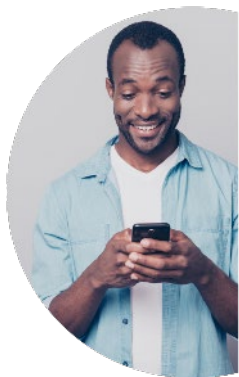
Branded UI Experience



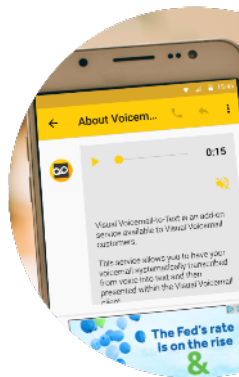
Proven Revenue Generator

COMMSUITE HARMONIZES WITH THE NEW CONNECTED LIFESTYLE OF TODAY'S CONSUMER

We know what the next generation of users want and expect from voice message services.



Deliver
voice-to-text to
empower users and
provide anywhere
access.

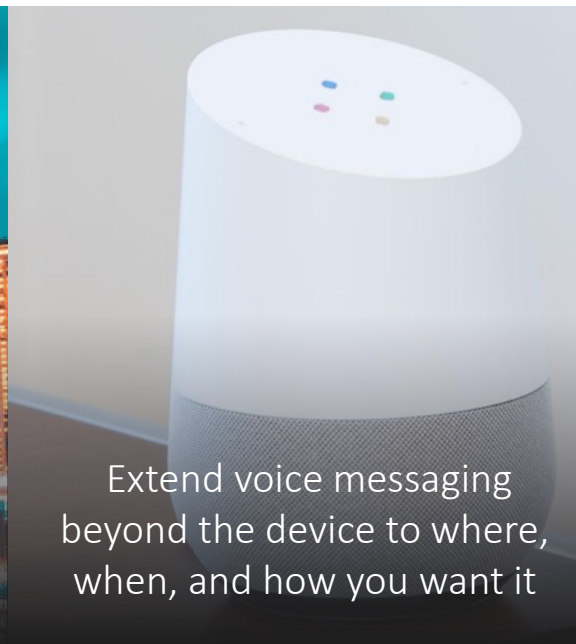
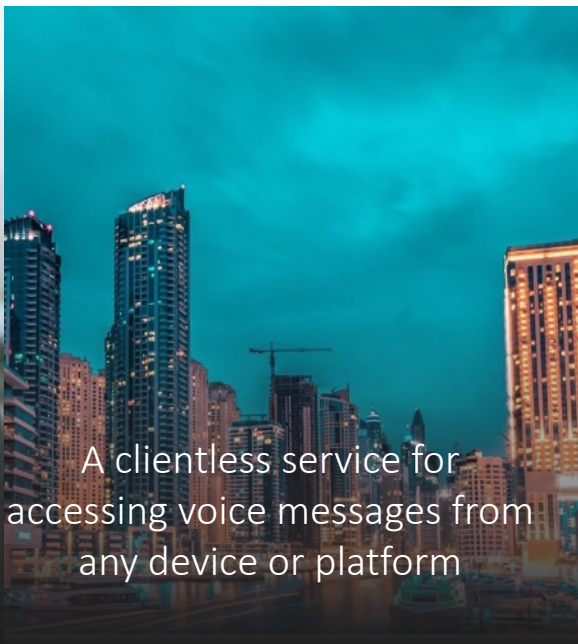
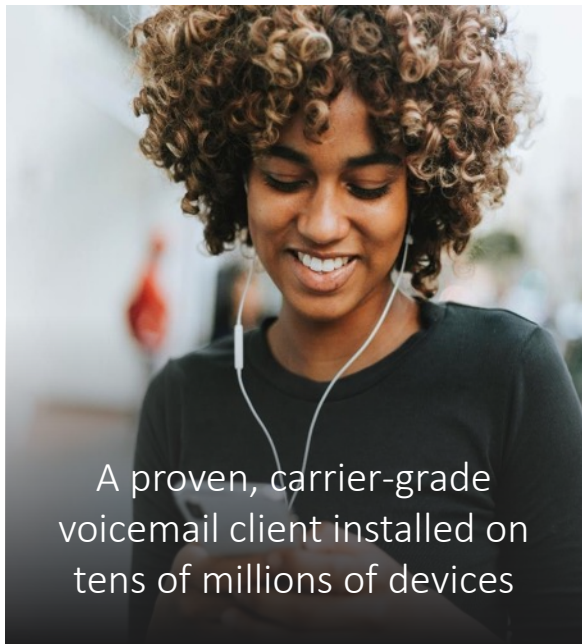


Create additional
revenue with
targeted ads or
in-app purchases.



Synchronize mobile
messaging across
multiple devices

NEXT-GEN VISUAL MESSAGING



SMITHMICRO
SOFTWARE



ViewSpot[®]

Smart Retail for Mobile Carriers

BRING IN-STORE DEVICES TO LIFE WITH VIEWSPOT

ViewSpot enables consumer brands to deliver compelling in-store retail experiences through interactive dynamic pricing, digital content management, and data analytics.



Increase
Customer
Engagement



Deliver
Consistent and
Compelling
Content



Behavior-based
Business
Intelligence

UNLEASH THE POWER OF IN-STORE DEVICES



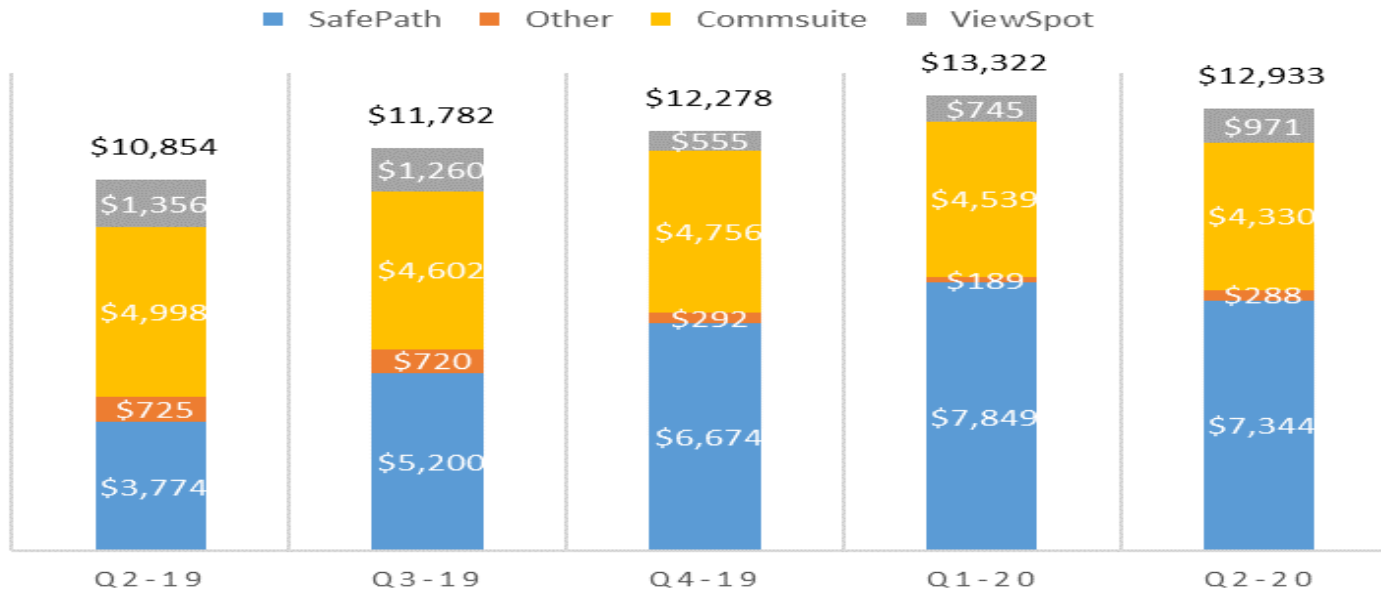


FINANCIAL TRENDS

(\$ in thousands, except earnings per share)

REVENUE TRENDS

REVENUE

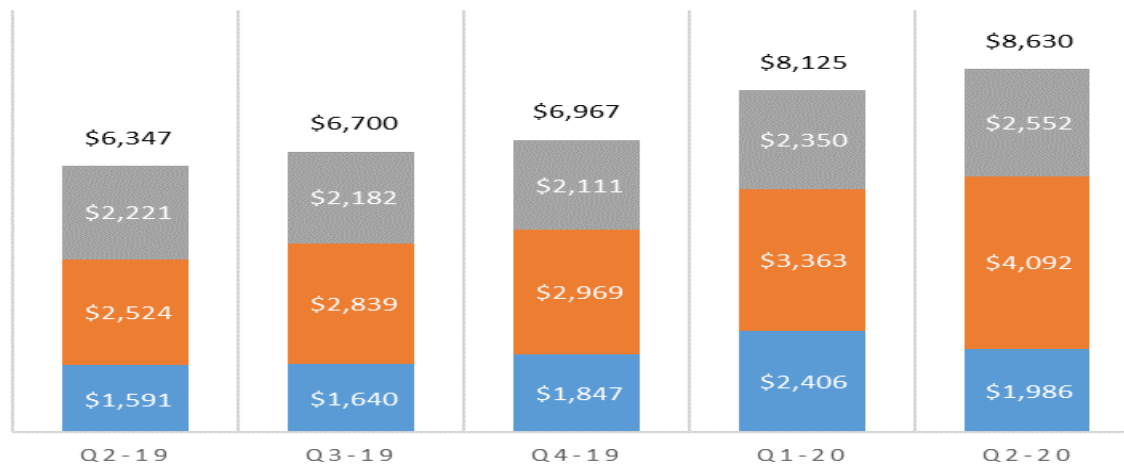


Predictable Revenue

OPERATING EXPENSE TRENDS

OPERATING EXPENSES- NON GAAP

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



Predictable Expenses / Investing

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

OPERATING EXPENSE RECONCILIATION

	GAAP	Stock Compensation	Intangibles Amortization	Acquisition Costs	Non- GAAP
Q2-20					
Selling and marketing expenses	\$ 2,613	\$ (144)	\$ (483)	\$ -	\$ 1,986
Research and development expenses	4,604	(146)	(366)	-	4,092
General and administrative expenses	3,070	(518)	-	-	2,552
Restructuring expense	-	-	-	-	-
Total operating expenses	<u>\$ 10,287</u>	<u>\$ (808)</u>	<u>\$ (849)</u>	<u>\$ -</u>	<u>\$ 8,630</u>
Q1-20					
Selling and marketing expenses	\$ 2,787	\$ (114)	\$ (267)	\$ -	\$ 2,406
Research and development expenses	3,729	(118)	(248)	-	3,363
General and administrative expenses	3,668	(400)	-	(918)	2,350
Restructuring expense	6	-	-	-	6
Total operating expenses	<u>\$ 10,190</u>	<u>\$ (632)</u>	<u>\$ (515)</u>	<u>\$ (918)</u>	<u>\$ 8,125</u>
Q4-19					
Selling and marketing expenses	\$ 1,988	\$ (67)	\$ (74)	\$ -	\$ 1,847
Research and development expenses	3,194	(72)	(153)	-	2,969
General and administrative expenses	2,400	(215)	-	(74)	2,111
Restructuring expense	40	-	-	-	40
Total operating expenses	<u>\$ 7,622</u>	<u>\$ (354)</u>	<u>\$ (227)</u>	<u>\$ (74)</u>	<u>\$ 6,967</u>
Q3-19					
Selling and marketing expenses	\$ 1,793	\$ (65)	\$ (88)	\$ -	\$ 1,640
Research and development expenses	3,063	(72)	(152)	-	2,839
General and administrative expenses	2,396	(214)	-	-	2,182
Restructuring expense	39	-	-	-	39
Total operating expenses	<u>\$ 7,291</u>	<u>\$ (351)</u>	<u>\$ (240)</u>	<u>\$ -</u>	<u>\$ 6,700</u>
Q2-19					
Selling and marketing expenses	\$ 1,768	\$ (61)	\$ (116)	\$ -	\$ 1,591
Research and development expenses	2,743	(67)	(152)	-	2,524
General and administrative expenses	2,426	(205)	-	-	2,221
Restructuring expense	11	-	-	-	11
Total operating expenses	<u>\$ 6,948</u>	<u>\$ (333)</u>	<u>\$ (268)</u>	<u>\$ -</u>	<u>\$ 6,347</u>

CASH / EQUITY

- Q2-20 Cash Balance of \$23.6 million
- Q1-20 Cash Flow provided by operations of \$2.1 million
- Balance Sheet is strong and ready for growth

KEY TAKEAWAYS

- Smith Micro is very well positioned for 2020 & Beyond
- Profitable and generating positive cash flow through current investment phase
- Leading market with best-in-class digital lifestyle solution
- Strong cash position
- Sales pipeline is healthy and diverse