



# INVESTOR OVERVIEW

January 2021

# 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



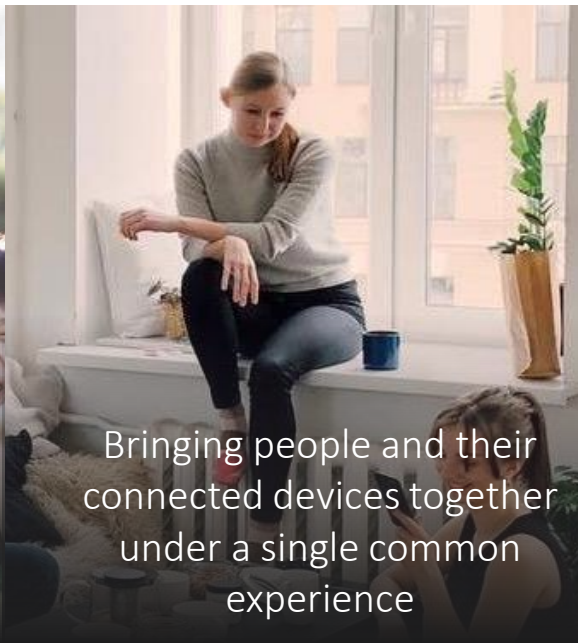
 **SafePath**<sup>®</sup>

 **CommSuite**<sup>®</sup>

 **ViewSpot**<sup>®</sup>

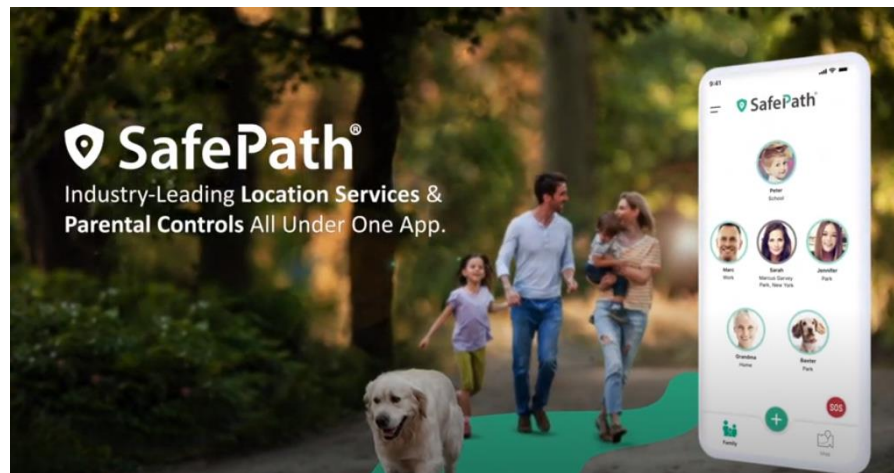
# INNOVATIVE PRODUCT PLATFORM

SMITHMICRO  
SOFTWARE



# SAFEPATH 7 KEY TAKEAWAYS

- Robust Parental Controls with full feature parity between Android and iOS
- Parental controls extended to in-home Wi-Fi devices such as gaming consoles, tablets, smart TVs, and laptops
- New location-based features
- Support for additional consumer IoT devices



# INTRODUCING SAFEPath DRIVE

*Helps Parents of Young Drivers Encourage Safer Driving Habits*

- Device-less connected car solution
- Multiple deployment options – as add-on for SafePath Family or as stand-alone, white-label driver safety app
- Provides automatic collision detection, high-speed alerts, personal driver scores, gamification, and more
- Increases driver awareness, helps limit phone use while driving, and monitors family safety
- Currently in discussions with multiple Tier 1 operators





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

SMITHMICRO  
SOFTWARE

Location and parental controls made easy for the entire family



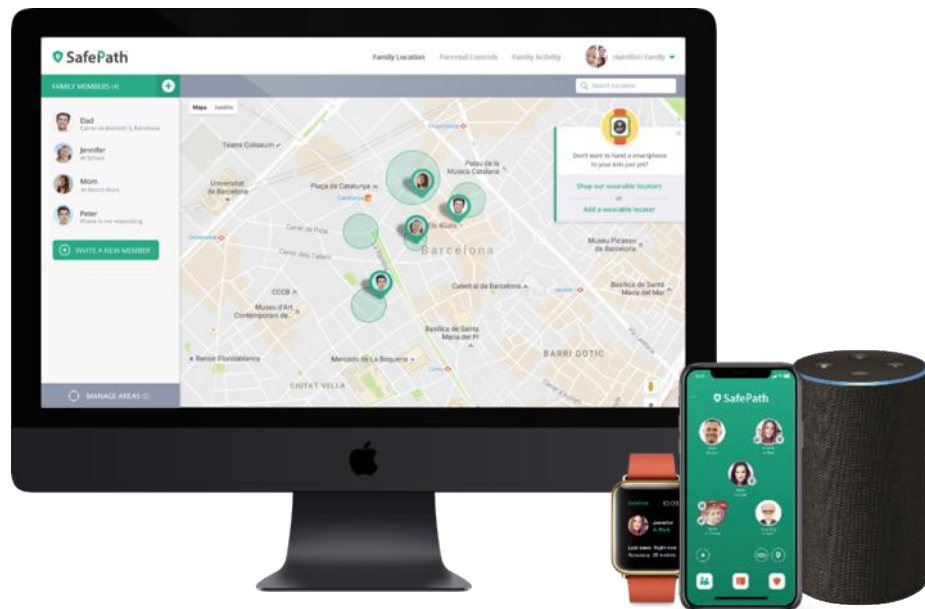
Safety Areas

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**.



# SAFE PATH 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**<sup>®</sup>

The Next Generation of Visual Messaging



# CommSuite<sup>®</sup>



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

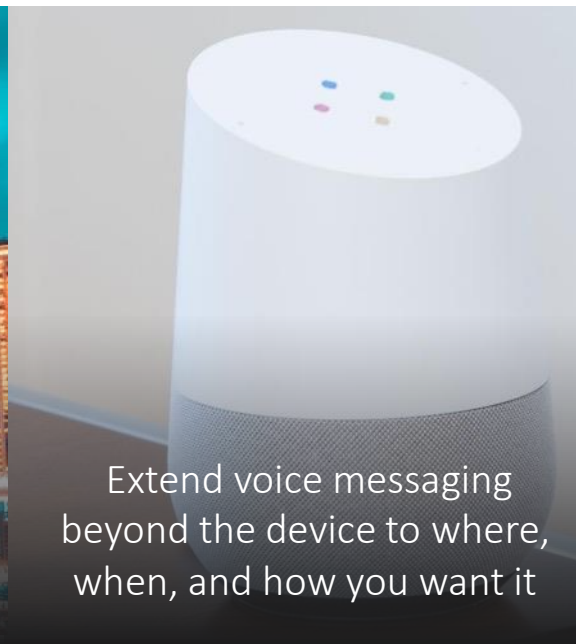
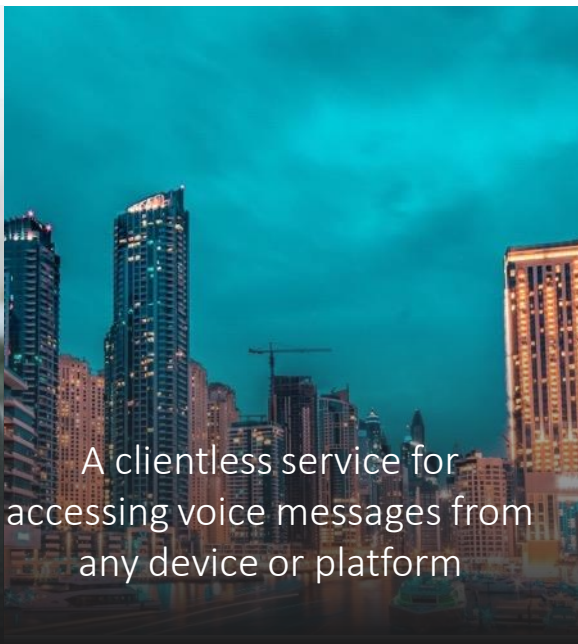
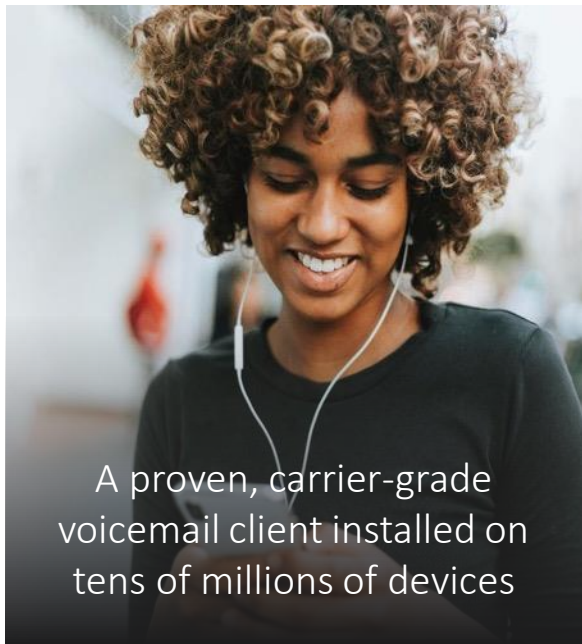
# NEXT-GEN VISUAL MESSAGING

SMITHMICRO  
SOFTWARE

 **CommSuite**<sup>®</sup>  
VOICE

 **CommSuite**<sup>®</sup>  
ANYWHERE

 **CommSuite**<sup>®</sup>  
CLOUD





SMITHMICRO  
SOFTWARE



# ViewSpot<sup>®</sup>

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

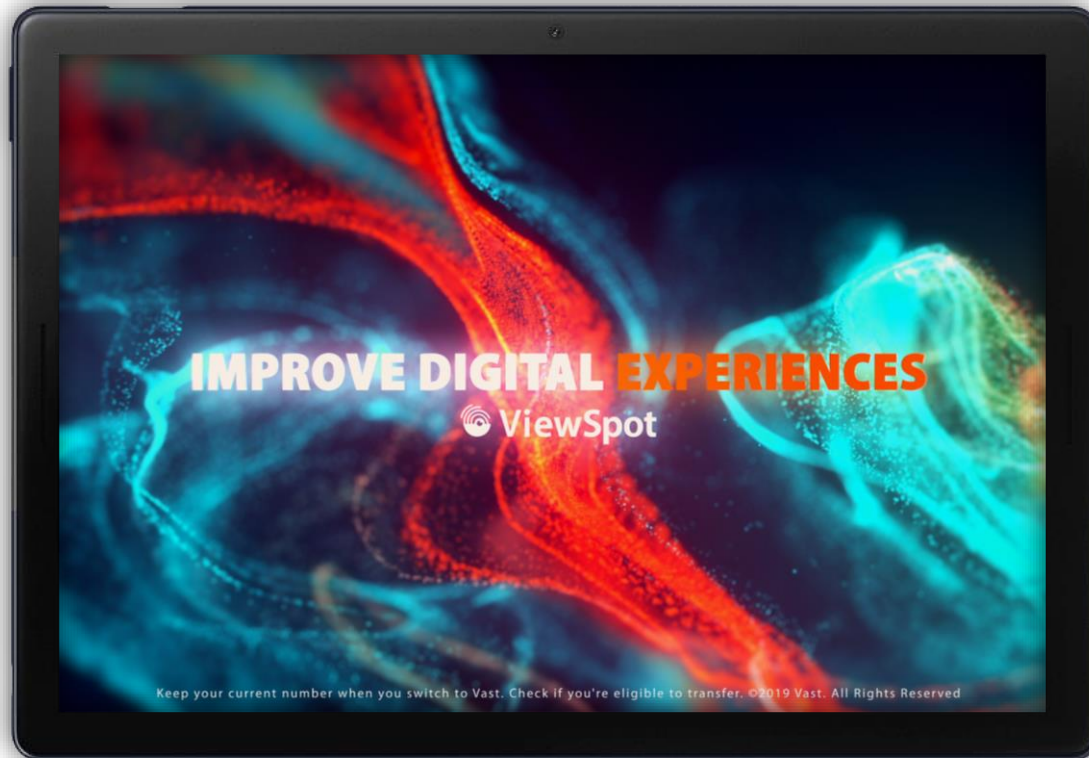


Deliver  
Consistent and  
Compelling  
Content



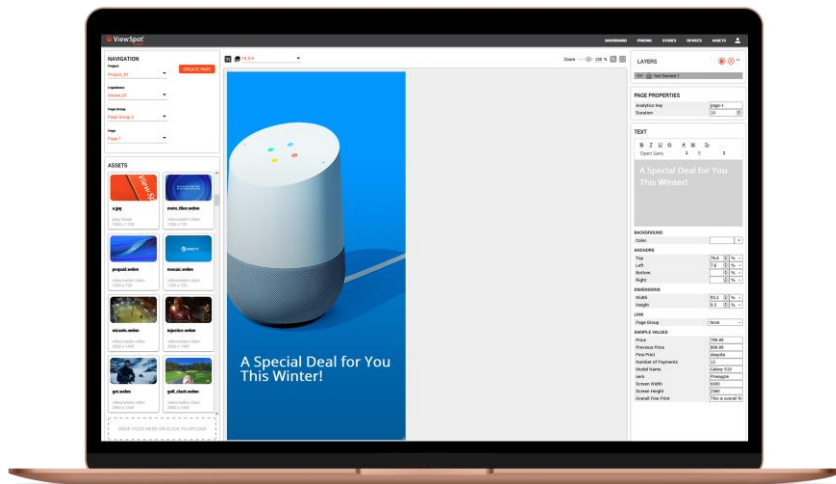
Behavior-based  
Business  
Intelligence

# UNLEASH THE POWER OF IN-STORE DEVICES



## Centrally Manage and Update On-Device Content

ViewSpot Studio simplifies retail display management (RDM) for wireless carriers by streamlining the design and customization of demo device experiences on both smartphones and tablets.



 **ViewSpot**<sup>®</sup>  
STUDIO

# VIEWSPOT TOUCHLESS SOLUTION

NEW

SMITHMICRO  
SOFTWARE

Smart Retail Technology. ViewSpot is quickly evolving and leveraging the latest technology to support mobile operators as they reopen retail stores across the globe.



Touchless Price Cards



Face Detection



Sanitization Notifications



# FINANCIAL TRENDS

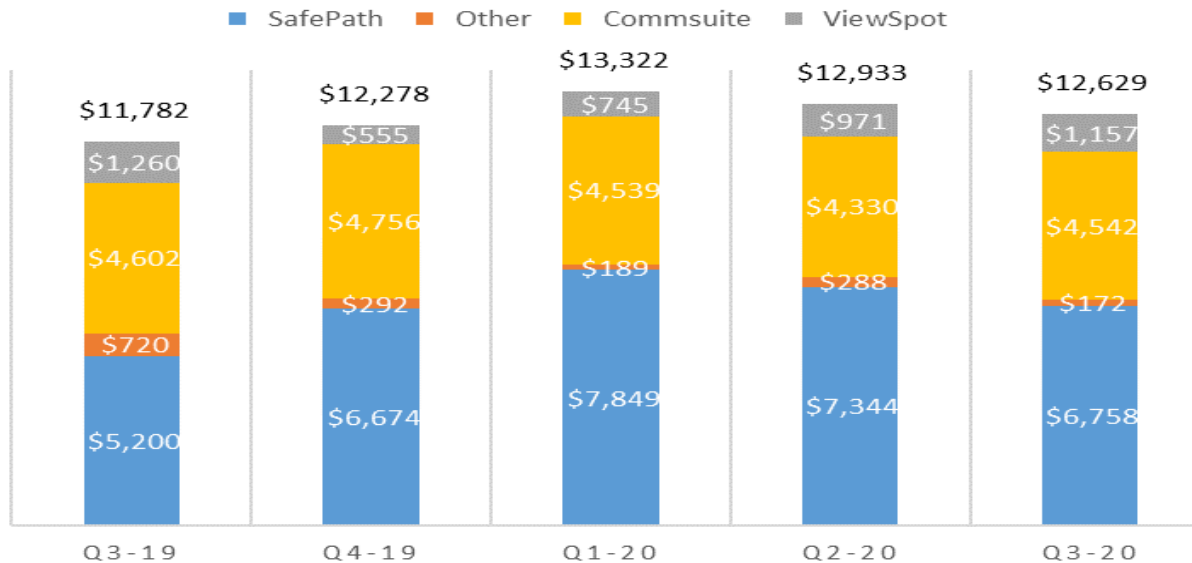
(\$ in thousands, except earnings per share)

# CUSTOMER UPDATE

- Signed (4) New Customers in Q4 2020, (3) are SafePath-related contracts, and (1) is ViewSpot-related
- We expect the new SafePath deployments to launch early this year
- The ViewSpot deployment was launched in December 2020.
- The SafePath deployments were pushed due to customer timing & 3<sup>rd</sup> party issues outside of our control.
- In addition these new contracts, we continue to make steady progress with additional new customer opportunities for SafePath.

# REVENUE TRENDS

## REVENUE



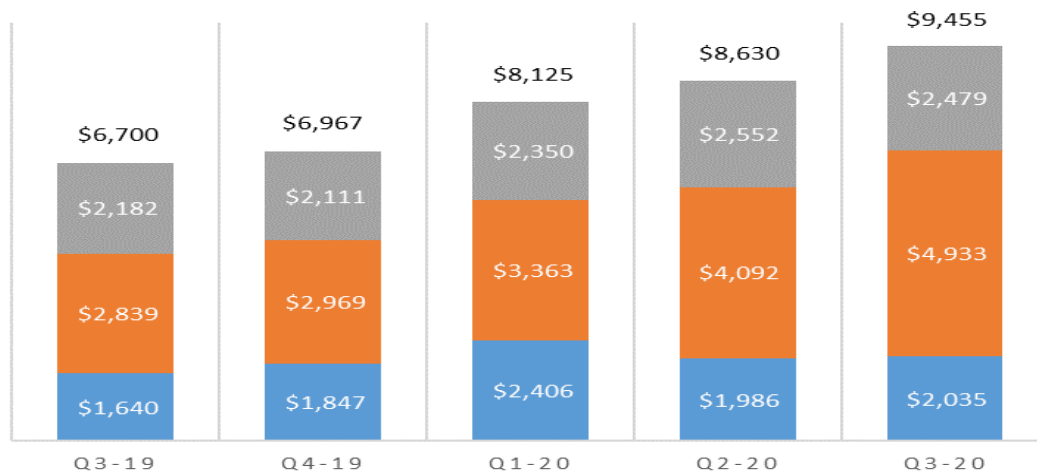
Predictable Revenue



# 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
<b>Q3-20</b>					
Selling and marketing expenses	\$ 2,655	\$ (146)	\$ (475)	\$ -	\$2,034
Research and development expenses	5,446	(147)	(366)	-	4,933
General and administrative expenses	2,997	(518)	-	-	2,479
Restructuring expense	9	-	-	-	9
Total operating expenses	<u>\$ 11,107</u>	<u>\$ (811)</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$9,455</u>
<b>Q2-20</b>					
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>
<b>Q1-20</b>					
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>
<b>Q4-19</b>					
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>
<b>Q3-19</b>					
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>

# CASH / EQUITY

- Q3-20 Cash Balance of \$25.9 million
- Q3-20 Cash Flow provided by operations of \$3.9 million
- Balance Sheet is strong and ready for growth

# KEY TAKEAWAYS

- Smith Micro is very well positioned for 2021
- 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