

minim

Q1 2022 Results

May 11, 2022 | 8:30 am EST



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Our vision

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Making routers go the way of mobile phones

Today's routers are simple, single-purpose devices that rarely receive firmware updates and have underdeveloped management applications, making them the #1 target in residential cybersecurity attacks.

We believe the router must offer frequent security updates, helpful apps, extensive personalization options and a delightful interface. That is what Minim delivers— not just the router or just an app, but an intelligent router managed with an integrated smart operating system that leverages cloud computing and AI to analyze and optimize the smart home, combined with intuitive applications to engage with it.



On the call today

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Gray Chynoweth

CEO, BOARD DIRECTOR

- 16+ years experience in executive roles in Technology at Minim, Dyn, DEKA I ARMI and SilverTech
- Former COO Dyn, grew to 500 employees and nearly \$100M ARR prior to being acquired by Oracle for \$600M+
- Held several Board appointments for nonprofits, specializing in Governance
- Received JD, Duke University School of Law; MA, Public Policy, Duke University; BA, Political Science, UC Berkeley



Nicole Zheng

PRESIDENT & CMO

- 11+ year SaaS CMO at Minim, Antidote Technologies, and OnSIP (ACQ: Intradu) and cofounder, Minim (pre-merger)
- Former Management Associate at L'OREAL USA, consumer goods manufacturing experience
- Received BS, Materials Science & Engineering and BS, Engineering & Public Policy, Carnegie Mellon University; Finance & Accounting & Management Certifications, Wharton Online



Mehul Patel

CFO

- 12+ years experience in executive roles in Finance at Minim, Verifone, CommScope, ARRIS, and Motorola Mobility
- Former Director of Global Supply Chain Finance at CommScope, responsible for \$7B ARRIS business.
- Received BS, Accounting, Penn State University

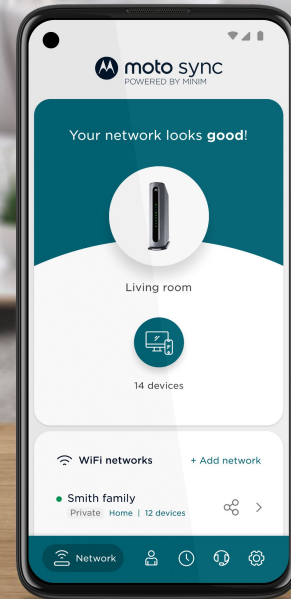


NASDAQ: MINM

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Q1 Results

Back to Growth



Q122 Results Overview



Beating the market

- Minim: GAAP Revenue up 27% Q/Q to \$13.3M
- Industry seeing decrease in Q/Q revenue from declining consumer demand from pandemic peak

Strengths in performance

- Overall market share grew from 24% to 27% Q/Q
- Held the #1 market share position on Amazon in our core categories & retail orders resumed from soft Q4
- Continued ASP growth: 27% Q/Q
- Deferred revenue exceeded \$800K

Cash and inventory

- Improved from loss of \$3.1M to loss of \$1.7M
- Exited Q1 2022 with \$10.5M in cash
- Exited Q1 2022 with \$30.0M in inventory

Headwinds

- Supply chain challenges from the pandemic affects several industries across the Nasdaq

A Look Ahead



Sustainable growth

- Diversifying suppliers at all levels of the supply chain
- Increasing U.S. retail and distribution partnerships
- Growing awareness of Motorola mesh with new marketing programs and retailer partnerships
- Paid trials, including the sale of Motorola branded mesh hardware, to an 800k subscriber ISP in Indonesia and a 300k subscriber ISP in India

Supply chain management

- Scaled production of an intelligent product with second material ODM partner
- Will bring a new intelligent product to market with third ODM partner this summer

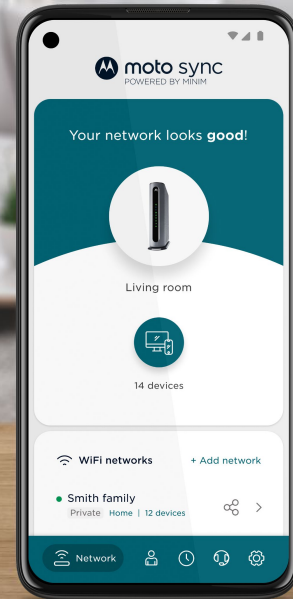
Transformation

- Deliver more intelligent products
- Deliver stand alone software value
- Deliver software upgrades and upsells

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Transformation

Product & Marketing



Software Transformation

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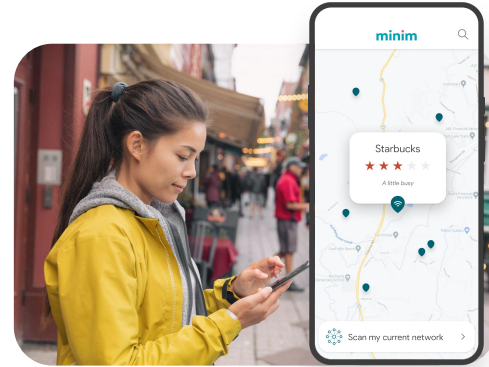
2021: Increased Intelligent Products

- Products with mobile app increased from 1 to 5
- Increased ASP
- Brought WiFi firmware in-house
- Became 1st to offer in-app support
- Filed Blockchain invention



2022: All Products Become Intelligent

- Mobile app distributed on all Minim hardware
- App gets "Shop" on MotorolaNetwork.com
- Aims to reach 100k Minim Intelligent Networks & increase user acquisition



2023: Standalone App with Upgrades (\$)

- Helps everyday WiFi users test, rate, and improve their WiFi
- Grows user acquisition with app-first users
- Grows CLTV with upsell software & hardware

2024+: WiFi Guide / Marketplace

- With all-network capabilities, Minim is positioned to offer a platform to search, test, rate, and pay for WiFi access
- Blockchain patent supports this vision

Product & Marketing Performance

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Out performed in net sales growth from prior quarter

- Driven by a return to normal in retail orders; our largest retailer increased its sales orders by 110%
- Amazon.com: #1 market share position for cable modem and gateway category sales
- Walmart.com: gross sales by 44% and doubled our market to 8.6% from 4.2% Q/Q

Top selling products across all channels

- Motorola MB8611, MB8600 and MG8702
- The Motorola MG8702 was Minim's first intelligent product to market with **motosync**
- Average selling price increased on a Q/Q basis from \$95 in Q4 2021 to \$121 in Q1 2022



A Look Ahead in Intelligent Networking

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2022 Mesh Portfolio Growth & Market Penetration

- Spring/Summer 2022: Motorola Q11 High-Speed AX3000 Mesh WiFi System (WiFi 6)
- Spring/Summer 2022: Motorola Q14 Wideband AXE Mesh WiFi System (WiFi 6E)
- Building Motorola mesh awareness with e-tail campaigns, loyalty programs, and media relations

On Track for 100K+ Minim Intelligent Networks by EOY

- Distributing the mobile app with all our products and eventually on App stores allow us to increase CLTV through cross-sells and upsells
- We have set a goal to reach 100K Minim Intelligent Networks (MINs) by EOY and now, at 80K MINs, believe we will hit this milestone early



 **motorola**
Q14

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Q1 2022 Results

Financials

HISTORY AS YOU
KNOW IT

NASDAQ WELCOMES
MINIM INC'S
LISTING ON NASDAQ

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MINM NasdaqListed

 **Nasdaq**



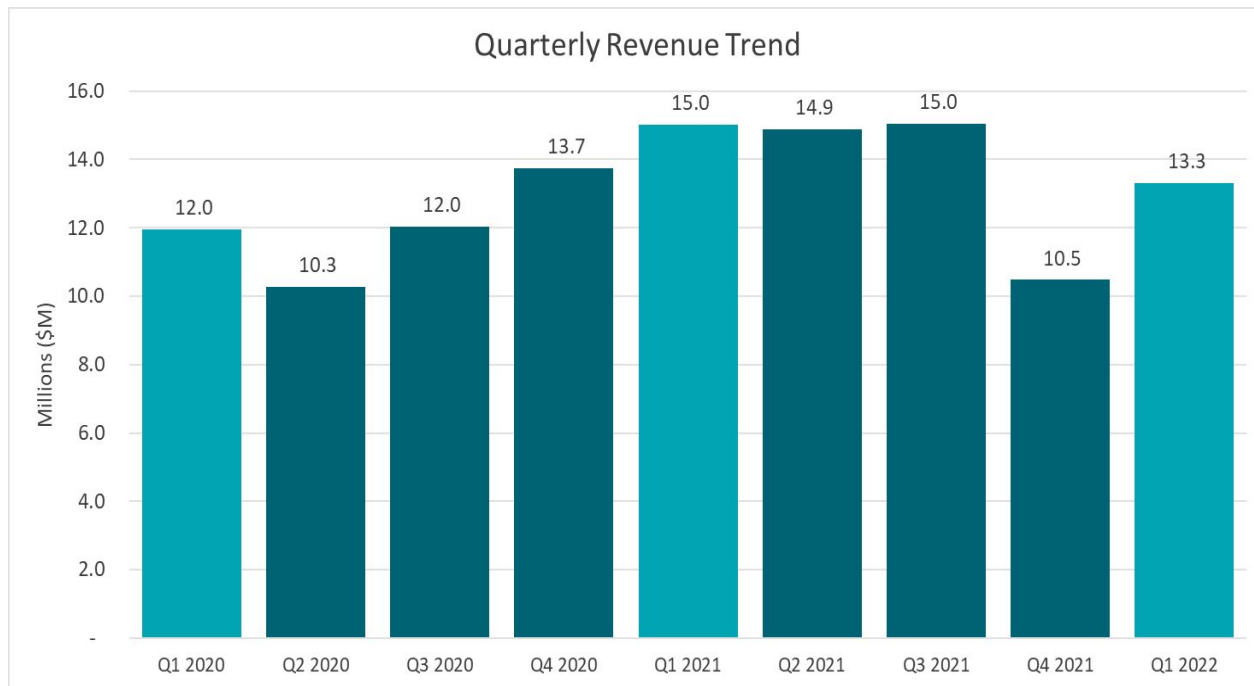
Net Revenue by Quarter

Q122 Net Revenue

was \$13.3 million, up 27%
Quarter over Quarter

Deferred Revenue

increased to \$832 thousand
exiting the quarter



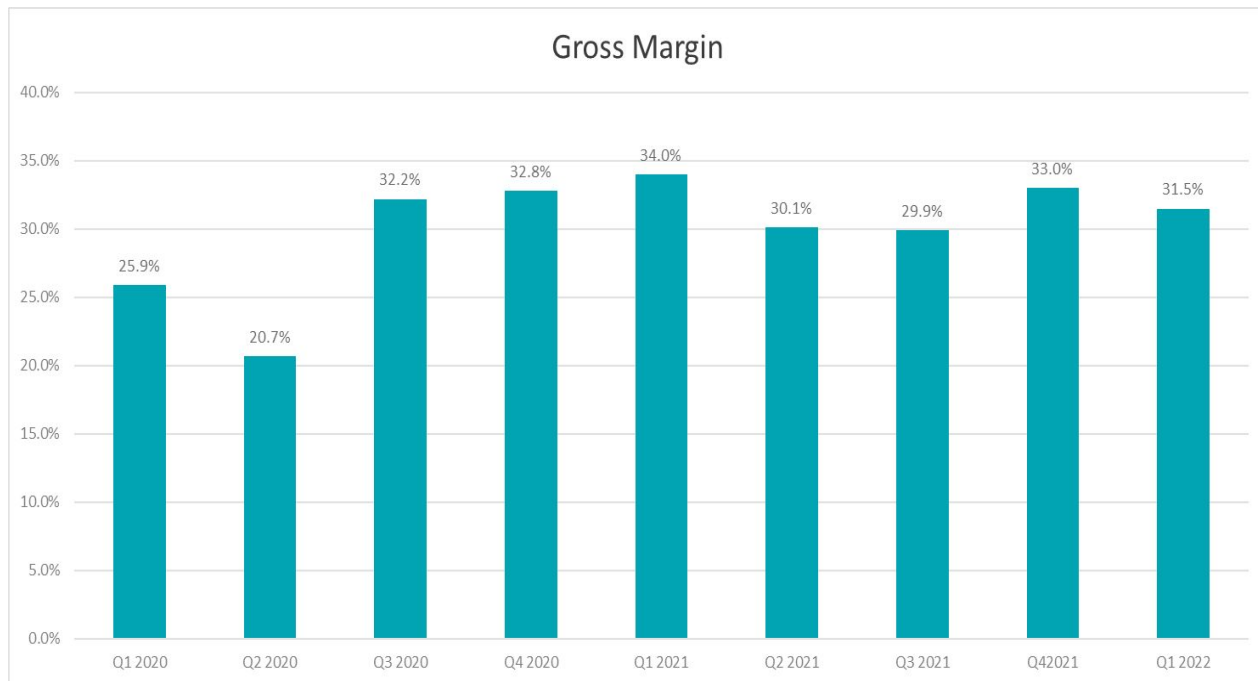
Gross Margin by Quarter

Q122 Gross Margin of 31.5%

compared to 33% in the prior quarter and 30.1% in the year ago quarter

Higher ASP Sales (+27% QoQ)

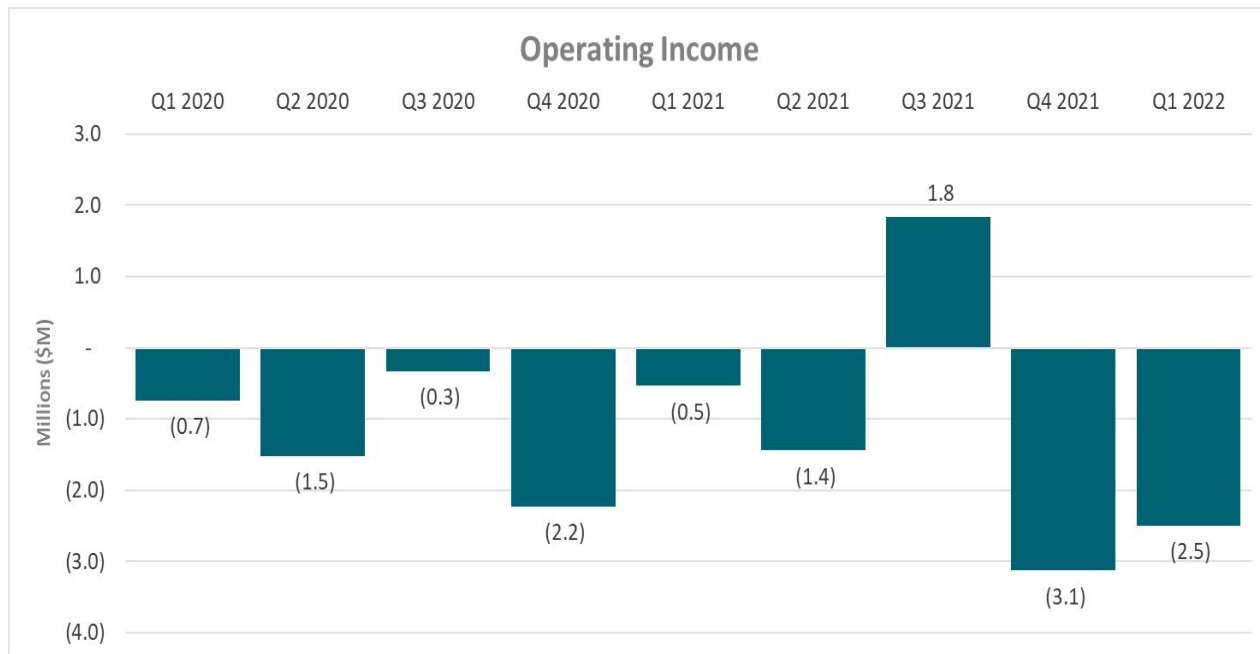
from intelligent product sales, with focus on higher margin sales channels



Operating Income by Quarter

Q1 Operating Income of \$(2.5)M

negatively impacted by sales performance in retail and supply chain effects on new product introduction

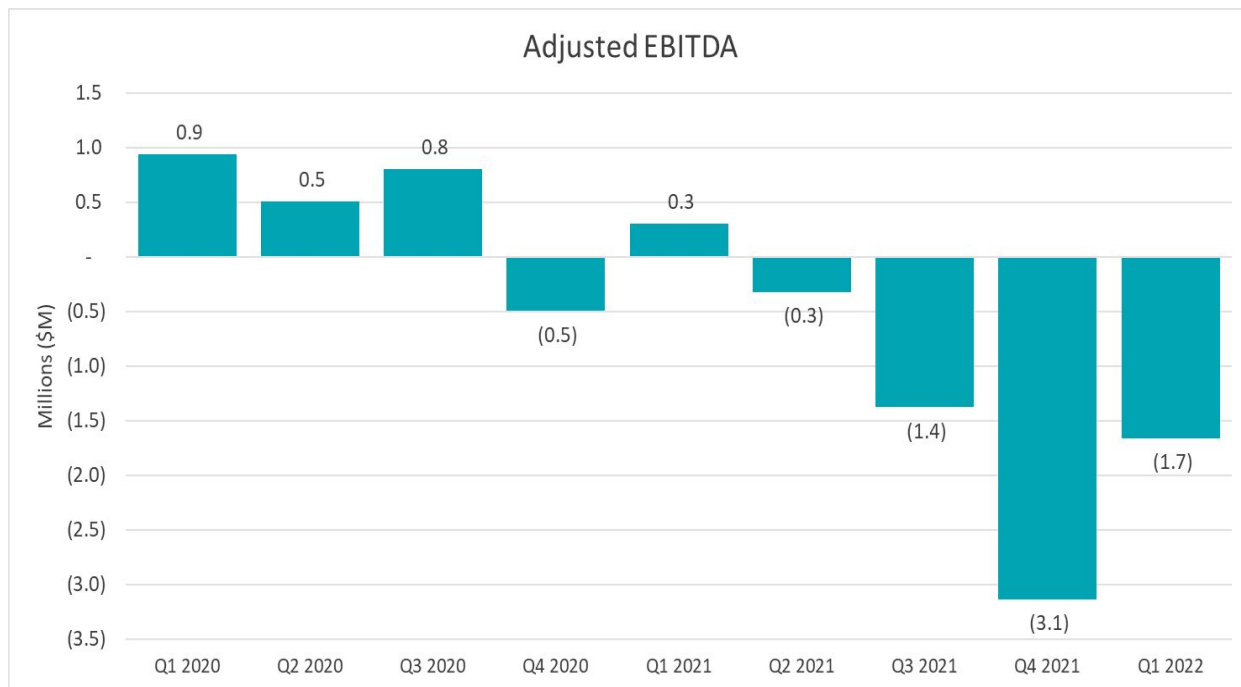


Adjusted EBITDA by Quarter

Adjusted EBITDA of (\$1.7M) for Q1'22

Compared to \$0.3M in Q1 2021
\$1M impacted due to Revenue and Product mix; \$1M impact on investing in R&D and Sales efforts necessary to support our transformation

Compared to (\$3.1M) for Q4'21
\$0.7M improvement due to Revenue and Product mix;
\$0.35M due to stock comp exp;
\$0.5M due to GAAP sales to booking



Cash Balance by Quarter

Q1 ending cash balance of \$10.5M

Decrease of \$2.4M compared to prior quarter end.

Investment Decisions

Decrease in cash on a QoQ basis was driven by investment decisions, largely our strategic inventory purchasing to hedge against component shortages.

Accounts Payable is also down from \$12.5M at the end of prior quarter to \$8.2M.

