

minim

Q3 2022 Results

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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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Mehul Patel

CEO

- 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



Verifone



Dustin Tacker, MPA, CPA

CFO

- 17+ years experience in executive roles in Accounting at Minim, Access Management, Smart Bear Software, and GE
- Former Senior Director of Accounting at Access Information Management, responsible for all company filings
- Received BS and MPA, Accounting, University of Texas at Austin



NASDAQ: MINM

Q322 Results Overview

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Revenue

- GAAP revenue up 8% Q/Q to \$13.8M
- Declining consumer demand has continued across the industry since the pandemic peak

Strengths in performance

- WiFi 6 product Q14 released in Q3 2022 as promised
- Deferred revenue rose to \$1.3M

Cash and inventory

- Exited Q3 2022 with \$1.9M in cash (paid down AP)
- Exited Q3 2022 with \$30.3M in inventory, a reduction of \$4.0M compared to the prior quarter

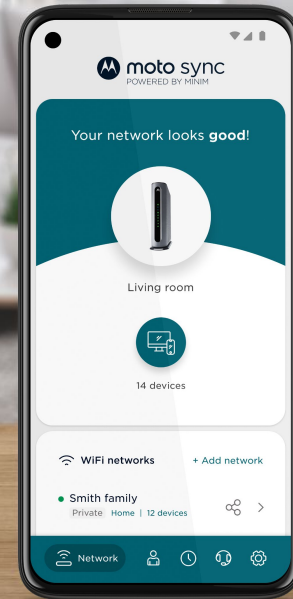
Headwinds

- Continued component price increases and supply chain challenges stemming from the COVID-19 pandemic

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Transformation

Product & Marketing



Software Transformation

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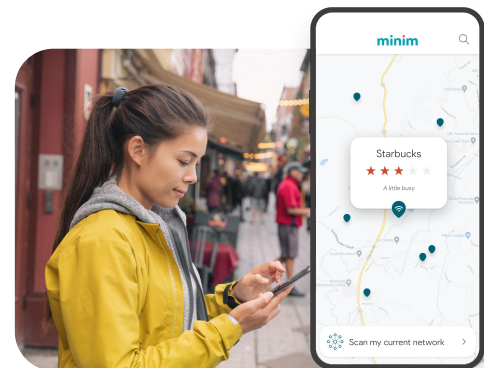
2021: Increased Intelligent Products

- 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
- 100k Minim Intelligent Networks & increased 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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Net sales in line with analyst estimates

- Amazon.com: #1 market share position for cable modem and gateway category sales
- Motorola Network: gross sales were up 216% Q/Q
- Walmart.com: gross sales increased by 162% Q/Q

Top selling products across all channels

- Motorola MB8611, MG8702, MB8600
- Average selling price increased on a Q/Q basis from \$107 in Q2 2022 to \$114 in Q3 2022



A Look Ahead in Intelligent Networking

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2022 Mesh Portfolio Growth & Market Penetration

- Motorola Q11 High-Speed AX3000 Mesh WiFi System (WiFi 6) released on time in Q3 2022
- Motorola Q14 Wideband AXE Mesh WiFi System (WiFi 6E) released on time in Q3 2022
- Building Motorola mesh awareness with e-tail campaigns, loyalty programs, and media relations

Achieved goal of 100K+ Minim Intelligent Networks by EOY in Q3

- Distributing the mobile app with all our products and eventually on App stores allows us to increase CLTV through cross-sells and upsells
- Now at 112k Minim Intelligent Networks (MINs), exceeding our EOY goal of 100k



motorola
Q14

minim

Q3 2022 Results

Financials



Net Revenue by Quarter

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Q322 Net Revenue

was \$13.8M, up 8% Quarter over Quarter.

Deferred Revenue

increased to \$1.3M exiting the quarter



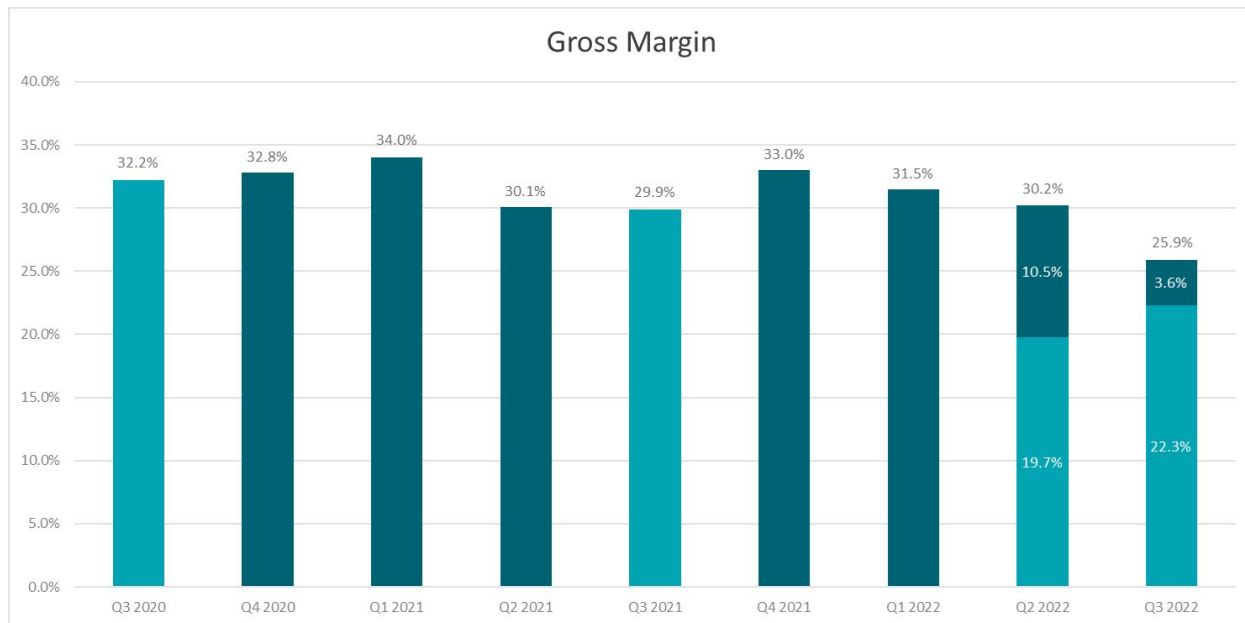
Gross Margin by Quarter

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Q322 Gross Margin of 22.3%

compared to 19.7% in the prior quarter (including -10.5% restatement) and 29.9% in the year ago quarter. Gross Margin is at 25.9% excluding one-off reserve posting of (\$0.5M).

Excluding one-time costs, our margin continues to approach 30% despite the negative impact from inflation and component cost increases.



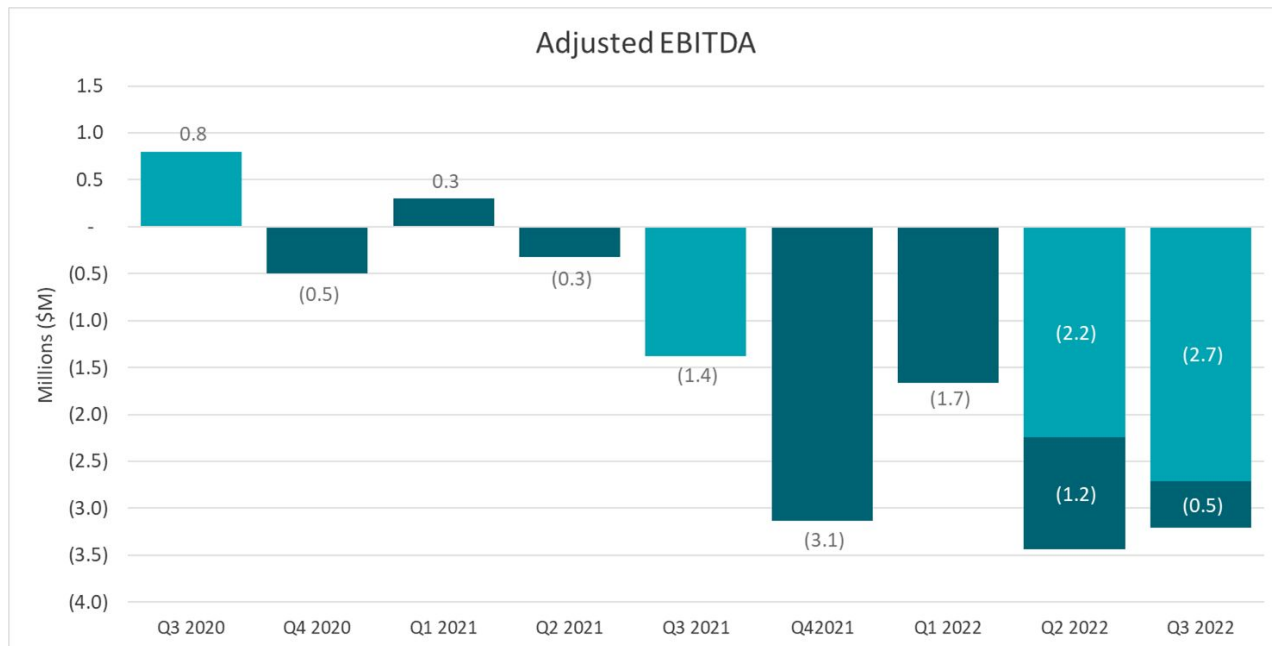
Adjusted EBITDA by Quarter

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Adjusted EBITDA of (\$3.2M) for Q3'22

compared to (\$1.4M) in Q2 2021
\$0.9M impact from sales and product mix; \$0.5M inventory reserve posting; \$0.4M impact on investing in R&D and Sales efforts necessary to support our transformation

Compared to (\$3.4M) for Q2'22,
\$0.5M down excluding one-time costs due to product mix



Ending Net Inventory by Quarter

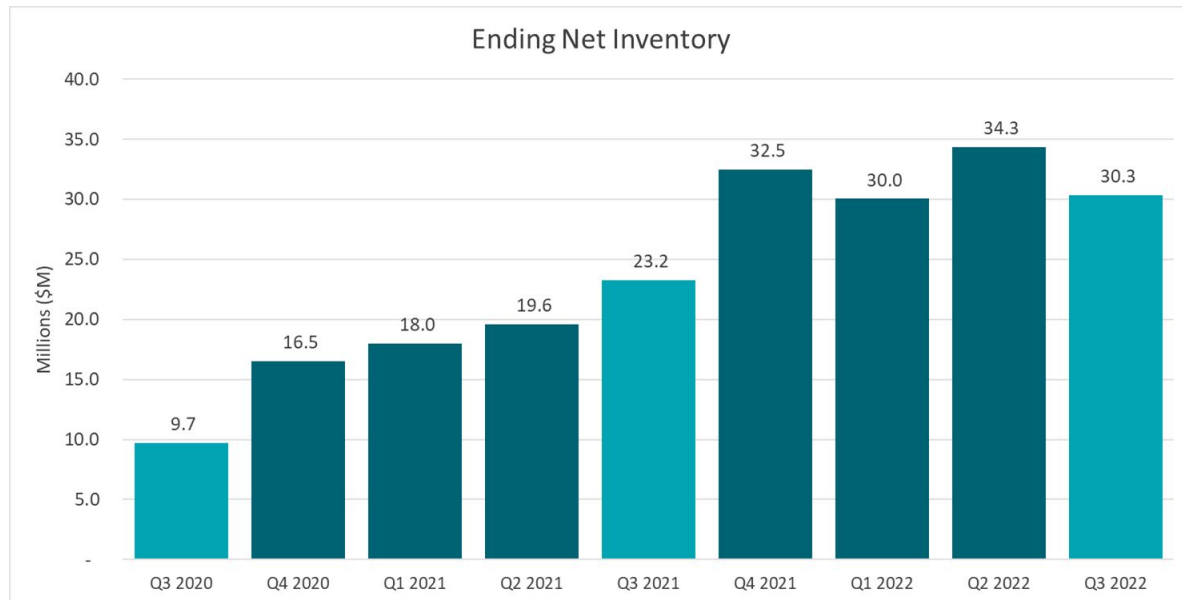
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Q3 ending inventory balance of \$30.3M

Decrease of \$4.0M compared to prior quarter end.

Inventory Reduction Plan

Decrease in inventory on a QoQ basis was driven by implementation of inventory reduction plan, including very limited inventory purchases and recovery of returned items. Downward trend is expected to continue.



Cash Balance by Quarter

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Q2 ending cash balance of \$1.9M

Decrease of \$2.8M compared to prior quarter end.

Investment Decisions

Decrease in cash on a QoQ basis was driven by \$4.4M decrease in AP offset by inventory reduction

