

# Company Presentation

## Reimagining Rugged

June 2023  
Peter Liu, CEO Sonim



## Introduction

**Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are based on current expectations or beliefs, including, but not limited to, statements concerning the company's operations, business strategy, anticipated behavior of consumers, and intentions or beliefs about future occurrences or results. For this purpose, statements that are not statements of historical fact may be deemed to be forward-looking statements.

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**Non-GAAP Measures**

This presentation includes certain historical and forward-looking non-GAAP financial measures, including but not limited to adjusted EBITDA excluding the effects of special items, and adjustments to GAAP and other non-GAAP measures to exclude the effect of special items. In addition to providing key metrics for management to evaluate the company's performance, we believe these measurements assist investors in their understanding of period-to-period operating performance and in identifying historical and prospective trends.

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# Sonim— a profitable, growing leader in the rugged mobile device space >> expanding market base



**Multi-pronged strategy to expand product categories to reach new market segments**

- New products
- New segments
- New geographies



**Respected, trusted brand with loyal following**

- Government
- First responder
- Fortune 500 enterprise industrial & hospitality



**Complete line of rugged android mobile phones sold through all major carriers in North America today**

- Now diversifying portfolio with wireless internet devices and consumer durable mobile phones



**New, strong management team executing growth and expansion strategy**

- Led transition to profitable operations in Q1 2023, on 95% YoY sales growth



**Attractive financial profile with strong YoY growth**



15+

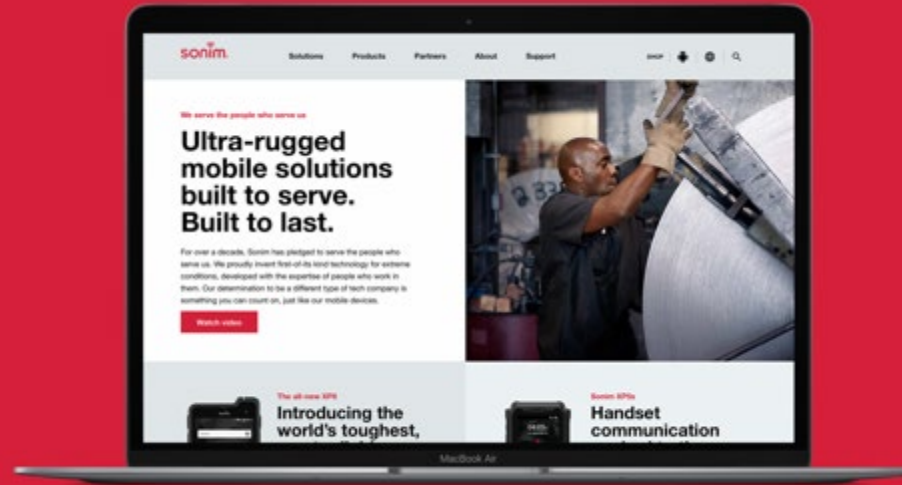
years of  
ultra-rugged  
leadership

Meet **sonim**®

We are reimagining rugged



Where 5G performance  
meets ultra-rugged design



over  
**1,000,000**  
ultra-rugged  
devices sold



# Sonim history and overview



**US-based**  
HQ in San Diego, CA  
Est. 1999

**Nasdaq:** SONM



**Founded on a passion to serve those who serve us—**  
to be a brand that is trusted and relied on



**Core industries trust Sonim—**  
First Responders & Government  
Fortune 500 companies in Oil & Gas, Transportation, Hospitality, Healthcare, Heavy Industry



**Leading provider of rugged phones that don't break** with market expansion opportunities across adjacent segments within mobile technology



**Customer Channels—**  
10 years of partnerships

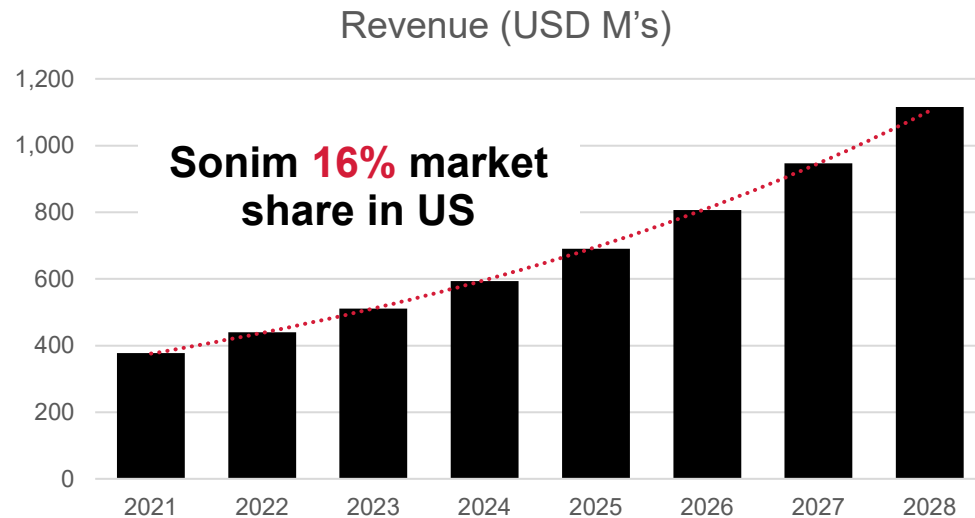


**Technology Partners—**



## Introduction

# The core rugged phone market is **growing**.



**Rugged = ultra-rugged and semi-rugged**

The rugged smartphone market in the US is **GROWING** at a **16.7% CAGR** over the next 7 years, presenting a meaningful opportunity for growth **and expansion**.



# Sonim's total value offering in **ultra-rugged and rugged** exceeds competition

	sonim	Other brands
Affordable Price	●	●
Waterproof	●	◐
Durability	●	◐
Comprehensive Warranty	●	
SonimWare	●	

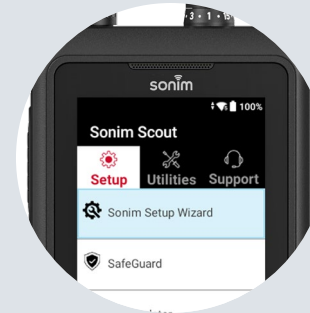


# Sonim's success in the ultra rugged & rugged space is built upon:

- Proprietary Rugged Performance Standards (RPS)
- Customer-centric durable design
- A three-year warranty
- Sonim created software services to support device management, security updates, and more.



**Rugged Performance Standards (RPS)** consist of 12 benchmarks of endurance and durability. Only Sonim devices are tested to this level of standards in the industry



**Sonim device management software**, which is essential for IT teams and users to deploy and manage their devices easily



**Industry leading 3-year comprehensive warranties**  
Lowest field failure rates in category



**Purpose-built for taskforce in challenging environments** – platform easily expands into for new everyday durable devices and connected solutions



**Accessories** deliver total value and optimization and additional revenue opportunities



**Customer-centric** reliable support team delivers peace of mind and ease of deployment



# Growth and expansion

We're taking our core and expanding

**So, why can't every  
consumer have a feature-rich  
mobile phone that delivers  
the same **quality, value  
and durability** that, say,  
taskforce workers have?**

Think: **“Rugged for everyday”**



**“36% of  
smartphone  
users stated  
that their main  
priority is  
durability”**

- YouGov.UK March 2023





# We are poised for significant growth in new markets with an **expanded consumer portfolio**

2023 → First 5G Rugged Phone Launch → Penetrate Consumer Market → 2% Consumer Market Share



- Product placement (semi-rugged + Endurance)
- Diversify product line to add ODM service business
- Successful initial launch of consumer durable product line through existing carrier customer base
- Launch connected solution device business

- Brand recognition
- Capture majority market share in core segments

Growth and  
Expansion

We are **thoughtfully expanding** our product portfolio to serve the broader phone market

Sonim **owns majority** market share

Ultra-  
Rugged

Rugged Pro

Sonim currently **owns 16%** market share

Consumer  
Durable Phones

Sonim to **capture 2%** market share in total smartphone segment

362 Million

Smartphone Users in the USA - \$75B Valuation (annual)

Source: Statista Dec 2021; March 2023; US Census Bureau 2023

sonim®

Growth and  
Expansion

# Android budget phone sales are valued at roughly \$9B in the US annually

Source: (Estimations based off data Statista; Counterpoint Research; Bank My Cell)

sonim®



Growth and  
Expansion

# How do we **differentiate** in the consumer durable market?

Growth and  
Expansion

**Rugged and durable  
brands continue to  
meet differentiated  
needs for work and  
play... AND consumers  
are increasingly  
integrating  
durable brands  
into their every day.**

**Sonim is that  
brand for mobile.**



**87 Million  
Americans**  
have damaged  
their smartphone  
in the last 12  
months.  
**(Ours don't break.)**

**63% avoid fixing**  
a phone due to the  
high repair costs

**Americans spend over  
\$2B annually**  
on protective cases  
(plus insurance and extended  
warranties)



Growth and  
Expansion

# Consumer durable phones solve that problem



Higher quality,  
lower tiers



Value-driven  
modern design



More protection  
for more use



Feature-rich for  
richer lives



We back  
our products



Marketing / MDF  
programs



Dedicated field  
teams and training



Credibility: TRUSTED  
FirstNet partner



Affordable  
EXPANDED portfolio

Growth and  
Expansion

**Sonim** is  
known for our durable,  
rugged phone solutions  
– with a reliable  
reputation amongst our  
carrier customers

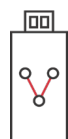
That **opens an opportunity to offer** other  
connectivity solutions...



Growth and  
Expansion

**Connectivity solutions is an adjacent market that relies on the same components, technology, and distribution as our phones which contribute to economies of scale**

Sonim is expanding into these markets to strengthen our position, beginning with our current enterprise customer base



USB



**Mobile Hotspot**

**3.94M units**  
US/Canada



**Wireless  
Home Internet**

**300M connections**  
globally by 2028

**19% CAGR over a**  
5 year period

North America expected to be  
the largest market for 5G FWA



Carriers want and need US brands in the space that **deliver performance at an attractive price point** and are willing to remain a trusted partner throughout the lifecycle of the product



## Wireless Home Internet

(often referred to as Fixed Wireless Access – or FWA)

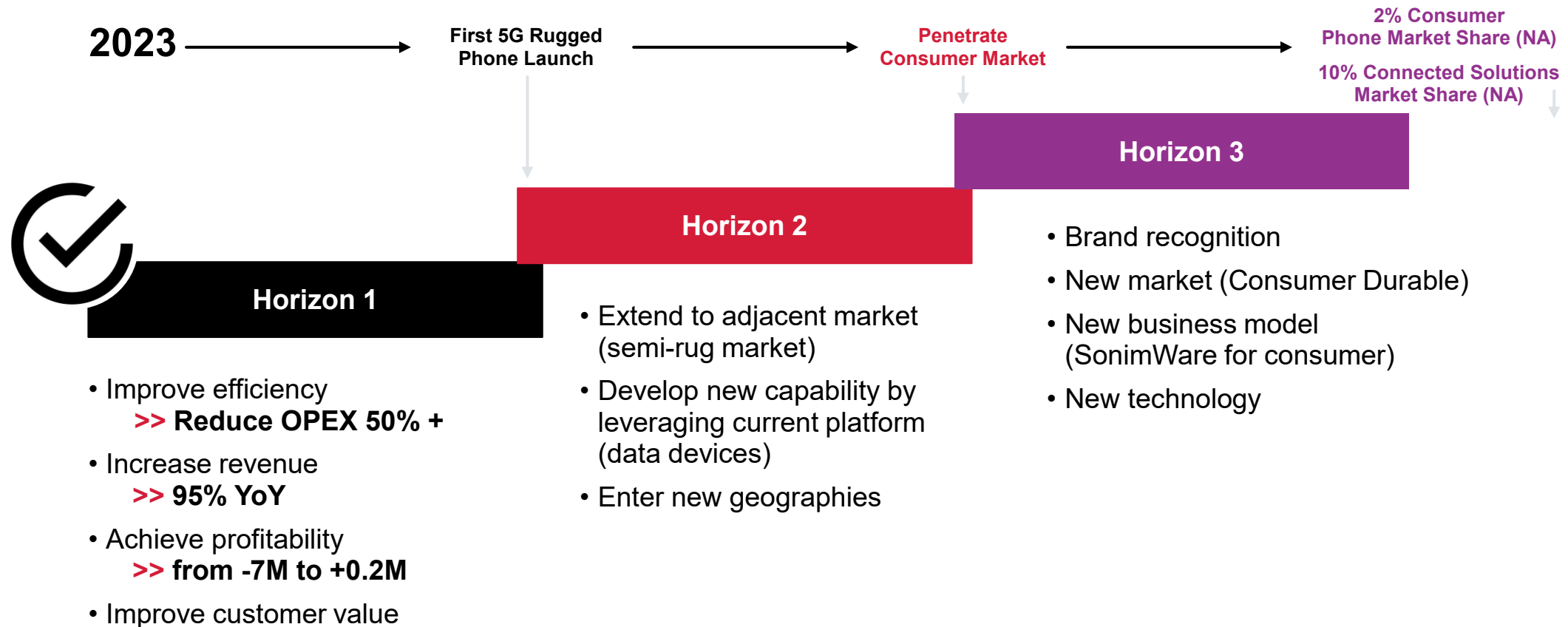
- Provides gigabit speeds to homes over 5G network
- Breaks cable operators' monopoly on home internet
- Massive growth area for wireless operators
- N.America top three regions leading adoption
- **T-Mobile & Verizon expected to have 11 to 13 million subscribers by 2025 >> 60% 3YR CAGR**



## Mobile Hotspots

- Provides 5G connectivity to their laptops and tablets wherever they go
- **NAM market ~4M units per year (2.75M 4G / 1.25M 5G)**
- As 5G costs drop, will see an upgrade cycle of embedded 4G base
- Premium US vendors shifting corporate focus away from hotspots and carrier markets

# These are the **milestones** to track success



Growth and  
Expansion

# Durable. Purposeful. Affordable.

Supply chain efficiencies: Integrated manufacturing and engineering managed with new build / delivery processes

Streamlined and expanded product line for scale and efficiency

Refreshed brand and enhanced Go to Market activities

Established contracts and relationships with all major carriers in North America

US brand in a foreign-dominated segment >> The ONLY brand to offer consumer durable phones



# Our Team

Established  
Q3 2022



**Peter Liu**  
Chief Executive  
Officer

- 30 years in telecom
- Certified Six Sigma Black Belt
- MBA from Laurance Tech University in Michigan



**Clay Crolius**  
Chief Financial  
Officer

- 30 years in finance and accounting
- Certified Public Accountant
- BA in Economics and Business from UCLA



**Chuck Becher**  
Chief Commercial  
Officer

- 30 years in telecom
- BA in Finance from University of Michigan



BlackBerry

Nestlé



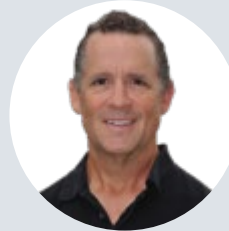
Deloitte.

Qualcomm KYOCERA inseeo



**Chris Yeatts**  
SVP Connected  
Solutions

- 28 years in telecom
- BA in Finance from San Diego State University



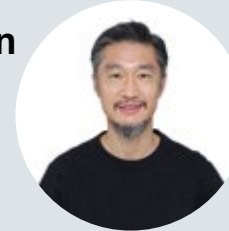
**Mike Coad**  
SVP Product

- 30+ years in wireless telecom Engineering and MBA degrees



**Dyan Kaplan**  
SVP Sales and  
Customer  
Experience

- 19 years in telecom
- BA in Accounting from New York University



**Jerry Yang**  
SVP Global  
Engineering

- 21 years in telecom
- PMP certified



**Zhide Wang**  
SVP Global  
Operations

- 28 years in telecommunications industry & power tools industry
- Bachelor degree in engineering

Qualcomm KYOCERA inseeo

Qualcomm Sprint

KYOCERA

Sony Ericsson

UTSTARCOM

TTI Motorola

sonim



# Financial Outline

Clay Crolus, CFO

Road to success



# Q1 2023

## Results

(In Thousands)

	Q1 2022	Q4 2022	Q1 2023	Sequential	YoY
<b>Net Revenues</b>	13,258	24,118	25,801	7%	95%
<b>Cost of Revenues</b>	11,730	20,186	21,626		
<b>Gross Profit</b>	1,528	3,932	4,175	6%	173%
<b>Operating Expenses</b>					
Research and Development	4,168	1,219	105		
Sales and Marketing	2,170	1,520	1,757		
General and Administrative	2,211	1,989	1,768		
Legal Expenses	61	263	212		
<b>Total Operating Expenses</b>	8,610	4,991	3,842	-23%	-55%
<b>Loss from Operations</b>	(7,082)	(1,059)	333		
Interest Expense	(39)	(1)	-		
Other Income (expense), net	(23)	1	7		
<b>Loss before Income Taxes</b>	(7,144)	(1,059)	340		
Income Tax Expense	(68)	17	(113)		
<b>Net Loss</b>	(7,212)	(1,042)	227		

# Q1 2023

## First Positive Net Income in 4 years

New management  
team

New Strategy

(In Thousands)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Net Revenues</b>	12,240	11,954	14,445	15,931	13,258	11,955	20,497	24,118	25,801
<b>Cost of Revenues</b>	9,777	9,300	12,661	16,418	11,730	9,108	17,181	20,186	21,626
<b>Gross Profit</b>	2,463	2,654	1,784	(487)	1,528	2,847	3,316	3,932	4,175
<b>Operating Expenses</b>									
Research and Development	4,664	3,670	5,492	3,870	4,168	2,721	(135)	1,219	105
Sales and Marketing	2,181	2,188	3,087	2,110	2,170	2,073	1,511	1,520	1,757
General and Administrative	2,262	2,379	2,961	2,682	2,211	1,779	3,633	1,989	1,768
Legal Expenses	2,406	903	967	2,593	61	494	236	263	212
<b>Total Operating Expenses</b>	11,513	9,140	12,507	11,255	8,610	7,067	5,245	4,991	3,842
<b>Loss from Operations</b>	(9,050)	(6,486)	(10,723)	(11,742)	(7,082)	(4,220)	(1,929)	(1,059)	333
Interest Expense	-	-	-	-	(39)	(35)	(22)	(1)	-
Other Income (expense), net	(169)	(124)	(126)	(40)	(23)	91	415	1	7
<b>Loss before Income Taxes</b>	(9,219)	(6,610)	(10,849)	(11,782)	(7,144)	(4,164)	(1,536)	(1,059)	340
Income Tax Expense	(61)	(76)	(90)	60	(68)	(61)	(72)	17	(113)
<b>Net Loss</b>	(9,280)	(6,686)	(10,939)	(11,722)	(7,212)	(4,225)	(1,608)	(1,042)	227

# The Sonim business model provides **benefits to scale**

## Potential Additional Growth Accelerators

R&D	Consumer Marketing
Strategic/ M&A	New Geographies

For illustrative purposes only

Revenue	<u>\$100M</u>	<u>\$300M</u>	<u>\$1B</u>
Gross Margin %	17%	23%	25%
OPEX %	16%	15%	14%
Adjusted EBITDA	—	+	+
Free Cash Flow	—	+	+



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**Attractive financial profile with strong YoY growth**

# Thank you.

Nasdaq: SONM

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