Third Quarter 2020 Results

November 13, 2020

Official Licensee of Home Networking and Home Security
Forward Looking Statements

This presentation contains forward-looking information relating to Zoom’s plans, expectations, and intentions. Actual results may be materially different from expectations as a result of known and unknown risks, including: the increase in tariffs on the Company’s imports from China; potential changes in NAFTA; the potential need for additional funding which Zoom may be unable to obtain; declining demand for certain of Zoom’s products; delays, unanticipated costs, interruptions or other uncertainties associated with Zoom’s production and shipping; Zoom’s reliance on several key outsourcing partners; uncertainty of key customers’ plans and orders; risks relating to product certifications; Zoom’s dependence on key employees; uncertainty of new product development, including certification and overall project delays, budget overruns, and the risk that newly introduced products may contain undetected errors or defects or otherwise not perform as anticipated; costs and senior management distractions due to patent-related matters; and other risks set forth in Zoom’s filings with the Securities and Exchange Commission. Zoom cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Zoom expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in Zoom’s expectations or any change in events, conditions or circumstance on which any such statement is based.
“Our products have become critical for education, work, entertainment, and wellness. Standing on 30 years of expertise and reaching new innovative heights, we’re stepping it up for our customers and shareholders.”

Jeremy Hitchcock
Chairman, Zoom Telephonics
Agenda

1. Our Future: Minim Merger & Strategic rationale
2. Q3 Results: Business Highlights & Financial Results
3. Minim Merger: Operational/Integration Insights
Merger Rationale

Creating safe and reliable connectivity experiences at the speed of life.

Zoom Telephonics, the creator of Motorola connectivity products, will merge with Minim, an AI-driven WiFi management and security platform.

The combined company will have the enhanced product, positioning, and market opportunity to deliver better value to our customers and profitability to our shareholders.
About Minim

- **Company** - founded in 2018 on a mission to make home WiFi safe and reliable
- **Positioning** - Delivers SaaS software services to 120+ ISPs & their subscribers—additional channels.
- **Products** - Proprietary AI-driven platform with mobile app, web app, & APIs. Turn-key & integratable.
- **Leadership** - Seasoned team with CEO Gray Chynoweth, who led Dyn to 10x growth.
## Zoom Q3 Financial Summary

### Highlights

- Highest quarterly revenue for ZMTP: $12.0M
- Gross profit margin expansion to 32.2% vs. 20.7% in the prior quarter
- 26% CAGR since 2016, when ZMTP secured the Motorola brand rights
- Robust balance sheet with $4.8 million cash on hand following recent PIPE
- Strong market tailwinds in home connectivity

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<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>YoY Change</th>
<th>Q/Q Change</th>
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<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$11,956</td>
<td>$10,273</td>
<td>$12,027</td>
<td>$1,153</td>
<td>17%</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>$(560)</td>
<td>$(1,425)</td>
<td>$(114)</td>
<td>$(42)</td>
<td>92%</td>
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<tr>
<td><strong>EPS</strong></td>
<td>$(0.04)</td>
<td>$(0.07)</td>
<td>$(0.01)</td>
<td>$(0.00)</td>
<td>86%</td>
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Product Update: Gateways & Modems

- **Demand** - +45% in retailer inventory requests. Retailers say refresh rates are increasing from the pandemic; no signs of slowing down.

- **Supply Chain** - Increasing Vietnam factory capacity with significantly decreased tariff exposure. Returned to ocean freighting (more cost efficient, longer lead times)

- **Products** - First Minim-enabled gateway MG8702 (DOCSIS 3.1; AC3200 Gbps router) launched with an Xfinity certification; adding Charter & Cox. MB8611 coming soon (DOCSIS 3.1; 2.5 Gbps; higher ASP).

- **Marketing & Sales** - Selling out of product and working to scale. Expanded gross margin. MT7711 voice gateway remains #1 seller on Amazon.
Product Update: WiFi

MH7020 Series (Launched)

Average 4.8 Star Rating

⭐⭐⭐⭐⭐

“Smooth and solid with super speed.”

- **Demand** - Mesh router demand +126% YoY*
- **Supply Chain** - Shipped from Vietnam factory without tariffs; returned to cost-efficient ocean freighting.
- **Products** - Launched MH7020 series; user adoption rate of 90% of standard MotoManage app. R&D in flight for WiFi 6 product with competitive design and software.
- **Marketing** - Expanded with direct e-commerce store, MotoManage.com, building a consumer database for CRM. Launched in Amazon & Walmart with new product categories.
- **Sales** - Minim is the largest channel for MH7020 with ISPs. Working to scale with additional channels.

*Source: NPD
MotoManage™ 2.0 Launch

Updated MotoManage™ app with improved user experience, functionality, and performance.
“We are pleased with this quarter’s results and are on a clear path to scale and profitability.”

Jackie Barry Hamilton
CFO, Zoom Telephonics
Zoom Revenue Growth

Q/Q revenue growth of 17%. Highest quarterly results to date.

Key drivers:

- **Channels** - Greater bulk purchases by retailers Target & Best Buy to meet demand: 50% & 28% Y/Y purchase growth, respectively.

- **Products** - Strong modem and gateway sales.
Zoom Q3 Balance Sheet Highlights

- Strong cash position
- Increased Current Assets with inventory position ramp to meet increased customer demand
- Increased Accounts Payable reflect inventory purchased to support growth
- Y/Y working capital levels maintained
“Minim comes with the people and IP to strengthen Zoom’s product strategy— as well as additional sales channels and high-margin revenue to sustainably expand its bottom line. As the combined company CEO, I look forward to driving accelerated growth.”

Gray Chynoweth
CEO, Minim
Combined Company

Management

- **Jeremy Hitchcock**
  Chairman

- **Gray Chynoweth**
  CEO (former: Minim)

- **Jackie Barry Hamilton**
  CFO

- **John Lauten**
  COO

- **Phil Stanshope**
  CTO

- **Alec Rooney**
  CTO (former: Minim)

- **Nicole Hayward**
  CMO (former: Minim)

Transaction Highlights

**Strategic rationale:**
A compelling “merger of equals” to transform into a hardware/software business with higher-valued products, superior technology, and the management team needed for accelerated growth.

**Valuation**
- Minim valued at $30 million (3rd party fair market valuation)

**Structure**
- Reverse triangular merger

**Ownership**
- Percentage of Zoom shares issued to Minim stockholders will be based on a 25-day volume weighted average price of Zoom stock at the time of closing

**Company**
- Expect a rebrand & ticker change
- ~70 FTEs
- Have the resources in place to power business growth
Global wireless technology market expected to exceed $141 billion in global spend by 2025 at a 15.4% CAGR

More investment in home connectivity
Gartner survey shows 74% intent for some employees to stay remote
Source: Gartner Survey

Refreshes drive continued spend
DOCSIS 3.1 & 4.0, WiFi 6, and 5G products will drive product sales
Source: NPD Data

Connected home requires more home connectivity products
Growth from few to 20 devices per home by 2025 drives whole home WiFi
Source: Advanced Television
Minim Brings New Sales Channels & Growth

Serving 120+ ISPs

- 2.35M+ subscribers in the contracted customer base: $70.5M potential ARR opportunity via account growth
- Customer base primarily Tier 3 WISPs. Growth opportunities upmarket worldwide in cable, fiber & wireless

New SMB/Enterprise Offering

- Launched Minim for Remote Workers in Q3 with 10x ARPU model; bringing to market with Telarus, a channel salesforce of over 4K resellers

Channel & Industry Affiliations

60%
Take rate reported by cable integrator of 15k subscribers

$200
Saved per router recovered from malicious exploit

50%
On-site visit decrease seen by municipal ISP of 5k subscribers

“It’s worked out simply and easily”
Bill Bauer

“Our network has been running smoother than ever before”
Seon Moore

“I would recommend Minim 10 out of 10 times”
Dean White

InterTECH
Airlink
KPU
## Summary

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<thead>
<tr>
<th>Sustainable business plan</th>
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<tbody>
<tr>
<td>● Clear path to profitability as tariffs are mitigated</td>
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<tr>
<td>● Fully funded business; $4.8M cash on hand; current ratio of 1.4</td>
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<td>● Expanding market reach with sales channels &amp; partnerships</td>
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<th>New products in growing market</th>
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<tr>
<td>● Global wireless technology market: $128B by 2025 (12.5% CAGR)</td>
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<td>● Motorola contract extension paves way for new products</td>
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<td>● New proprietary SaaS platform with competitive applications</td>
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<th>Building a vertically integrated franchise</th>
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<tr>
<td>● Combined and innovative hardware/software roadmap</td>
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<td>● Compounding SaaS revenues &amp; healthy margins of 80%+</td>
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