

REFINITIV

DELTA REPORT

10-Q

SMARTRENT, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1269

■ CHANGES	322
■ DELETIONS	267
■ ADDITIONS	680

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31**, June 30, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **001-39991**

SMARTRENT, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

85-4218526

(I.R.S. Employer Identification No.)

8665 E. Hartford Drive, Suite 200

Scottsdale, Arizona

(Address of Principal Executive Offices)

85255

(Zip Code)

(844) 479-1555

(Registrant's Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value	SMRT	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

As of **May 6, 2024** **August 5, 2024**, there were **201,828,020** **202,393,507** shares of the registrant's Class A Common Stock outstanding, par value \$0.0001 per share.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act") that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements." Words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "potentially," "preliminary," "likely," "aim" and similar expressions, and the negatives of these expressions, are intended to identify forward-looking statements. Forward-looking statements appear in a number of places throughout this Report and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, and the markets in which we operate. Forward-looking statements contained in this Report include statements about:

- our future financial performance, including our expectations regarding revenue, cost of revenue, operating expenses, capital expenditures, cash flows, and ability to achieve profitability;
- our future operational performance, including our expectations regarding Annual Recurring Revenue, Average Revenue per Unit, Customer Churn, Net Revenue Retention, Bookings, number of Units Deployed, Units Shipped, and Units Booked;
- the impact of macroeconomic conditions and geopolitical events on our business;

- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- our expectations regarding our share repurchase program;
- our ability to achieve or maintain profitability;
- our ability to effectively manage our growth and future expenses;
- our investment strategy, business strategy and growth strategy, including the use of acquisitions to grow our business;
- the impact of our acquisitions and our ability to successfully integrate acquired businesses;
- management's plans, beliefs and objectives for future operations;
- our expectations about competition and our ability to compete effectively with new and existing competitors in new and existing markets and offerings;
- the impact of seasonal factors on our business;
- our ability to attract new customers, sell into new and existing markets, upsell customers, and develop new products;
- our ability to successfully expand in our existing markets and into new markets;
- our anticipated investments in sales and marketing and research and development;
- our **recent leadership changes**;
- our expectations related to our agreement with ADI Global Distribution;
- our ability to maintain our brand;
- our ability to manage our supply chain;
- our ability to maintain the security and availability of our platform and products;
- potential harm caused by significant disruptions of service, or the actual or perceived failure of our products to prevent security incidents;
- our ability to prevent serious errors or defects across, and to otherwise maintain the interrupted operation of our network;
- our ability to maintain, protect and enhance our intellectual property;
- our expectations of the impact of, and our ability to comply with existing, modified or new laws and regulations applicable to our business;
- our ability to correctly estimate our tax obligations; and
- our ability to successfully defend litigation brought against us.

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The foregoing list may not contain all of the forward-looking statements made in this Report.

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You should not rely on forward-looking statements as predictions of future events. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations and business strategy. We cannot assure you that the events and circumstances reflected in the forward-looking statements will occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in Part II, Item 1A "Risk Factors" of this Report and in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Report may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

The forward-looking statements made in this Report relate only to events as of the date on which the statements were made. Except as required by law, we undertake no obligation to update any forward-looking statements for any reason after the date of this Report or to conform these statements to actual results or to changes in our expectations. You should read this Report and the documents that we reference in this Report and have filed as exhibits to this Report with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (investors.smartrent.com), SEC filings, webcasts, press releases, and conference calls. We use these mediums to communicate with investors and the general public about our company, our products and services, and other issues. It is

possible that the information that we make available may be deemed to be material information. We therefore encourage investors, the media and others interested in our company to review the information that we post on our investor relations website.

SmartRent, the SmartRent logo and other trade names, trademarks or service marks of SmartRent appearing in this Report are the property of SmartRent. Trade names, trademarks and service marks of other companies appearing in this Report are the property of their respective holders.

Unless the context indicates otherwise, the terms "SmartRent," the "Company," "we," "us," and "our" as used in this Report refer to SmartRent, Inc., a Delaware corporation, and its subsidiaries taken as a whole.

PART I. Financial Information

Item 1 - Financial Statements (Unaudited)

SMARTRENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except per share amounts)

	As of		As of	
	March 31, 2024	December 31, 2023	June 30,	December
			2024	31, 2023
ASSETS				
Current assets				
Cash and cash equivalents	\$ 204,701	\$ 215,214	\$ 187,435	\$ 215,214
Restricted cash, current portion	247	495	247	495
Accounts receivable, net	58,093	61,903	65,220	61,903
Inventory	30,899	41,575	34,420	41,575
Deferred cost of revenue, current portion	11,528	11,794	11,335	11,794
Prepaid expenses and other current assets	14,009	9,359	15,179	9,359
Total current assets	319,477	340,340	313,836	340,340
Property and equipment, net	1,314	1,400	1,319	1,400
Deferred cost of revenue	8,792	11,251	6,555	11,251
Goodwill	117,268	117,268	117,268	117,268
Intangible assets, net	26,280	27,249	25,312	27,249
Other long-term assets	12,322	12,248	11,057	12,248
Total assets	\$ 485,453	\$ 509,756	\$ 475,347	\$ 509,756
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	\$ 7,702	\$ 15,076	\$ 6,449	\$ 15,076

Accrued expenses and other current liabilities	21,211	24,976	26,696	24,976
Deferred revenue, current portion	78,077	77,257	67,187	77,257
Total current liabilities	106,990	117,309	100,332	117,309
Deferred revenue	41,491	45,903	44,671	45,903
Other long-term liabilities	3,885	4,096	961	4,096
Total liabilities	152,366	167,308	145,964	167,308
Commitments and contingencies (Note 12)				
Convertible preferred stock, \$0.0001 par value; 50,000 shares authorized as of March 31, 2024 and December 31, 2023; no shares of preferred stock issued and outstanding as of March 31, 2024 and December 31, 2023	-	-		
Convertible preferred stock, \$0.0001 par value; 50,000 shares authorized as of June 30, 2024 and December 31, 2023; no shares of preferred stock issued and outstanding as of June 30, 2024 and December 31, 2023	-	-		
Stockholders' equity				
Class A common stock, \$0.0001 par value; 500,000 shares authorized as of March 31, 2024 and December 31, 2023, respectively; 202,511 and 203,327 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	20	20		
Class A common stock, \$0.0001 par value; 500,000 shares authorized as of June 30, 2024 and December 31, 2023, respectively; 202,169 and 203,327 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	20	20		
Additional paid-in capital	630,878	628,156	633,793	628,156
Accumulated deficit	(297,601)	(285,512)	(304,209)	(285,512)
Accumulated other comprehensive loss	(210)	(216)	(221)	(216)
Total stockholders' equity	333,087	342,448	329,383	342,448
Total liabilities, convertible preferred stock and stockholders' equity	\$ 485,453	\$ 509,756	\$ 475,347	\$ 509,756
See accompanying Notes to Consolidated Financial Statements.				
See accompanying Notes to Condensed Consolidated Financial Statements.				

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SMARTRENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Uaudited)
(in thousands, except per share amounts)

	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023	2024	2023
Revenue						
Hardware	\$ 29,077	\$ 37,325	\$ 24,676	\$ 27,788	\$ 53,753	\$ 65,113
Professional services	3,458	12,769	5,816	10,050	9,274	22,819
Hosted services	17,954	14,985	18,026	15,564	35,980	30,549
Total revenue	50,489	65,079	48,518	53,402	99,007	118,481
Cost of revenue						
Hardware	18,684	32,572	16,318	21,990	35,002	54,562
Professional services	6,448	17,634	8,869	15,809	15,317	33,443
Hosted services	5,934	5,758	6,026	5,720	11,960	11,478

Total cost of revenue	31,066	55,964	31,213	43,519	62,279	99,483
Operating expense						
Research and development	8,362	7,231	7,484	6,536	15,846	13,767
Sales and marketing	4,554	5,161	4,716	4,829	9,270	9,990
General and administrative	16,666	12,017	12,023	10,605	28,689	22,622
Total operating expense	29,582	24,409	24,223	21,970	53,805	46,379
Loss from operations	(10,159)	(15,294)	(6,918)	(12,087)	(17,077)	(27,381)
Interest income, net	2,409	2,016	2,290	1,815	4,699	3,831
Other income, net	103	56				
Other income (expense), net	91	(59)	194	(3)		
Loss before income taxes	(7,647)	(13,222)	(4,537)	(10,331)	(12,184)	(23,553)
Income tax expense (benefit)	45	(7)				
Income tax expense	68	18	113	11		
Net loss	\$ (7,692)	\$ (13,215)	\$ (4,605)	\$ (10,349)	\$ (12,297)	\$ (23,564)
Other comprehensive loss						
Foreign currency translation adjustment	6	104	(11)	(9)	(5)	95
Comprehensive loss	\$ (7,686)	\$ (13,111)	\$ (4,616)	\$ (10,358)	\$ (12,302)	\$ (23,469)
Net loss per common share						
Basic and diluted	\$ (0.04)	\$ (0.07)	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.12)
Weighted-average number of shares used in computing net loss per share	203,485	198,334	201,986	199,619	202,735	198,980

See accompanying Notes to Consolidated Financial Statements.

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(in thousands)

	Convertible Preferred Stock		Class A Common Stock						Accumulated other comprehensive (loss)			Total Stockholder's Equity
			Amount (Par Value \$0.0001)			Amount (Par Value \$0.0001)			Additional Paid In Capital	Accumulated Deficit	comprehensive (loss)	
	Shares	\$0.0001)	Shares	\$0.0001)								
Balance, December 31, 2023	-	\$ -	203,327	\$ 20	\$ 628,156	\$ (285,512)	\$ (216)	\$ 342,448				
Stock-based compensation	-	\$ -			3,281							3,281
Issuance of Class A common stock upon vesting of equity awards	-	\$ -	775									
Tax withholdings related to net share settlement of equity awards	-	\$ -	(291)		(898)							(898)
Exercise of options	-	\$ -	192		2							2
Net settlement related to exercise of options	-	\$ -	(31)									
ESPP purchases	-	\$ -	134		337							337
Repurchases of Class A common stock			(1,595)									(4,397)
Net loss	-	\$ -										(7,692)
Other comprehensive income	-	\$ -										6
Balance, March 31, 2024	-	\$ -	202,511	\$ 20	\$ 630,878	\$ (297,601)	\$ (210)	\$ 333,087				
Convertible Preferred Stock		Class A Common Stock						Accumulated other comprehensive (loss)			Total Stockholder's Equity	
		Amount (Par Value \$0.0001)			Amount (Par Value \$0.0001)			Additional Paid In Capital	Accumulated Deficit	comprehensive (loss)	Stockholder's Equity	
Shares		\$0.0001)	Shares	\$0.0001)								
Balance, December 31, 2023	-	\$ -	203,327	\$ 20	\$ 628,156	\$ (285,512)	\$ (216)	\$ 342,448				
Stock-based compensation	-	\$ -			3,281							3,281
Issuance of Class A common stock upon vesting of equity awards	-	\$ -	775									
Tax withholdings related to net share settlement of equity awards	-	\$ -	(291)		(898)							(898)
Exercise of options	-	\$ -	192		2							2
Net settlement related to exercise of options	-	\$ -	(31)									
ESPP purchases	-	\$ -	134		337							337
Repurchases of Class A common stock			(1,595)									(4,397)
Net loss	-	\$ -										(7,692)
Other comprehensive income	-	\$ -										6
Balance, March 31, 2024	-	\$ -	202,511	\$ 20	\$ 630,878	\$ (297,601)	\$ (210)	\$ 333,087				
Stock-based compensation	-	\$ -			3,284							3,284
Issuance of common stock upon vesting of equity awards	-	\$ -	568									
Tax withholdings related to net share settlement of equity awards	-	\$ -	(145)		(369)							(369)
Repurchases of Class A common stock	-	\$ -	(765)									(2,003)
Net loss	-	\$ -										(4,605)

Other comprehensive loss	-	-	-	-	-	-	(11)	(11)
Balance, June 30, 2024	-	\$ -	202,169	\$ 20	\$ 633,793	\$ (304,209)	\$ (221)	\$ 329,383

SMARTRENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(in thousands)

	Convertible Preferred Stock		Class A Common Stock						Convertible Preferred Stock		Class A Common Stock					
	Shares	\$0.0001)	Amount		Accumulated			Stockholders' Equity	Shares	\$0.0001)	Amount		Accumulated			
			(Par Value	Shares \$0.0001)	(Par Value	Additional Capital	Accumulated Deficit	(loss) income			(Par Value	Shares \$0.0001)	(Par Value	Additional Capital	Accumulated Deficit	
Balance, December 31, 2022	-	\$ -	198,525	\$ 20	\$ 615,281	\$ (250,925)	\$ (176)	\$ 364,200	-	\$ -	198,525	\$ 20	\$ 615,281	\$ (250,925)	\$ (176)	
Stock-based compensation	-	-	-	-	3,680	-	-	-	3,680	-	-	-	-	-	3,680	
Issuance of Class A common stock upon vesting of equity awards	-	-	751	-	-	-	-	-	-	-	751	-	-	-	-	
Tax withholdings related to net share settlement of equity awards	-	-	(246)	-	(661)	-	-	(661)	-	-	(246)	-	(661)	-	-	
Exercise of options	-	-	151	-	71	-	-	71	-	-	151	-	71	-	-	
ESPP purchases	-	-	176	-	438	-	-	438	-	-	176	-	438	-	-	
Net loss	-	-	-	-	(13,215)	-	-	(13,215)	-	-	-	-	-	-	(13,215)	
Other comprehensive income	-	-	-	-	-	104	-	104	-	-	-	-	-	-	-	
Balance, March 31, 2023	-	\$ -	199,357	\$ 20	\$ 618,809	\$ (264,140)	\$ (72)	\$ 354,617	-	\$ -	199,357	\$ 20	\$ 618,809	\$ (264,140)	\$ (72)	
Stock-based compensation	-	-	-	-	3,276	-	-	3,276	-	-	-	-	-	-	-	
Tax withholdings related to net share settlement of equity awards	-	-	(140)	-	(424)	-	-	(424)	-	-	-	-	-	-	-	

Issuance of common stock upon vesting of equity awards	-	-	652	-	-	-	-
Exercise of options	-	-	200	-	94	-	94
Net loss	-	-	-	-	(10,349)	-	(10,349)
Other comprehensive loss	-	-	-	-	-	(9)	(9)
Balance, June 30, 2023	-	\$	200,069	\$	20	\$	621,755
					(274,489)	\$	(81)
						\$	347,205

See accompanying Notes to Condensed Consolidated Financial Statements.

SMARTRENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited)
(in thousands)

	For the three months ended March 31,		For the six months ended June 30,	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$ (7,692)	\$ (13,215)	\$ (12,297)	\$ (23,564)
Adjustments to reconcile net loss to net cash used by operating activities				
Depreciation and amortization	1,501	1,254	3,086	2,596
Impairment of investment in non-affiliate	2,250	-		
Provision for warranty expense	(552)	-	(837)	-
Non-cash lease expense	375	299	732	412
Stock-based compensation related to acquisition	-	109	-	109
Stock-based compensation	3,281	3,571	6,565	6,847
Compensation expense related to acquisition	137	1,625	-	1,769
Change in fair value of earnout related to acquisition	80	141	140	306
Non-cash interest expense	39	32	72	65
Provision for excess and obsolete inventory	96	(60)	120	47
Provision for doubtful accounts	1,181	(89)		
Non-cash legal accrual (Note 12 "Commitments and Contingencies")	4,955	-		
Provision for expected credit losses	1,360	(1)		
Non-cash legal expense (Note 12 "Commitments and Contingencies")	4,955	-		
Change in operating assets and liabilities				
Accounts receivable	2,701	3,483	(4,712)	2,416
Inventory	5,612	8,949	2,059	15,188
Deferred cost of revenue	2,726	3,294	5,155	7,285
Prepaid expenses and other assets	349	(4,577)	(1,839)	(6,311)
Accounts payable	(7,448)	(6,661)	(8,663)	(12,059)
Accrued expenses and other liabilities	(6,673)	(11,129)	(3,339)	(13,201)

Deferred revenue	(3,591)	3,011	(11,208)	2,878
Lease liabilities	(414)	(327)	(813)	(466)
Net cash used in operating activities	(3,337)	(10,290)	(17,214)	(15,684)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(34)	(27)	(275)	(49)
Capitalized software costs	(922)	(1,142)	(1,722)	(2,279)
Net cash used in investing activities	(956)	(1,169)	(1,997)	(2,328)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchases of Class A common stock	(4,373)	-	(6,381)	-
Proceeds from options exercise	2	71	2	71
Proceeds from ESPP purchases	337	438	337	438
Taxes paid related to net share settlements of stock-based compensation awards	(898)	(661)	(1,267)	(1,085)
Payment of earnout related to acquisition	(1,530)	(1,702)	(1,530)	(1,702)
Net cash used in financing activities	(6,462)	(1,854)	(8,839)	(2,278)
Effect of exchange rate changes on cash and cash equivalents	(6)	27	23	41
Net decrease (increase) in cash, cash equivalents, and restricted cash	(10,761)	(13,286)		
Net decrease in cash, cash equivalents, and restricted cash	(28,027)	(20,249)		
Cash, cash equivalents, and restricted cash - beginning of period	215,709	217,713	215,709	217,713
Cash, cash equivalents, and restricted cash - end of period	\$ 204,948	\$ 204,427	\$ 187,682	\$ 197,464
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets				
Cash and cash equivalents	\$ 204,701	\$ 203,933	\$ 187,435	\$ 196,970
Restricted cash, current portion	247	247	247	247
Restricted cash, included in other long-term assets	-	247	-	247
Total cash, cash equivalents, and restricted cash	\$ 204,948	\$ 204,427	\$ 187,682	\$ 197,464

See accompanying Notes to Consolidated Financial Statements.

See accompanying Notes to Condensed Consolidated Financial Statements.

SMARTRENT, INC.				
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED				
	For the three months ended March 31,		For the six months ended June 30,	
	2024	2023	2024	2023
Supplemental disclosure of cash flow information				
Interest paid	\$ 72	\$ 70	\$ 131	\$ 56
Cash paid for income taxes	\$ 6	\$ -	\$ 165	\$ 71
Schedule of non-cash investing and financing activities				
Accrued property and equipment at period end	\$ 81	\$ 8	\$ 55	\$ -
Stock repurchases excise tax charged to equity	\$ 24	\$ -	\$ 19	\$ -
Other receivable for options exercised at period end	\$ -	\$ 94		

See accompanying Notes to Consolidated Financial Statements.

SMARTRENT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except per share amounts)

NOTE 1. DESCRIPTION OF BUSINESS

SmartRent, Inc., and its wholly owned subsidiaries (collectively, the "Company"), is an enterprise real estate technology company that provides comprehensive management software and applications designed for property owners, managers and residents. Its suite of products and services, which includes both smart building hardware and cloud-based software-as-a-service ("SaaS") solutions, provides seamless visibility and control over real estate assets. The Company's platform lowers solutions can help lower operating costs, increases revenues, mitigates increase revenue, mitigate operational friction and protects protect assets for owners and operators, while providing a differentiated, elevated living experience for residents. The Company is headquartered in Scottsdale, Arizona.

The Company, formerly known as Fifth Wall Acquisition Corp. I ("FWAA"), was originally incorporated in Delaware on November 23, 2020, as a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or other similar business combination with one or more target businesses. On February 9, 2021, the Company consummated its initial public offering, following which its shares began trading on the Nasdaq National Market. On April 21, 2021, FWAA entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with SmartRent.com, Inc. ("Legacy SmartRent") and Einstein Merger Corp. I, a wholly owned subsidiary of FWAA. On August 24, 2021, the transactions contemplated by the Merger Agreement (the "Business Combination") were consummated. In connection with the closing of the Business Combination, FWAA changed its name to SmartRent, Inc. and its shares began trading on the New York Stock Exchange under the symbol "SMRT." As a result of the Business Combination, SmartRent, Inc. became the owner, directly or indirectly, of all of the equity interests of Legacy SmartRent and its subsidiaries.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Financial Information

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the consolidated accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation. The Consolidated Balance Sheet at December 31, 2023 has been derived from the audited consolidated financial statements as of December 31, 2023, as presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on March 5, 2024. Certain notes and other information have been condensed or omitted from the interim financial statements presented herein. The financial data and other information disclosed in these Notes to Condensed Consolidated Financial Statements related to the three and six months ended March 31, 2024 June 30, 2024 and 2023 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of the Company's financial condition and results of operations and cash flows for the interim period presented. The results for the three and six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results to be expected for the full year ending December 31, 2024 or any future period.

SMARTRENT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except per share amounts)

Immaterial Restatement of Prior Period Financial Statements

Subsequent to the issuance of the Company's financial statements for the three months ended March 31, 2023, the Company's management identified an error in the classification of cash paid for capitalized software costs that had previously been included in operating activities but should have been included in investing activities within the statement of cash flows. As a result, the accompanying Consolidated Statement of Cash Flows for the three months ended March 31, 2023 has been restated from amounts previously reported. Management determined that the error was not material to previously issued financial statements. The following table presents the effects of the restatement to the Company's Consolidated Statement of Cash Flows for the three months ended March 31, 2023.

	As Previously Reported		Adjustment		As Restated
Cash Flows from Operating Activities:					
Change in prepaid expenses and other Assets	\$ (5,719)		\$ 1,142		\$ (4,577)
Net cash used in operating activities		(11,432)		1,142	(10,290)
Cash Flows from Investing Activities:					
Capitalized software costs	-		(1,142)		(1,142)
Net cash used in investing activities	\$ (27)		\$ (1,142)		\$ (1,169)

Foreign Currency

SmartRent, Inc.'s functional and reporting currency is United States Dollars ("USD") and its foreign subsidiaries have a functional currency other than USD. Financial position and results of operations of the Company's international subsidiaries are measured using local currencies as the functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect at the end of each reporting period. The Company's international subsidiaries' statements of operations accounts are translated at the weighted-average rates of exchange prevailing during each reporting period. Translation adjustments arising from the use of differing currency exchange rates from period to period are included in accumulated other comprehensive loss in stockholders' equity. Gains and losses on foreign currency exchange transactions, as well as translation gains or losses on transactions denominated in currencies other than an entity's functional currency, are reflected in the Consolidated Statements of Operations and Comprehensive Loss.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(in thousands, except per share amounts)

Liquidity

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and liabilities and commitments in the normal course of business. Management believes that currently available resources will provide sufficient funds to enable the Company to meet its obligations for at least one year past the issuance date of these financial statements. The Company may need to raise additional capital through equity or debt financing to fund future operations until it generates positive operating cash flows. There can be no assurance that such additional equity or debt financing will be available on terms acceptable to the Company, or at all.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expense during the reporting period. These estimates made by management include valuing the Company's inventories on hand, allowance for doubtful accounts, expected credit losses, intangible assets, earnout liabilities, warranty liabilities, stand-alone selling price of items sold, and certain assumptions used in the valuation of equity awards, including the estimated fair value of common stock warrants, and assumptions used to estimate the fair value of stock-based compensation expense. Actual results could differ materially from those estimates.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(in thousands, except per share amounts)

Net Loss Per Share Attributable to Common Stockholders

The Company follows the two-class method to include the dilutive effect of securities that participated in dividends, if and when declared, when computing net income per common share. The two-class method determines net income per common share for each class of common stock and participating securities according to dividends, if and when declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The anti-dilutive effect of potentially dilutive securities is excluded from the computation of net loss per share because inclusion of such potentially dilutive shares on an as-converted basis would have been anti-dilutive.

The Company considers any unvested common shares subject to repurchase to be participating securities because holders of such shares have non-forfeitable dividend rights in the event a dividend is paid on common stock. The holders of unvested shares of common stock subject to repurchase do not have a contractual obligation to share in losses.

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, adjusted for outstanding shares that are subject to repurchase and any shares issuable by the exercise of warrants for nominal consideration.

Diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which the Company reports a net loss, the diluted net loss per common share attributable to common stockholders is the same as basic net loss per common share attributable to common stockholders, because inclusion of such potentially dilutive shares on an as-converted basis would have been anti-dilutive.

Cash and Cash Equivalents

The Company considers financial instruments with an original maturity of three months or less to be cash and cash equivalents. The Company maintains cash and cash equivalents at multiple financial institutions, and, at times, these balances exceed federally insurable limits. As a result, there is a concentration of credit risk related to amounts on deposit. The Company believes any risks are mitigated through the size and security of the financial institution at which its cash balances are held.

10**SMARTRENT, INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(in thousands, except per share amounts)

Restricted Cash

The Company considers cash to be restricted when withdrawal or general use is legally restricted. The Company reports the current portion of restricted cash as a separate item in the Consolidated Balance Sheets and the non-current portion is a component of other long-term assets in the Consolidated Balance Sheets. The Company determines current or non-current classification based on the expected duration of the restriction.

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(Unaudited)

(in thousands, except per share amounts)

Accounts Receivable, net

Accounts receivable consist of balances due from customers resulting from the sale of hardware, professional services and Hosted Services. Accounts receivable are recorded at invoiced amounts, are non-interest bearing and are presented net of the associated allowance for **doubtful accounts** **expected credit losses** on the Consolidated Balance Sheets.

The allowance for **doubtful accounts expected credit losses** totaled **\$2,542** **2,721** and **\$1,361** as of **March 31, 2024** **June 30, 2024**, and December 31, 2023, respectively. The provision for **doubtful accounts expected credit losses** is recorded in general and administrative expenses in the accompanying Consolidated Statements of Operations and Comprehensive Loss; the provision for **doubtful accounts expected credit losses** totaled **\$1,181** **1,360** and **(\$89)** for the **three** **six** months ended **March 31, 2024** and **2023**, **respectively**. There were no material write-offs of accounts receivable for the three and six months ended **March 31, 2024** **June 30, 2024** or for the **three** and **2023**, **six months ended June 30, 2023**. The Company evaluates the collectability of the accounts receivable balances and has determined the allowance for **doubtful accounts expected credit losses** based on a combination of factors, which include the nature of the relationship and the prior collection experience the Company has with the account and an evaluation for current and projected economic conditions as of the Consolidated Balance Sheets date. Accounts receivable determined to be uncollectible are charged against the allowance for **doubtful accounts expected credit losses**. Actual collections of accounts receivable could differ from management's estimates.

Significant Customers

A significant customer represents 10% or more of the Company's total revenue or net accounts receivable balance at each respective Consolidated Balance Sheet date. Revenue as a percentage of total revenue and accounts receivable as a percentage of total accounts receivable for each significant customer follows.

	Accounts Receivable		Revenue		Accounts Receivable		Revenue		Revenue	
	As of		For the three months ended		As of		For the three months ended		For the six months ended	
	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Customer A	*	*	*	16%	*	*	*	*	*	11%
Customer B	20%	18%	*	13%	15%	18%	*	13%	*	13%
Customer C	13%	13%	*	*	*	13%	*	*	*	*
Customer D	19%	*	25%	*	18%	*	*	*	16%	*
Customer E	*	*	*	12%	*	*				
Customer F	18%	*	26%	*	15%	*				

* Total less than 10% for the respective period

Inventory

Inventories, which are comprised of smart home equipment and components, are stated at the lower of cost or net realizable value with cost determined under the first-in, first-out method. The Company adjusts the inventory balance based on anticipated obsolescence, usage and historical write-offs.

In August 2023, the Company entered into a Product Sales Agreement (the "Agreement") with ADI Global Distribution ("ADI"), pursuant to which, ADI agreed to serve as the Company's non-exclusive hardware fulfillment partner throughout the United States, Canada, and Puerto Rico. The Company is subject to certain buy-back provisions relating to the transferred inventory. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company recorded **\$631** **2,267** and **\$851** in connection with the buy back provision, which is recorded in other current liabilities on the Consolidated Balance Sheets.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(in thousands, except per share amounts)

Goodwill

Goodwill represents the excess of cost over net assets of the Company's completed business combinations. The Company tests for potential impairment of goodwill on an annual basis as of September 30 to determine if the carrying value is less than the fair value. The Company will conduct additional tests between annual tests if there are indications of potential goodwill impairment. No goodwill impairment has been recorded as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

Intangible Assets

The Company recorded intangible assets with finite lives, including customer relationships and developed technology, as a result of acquisitions made in prior years. Intangible assets are amortized on a straight-line basis based on their estimated useful lives. The estimated useful life of these intangible assets are as follows.

Estimated useful life (in years)

Trade name	5
Customer relationships	10 - 13
Developed technology	1 - 7

Warranty Allowance

The Company provides its customers with limited-service warranties associated with product replacement and related services. The warranty typically lasts one year following the installation of the product. The estimated warranty costs, which are expensed at the time of sale and included in hardware cost of revenue, are based on the results of product testing, industry and historical trends and warranty claim rates incurred and are adjusted for identified current or anticipated future trends as appropriate. Actual warranty claim costs could differ from these estimates. For the three months ended **March 31, 2024** June 30, 2024 and 2023, warranty expense included in cost of hardware revenue was **\$1,931,136** and **\$540,413**, respectively. For the six months ended June 30, 2024 and 2023, warranty expense included in cost of hardware revenue was **\$43** and **\$953**, respectively. As of **March 31, 2024** June 30, 2024, and December 31, 2023, the Company's warranty allowance was **\$1,570,1,421** and **\$2,215**, respectively, and is recorded in other current liabilities on the Consolidated Balance Sheets.

During the year ended December 31, 2020, the Company identified a deficiency with batteries contained in certain hardware sold and has included an estimate of the expected cost to remove these batteries, which were acquired from one supplier, in its warranty allowance. As of **March 31, 2024** June 30, 2024, and December 31, 2023, **\$864** and **\$864**, respectively, is included in the Company's warranty allowance related to the remaining cost of replacement for this identified battery deficiency.

During the year ended December 31, 2023, the Company identified a deficiency with the firmware and sensor accuracy of certain hardware sold and has included an estimate of the expected cost to update the related firmware and hardware. As of **March 31, 2024** and December 31, 2023, **\$30** and **\$410**, respectively, is included in the Company's warranty allowance related to the remaining cost to perform the firmware and hardware updates. As of June 30, 2024, there is no amount in the Company's warranty allowance related to the remaining cost to perform the firmware and hardware updates.

Fair Value of Financial Instruments

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities subject to on-going fair value measurement are categorized and disclosed into one of three categories depending on observable or unobservable inputs employed in the measurement. These two types of inputs have created the following fair value hierarchy.

Level 1: Quoted prices in active markets that are accessible at the measurement date for assets and liabilities.

Level 2: Observable prices that are based on inputs not quoted in active markets but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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This hierarchy requires the Company to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value. The Company recognizes transfers between levels of the hierarchy based on the fair values of the respective financial measurements at the end of the reporting period in which the transfer occurred. There were no transfers between levels of the fair value hierarchy during the three or six months ended **March 31, 2024** June 30, 2024 or 2023. The carrying amounts of the Company's accounts receivable, accounts payable and accrued and other liabilities approximate their fair values due to their short maturities.

Revenue Recognition

The Company derives its revenue primarily from sales of systems that consist of hardware devices, professional services and Hosted Services to assist property owners and property managers with visibility and control over assets, while providing all-in-one home control offerings for residents. Revenue is recorded when control of these products and services is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those products and services.

The Company may enter into contracts that contain multiple distinct performance obligations. The transaction price for a typical arrangement includes the price for: smart home hardware devices, professional services, and a subscription for use of the Company's software ("Hosted Services"). Included in these contracts are centrally connected devices ("Hub Devices"), which integrate the Company's enterprise software with third party smart devices. Historically, the Company only sold non-distinct Hub Devices which only functioned with a subscription to its software ("non-distinct Hub Devices"). During the year ended December 31, 2022, the Company began shipping Hub Devices with features that function independently from its software subscription ("distinct Hub Devices"). Non-distinct Hub Devices are recognized as a single performance obligation with the Company's software in Hosted Services revenue, while distinct Hub Devices are recognized as a separate performance obligation in hardware revenue. When distinct Hub Devices are included in a contract, the Hosted Services performance obligation is comprised of only the Company's software.

The Company considers delivery for each of the hardware, professional services and Hosted Services to be separate performance obligations. The hardware performance obligation includes the delivery of smart home hardware and distinct Hub Devices. The professional services performance obligation includes the services to install the hardware. The Hosted Services performance obligation provides a subscription that allows the customer access to software during the contracted-use term when the promised service is provided to the customer. Also included in the hosted service performance obligation are non-distinct Hub Devices that only function with a subscription to the Company's software.

Payments are received by the Company by credit card, check or automated clearing house payments and payment terms are determined by individual contracts and generally range from due upon receipt to net 30 days. Taxes collected from customers and remitted to governmental authorities are not included in reported revenue. Payments received from customers in advance of revenue recognition are reported as deferred revenue. The Company has elected the following practical expedients following the adoption of ASC 606:

- Shipping and handling costs: the Company elected to account for shipping and handling activities that occur after the customer has obtained control of a good as fulfillment activities (i.e., an expense) rather than as a promised service and are recorded as hardware cost of revenue. Amounts billed for shipping and handling fees are recorded as revenue.
- Sales tax collected from customers: the Company elected to exclude from the measurement of transaction price all taxes assessed by a government authority that are imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer.
- Measurement of the transaction price: the Company applies the practical expedient that allows for inclusion of the future auto-renewals in the initial measurement of the transaction price. The Company only applies these steps when it is probable that it will collect the consideration to which it is entitled in exchange for the goods or services transferred to a customer.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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- Significant financing component: the Company elected not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of promised goods or services and when the customer pays for the goods or services will be one year or less.

Timing of Revenue Recognition is as follows.

- *Hardware Revenue*

Hardware revenue results from the direct sale to customers of hardware smart home devices, which devices generally consist of a distinct Hub Device, door locks, thermostats, sensors, and light switches. These hardware devices provide features that function independently without subscription to the Company's software, and the performance obligation for hardware revenue is considered satisfied, and revenue is recognized at a point in time when the hardware device is shipped to the customer. The Company generally provides a one-year warranty period on hardware devices that are delivered and installed. The cost of the warranty is recorded as a component of cost of hardware revenue.

- *Professional Services Revenue*

Professional services revenue results from installing smart home hardware devices, which does not result in significant customization of the product and is generally performed over a period from two to four weeks. Installations can be performed by the Company's employees, contracted out to a third-party with the Company's employees managing the engagement, or the customer can perform the installation themselves. The Company's professional services contracts are generally arranged on a fixed price basis, and revenue is recognized over the period in which the installations are completed.

- *Hosted Services Revenue*

Hosted Services revenue primarily consists of monthly subscription revenue generated from fees that provide customers access to one or more of the Company's software applications including access controls, asset monitoring and related **services**, **services**, and our Community WiFi solution, which provides communities with a private, device-

dedicated WiFi network. These subscription arrangements have contractual terms ranging from one-month one month to eight-years eight years and include recurring fixed plan subscription fees. Arrangements with customers do not provide the customer with the right to take possession of the Company's software at any time. Customers are granted continuous access to the services over the contractual period. Accordingly, fees collected for subscription services are recognized on a straight-line basis over the contract term beginning on the date the subscription service is made available to the customer. Variable consideration is immaterial.

Also included in Hosted Services revenue are non-distinct Hub Devices. The Company considers those devices and hosting services subscription a single performance obligation and therefore defers the recognition of revenue for those devices upon shipment to the customer. The revenue is then amortized over its average service life. When a non-distinct Hub Device is included in a contract that does not require a long-term service commitment, the customer obtains a material right to renew the service because purchasing a new device is not required upon renewal. If a contract contains a material right, proceeds are allocated to the material right and recognized over the period of benefit, which is generally four years.

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SMARTRENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(in thousands, except per share amounts)

Cost of Revenue

Cost of revenue consists primarily of direct costs of products and services together with the indirect cost of estimated warranty expense and customer care and support over the life of the service arrangement.

- *Hardware*

Cost of hardware revenue consists primarily of direct costs of products, such as the distinct Hub Device, hardware devices, supplies purchased from third-party providers, and shipping costs, together with indirect costs related to warehouse facilities (including depreciation and amortization of capitalized assets and right-of-use assets), infrastructure costs, personnel-related costs associated with the procurement and distribution of products and warranty expenses together with the indirect cost of customer care and support.

- *Professional Services*

Cost of professional services revenue consists primarily of direct costs related to personnel-related expenses for installation and supervision of installation services, general contractor expenses and travel expenses associated with the installation of products and indirect costs that are also primarily personnel-related expenses in connection with training of and ongoing support for customers and residents.

- *Hosted Services*

Cost of Hosted Services revenue consists primarily of the amortization of the direct costs of non-distinct Hub Devices, consistent with the revenue recognition period noted above in "Hosted Services Revenue", and infrastructure costs associated with providing software applications together with the indirect cost of customer care and support over the life of the service arrangement.

Deferred Cost of Revenue

Deferred cost of revenue includes all direct costs included in cost of revenue for Hosted Services and non-distinct Hub Devices that have been deferred to future periods.

Stock-Based Compensation

Our stock-based compensation consists of stock options and restricted stock units ("RSUs") granted to our employees and directors during the periods presented. Stock-based awards are measured based on the grant date fair value. We estimate the fair value of stock option awards on the grant date using the Black-Scholes option-pricing model. The fair value of RSUs is based on the grant date fair value of the stock price. The fair value of these awards is recognized as compensation expense on a straight-line basis over the requisite service period in which the awards are expected to vest. Forfeitures are recognized as they occur by reversing previously recognized compensation expense.

The Black-Scholes model considers several variables and assumptions in estimating the fair value of stock-based awards. These variables include the per share fair value of the underlying common stock, exercise price, expected term, risk-free interest rate, expected annual dividend yield, and the expected stock price volatility over the expected term and forfeitures, which are recognized as they occur. For all stock options granted, we calculated the expected term using the simplified method for "plain vanilla" stock option awards.

The grant date fair value is also utilized with respect to RSUs with performance and service conditions to vest. For RSUs with a performance condition, based on a liquidity event, as well as a service condition to vest, no compensation expense is recognized until the performance condition has been satisfied. Subsequent to the liquidity event, compensation expense is recognized to the extent the requisite service period has been completed and compensation expense thereafter is recognized on an accelerated attribution method. Under the accelerated attribution method, compensation expense is recognized over the remaining requisite service period for each service condition tranche as though each tranche is, in substance, a separate award. In August 2021, the Company completed the merger with FWA, which met the liquidity event vesting condition and triggered the recognition of compensation expense for RSUs for which the time-based vesting condition had been satisfied or partially satisfied.

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SMARTRENT, INC.

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(in thousands, except per share amounts)

Research and Development

These expenses relate to the research and development of new products and services and enhancements to the Company's existing product offerings. The Company accounts for the cost of research and development by capitalizing qualifying costs, which are incurred during the product development stage, and amortizing those costs over the product's estimated useful life, which generally ranges from three to five years depending on the type of application. The Company expenses preliminary evaluation costs as they are incurred before the product development stage, as well as post development implementation and operation costs, such as training, maintenance and minor upgrades. As of **March 31, 2024** **June 30, 2024**, the Company had capitalized **\$8,027** **9,719** of research and development costs in other long-term assets on the Consolidated Balance Sheets, of which **\$6,789** **8,059** remained to be amortized. As of December 31, 2023, the Company had capitalized \$7,064 of research and development costs in other long-term assets on the Consolidated Balance Sheets, of which \$6,163 remains to be amortized. During the three months ended March 31, 2024 and 2023, \$350 and \$82 of amortization expense related to capitalized research and development was recorded in research and development expenses on the Consolidated Statements of Operations and Comprehensive Loss, respectively.

Advertising

Advertising costs are expensed as incurred and recorded as a component of sales and marketing expense. The Company incurred **\$83** **149** and **\$152** **115** of advertising expenses for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively. The Company incurred \$232 and \$267 of advertising expenses for the six months ended June 30, 2024 and 2023, respectively.

Segments

The Company has one operating segment and one reportable segment as its segment. Its chief operating decision maker, who is its Chief Executive Officer, a management committee comprised of current executives (the "Management Committee"), reviews financial information on a consolidated basis for purposes of allocating resources and evaluating financial performance. The Company's principal operations are in the United States and the Company's long-lived assets are located primarily within the United States. The Company held **\$7,994** **8,413** and \$8,280 of assets outside the United States as of **March 31, 2024** **June 30, 2024**, and December 31, 2023, respectively.

Recent Accounting Guidance

Recent Accounting Guidance Not Yet Adopted

In November 2023, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU updates the annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. Early adoption is also permitted. The Company is currently evaluating the potential effect that the updated standard will have on the consolidated financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09 - Income Taxes (Topics 740): Improvements to Income Tax Disclosures. This ASU requires the expansion of disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the potential effect that the updated standard will have on the consolidated financial statement disclosures.

Recently Adopted Accounting Guidance

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326)" which modifies the measurement of expected credit losses of certain financial instruments. This update is effective for fiscal years beginning after December 15, 2022 and must be applied using a modified-retrospective approach, with early adoption permitted. The requirement to disclose credit quality indicators by year or origination is not applicable to trade receivables due in one year or less that result from revenue transactions within the scope of ASC 606. The Company adopted ASU 2016-13 effective January 1, 2023 using the modified-retrospective approach. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

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SMARTRENT, INC.
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(Uaudited)
(in thousands, except per share amounts)

NOTE 3. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF INSTRUMENTS

The following tables display the carrying values and fair values of financial instruments.

Assets on the Consolidated Balance Sheets	As of						As of						
	March 31, 2024			December 31, 2023			June 30, 2024			December 31, 2023			
	Carrying Value	Unrealized Losses	Fair Value										
Cash and cash equivalents	Level 1	\$ 204,701	\$ -	\$ 204,701	\$ 215,214	\$ -	\$ 215,214	\$ 187,435	\$ -	\$ 187,435	\$ 215,214	\$ -	\$ 215,214
Restricted cash	Level 1	247	-	247	495	-	495	247	-	247	495	-	495
Total		\$ 204,948	\$ -	\$ 204,948	\$ 215,709	\$ -	\$ 215,709	\$ 187,682	\$ -	\$ 187,682	\$ 215,709	\$ -	\$ 215,709

The Company reports the current portion of restricted cash as a separate item in the Consolidated Balance Sheets and the non-current portion is a component of other long-term assets in the Consolidated Balance Sheets.

Liabilities on the Consolidated Balance Sheets	As of				As of					
	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023			
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value		
Acquisition earnout payment	Level 3	\$ 2,800	\$ 2,800	\$ 4,250	\$ 4,250	Level 3	\$ 2,860	\$ 2,860	\$ 4,250	\$ 4,250
Total liabilities		\$ 2,800	\$ 2,800	\$ 4,250	\$ 4,250		\$ 2,860	\$ 2,860	\$ 4,250	\$ 4,250

In December 2021, the Company purchased all of the outstanding equity interests of iQue, LLC ("iQue"). The Company reports the current portion of the acquisition earnout payment as a component of other current liabilities in the Consolidated Balance Sheets and the non-current portion is a component of other long-term liabilities on the Consolidated Balance Sheets. Earnout payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs. The changes in the fair value of the Company's Level 3 liabilities for the **three six months ended March 31, 2024** **June 30, 2024** and year ended December 31, 2023 are as follows.

Balance at beginning of period	As of			
	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Balance at beginning of period	\$ 4,250	\$ 5,540	\$ 4,250	\$ 5,540
Payment of earnout in connection with the iQue acquisition	(1,530)	(1,702)	(1,530)	(1,702)
Change in fair value of earnout	80	412	140	412

Balance at end of period	\$ 2,800	\$ 4,250	\$ 2,860	\$ 4,250
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The fair value of the earnout payment is measured on a recurring basis at each reporting date. The following inputs and assumptions were used in the Monte Carlo simulation model to estimate the fair value of the earnout payment as of **March 31, 2024** **June 30, 2024** and December 31, 2023. During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, the Company determined there was **an** **a \$80** **140** increase in the fair value of the earnout, primarily due to a decreased payment term as the Company is **three** **six** months closer to the payout date. During the **three** **six** months ended **March 31, 2023** **June 30, 2023**, there was a **\$141** **306** increase in the fair value of the earnout, primarily due to a **change** **in** **decreased payment term as the discount rate. Company approached the payment date.** The Company recorded these adjustments in general and administrative expense on the Consolidated Statement of Operations and Comprehensive Loss. The following table sets forth the weighted-average assumptions used to estimate the fair value of the earnout payment as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

	As of		As of	
	March 31, 2024		December 31, 2023	
	Discount Rate	10.90 %	Volatility	40.00 %
		10.50 %		42.00 %
				12.10 %
				40.00 %
				10.50 %
				42.00 %

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NOTE 4. REVENUE AND DEFERRED REVENUE

Disaggregation of Revenue

In the following tables, revenue is disaggregated by primary geographical market, type of revenue, and SmartRent Solution.

Revenue by geography	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023	2024	2023
	United States	\$ 50,301	\$ 64,933	\$ 47,852	\$ 52,627	\$ 98,153
International		188	146	666	775	854
Total revenue	\$ 50,489	\$ 65,079	\$ 48,518	\$ 53,402	\$ 99,007	\$ 118,481

Revenue by type	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023	2024	2023
	Hardware	\$ 29,077	\$ 37,325	\$ 24,676	\$ 27,788	\$ 53,753
Professional services		3,458	12,769	5,816	10,050	9,274
Hosted services		17,954	14,985	18,026	15,564	35,980
Total revenue	\$ 50,489	\$ 65,079	\$ 48,518	\$ 53,402	\$ 99,007	\$ 118,481

	For the three months ended March 31,		For the three months ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands)			

SmartRent Solutions	Professional					Hosted			Total	Professional					Hosted			Total	Professional					Hosted			Total
	Hardware	Services	Services	2024	Hardware	Services	Services	2023	Hardware	Services	Services	2024	Hardware	Services	Services	2023	Hardware	Services	Services	2023	Hardware	Services	Services	2023	Hardware	Services	Services
Smart Communities Solutions																											
Smart Apartments	\$ 27,429	\$ 2,713	\$ 14,072	\$ 44,214	\$ 36,392	\$ 11,691	\$ 11,570	\$ 59,653	\$ 22,124	\$ 4,461	\$ 14,146	\$ 40,731	\$ 26,600	\$ 8,103	\$ 12,111	\$ 46,814	\$ 49,5										
Access Control	1,015	561	349	1,925	778	1,051	153	1,982	866	918	379	2,163	950	1,120	161	2,231	1,8										
Community WiFi	137	16	180	333	5	-	156	161	13	221	179	413	73	783	149	1,005	1										
Other	496	168	492	1,156	150	27	372	549	1,673	216	551	2,440	165	44	371	580	2,1										
Smart Operations Solutions	-	-	2,861	2,861	-	-	2,734	2,734	-	-	2,771	2,771	-	-	-	2,772	2,772										
Total Revenue	\$ 29,077	\$ 3,458	\$ 17,954	\$ 50,489	\$ 37,325	\$ 12,769	\$ 14,985	\$ 65,079	\$ 24,676	\$ 5,816	\$ 18,026	\$ 48,518	\$ 27,788	\$ 10,050	\$ 15,564	\$ 53,402	\$ 53,7										

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Remaining Performance Obligations

Advance payments received from customers are recorded as deferred revenue and are recognized upon the completion of related performance obligations over the period of service. Advance payments for non-distinct Hub Devices were recorded as deferred revenue and recognized over their average in-service life. Advance payments received from customers for subscription services are recorded as deferred revenue and recognized over the term of the subscription. A summary of the change in deferred revenue is as follows.

	For the three months ended March 31,				For the six months ended June 30,			
	2024		2023		2024		2023	
	\$	123,159	\$	139,948	\$	123,159	\$	139,948
Deferred revenue balance as of January 1								
Revenue recognized from balance of deferred revenue								
at the beginning of the period		(8,656)		(14,505)		(8,656)		(14,505)
Revenue deferred during the period		7,075		19,593		7,075		19,593
Revenue recognized from revenue originated								
and deferred during the period		(2,010)		(2,067)		(2,010)		(2,067)
Deferred revenue balance as of March 31		119,568		142,969		119,568		142,969
Revenue recognized from balance of deferred revenue								
at the beginning of the period		(8,914)		(11,896)				
Revenue deferred during the period		4,244		16,954				
Revenue recognized from revenue originated								
and deferred during the period		(3,040)		(5,191)				
Deferred revenue balance as of June 30		111,858		142,836				

As of **March 31, 2024** **June 30, 2024**, the Company expects to recognize **59.61%** of its total deferred revenue within the next 12 months, **20.19%** of its total deferred revenue between 13 and 36 months, **19.18%** between 37 and 60 months, and the remainder is expected to be recognized beyond five years. Contracts may contain termination for convenience provisions that allow the Company, customer, or both parties the ability to terminate for convenience, either at any time or upon providing a specified notice period, without a substantive termination penalty. Included in deferred revenue as of **March 31, 2024** **June 30, 2024** and 2023 are **\$31,178** **30,635** and **\$39,656** **39,725**, respectively, of prepaid fees related to contracts with termination for convenience provisions which are refundable at the request of the customer. Based on the Company's historical experience, customers do not typically exercise their termination for convenience rights.

Deferred cost of revenue includes all direct costs included in cost of revenue that have been deferred to future periods.

NOTE 5. OTHER BALANCE SHEET INFORMATION

Inventory consisted of the following.

	As of		As of	
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Finished Goods	\$ 30,509	\$ 41,206	\$ 34,030	\$ 41,206
Raw Materials	390	369	390	369
Total inventory	\$ 30,899	\$ 41,575	\$ 34,420	\$ 41,575

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The Company writes-down inventory for any excess or obsolete inventories or when the Company believes the net realizable value of inventories is less than the carrying value. During the three months ended **March 31, 2024** **June 30, 2024** and 2023 the Company recorded write-downs of **\$96** **75** and **\$66** **207**. During the six months ended **June 30, 2024** and 2023, the Company recorded write-downs of **\$171** and **\$273**, respectively.

Prepaid expenses and other current assets consisted of the following.

	As of		As of	
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 8,205	\$ 7,144	\$ 7,174	\$ 7,144
Other current assets	5,804	2,215	8,005	2,215
Total prepaid expenses and other current assets	\$ 14,009	\$ 9,359	\$ 15,179	\$ 9,359

Property and equipment, net consisted of the following.

	As of	
	June 30, 2024	December 31, 2023
Computer hardware	\$ 2,419	\$ 2,242
Leasehold improvements	731	717
Warehouse and other equipment	821	748
Furniture and fixtures	178	146
Property and equipment	4,149	3,853
Less: Accumulated depreciation	(2,830)	(2,453)
Total property and equipment, net	\$ 1,319	\$ 1,400

Depreciation and amortization expense on all property, plant and equipment was \$195 and \$197 during the three months ended June 30, 2024 and 2023, respectively. Depreciation and amortization expense on all property, plant and equipment was \$377 and \$400 during the six months ended June 30, 2024 and 2023, respectively.

Intangible assets, net consisted of the following.

	As of					
	June 30, 2024			December 31, 2023		
	Accumulated		Accumulate		d	
	Gross	Amortization	Net	Gross	n	Net
Customer relationships	\$ 22,990	\$ (5,112)	\$ 17,878	\$ 22,990	\$ (4,001)	\$ 18,989
Developed technology	10,600	(3,647)	6,953	10,600	(2,911)	7,689
Trade name	900	(419)	481	900	(329)	571
Total intangible assets, net	\$ 34,490	\$ (9,178)	\$ 25,312	\$ 34,490	\$ (7,241)	\$ 27,249

Amortization expense on all intangible assets was \$968 and \$969 for the three months ended June 30, 2024 and 2023, respectively. Amortization expense on all intangible assets was \$1,937 and \$1,938 for the six months ended June 30, 2024 and 2023, respectively. Total future amortization for finite-lived intangible assets is estimated as follows.

	Amortization Expense	
2024 - Remaining	\$	1,937
2025		3,873
2026		3,873
2027		3,734
2028		3,693
Thereafter		8,202
Total	\$	25,312

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Property and equipment, net consisted of the following.

	As of	
	March 31, 2024	
		December 31, 2023
Computer hardware	\$ 2,320	\$ 2,242
Leasehold improvements	716	717
Warehouse and other equipment	767	748
Furniture and fixtures	146	146
Property and equipment	3,949	3,853
Less: Accumulated depreciation	(2,635)	(2,453)
Total property and equipment, net	\$ 1,314	\$ 1,400

Depreciation and amortization expense on all property, plant and equipment was \$182 and \$203 during the three months ended March 31, 2024 and 2023, respectively.

Intangible assets, net consisted of the following.

	As of					
	March 31, 2024			December 31, 2023		
	Accumulated		Accumulate		d	
	Gross	Amortization	Net	Gross	n	Net
Customer relationships	\$ 22,990	\$ (4,557)	\$ 18,433	\$ 22,990	\$ (4,001)	\$ 18,989

Developed technology	10,600	(3,279)	7,321	10,600	(2,911)	7,689
Trade name	900	(374)	526	900	(329)	571
Total intangible assets, net	\$ 34,490	\$ (8,210)	\$ 26,280	\$ 34,490	\$ (7,241)	\$ 27,249

Amortization expense on all intangible assets was \$969 and \$969 for the three months ended March 31, 2024 and 2023, respectively. Total future amortization for finite-lived intangible assets is estimated as follows.

	Amortization Expense
2024 - Remaining	\$ 2,905
2025	3,873
2026	3,873
2027	3,734
2028	3,693
Thereafter	8,202
Total	\$ 26,280

Other long-term assets consisted of the following.

	As of		As of	
	March 31, 2024		December 31, 2023	
	\$	\$	\$	\$
Capitalized software costs, net	\$ 5,852	\$ 5,632	\$ 6,534	\$ 5,632
Investment in non-affiliate	2,250	2,250	-	2,250
Operating lease - ROU asset, net	2,175	2,550	1,819	2,550
Other long-term assets	2,045	1,816	2,704	1,816
Total other long-term assets	\$ 12,322	\$ 12,248	\$ 11,057	\$ 12,248

Amortization expense on capitalized research and development software costs was \$350,388 and \$82,172 for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, which is primarily related to respectively. Amortization expense for capitalized software costs was \$711 and was recorded in research \$254 for the six months ended June 30, 2024 and development expenses on the Consolidated Statements of Operations and Comprehensive Loss, 2023, respectively.

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In December 2023, the Company invested \$2,250 in a non-affiliated, privately held entity, under a Simple Agreement for Future Equity ("SAFE") agreement. The non-affiliated entity provides support and consultation for consumers looking to manage and upgrade the technology within their home. The Company's investment in the SAFE is recorded using the cost method of accounting and is included under other long-term assets on the Consolidated Balance Sheets, as it is not readily convertible into cash. If the Company identifies factors that may be indicative of impairment the Company will review the investment for impairment. For During the three months ended March 31, 2024 June 30, 2024, the Company identified factors indicative of impairment and recorded an impairment charge of \$2,250 in general and administrative expenses on the Consolidated Statements of Operations and Comprehensive Loss. During the year ended December 31, 2023, the Company did not identify any factors indicative of impairment.

Accrued expenses and other current liabilities consisted of the following.

	As of		As of	
	March 31, 2024		December 31, 2023	
	\$	\$	\$	\$
Accrued expenses	\$ 6,697	\$ 6,674	\$ 6,971	\$ 6,674
Accrued compensation costs	4,206	10,272	6,141	10,272
Warranty allowance	1,570	2,215	1,421	2,215

Other	8,738	5,815	12,163	5,815
Total accrued expenses and other current liabilities	\$ 21,211	\$ 24,976	\$ 26,696	\$ 24,976

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NOTE 6. DEBT

Term Loan and Revolving Line of Credit Facility

In December 2021, the Company entered into a \$75,000 Senior Revolving Facility with a five-year term (the "Senior Revolving Facility"). The Senior Revolving Facility includes a letter of credit sub-facility in the aggregate availability of \$10,000 as a sublimit of the Senior Revolving Facility, and a swingline sub-facility in the aggregate availability of \$10,000 as a sublimit of the Senior Revolving Facility. Proceeds from the Senior Revolving Facility are to be used for general corporate purposes. Amounts borrowed under the Senior Revolving Facility may be repaid and, prior to the Senior Revolving Facility maturity date, reborrowed. The Senior Revolving Facility terminates on the Senior Revolving Facility maturity date in December 2026, when the principal amount of all advances, the unpaid interest thereon, and all other obligations relating to the Senior Revolving Facility shall be immediately due and payable. The Company has yet to draw on the Senior Revolving Facility as of **March 31, 2024** **June 30, 2024**. The Company accounted for the cancellation of its previous revolving facility and the issuance of the Senior Revolving Facility as an exchange with the same creditor. As a result, all costs related to entering into the Senior Revolving Facility that are allowed to be deferred are recorded as a deferred asset and included in other assets on the Consolidated Balance Sheets. These costs totaled \$688 and will be amortized ratably over the five-year term of the Senior Revolving Facility. For the three months ended **March 31, 2024** **June 30, 2024** and 2023, the Company recorded **\$34.38** and **\$34.35**, respectively, of amortization expense in connection with these costs, as a component of interest expense on the Consolidated Statements of Operations and Comprehensive Loss. For the six months ended June 30, 2024 and 2023, the Company recorded **\$72** and **\$69**, respectively, of amortization expense in connection with these costs, as a component of interest expense on the Consolidated Statements of Operations and Comprehensive Loss.

Interest rates for draws upon the Senior Revolving Facility are determined by whether the Company elects a secured overnight financing rate loan ("SOFR Loan") or alternate base rate loan ("ABR Loan"). For SOFR Loans, the interest rate is based upon the forward-looking term rate based on SOFR as published by the CME Group Benchmark Administration Limited (CBA) plus 0.10%, subject to a floor of 0.00%, plus an applicable margin. For ABR Loans, the interest rate is based upon the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.50%, or (iii) 3.25%, plus an applicable margin. As of **March 31, 2024** **June 30, 2024**, the applicable margins for SOFR Loans and ABR Loans under the Senior Revolving Facility were 1.75% and (0.50%), respectively.

In addition to paying interest on the outstanding principal balance under the Senior Revolving Facility, the Company is required to pay a facility fee to the lender in respect of the unused commitments thereunder. The facility fee rate is based on the daily unused amount of the Senior Revolving Facility and is one fourth of one percent (0.25%) per annum based on the unused facility amount. During the three months ended **March 31, 2024** **June 30, 2024** and 2023, the facility fee totaled **\$43.44** and **\$47**, respectively. During the six months ended June 30, 2024 and 2023, the facility fee totaled **\$87** and **\$94**, respectively.

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The Senior Revolving Facility contains certain customary affirmative and negative covenants and events of default. Such covenants will, among other things, restrict, subject to certain exceptions, the Company's ability to (i) engage in certain mergers or consolidations, (ii) sell, lease or transfer all or substantially all of the Company's assets, (iii) engage in certain transactions with affiliates, (iv) make changes in the nature of the Company's business and its subsidiaries, and (v) incur additional indebtedness that is secured on a *pari passu* basis with the Senior Revolving Facility.

The Senior Revolving Facility also requires the Company, on a consolidated basis with its subsidiaries, to maintain a minimum cash balance. If the minimum cash balance is not maintained, the Company is required to maintain a minimum liquidity ratio. If an event of default occurs, the lender is entitled to take various actions, including the acceleration of amounts due under the Senior Revolving Facility and all actions permitted to be taken by a secured creditor. As of **March 31, 2024** **June 30, 2024**, and through the date these consolidated financial statements were issued, the Company believes it was in compliance with all financial covenants.

The Senior Revolving Facility is collateralized by first priority or equivalent security interests in substantially all the property, rights, and assets of the Company.

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, there was no outstanding principal amount under the Senior Revolving Facility.

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NOTE 7. CONVERTIBLE PREFERRED STOCK AND EQUITY

Preferred Stock

The Company is authorized to issue 50,000 shares of \$0.0001 par value preferred stock. As of **March 31, 2024** **June 30, 2024**, there are no preferred stock issued or outstanding.

Warrants

As of **March 31, 2024** **June 30, 2024**, warrants issued as consideration to certain customers to purchase 3,663 shares of Class A Common Stock at \$0.01 per share remain outstanding. The warrants vest dependent on the number of installed units, as defined by the warrant agreements, purchased by the customer with certain measurement periods which expired in February 2024. The fair value of the vested warrants has been recorded as additional paid-in capital and contra-revenue on the accompanying Consolidated Balance Sheets and Consolidated Statements of Operations and Comprehensive Loss, respectively. Based on the count of installed units as of February 2024, the number of warrants to vest is zero and as of December 31, 2023, the Company removed \$193 from additional paid-in-capital and contra-revenue on the accompanying Consolidated Balance Sheets and Consolidated Statements of Operations and Comprehensive Loss. There was no contra-revenue recorded related to these warrants during the three or six months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023**.

Stock Repurchase Program

In March 2024, our Board of Directors ("Board") authorized a stock repurchase program pursuant to which we may repurchase up to \$50,000 of our Class A common stock. Repurchases under the program may be made from time to time through open market purchases or through privately negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. The repurchase program does not obligate us to acquire any particular amount of our Class A common stock and may be suspended at any time at our discretion. The timing and number of shares repurchased will depend on a variety of factors, including the stock price, business and market conditions, corporate and regulatory requirements, alternative investment opportunities, acquisition opportunities, and other factors.

During the three months ended **March 31, 2024** **June 30, 2024**, the Company repurchased and subsequently retired 1,595,765 shares of our Class A common stock under the stock repurchase program at an average price of \$2.74 **2.62** per share for a total of \$4,373,2008. During the six months ended June 30, 2024, the Company repurchased and subsequently retired 2,360 shares of our Class A common stock under the stock repurchase program at an average price of \$2.70 per share for a total of \$6,381. The Company has elected to record the amount paid to repurchase the shares in excess of the par value entirely to accumulated deficit. As of **March 31, 2024** **June 30, 2024**, approximately \$45,643 **43,643** remained available for stock repurchases pursuant to our stock repurchase program.

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NOTE 8. STOCK-BASED COMPENSATION

2018 Stock Plan

Legacy SmartRent's board of directors adopted, and its stockholders approved, the SmartRent.com, Inc. 2018 Stock Plan (the "2018 Stock Plan"), effective March 2018. The purpose of the 2018 Stock Plan was to advance the interests of Legacy SmartRent and its stockholders by providing an incentive to attract, retain and reward persons performing services for Legacy SmartRent and by motivating such persons to contribute to the growth and profitability of Legacy SmartRent. The 2018 Stock Plan **seeks** to achieve this purpose by providing awards in the form of stock options and restricted stock purchase rights. Awards granted as stock options under the 2018 Stock Plan generally expire no later than ten years from the date of grant and become vested and exercisable over a four-year period. All options are subject to certain provisions that may impact these vesting schedules.

Amendment to the 2018 Stock Plan

In April 2021, the board of directors of Legacy SmartRent executed a unanimous written consent to provide an additional incentive to certain employees of Legacy SmartRent by amending the 2018 Stock Plan to allow for the issuance of RSUs and granted a total of 1,533 RSUs to certain employees which vest over four years. The estimated fair value for each RSU issued was approximately \$21.55 per share and the total stock-based compensation expense to be amortized over the vesting period is \$33,033. Effective upon the Business Combination in August 2021, the 2018 Stock Plan was replaced by the 2021 Plan. The 2018 Stock Plan continues to govern the terms and conditions of the outstanding awards previously granted thereunder. No new awards will be granted out of the 2018 Stock Plan.

2021 Equity Incentive Plan

In connection with the Business Combination, the Board approved and implemented the SmartRent, Inc. 2021 Plan (the "2021 Plan"). The purpose of the 2021 Plan is to enhance the Company's ability to attract, retain and motivate persons who make, or are expected to make, important contributions to the Company by providing these individuals with equity ownership opportunities and equity-linked compensation opportunities.

The 2021 Plan authorizes the administrator of the 2021 Plan (generally, the Board or its compensation committee) to provide incentive compensation in the form of stock options, restricted stock and stock units, performance shares and units, other stock-based awards and cash-based awards. Under the 2021 Plan, the Company is authorized to issue up to 15,500 shares of Class A common stock. **On May 14, 2024, the Company's stockholders approved the 2021 Plan, as amended and restated, which increased the number of shares reserved for issuance thereunder by 8,900 shares of Class A common stock. The Company is authorized to issue up to a total of 24,400 shares of Class A common stock under the 2021 Plan, as amended and restated.** Non-employee board member RSUs generally will vest either over one year or three years, subject to the recipient's continued service through the applicable vesting date or dates. The RSUs and options granted to employees are generally subject to a four-year vesting schedule and all vesting generally shall be subject to the recipient's continued employment service with the Company or its subsidiaries through the applicable vesting dates.

The table below summarizes the activity pursuant to the 2021 Plan, for the **three** six months ended **March 31, 2024** **June 30, 2024**, and the shares available for future issuances as of **March 31, 2024** **June 30, 2024**.

	Shares Available for Future Issuance
Shares available as of December 31, 2023	8,310
Stock options issued, net	(2,527)
RSUs issued, net	(1,352)
Shares available as of March 31, 2024	4,431
Additions to the plan	8,900
RSUs issued, net	(335)
Shares available as of June 30, 2024	12,996

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The table below summarizes the activity related to stock options, pursuant to the 2018 Stock Plan and 2021 Plan, for the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

	Options Outstanding				Options Outstanding			
	Number of Options	Weighted-Average			Number of Options	Weighted-Average		
		Exercise Price (\$ per share)	Contractual Life (years)	Intrinsic Value		Exercise Price (\$ per share)	Contractual Life (years)	Intrinsic Value
December 31, 2023	9,158	\$ 1.21	6.81	\$ 18,112	9,158	\$ 1.21	6.81	\$ 18,112
Granted	2,527	\$ 3.36			2,527	\$ 3.36		
Exercised	(192)	\$ 0.47			(192)	\$ 0.47		
March 31, 2024	11,493	\$ 1.70	7.30	\$ 13,504	11,493	\$ 1.70	7.30	\$ 13,504
Exercisable options as of March 31, 2024	6,531	\$ 0.75	6.04	\$ 12,706				
Forfeited	(347)	\$ 2.96						
June 30, 2024	11,146	\$ 1.66	7.09	\$ 11,646				
Exercisable options as of June 30, 2024	6,670	\$ 0.75	5.81	\$ 11,240				

During the three months ended **March 31, 2024** **June 30, 2024** and 2023, stock-based compensation expense of **\$692,674** and **\$431,369**, respectively, was recognized in connection with the outstanding options. During the six months ended **June 30, 2024** and 2023, stock-based compensation expense of **\$1,366** and **\$800**, respectively, was recognized in connection with the outstanding options. As of **March 31, 2024** **June 30, 2024**, there is **\$9,653,822** of unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of **3.4** **3.2** years.

The table below summarizes the activity related to RSUs, pursuant to the 2018 Plan and 2021 Plan, for the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

	Restricted Stock Units			Restricted Stock Units		
	Number of Restricted Stock Units	Weighted-Average		Number of Restricted Stock Units	Weighted-Average	
		Grant Date	Fair Value (per share)		Grant Date	Fair Value (per share)
December 31, 2023	4,461	\$	4.24	4,461	\$	4.24
Granted	1,747	\$	3.32	1,747	\$	3.32
Vested or distributed	(776)	\$	3.89	(776)	\$	3.89
Forfeited	(579)	\$	3.69	(579)	\$	3.69
March 31, 2024	4,853	\$	4.04	4,853	\$	4.04
Granted	369	\$	2.70			
Vested or distributed	(567)	\$	4.43			
Forfeited	(181)	\$	4.06			
June 30, 2024	4,474	\$	3.88			

No right to any Class A Common Stock is earned or accrued until such time that vesting occurs, nor does the grant of the RSU award confer any right to continue vesting or employment. Compensation expense associated with the unvested RSUs is recognized on a straight-line basis over the vesting period.

During the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, stock-based compensation expense of **\$2,566,2576** and **\$3,117,2,875**, respectively, was recognized in connection with the vesting of all RSUs. During the six months ended **June 30, 2024** and 2023, stock-based compensation expense of **\$5,142** and **\$5,992**, respectively, was recognized in connection with the vesting of all RSUs. As of **March 31, 2024** **June 30, 2024**, there is **\$17,731,15,416** of unrecognized compensation expense related to restricted stock units, which is expected to be recognized over a weighted-average period of **2.4** **2.2** years.

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Employee Stock Purchase Plan

The Company has the ability to initially issue up to 2,000 shares of Class A Common Stock under the ESPP, subject to annual increases effective as of January 1, 2022, and each subsequent January 1 through and including January 1, 2030, in an amount equal to the smallest of (i) 1% of the number of shares of the Class A Common Stock outstanding as of the immediately preceding December 31, (ii) 2,000 shares or (iii) such amount, if any, as the Board may determine.

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The table below summarizes the activity related to the ESPP for the six months ended June 30, 2024.

The ESPP allows employees to purchase shares of the Company's Class A Common Stock approximately every six months at a per share purchase price equal to 85 percent of the quoted market price of a share of the Company's Class A Common Stock on (i) the first day of the offering period or (ii) the applicable purchase date of such offering period, whichever quoted market price is lower. During the three months ended March 31, 2024, June 30, 2024 and 2023, stock-based compensation expense of \$34 and \$32, respectively, was recognized in connection with the ESPP. During the six months ended June 30, 2024 and 2023, stock-based compensation expense of \$57 and \$55, respectively, was recognized in connection with the ESPP.

ESPP Activity	Shares Available for Sale
December 31, 2023	5,402
Annual additions to the plan	2,000
Shares purchased	(134)
March 31, 2024	7,268
<no activity in Q2'24>	-
June 30, 2024	7,268

The ESPP allows employees to purchase shares of Stock-Based Compensation

During the Company's Class A Common Stock at six months ended June 30, 2024 and 2023, there were options granted covering 852,527 percent of its quoted market price, and 3,070 shares, respectively. During the three months ended March 31, 2024 June 30, 2024 and 2023, stock-based compensation expense of \$ there were 23 no and \$ options granted. 23, respectively, was recognized in connection with the ESPP.

Stock-Based Compensation

The fair value of stock option grants is estimated by the Company on the date of grant using the Black Scholes-Merton option pricing model with the following weighted-average assumptions for the three six months ended March 31, 2024 June 30, 2024 and 2023. During the three months ended March 31, 2024 and 2023, there were options granted covering 2,527 and 3,070 shares, respectively.

	For the three months ended March 31,	
	2024	2023
Risk free interest	4.09%	3.55 %
Dividend yield	0.00%	0.00%
Expected volatility	75.00%	75.00 %

Expected life (years)	6.25	6.08
For the six months ended June 30,		
	2024	2023
Risk free interest	4.09%	3.55 %
Dividend yield	0.00%	0.00%
Expected volatility	75.00%	75.00 %
Expected life (years)	6.25	6.08

The Company recorded stock-based compensation expense as follows.

	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024		2023		2024	
	\$ 298	\$ 251	\$ 292	\$ 253	\$ 590	\$ 504
Cost of revenue	961	978	953	912	1,914	1,890
Research and development	131	236	165	182	296	418
Sales and marketing	1,891	2,215	1,874	1,929	3,765	4,144
General and administrative	\$ 3,281	\$ 3,680	\$ 3,284	\$ 3,276	\$ 6,565	\$ 6,956
Total						

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During the **three** **six** months ended **March 31, 2023** **June 30, 2023**, stock-based compensation expense of \$109 was recognized for 844 shares granted in connection with the Company's February 2020 acquisition of a foreign supplier and are recorded as a component of general and administrative expense. There was no such stock-based compensation expense recording during the **six** months ended **June 30, 2024** or the three months ended **March 31, 2024**, **June 30, 2024** and **2023**.

NOTE 9. INCOME TAXES

The Company's effective tax rate (ETR) from continuing operations was **(0.59** 1.50%) and **(0.05** 0.17%) for the three months ended **March 31, 2024** **June 30, 2024** and **2023**, respectively. The Company's effective tax rate (ETR) from continuing operations was **(0.93%)** and **(0.05%)** for the six months ended **June 30, 2024** and **2023**, respectively. The Company's ETR during the three **and** **six** months ended **March 31, 2024** **June 30, 2024** differed from the federal statutory rate of 21% primarily due to **changes in valuation allowance** **the federal, state, and foreign taxes** offset by a change in the valuation allowance.

The income tax expense on the Consolidated Statement of Operations and Comprehensive Loss is primarily related to the **foreign** **federal, state,** and **state foreign** taxes offset by a change in the valuation allowance. The Company established a full valuation allowance for net deferred U.S. federal and state tax assets, including net operating loss carryforwards. The Company expects to maintain this valuation allowance until it becomes more likely than not that the benefit of the federal and state deferred tax assets will be realized in future periods if it reports taxable income. The Company believes that it has established an adequate allowance for uncertain tax positions, although it can provide no assurance that the final outcome of these matters will not be materially different. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made.

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NOTE 10. NET LOSS PER SHARE

The following potentially dilutive shares were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because inclusion of the shares on an as-converted basis would have been anti-dilutive.

	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023	2024	2023
Common stock options and restricted stock units	16,346	19,395	15,620	17,359	15,620	17,359
Common stock warrants	-	3,664	-	3,664	-	3,664
Total	16,346	23,059	15,620	21,023	15,620	21,023

NOTE 11. RELATED-PARTY TRANSACTIONS

A member of the Board serves on the board of directors of a SmartRent customer. For the three months ended **March 31, 2024** **June 30, 2024** and 2023, the Company earned revenue from this customer of **\$680,618** and **\$1,016,474**, respectively. For the six months ended June 30, 2024 and 2023, the Company earned revenue from this customer of **\$1,298** and **\$1,488**, respectively. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company had receivables due from this customer of **\$481,397** and **\$1,352**, respectively. All business dealings with the customer were entered into in the ordinary course of business and the arrangements are on terms no more favorable than terms that would be available to unaffiliated third parties under the same or similar circumstances.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is subject to various legal proceedings and claims that arise in the ordinary course of its business. Liabilities are accrued when it is believed that it is both probable that a liability has been incurred and that the Company can reasonably estimate the amount of the potential loss. The Company does not believe that the outcome of these proceedings or matters will have a material effect on the consolidated financial statements.

The In April 2020, the Company entered into an agreement with a supplier, **In April 2020**, as further amended in March 2021 (the "Supplier Agreement"), to purchase minimum volumes of certain products through August 2022. Due to significant

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failure rates and other defects, the Company ceased ordering product from this supplier as of December 2020. Despite the Company's requests, the supplier indicated they are not willing to refund the Company for the malfunctioning products previously purchased, and therefore, the Company filed a complaint against the supplier on March 22, 2022 in the Superior Court for the State of California, County of Santa Clara. On July 26, 2022, the supplier filed a cross-complaint against the Company for breach of contract and other allegations. In April 2024, the Company made a substantive offer to return the product inventory (valued at \$4,955) to the supplier and pay a portion of the supplier's costs and fees. As a result of the offer, **March 31, 2024**, the Company recorded a legal accrual of \$5,300 within general and administrative expenses on the Consolidated Statements of Operations and Comprehensive Loss and accrued expenses and other current liabilities on the Consolidated Balance Sheets. The final settlement agreement was signed in June 2024. As of June 30, 2024, the \$5,000 legal accrual was recorded in accrued expenses and other current liabilities and the related product inventory was recorded in other current assets. In July 2024, the inventory was returned to the supplier.

In April 2023, a collective action was filed against the Company in Federal Court in Georgia by two former employees alleging failure to pay overtime wages in violation of the Fair Labor Standards Act ("FSLA"). The plaintiffs claim they were improperly classified as exempt employees under the FSLA and thus should have been entitled to overtime pay. Limited discovery was conducted in 2023, and Plaintiffs moved for conditional certification of a collective class in July 2023, which was granted on March 31, 2024. Notice was issued to potential class members, who had until July 15, 2024, to opt into the lawsuit. In July 2024, the parties agreed to mediate the case and will ask the Court to stay discovery until mediation is completed. No trial date has been set. The potential outcomes of this claim cannot be determined, and an estimate of the reasonably possible loss or range of loss cannot be made.

The Company regularly reviews outstanding legal claims, actions and enforcement matters, if any exist, to determine if accruals for expected negative outcomes of such matters are probable and can be reasonably estimated. The Company evaluates any such outstanding matters based on management's best judgment after consultation with counsel. There is no assurance that the Company's accruals for loss contingencies will not need to be adjusted in the future. The amount of such adjustment could significantly exceed the accruals the Company has recorded. As of **March 31, 2024** **June 30, 2024**, the Company recorded an accrual of **\$5,300** **5,000**, was included within accrued expenses and other current liabilities related to the legal matter discussed above. The Company had no such accruals as of December 31, 2023.

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NOTE 13. SUBSEQUENT EVENTS

In connection with the preparation of the accompanying consolidated financial statements, the Company has evaluated events and transactions occurring after **March 31, 2024** **June 30, 2024** and through **May 8, 2024** **August 7, 2024**, the date these financial statements were issued, for potential recognition or disclosure and has determined that there are no additional items to disclose except as disclosed below.

In **April** **July** 2024, the Company announced the departure of Lucas Haldeman, the Company's Chief Executive Officer ("CEO") and Chairman of the Company's Board effective **July 29, 2024**. The Company and Mr. Haldeman entered into a Separation Agreement and Release (the "Separation Agreement"). The Separation Agreement provides that, in exchange for Mr. Haldeman executing a release of claims in favor of the Company and its affiliates, complying with restrictive covenants (including a non-compete), resigning from the Board and agreeing to other terms of the Separation Agreement, Mr. Haldeman will receive (i) a cash payment of \$1,170 (reflecting eighteen months base salary) which will be paid in approximately equal installments in accordance with the Company's regular payroll practices during the eighteen-month period beginning no later than the first regular payroll date that occurs at least five business days following the effective date of the Separation Agreement; (ii) a lump sum payment approximating the cost of eighteen months of COBRA coverage; and (iii) accelerated vesting of any unvested equity awards (excluding performance based awards) that would have vested had Mr. Haldeman remained employed during the eighteen-month period immediately following the separation date. In July 2024, the Company recognized \$1,170 of severance expense related to the cash payment to Mr. Haldeman. Pursuant to the Separation Agreement, 1,359 stock options and 342 shares of restricted stock units were accelerated to vest on July 29, 2024. The Company is still evaluating the financial impact of these awards. The Company has appointed Daryl Stemm, the Company's Chief Financial Officer, as the Company's Interim Principal Executive Officer, effective as of July 29, 2024. The Company has also formed a Management Committee comprised of current executives to guide the Company through the transition period, effective as of July 29, 2024, until a new CEO is appointed.

In July 2024, **80** **225** shares of the Company's Class A Common Stock were issued to certain employees related to vested **RSUs**, **RSUs** and **ESPP** purchases.

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In **April** **July** 2024, the Company **the** repurchased **765** **842** shares of our Class A common stock under the stock repurchase program at an average price of **\$2.62** **2.39** per share for a total of \$2,008. The following table summarizes the share repurchase activity for **April** **July** 2024.

<u>Total</u>				<u>Total</u>			
<u>Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs</u>	<u>Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs</u>
(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)

	(in thousands, except per share amounts)				(in thousands, except per share amounts)		
April 1							
- April							
30,							
2024	765	\$	2.62	765	\$	43,643	
July 1							
- July							
31,							
2024	842	\$	2.39	842	\$	41,635	
Total	765			765		842	842

(1) In March 2024, our **board of directors** **Board** authorized the repurchase of up to \$50,000 of our Class A common stock. Repurchases under the program can be made through open market transactions, privately negotiated transactions and other means in compliance with applicable federal securities laws, including through Rule 10b5-1 plans. We have discretion in determining the conditions under which shares may be repurchased from time to time. The repurchase program does not have an expiration date and may be suspended at any time at our discretion. Refer to Note 7 — Convertible Preferred Stock and Equity in Part I, Item 1, of this Report for additional information related to share repurchases.

(2) Average price paid per share includes costs associated with the repurchases.

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Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included herein and the consolidated financial statements and notes thereto for the year ended December 31, 2023 contained in our Annual Report on Form 10-K filed with the SEC.

This discussion may contain forward-looking statements based upon our current expectations that involve risks and uncertainties. Please refer to the section titled "Cautionary Note Regarding Forward-Looking Statements".

Overview

We are an enterprise real estate technology company that provides a comprehensive management platform designed for property owners, managers and residents. Our suite of products and services, which includes both smart building hardware and cloud-based SaaS solutions, provides seamless visibility and control over real estate assets. Our platform can lower operating costs, increase revenues, mitigate operational friction and protect assets for owners and operators, while providing a differentiated, elevated living experience for residents.

Through a Hub Device, we enable the integration of our platform with third-party smart devices, our own hardware devices and other technology interfaces. We use an open-architecture, brand-agnostic approach that allows owners, operators, and residents to manage their smart home systems through a single connected interface. Our Smart Community solutions include (i) smart apartments and homes, (ii) access control for buildings, common areas, and rental units, (iii) community and resident WiFi, and other solutions such as, asset protection and monitoring, parking management and self-guided tours. Our Smart Operations solutions include work order management, the automation of leasing and resident call handling, audit management, and the automation of the inspection process. We also have a professional services team that provides customers with training, installation, and support services.

SmartRent is **positioned to be a category leader** in the enterprise smart home solutions industry. As of **March 31, 2024** **June 30, 2024**, we had **749,401** **771,870** Units Deployed (as defined below) and **639** **over 600** customers, including many of the largest multifamily residential owners in the United States. As of that date, we **believe** our customers owned an aggregate of approximately **7.1 million** **7.3 million** rental units. This represents approximately **16%** **17%** of the United States market for institutionally owned multifamily rental units and single-family rental homes. In addition to multifamily residential owners, our customers include some of the leading homebuilders, single-family rental homeowners, and iBuyers in the United States.

Our Business Model

We generate revenue primarily from sales of smart home systems which enable property owners and property managers to have visibility and control over assets, while providing all-in-one home control offerings for residents. **Currently, the** **The** majority of our revenue is generated from the direct sale to our customers of hardware smart home devices, which devices generally consist of a Hub Device, door-locks, thermostats, sensors, and light switches. We also generate professional services revenue from installing smart home hardware devices and hosted services revenue from monthly subscription revenue earned from the fees collected from customers to provide access to one or more of our software applications ("Hosted Services") including access controls, asset monitoring, WiFi,

and related services. Subscription arrangements have contractual terms ranging from one month to eight years; the majority of our recurring revenue contracts range from one month to one year and our median recurring revenue contract term is one year.

Key Factors Affecting Our Performance

We believe that our success is dependent on many factors, including those further discussed below. Our operating results and cash flows are dependent upon a number of opportunities, challenges and other factors, including our ability to grow our customer base in a cost-effective manner, expand our hardware and hosted service offerings to generate increased revenue per Unit Deployed (as defined below), and provide high quality hardware products and hosted service applications to maximize revenue and improve the leverage of our business model. While these areas represent opportunities for us, they also represent challenges and risks that we must successfully address in order to operate our business.

Active Supply Chain Management

We continue to experience improvements in the challenges related to the global supply chain. In prior periods, the increased demand for electronics as a result of the COVID-19 pandemic, U.S. trade relations with China and certain other factors in recent periods led to a global shortage of semiconductors, including Z-wave chips, which are a central component of our Hub Devices. Due to this shortage in prior periods, we experienced Hub Device production delays, which affected our ability to meet scheduled installations and facilitate customer upgrades to our higher-margin Hub Devices. We also experienced shortages and shipment delays related to components for Access Control and made-to-order specialty locks.

The incremental improvements in the global supply chain are evidenced by our reduction of backlogged Units Deployed for Access Control and made-to-order locks. We believe that this positive trend will continue through the current year.

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Investing in Research and Development

Our performance is significantly dependent on the investments we make in research and development, including our ability to attract and retain highly skilled research and development personnel. We must continually develop and introduce innovative new software services and hardware products, and integrate with third-party products and services, mobile applications and other new offerings.

New Products, Features and Functionality

We are evolving our business into a more diverse platform with new products, features and functionality that enhance the value of our smart home operating system. We have introduced a number of SaaS product enhancements and features, including Answer Automation and Work Management solutions, that streamline property management operations. We have also introduced Community WiFi, which provides communities with a private, device-dedicated WiFi network to power Hub Devices and other in-home smart devices, and Smart Package Room, which is a smart package management solution that transforms package visibility, reduces labor demands, optimizes storage space and enhances resident satisfaction. Our Smart Operations Solutions enhance our overall platform offering and customer value proposition by providing a comprehensive one-stop platform that broadens our support of property operations, enhancing the experience for residents, property owners and managers. We offer an open-API architecture that enables a myriad of third-party partner integrations, resulting in a multi-functional platform that enhances property management workflow efficiencies, empowers teams to get more done, elevates resident interactions, and improves resident living experiences. In the future, we intend to continue to release new products and solutions and enhance our existing products and solutions, and we expect that our operating results will be impacted by these releases.

Category Adoption and Market Growth

Our future growth depends in part on the continued consumer adoption of hardware and software products which improve the resident experience and the growth of this market. We need to deliver solutions that enhance the resident experience and deliver value to our customers, rental property owners and operators, as well as homebuilders and developers, by providing products and solutions designed to enhance visibility and control over assets while providing additional revenue opportunities. **In addition, our long-term growth depends in**

Recent Developments

On July 30, 2024, the Company announced the departure of Lucas Haldeman, the Company's Chief Executive Officer and Chairman of the Company's board of directors, effective July 29, 2024. As part on our ability of the transition, Mr. Haldeman resigned as a member of the board of directors, effective July 29, 2024. The Company has appointed Daryl Stemm, the Company's Chief Financial Officer, as the Company's Interim Principal Executive Officer, effective as of July 29, 2024. John Dorman, the Board's lead independent director, has been appointed Chairman of the Board, and the Board has formed a Management Committee of current executives to expand into international markets guide the Company through the transition period. The Board has initiated a search to identify the next CEO of SmartRent and is working with a leading executive search firm to assist in the future process of identifying and evaluating candidates.

Basis of Presentation

The consolidated financial statements and accompanying notes included elsewhere in this Report are prepared in accordance with GAAP.

Key Metrics

We regularly monitor a number of operating metrics in order to evaluate our operating performance, identify trends affecting our business, formulate business plans, measure our progress and make strategic decisions. Our key metrics are not based on any standardized industry methodology and are not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, our key metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. The numbers that we use to calculate our key metrics are based on internal data. While these numbers are based on what we believe to be reasonable judgments and estimates for the applicable period of measurement, there are inherent challenges in measuring usage of our SaaS platform. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy.

Units Deployed and New Units Deployed

We define Units Deployed as the aggregate number of Hub Devices that have been installed (including customer self-installations) and have an active subscription as of a stated measurement date. We utilize the Units Deployed metric to assess the health of our business and measure the trajectory of our growth. We define New Units Deployed as the aggregate number of Hub Devices that were installed (including customer self-installations) and resulted in a new active subscription during a stated measurement period. Although our revenue is primarily driven by New Units Deployed and the number of Units Deployed, due to the expansion of our products and services that don't require a Hub Device, and Hub Device upgrades that do not result in net new active subscriptions, the correlation between New Units Deployed and revenue is not as strong as it was historically.

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Although the correlation has decreased, New Units Deployed is still an indicator of our ability to acquire new customers and expand our relationships with our current customers. As of **March 31, 2024** June 30, 2024 and 2023, we had an aggregate of **749,401** 771,870 and **602,556** 650,324 Units Deployed, respectively. For the three months ended **March 31, 2024** June 30, 2024 and 2023, we had **29,710** 22,469 and **55,360** 47,768 New Units Deployed, respectively. For the six months ended June 30, 2024 and 2023, we had 52,179 and 103,128 New Units Deployed, respectively.

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Units Shipped

We define Units Shipped as the aggregate number of Hub Devices that have been shipped to customers during a stated measurement period. Units Shipped is used to assess the trajectory of our growth and is an indicator of our ability to acquire new customers and expand our relationships with our current customers. However, we caution that Units Shipped also includes Hub Devices for upgrades and out of warranty replacements and may not be an indicator of New Units Deployed in future periods. For the three months ended **March 31, 2024** June 30, 2024 and 2023, we had **51,744** 48,780 and **58,659** 55,516 Units Shipped, respectively. For the six months ended June 30, 2024 and 2023, we had 100,524 and 114,175 Units Shipped, respectively.

Units Booked

We define Units Booked as the aggregate number of Hub Device units subject to binding orders executed during a stated measurement period. We utilize the concept of Units Booked to measure estimated near-term resource demand and the resulting approximate range of post-delivery revenue that we will earn and record. Units Booked represent binding orders only. For the three months ended **March 31, 2024** June 30, 2024 and 2023 there were **46,290** 37,691 and **65,108** 19,967 Units Booked, respectively. For the six months ended June 30, 2024 and 2023 there were 83,981 and **85,075** Units Booked, respectively.

Bookings

We define Bookings as the contract value of hardware, professional services, and the first year of ARR for binding orders executed during a stated measurement period. We utilize Bookings to measure revenue expected to be earned in future periods from orders contracted during the current period. For the three months ended **March 31, 2024** June 30, 2024 and 2023, Bookings were

\$38,761 \$45,511 and \$37,305, \$31,539, respectively. For the six months ended June 30, 2024 and 2023, Bookings were \$84,272 and \$68,844, respectively.

Annual Recurring Revenue

We define Annual Recurring Revenue ("ARR") as the annualized value of our SaaS revenue earned in the current quarter, which we calculate by taking the total amount of SaaS revenue in the current quarter and multiplying that amount by four. We believe that ARR growth demonstrates our ability to acquire new customers and to maintain and expand our relationships with existing customers. More specifically, we monitor our ARR to assess the general health and trajectory of our Hosted Services business. As of March 31, 2024 June 30, 2024 and 2023, ARR was approximately \$47.6 million \$51.2 million and \$36.0 million \$38.8 million, respectively.

Hardware Average Revenue per Unit ("ARPU"), Professional Services ARPU, SaaS ARPU, and Units Booked SaaS ARPU

We define Hardware ARPU as total hardware revenue during a given period divided by the total Units Shipped during the same period. Hardware ARPU is used to evaluate the effectiveness of our hardware pricing and assess our ability to market and sell our hardware offerings. For the three months ended March 31, 2024 June 30, 2024 and 2023, Hardware ARPU was \$561.94 \$506 and \$636.30, \$501, respectively. For the six months ended June 30, 2024 and 2023, Hardware ARPU was \$535 and \$570, respectively.

We define Professional Services ARPU as total professional services revenue during a given period divided by the total New Units Deployed, excluding customer self-installations, during the same period. Professional Services ARPU is used to assess our ability to effectively price our installation services. For the three months ended March 31, 2024 June 30, 2024 and 2023, Professional Services ARPU was \$221.43 \$333 and \$249.66, \$265, respectively. For the six months ended June 30, 2024 and 2023, Professional Services ARPU was \$281 and \$256, respectively.

We define SaaS ARPU as total SaaS revenue during a given period divided by the average aggregate Units Deployed in the same period. Average aggregate Units Deployed is calculated as the Units Deployed as of the current period plus the Units Deployed as of the previous period divided by two. SaaS ARPU is used to evaluate the effectiveness of our SaaS pricing and assess our ability to market and sell our various software solutions. For the three months ended March 31, 2024 June 30, 2024 and 2023, SaaS ARPU was \$5.41 \$5.63 and \$5.21, \$5.16, respectively. For the six months ended June 30, 2024 and 2023, SaaS ARPU was \$5.53 and \$5.20, respectively.

We define Units Booked SaaS ARPU as the first year ARR for binding orders executed during the stated measurement period divided by the total Units Booked in the same period. Units Booked SaaS ARPU is used to evaluate the effectiveness of our SaaS pricing and assess our ability to market and sell our various software solutions for orders executed during the period. For the three months ended March 31, 2024 June 30, 2024 and 2023, Units Booked SaaS ARPU was \$7.16 \$8.07 and \$5.40, \$8.74, respectively. For the six months ended June 30, 2024 and 2023, Units Booked SaaS ARPU was \$7.57 and \$6.18, respectively.

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Customer Churn

We define Customer Churn as cancelled deployed units during the measurement period divided by Units Deployed as of the beginning of the measurement period. Cancelled deployed units are the previously deployed units that have been cancelled during the same measurement period in which a customer cancels all product subscriptions. Our Hosted Services growth is driven by our ability to retain our customers and minimize Customer Churn. Our Customer Churn for our Smart Communities Solutions is 0.02% 0.05% for the three months ended March 31, 2024 June 30, 2024. We did not experience churn for the three months ended June 30, 2023. Our Customer Churn for our Smart Communities Solutions is 0.05% for the six months ended June 30, 2024 compared to 0.01% for the three six months ended March 31, 2023 June 30, 2023.

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Net Revenue Retention

We define Net Revenue Retention as SaaS revenue at the end of the current period related to properties which had SaaS revenue at the end of the same period in the prior year, divided by SaaS revenue at the end of the same period in the prior year for those same properties. Net Revenue Retention includes any reductions in revenue caused by cancellations or downgrades, offset by

additions to revenue from price increases on existing products, and additions of new products at existing properties. Net Revenue Retention was 105% for the three months ended March 31, 2024 103% as of June 30, 2024.

Components of Results of Operations

Revenue

We generate revenue primarily from sales of systems that consist of hardware devices, professional installation services and Hosted Services enabling property owners and property managers to have visibility and control over assets, while providing all-in-one home control offerings for residents. We record revenue as earned when control of these products and services is transferred to the customer in an amount that reflects the consideration we expect to collect for those products and services. The table below summarizes our revenue by solution.

	For the three months ended March 31,									For the three months ended June 30,								
	2024						2023			2024						2023		
	(dollars in thousands)									(dollars in thousands)								
SmartRent Solutions	Professional	Hosted	Total	Professional	Hosted	Total	Professional	Hosted	Total	Professional	Hosted	Total	Professional	Hosted	Total	Professional	Hosted	Total
	Hardware	Services	Services	2024	Hardware	Services	Services	2023		Hardware	Services	Services	2024	Hardware	Services	Services	2023	
Smart Communities Solutions																		
Smart Apartments	\$ 27,429	\$ 2,713	\$ 14,072	\$ 44,214	\$ 36,392	\$ 11,691	\$ 11,570	\$ 59,653	\$ 22,124	\$ 4,461	\$ 14,146	\$ 40,731	\$ 26,600	\$ 8,103	\$ 12,111	\$ 46,814		
Access Control	1,015	561	349	1,925	778	1,051	153	1,982	866	918	379	2,163	950	1,120	161	2,231		
Community WiFi	137	16	180	333	5	-	156	161	13	221	179	413	73	783	149	1,005		
Other	496	168	492	1,156	150	27	372	549	1,673	216	551	2,440	165	44	371	580		
Smart Operations Solutions	-	-	2,861	2,861	-	-	2,734	2,734	-	-	2,771	2,771	-	-	2,772	2,772		
Total Revenue	\$ 29,077	\$ 3,458	\$ 17,954	\$ 50,489	\$ 37,325	\$ 12,769	\$ 14,985	\$ 65,079	\$ 24,676	\$ 5,816	\$ 18,026	\$ 48,518	\$ 27,788	\$ 10,050	\$ 15,564	\$ 53,402		

Hardware Revenue

We generate revenue from the direct sale to our customers of hardware smart home devices, which devices generally consist of a Hub Device, door-locks, thermostats, sensors, and light switches. These hardware devices provide features that function independently without subscription to our software, and the performance obligation for hardware revenue is considered satisfied and revenue is recognized at a point in time when the hardware device is shipped to the customer. Certain Hub Devices do not function independently without the subscription, and therefore, the revenue is recognized in Hosted Services revenue. We generally provide a one-year warranty period on hardware devices that are delivered and installed. We record the cost of the warranty as a component of cost of hardware revenue.

Professional Services Revenue

We generate professional services revenue from installing smart home hardware devices, which does not result in significant customization of the installed products and is generally performed over a period ranging from two to four weeks. Installations can be performed by our employees, can be contracted out to a third party with our employees managing the engagement, or can be performed by the customer. Professional services contracts are generally performed on a fixed-price basis and revenue is recognized over the period in which installations are completed.

Hosted Services Revenue

Hosted Services primarily consist of monthly subscription revenue earned from the fees collected from customers to provide access to one or more of our software applications including access controls, asset monitoring and related services. These subscription arrangements have contractual terms ranging from one month to eight years and include recurring fixed plan subscription fees. The majority of our recurring revenue contracts range from one month to one year and our median recurring revenue contract term is one year. Our arrangements do not provide the customer with the right to take possession of our software at any time. Customers are granted continuous access to the services over the contractual period. Accordingly, fees collected for subscription services are recognized on a straight-line basis over the contract term beginning on the date the subscription service is made available to the customer.

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We sell certain Hub Devices, which only function with the subscription to our software applications and related hosting services. We consider those devices and hosting services subscription as a single performance obligation, and therefore we defer the recognition of revenue for those devices that are sold with application subscriptions. The estimated average in-service life of those devices is four years. When a Hub Device without independent functionality is included in a contract that does not require a long-term service commitment, the customer obtains a material right to renew the service because purchasing a new device is not required upon renewal. If a contract contains a material right, proceeds are allocated to the material right and recognized over the period of benefit, which is generally four years.

Cost of Revenue

Cost of revenue consists primarily of direct costs of products and services together with the indirect cost of estimated warranty expense and customer care and support over the life of the service arrangement. We expect the cost of revenue to increase in absolute dollars in future periods. We record any change to cost of job performance and job conditions in the period during which the revision is identified.

Hardware

Cost of hardware revenue consists primarily of direct costs of products, Hub Devices, hardware devices and supplies purchased from third-party providers, shipping costs, warehouse facility (including depreciation and amortization of capitalized assets and right-of-use assets) and infrastructure costs, personnel-related costs associated with the procurement and distribution of our products and estimated warranty expenses together with the indirect cost of customer care and support. We expect an increase in cost of hardware revenue in absolute dollars in future periods.

In 2019, the U.S. administration imposed significant changes to U.S. trade policy with respect to China. Tariffs have subjected certain SmartRent products manufactured overseas to additional import duties. The amount of the import tariff has changed numerous times based on action by the U.S. administration. We continue to monitor the change in tariffs. If tariffs are increased, such actions may increase our cost of hardware revenue and reduce our hardware revenue margins in the future.

Professional Services

Cost of professional services revenue consists primarily of direct costs related to personnel-related expenses for installation and supervision of installation services, general contractor expenses and travel expenses associated with installation of our products, and indirect costs that are also primarily personnel-related expenses in connection with training of and ongoing support for customers and residents.

Hosted Services

Cost of Hosted Services revenue consists primarily of the amortization of the direct costs of certain Hub Devices consistent with the revenue recognition period noted above in "Hosted Services Revenue" and infrastructure costs associated with providing our software applications together with the indirect cost of customer care and support over the life of the service arrangement. In future periods, we expect the cost of Hosted Services revenue to increase in absolute dollars at a rate that is lower than the corresponding increase in Hosted Services revenue.

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Operating Expenses

Research and Development

Research and development expenses consist primarily of personnel-related costs directly associated with our research and development activities. Our research and development efforts are focused on enhancing and developing additional functionality for our existing products and on new product development. We account for the cost of research and development by capitalizing qualifying costs, which are incurred during the product development stage, and amortizing those costs over the product's estimated useful life, which generally ranges from three to five years depending on the type of application. Costs incurred and capitalized during the product development stage generally include the costs of software configuration, coding, and testing. Such costs primarily include payroll and payroll-related expenses for employees directly involved in the product development. We expense preliminary evaluation costs as they are incurred before technological feasibility is achieved, as well as post development implementation and operation costs, such as training, maintenance and minor upgrades. We begin amortizing capitalized costs when a project is ready for its intended use, and we periodically reassess the estimated useful life of a project considering the effects of obsolescence, technology, competition and other economic factors which may result in a shorter remaining life. We believe our research and development costs will increase in absolute dollars as we increase our investment in product development to broaden the capabilities of our solutions and introduce new products and features - in particular as we enhance our WiFi offering.

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Sales and Marketing Expenses

Our sales and marketing expenses consist of costs directly associated with our sales and marketing activities, which primarily include personnel-related costs, sales commissions, marketing programs, trade shows, and promotional materials. Our sales and marketing expenses may increase over time as we hire additional sales and marketing personnel, increase our marketing activities, grow our operations, and continue to build brand awareness.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs associated with our general and administrative organization, professional fees for legal, accounting and other consulting services, office facility, insurance, information technology costs, and expenses incurred as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and stock exchange listing requirements, additional insurance expense, investor relations activities and other administrative and professional services. We may also increase the size of our general and administrative staff in order to support the growth of our business but at a rate that is lower than the corresponding increase in total revenue.

Other Income/Expenses

Other income/expenses consist primarily of interest income, net of interest expense, foreign currency transaction gains and losses, and other income related to the operations of foreign subsidiaries. Interest expense is recorded in connection with our various debt facilities. Foreign currency transaction gains and losses relate to the impact of transactions denominated in a foreign currency other than the U.S. dollar. If we continue to expand our international operations, our exposure to fluctuations in foreign currencies has increased, which we expect to continue.

Provision for Income Taxes

The income tax expense on the Consolidated **Statements** Statement of Operations and Comprehensive Loss is primarily related to the **foreign** **federal, state, and state** foreign taxes offset by a change in the valuation allowance. **We** The Company established a full valuation allowance for net deferred U.S. federal and state tax assets, including net operating loss carryforwards. **We expect** The Company **expects** to maintain this valuation allowance until it becomes more likely than not that the benefit of **our** **the** federal and state deferred tax assets will be realized in future periods if **we report** it reports taxable income. **We believe** The Company believes that **we have** **it has** established an adequate allowance for **our** **uncertain** tax positions, although it can provide no assurance that the final outcome of these matters will not be materially different. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made.

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Results of Operations for the Three and Six Months Ended **March 31, 2024** **June 30, 2024** and **2023**

The results of operations presented below should be reviewed together with the consolidated financial statements and notes included elsewhere in this Report. The following table summarizes our historical consolidated results of operations data for the periods presented. The period-to-period comparison of operating results is not necessarily indicative of results for future periods. All dollars are in thousands unless otherwise stated.

	Three months ended March				2024 vs 2023		Three months ended June				Six months ended		2024 vs 2023	
	31,		Change		30,		Change		June 30,		Change		Change	
	2024	2023	\$	%	2024	2023	\$	%	2024	2023	\$	%	2024	%
(dollars in thousands)														
Revenue														
Hardware	\$ 29,077	\$ 37,325	\$ (8,248)	(22)%	\$ 24,676	\$ 27,788	\$ (3,112)	(11)%	\$ 53,753	\$ 65,113	\$ (11,360)	(17)%		
Professional services	3,458	12,769	(9,311)	(73)%	5,816	10,050	(4,234)	(42)%	9,274	22,819	(13,545)	(59)%		
Hosted services	17,954	14,985	2,969	20%	18,026	15,564	2,462	16%	35,980	30,549	5,431	18%		
Total revenue	50,489	65,079	(14,590)	(22)%	48,518	53,402	(4,884)	(9)%	99,007	118,481	(19,474)	(16)%		
Cost of revenue														
Hardware	18,684	32,572	(13,888)	(43)%	16,318	21,990	(5,672)	(26)%	35,002	54,562	(19,560)	(36)%		
Professional services	6,448	17,634	(11,186)	(63)%	8,869	15,809	(6,940)	(44)%	15,317	33,443	(18,126)	(54)%		
Hosted services	5,934	5,758	176	3%	6,026	5,720	306	5%	11,960	11,478	482	4%		
Total cost of revenue	31,066	55,964	(24,898)	(44)%	31,213	43,519	(12,306)	(28)%	62,279	99,483	(37,204)	(37)%		
Operating expense														
Research and development	8,362	7,231	1,131	16%	7,484	6,536	948	15%	15,846	13,767	2,079	15%		
Sales and marketing	4,554	5,161	(607)	(12)%	4,716	4,829	(113)	(2)%	9,270	9,990	(720)	(7)%		
General and administrative	16,666	12,017	4,649	39%	12,023	10,605	1,418	13%	28,689	22,622	6,067	27%		
Total operating expenses	29,582	24,409	5,173	21%	24,223	21,970	2,253	10%	53,805	46,379	7,426	16%		
Loss from operations	(10,159)	(15,294)	5,135	(34)%	(6,918)	(12,087)	5,169	43%	(17,077)	(27,381)	10,304	38%		
Other income (expense)														
Interest income (expense), net	2,409	2,016	393	19%										
Other income, net	103	56	47	84%										
Interest income, net	2,290	1,815	475	26%	4,699	3,831	868	23%						
Other income (expense), net	91	(59)	150	254%	194	(3)	197	6567%						
Loss before income taxes	(7,647)	(13,222)	5,575	42%	(4,537)	(10,331)	5,794	56%	(12,184)	(23,553)	11,369	48%		
Income tax expense (benefit)	45	(7)	52	743%										
Income tax expense	68	18	50	278%	113	11	102	927%						
Net Loss	\$ (7,692)	\$ (13,215)	\$ 5,523	42%	\$ (4,605)	\$ (10,349)	\$ 5,744	56%	\$ (12,297)	\$ (23,564)	\$ 11,267	48%		

Comparison of the three and six months ended **March 31, 2024** **June 30, 2024** and **2023**

Revenue

	Three months ended March						Three months ended June 30,						Six months ended June 30,									
	31,		Change	Change	2024		2023		Change	Change	2024		2023		Change	Change	2024		2023		Change	Change
	2024	2023			\$	%	(dollars in thousands)	(dollars in thousands)			\$	%	(dollars in thousands)	(dollars in thousands)			(dollars in thousands)	(dollars in thousands)				
Revenue																						
Hardware	\$ 29,077	\$ 37,325	\$ (8,248)	(22)%	\$ 24,676	\$ 27,788	\$ (3,112)	(11)%	\$ 53,753	\$ 65,113	\$ (11,360)	(17)%										
Professional services	3,458	12,769	(9,311)	(73)%	5,816	10,050	(4,234)	(42)%	9,274	22,819	(13,545)	(59)%										
Hosted services	17,954	14,985	2,969	20%	18,026	15,564	2,462	16%	35,980	30,549	5,431	18%										
Total revenue	\$ 50,489	\$ 65,079	\$ (14,590)	(22)%	\$ 48,518	\$ 53,402	\$ (4,884)	(9)%	\$ 99,007	\$ 118,481	\$ (19,474)	(16)%										

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Total revenue decreased by \$14.6 million \$5.0 million, or 22% 9%, to \$50.5 million \$48.4 million for the three months ended March 31, 2024 June 30, 2024, from \$65.1 million \$53.4 million for the three months ended March 31, 2023 June 30, 2023. The decrease was primarily driven by a \$15.4 million \$6.1 million decrease in revenue related to our Smart Apartments solution. The decrease in revenue resulted primarily from a 46% 53% decrease in New Units Deployed to 29,710 22,469 units for the three months ended March 31, 2024 June 30, 2024 from 55,360 47,768 units for the three months ended March 31, 2023, a 12% decrease in Hardware ARPU, June 30, 2023 and a 12% decrease in Units Shipped to 51,744 48,780 for the three months ended March 31, 2024 June 30, 2024 from 58,659 55,516 for the three months ended March 31, 2023 June 30, 2023, partially offset by a 24% 19% increase in the number of cumulative active subscriptions for our Hosted Services during 2024 compared to 2023. Overall decreases in New Units Deployed and Units Shipped are primarily due to our customers' decisions to defer capital expenditures, influenced by the current interest rate environment and broader macroeconomic conditions.

	Three months ended March 31,			Change		
	2024		2023		%	
Hardware						
Hardware units shipped		51,744		58,659		(12)%
Hardware ARPU	\$	561.94	\$	636.30	\$	(12)%
Professional Services						
New units deployed		29,710		55,360		(46)%
Professional services ARPU	\$	221.43	\$	249.66	\$	(11)%
Hosted Services						
Units deployed		749,401		602,556		24%
Average aggregate units deployed		734,546		574,876		28%
SaaS ARPU	\$	5.41	\$	5.21	\$	4%
Bookings						
Units booked		46,290		65,108		(29)%
Bookings (in thousands)	\$	38,761	\$	37,305	\$	4%
Units booked SaaS ARPU	\$	7.16	\$	5.40	\$	33%

Total revenue decreased by \$19.5 million, or 16%, to \$99.0 million for the six months ended June 30, 2024, from \$118.5 million for the six months ended June 30, 2023. The decrease was primarily driven by a \$21.5 million decrease in revenue related to our Smart Apartments solution. The decrease in revenue resulted primarily from a 49% decrease in New Units Deployed to 52,179 units for the six months ended June 30, 2024 from 103,128 units for the six months ended June 30, 2023 and a 12% decrease in Units Shipped to 100,524 for the six months ended June 30, 2024 from 114,175 for the six months ended June 30, 2023, partially offset by a 19% increase in the number of cumulative active subscriptions for our Hosted Services during 2024 compared to 2023. Overall decreases in New Units Deployed and Units Shipped are primarily due to our customers' decisions to defer capital expenditures, influenced by the current interest rate environment and broader macroeconomic conditions.

	Three months ended June 30,	Six months ended June 30,

	2024		2023		Change %	2024		2023		Change %
Hardware										
Hardware units shipped	\$	48,780	\$	55,516	(12)%	\$	100,524	\$	114,175	(12)%
Hardware ARPU	\$	506	\$	501	1%	\$	535	\$	570	(6)%
Professional Services										
New units deployed	\$	22,469	\$	47,768	(53)%	\$	52,179	\$	103,128	(49)%
Professional services ARPU	\$	333	\$	265	26%	\$	281	\$	256	10%
Hosted Services										
Units deployed		771,870		650,324	19%		771,870		650,324	19%
Average aggregate units deployed		760,636		626,440	21%		745,781		598,760	25%
SaaS ARPU	\$	5.63	\$	5.16	9%	\$	5.53	\$	5.20	6%
Bookings										
Units booked		37,691		19,967	89%		83,981		85,075	(1)%
Bookings (in thousands)	\$	45,511	\$	31,539	44%	\$	84,272	\$	68,844	22%
Units booked SaaS ARPU	\$	8.07	\$	8.74	(8)%	\$	7.57	\$	6.18	22%

Hardware revenue decreased by **\$8.2 million** **\$3.1 million**, or **22% 11%**, to **\$29.1 million** **\$24.7 million** for the three months ended **March 31, 2024** **June 30, 2024**, from **\$37.3 million** **\$27.8 million** for the three months ended **March 31, 2023** **June 30, 2023**. This decrease in hardware revenue was driven by a decrease in revenue related to our Smart Apartments Solutions and resulted from a 12% decrease in Units Shipped to **51,744** **48,780** for the three months ended **March 31, 2024** **June 30, 2024** from **58,659** **55,516** for the three months ended **March 31, 2023** **June 30, 2023**.

Hardware revenue decreased by **\$11.4 million**, or **17%**, to approximately **\$53.7 million** for the six months ended **June 30, 2024**, from **\$65.1 million** for the six months ended **June 30, 2023**. This decrease in hardware revenue was driven by a decrease in revenue related to our Smart Apartments Solutions and resulted from a 12% decrease in Units Shipped to **100,524** for the six months ended **June 30, 2024** from **114,175** for the six months ended **June 30, 2023**, and a Hardware ARPU decrease of **12% 6%** to **\$561.94** **\$535** for the 2024 period from **\$636.30** **\$570** for the 2023 period. The Hardware ARPU decrease was primarily attributable to a change in product mix which was more heavily weighted to our Alloy SmartHome hardware. The impact of the decrease in hardware revenue was mitigated by an increase in hardware gross margin, primarily driven by the product mix change in the current period.

Professional services revenue decreased by **\$9.3 million** approximately **\$4.3 million**, or **73% 42%**, to **\$3.5 million** **\$5.8 million** for three months ended **March 31, 2024** **June 30, 2024**, from **\$12.8 million** **\$10.1 million** for the three months ended **March 31, 2023** **June 30, 2023**. Of the **\$9.3 million** **\$4.3 million** decrease, **\$9.0 million** **\$3.6 million** was driven by our Smart Apartments solution. Professional services ARPU decreased by **11%** to **\$221.43** for the three months ended **March 31, 2024** from **\$249.66** for the three months ended **March 31, 2023**. New Units Deployed decreased by **46% 53%** to **29,710** **22,469** units for the three months ended **March 31, 2024** **June 30, 2024** from **55,360** **47,768** units for the three months ended **March 31, 2023** **June 30, 2023**. This was partially offset by an increase in Professional services ARPU of **26%** to **\$333** for the three months ended **June 30, 2024** from **\$265** for the three months ended **June 30, 2023**.

Professional services revenue decreased by **\$13.5 million**, or **59%**, to **\$9.3 million** for six months ended **June 30, 2024**, from **\$22.8 million** for the six months ended **June 30, 2023**. Of the **\$13.5 million** decrease, **\$12.6 million** was driven by our Smart Apartments solution. New Units Deployed decreased by **49%** to **52,179** units for the six months ended **June 30, 2024** from **103,128** units for the six months ended **June 30, 2023**. This was partially offset by an increase in Professional services ARPU of **10%** to **\$281** for the six months ended **June 30, 2024** from **\$256** for the six months ended **June 30, 2023**.

Hosted Services revenue increased by **\$3.0 million** approximately **\$2.4 million**, or **20% 16%**, to **\$18.0 million** for the three months ended **March 31, 2024** **June 30, 2024**, from **\$15.0 million** **\$15.6 million** for the three months ended **March 31, 2023** **June 30, 2023**. Of the **\$18.0 million** revenue in 2024, **\$11.9 million** **\$12.8 million** is related to SaaS revenue and **\$6.1 million** **\$5.2 million** is related to hub amortization. Revenue increased from SaaS by **\$3.1 million** and decreased from hub amortization and SaaS by **\$0.1 million** and **\$2.9 million**, respectively, **\$0.7 million** from the three months ended **March 31, 2023** **June 30, 2023** to the three months ended **March 31, 2024** **June 30, 2024**. The increase of Hosted Services revenue resulted primarily from a **24% 19%** increase in the aggregate number of Units Deployed, primarily of our Smart Apartment solution, from **602,556** **650,324** units at **March 31, 2023** **June 30, 2023** to **749,401** **771,870** units at **March 31, 2024** **June 30, 2024** and an increase in SaaS ARPU of **4% 9%** to **\$5.41** **\$5.63** for the three months ended **March 31, 2024** **June 30, 2024** from **\$5.21** **\$5.16** for the three months ended **March 31, 2023** **June 30, 2023**.

Hosted Services revenue increased by **\$5.4 million**, or **18%**, to **\$36.0 million** for the six months ended **June 30, 2024**, from approximately **\$30.6 million** for the six months ended **June 30, 2023**. Of the **\$36.0 million** revenue in 2024, **\$24.7 million** is related to SaaS revenue and **\$11.3 million** is related to hub amortization. Revenue increased from hub amortization and SaaS by **\$0.6 million** and **\$6.0 million**, respectively, from the six months ended **June 30, 2023** to the six months ended **June 30, 2024**. The increase of Hosted Services revenue resulted primarily from a **19%** increase in the

aggregate number of Units Deployed, primarily of our Smart Apartment solution, from 650,324 units at June 30, 2023 to 771,870 units at June 30, 2024 and an increase in SaaS ARPU of 6% to \$5.53 for the six months ended June 30, 2024 from \$5.20 for the six months ended June 30, 2023.

We don't expect to deploy any more non-distinct Hub Devices, thus, the revenue contribution from hub amortization should decrease in future periods until the non-distinct Hub Devices are fully amortized. The table below shows the expected revenue contribution from hub amortization.

	For the years ended December 31,				For the years ended December 31,			
	2024 ⁽¹⁾	2025	2026	2027	2024 ⁽¹⁾	2025	2026	2027
	(dollars in thousands)				(dollars in thousands)			
Revenue contribution from hub amortization								
Q1	\$ 6,043	\$ 4,775	\$ 2,260	\$ 158	\$ 6,043	\$ 4,767	\$ 2,265	\$ 160
Q2	5,236	4,605	1,485	56	5,215	4,597	1,487	57
Q3	5,181	3,631	901	21	5,158	3,634	903	22
Q4	4,971	2,908	414	6	4,959	2,914	417	5
Total	\$ 21,431	\$ 15,919	\$ 5,060	\$ 241	\$ 21,375	\$ 15,912	\$ 5,072	\$ 244

(1) Q1 and Q2 2024 amounts are actuals

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Cost of Revenue

	Three months ended March				Three months ended June				Six months ended June 30,			
	31,		Change	Change	30,		Change	Change	2024		2023	Change
	2024	2023	\$	%	2024	2023	\$	%	2024	2023	\$	%
(dollars in thousands)												
Cost of revenue												
Hardware	\$ 18,684	\$ 32,572	\$ (13,888)	(43)%	\$ 16,318	\$ 21,990	\$ (5,672)	(26)%	\$ 35,002	\$ 54,562	\$ (19,560)	(36)%
Professional services	6,448	17,634	(11,186)	(63)%	8,869	15,809	(6,940)	(44)%	15,317	33,443	(18,126)	(54)%
Hosted services	5,934	5,758	176	3%	6,026	5,720	306	5%	11,960	11,478	482	4%
Total cost of revenue	\$ 31,066	\$ 55,964	\$ (24,898)	(44)%	\$ 31,213	\$ 43,519	\$ (12,306)	(28)%	\$ 62,279	\$ 99,483	\$ (37,204)	(37)%

Total cost of revenue decreased by \$24.9 million \$12.3 million, or 44% 28%, to \$31.1 million \$31.2 million for the three months ended March 31, 2024 June 30, 2024, from \$56.0 million \$43.5 million for the three months ended March 31, 2023 June 30, 2023. The decrease in cost of revenue resulted primarily from a 53% decrease in New Units Deployed and a 12% decrease in Units Shipped of our Smart Apartment solution hardware devices.

Total cost of revenue decreased by \$37.2 million, or 37%, to \$62.3 million for the six months ended June 30, 2024, from \$99.5 million for the six months ended June 30, 2023. The decrease in cost of revenue resulted primarily from a favorable product mix of our hardware devices (more heavily weighted to Alloy SmartHome hardware), a 46% 49% decrease in New Units Deployed and a 12% decrease in Units Shipped of our Smart Apartment solution hardware devices.

Hardware cost of revenue decreased by \$13.9 million \$5.7 million, or 43% 26%, to \$18.7 million \$16.3 million for the three months ended March 31, 2024 June 30, 2024, from \$32.6 million \$22.0 million for the three months ended March 31, 2023 June 30, 2023. This decrease in hardware cost of revenue was primarily attributable to a favorable product mix, resulting in improved hardware gross margin compared to the prior period, and a 12% decrease in Units Shipped.

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Hardware cost of revenue decreased by \$19.6 million, or 36%, to \$35.0 million for the six months ended June 30, 2024, from \$54.6 million for the six months ended June 30, 2023. This decrease in hardware cost of revenue was primarily attributable to a favorable product mix, resulting in improved hardware gross margin compared to the prior period, and a 12% decrease in Units Shipped.

Professional services cost of revenue decreased by \$11.2 million \$6.9 million, or 63% 44%, to \$6.4 million \$8.9 million for the three months ended March 31, 2024 June 30, 2024, from \$17.6 million \$15.8 million for the three months ended March 31, 2023 June 30, 2023. The decrease in professional services cost of revenue is primarily attributable to a decrease of approximately \$8.9 million \$5.7 million in third-party direct labor costs due to a 46% 53% decrease in New Units Deployed, and a decrease of \$1.7 million \$0.8 million in personnel-related costs, and related travel. Additionally, we have invested in technology initiatives to allow our teams to be more efficient and furthered our collaboration with third-party partners to augment our professional services. As services resulting in improved professional services gross margin compared to the previous period. We believe we will continue to improve efficiency in future periods.

Professional services cost of revenue decreased by \$18.1 million, or 54%, to \$15.3 million for the six months ended June 30, 2024, from \$33.4 million for the six months ended June 30, 2023. The decrease in professional services cost of revenue is primarily attributable to a result, decrease of approximately \$14.6 million in third-party direct labor costs due to a 49% decrease in New Units Deployed, and a decrease of \$2.5 million in personnel-related costs, and related travel. Additionally, we have invested in technology initiatives to allow our teams to be more efficient and furthered our collaboration with third-party partners to augment our professional services resulting in improved professional services gross margin compared to the previous period. We believe we will continue to improve efficiency in future periods.

Hosted Services cost of revenue increased by \$0.2 million \$0.3 million, or 3% 5%, to approximately \$6.0 million for the three months ended March 31, 2024 June 30, 2024, from \$5.8 million \$5.7 million for the three months ended March 31, 2023 June 30, 2023. The increase resulted from a 24% 19% increase in the aggregate number of Units Deployed and the resulting increase in the number of active subscriptions for our software service applications and an increase in personnel-related costs of \$0.3 million, partially offset by a \$0.4 million decrease in hub amortization. Our Hosted Services gross margin improved when compared to the same period in the prior year primarily driven by economies of scale related to our SaaS products. Additionally, Hosted Services attributable to hub amortization, which has a lower margin than our SaaS products, continues to represent a smaller portion of our Hosted Services cost of revenue.

Hosted Services cost of revenue increased by \$0.5 million, or 4%, to \$12.0 million for the six months ended June 30, 2024, from \$11.5 million for the six months ended June 30, 2023. The increase resulted from a 19% increase in the aggregate number of Units Deployed and the resulting increase in the number of active subscriptions for our software service applications and an increase in personnel-related costs of \$0.6 million, partially offset by a \$0.8 million decrease in hub amortization. Our Hosted Services gross margin improved when compared to the same period in the prior year primarily driven by economies of scale related to our SaaS products. Additionally, Hosted Services attributable to hub amortization, which has a lower margin than our SaaS products, continues to represent a smaller portion of our Hosted Services cost of revenue.

Operating Expenses

	Three months ended March						Three months ended June						Six months ended June 30							
	31,		Change	Change	30,		Change	Change	2024		2023		Change	Change	2024		2023		Change	Change
	2024	2023			\$	%			2024	2023	\$	%			2024	2023	\$	%		
	(dollars in thousands)						(dollars in thousands)						(dollars in thousands)							
Research and development	\$ 8,362	\$ 7,231	\$ 1,131	16%	\$ 7,484	\$ 6,536	\$ 948	15%	\$ 15,846	\$ 13,767	\$ 2,079	15%								
Sales and marketing	4,554	5,161	(607)	(12)%	4,716	4,829	(113)	(2)%	9,270	9,990	(720)	(7)%								
General and administrative	16,666	12,017	4,649	39%	12,023	10,605	1,418	13%	28,689	22,622	6,067	27%								

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Research and development expenses increased by \$1.1 million \$0.9 million, or 16% 15%, to approximately \$8.3 million \$7.4 million for the three months ended March 31, 2024 June 30, 2024, from \$7.2 million \$6.5 million for the three months ended March 31, 2023 June 30, 2023, resulting primarily from an increase of approximately \$1.3 million of personnel-related expenses, primarily related to the employee retention credit, credits recorded in the three months ended June 30, 2023, which were refundable employment tax credits provided by The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). We believe our research and development costs will increase in absolute dollars as we increase our investment in product development to broaden the capabilities of our solutions and introduce new products and features – in particular, as we enhance our WiFi offering.

Research and development expenses increased by \$2.1 million, or 15%, to approximately \$15.9 million for the six months ended June 30, 2024, from \$13.8 million for the six months ended June 30, 2023, primarily related to the employee retention credits recorded during the three six months ended March 31, 2023, June 30, 2023, which were refundable employment tax credits provided by the CARES Act. We believe our research and development costs will increase in absolute dollars as we increase our investment in product development to broaden the capabilities of our solutions and introduce new products and features – in particular, as we enhance our WiFi offering.

Sales and marketing expenses decreased by \$0.6 million \$0.1 million, or 12% 2%, to \$4.6 million \$4.7 million for the three months ended March 31, 2024 June 30, 2024 from \$5.2 million \$4.8 million for the three months ended March 31, 2023 June 30, 2023, resulting primarily from a decrease of approximately \$0.5 million \$0.1 million in travel expenses.

Sales and marketing expenses decreased by \$0.7 million, or 7%, to \$9.3 million for the six months ended June 30, 2024 from \$10.0 million for the six months ended June 30, 2023, resulting primarily from a decrease of approximately \$0.3 million in personnel-related expenses.

For the three months ended March 31, 2024 June 30, 2024, general and administrative expenses increased by \$4.6 million \$1.4 million, or 39% 13%, to approximately \$16.6 million \$12.0 million, from \$12.0 million \$10.6 million for the three months ended March 31, 2023 June 30, 2023, resulting primarily from a \$2.3 million impairment of an investment in a non-affiliate, partially offset by a decrease of \$1.1 million of personnel-related expenses.

For the six months ended June 30, 2024, general and administrative expenses increased by \$6.1 million, or 27%, to \$28.7 million, from \$22.6 million for the six months ended June 30, 2023, resulting primarily from a \$5.3 million legal accrual recorded as of March 31, 2024 June 30, 2024, in which the Company has made a substantive offer agreed to settle a dispute with a supplier by returning \$5.0 million of inventory and paying a portion of the supplier's costs and fees, fees, and a \$2.3 million impairment of an investment in a non-affiliate, partially offset by a decrease of \$2.5 million of personnel-related expenses.

Other Income

	Three months ended March				Three months ended June 30,				Six months ended June 30,							
	31,		Change	Change	2024		2023	Change	2024		2023	Change	2024		2023	Change
	2024	2023	\$	%					\$	%			\$	%		
	(dollars in thousands)				(dollars in thousands)				(dollars in thousands)				(dollars in thousands)			
Interest income, net	\$ 2,409	\$ 2,016	\$ 393	19%	\$ 2,290	\$ 1,815	\$ 475	26%	\$ 4,699	\$ 3,831	\$ 868	23%				
Other income, net	103	56	47	84%												
Other income (expense), net	91	(59)	150	254%	194	(3)	197	6567%								

Interest income, net increased by \$0.4 million \$0.5 million to \$2.4 million \$2.3 million for the three months ended March 31, 2024 June 30, 2024, from \$2.0 million \$1.8 million for the three months ended March 31, 2023 June 30, 2023. The increase in net interest income for both periods is primarily attributable to interest earned on interest-bearing cash balances.

Interest income, net increased by \$0.9 million to \$4.7 million for the six months ended June 30, 2024, from \$3.8 million for the six months ended June 30, 2023. The increase in net interest income for both periods is primarily attributable to interest earned on interest-bearing cash balances.

Income Taxes

	Three months ended March				Three months ended June				Six months ended June			
	31,		Change	Change	30,		Change	Change	30,		Change	Change
	2024	2023	\$	%	2024	2023	\$	%	2024	2023	\$	%
	(dollars in thousands)				(dollars in thousands)				(dollars in thousands)			
Loss before income taxes	\$ (7,647)	\$ (13,222)	\$ 5,575	42%	\$ (4,537)	\$ (10,331)	\$ 5,794	56%	\$ (12,184)	\$ (23,553)	\$ 11,369	48%
Income tax expense (benefit)	45	(7)	52	743%								
Income tax expense	68	18	50	278%	113	11	102	927%				

We provided a full valuation allowance on our net U.S. federal and state deferred tax assets as of March 31, 2024 June 30, 2024, and March 31, 2023 June 30, 2023. As of December 31, 2023, the Company has gross NOLs of \$204.6 million and \$193.4 million for federal and state income tax return purposes, respectively. Federal NOLs can be carried forward indefinitely, while State NOLs will expire between 2032 and 2043. The Company also has \$0.1 million of R&D credits available that expire in 2039.

The income tax expense is related to the **foreign** federal, state, and **state** foreign taxes offset by a change in the valuation allowance.

Non-GAAP Financial Measures

To supplement the consolidated financial statements, which are prepared and presented in accordance with GAAP, we present EBITDA and Adjusted EBITDA, described below, as non-GAAP measures. We believe the presentation of both GAAP and non-GAAP financial measures provides investors with increased transparency into financial measures used by our management team and improves investors' understanding of our underlying operating performance and their ability to analyze our ongoing operating trends.

All historic non-GAAP financial measures have been reconciled with the most directly comparable GAAP financial measures - these non-GAAP financial measures are not intended to supersede or replace our GAAP results.

We define EBITDA as net income (loss) computed in accordance with GAAP before interest income, net, income tax expense (benefit) and depreciation and amortization.

We define Adjusted EBITDA as EBITDA before expenses related to non-recurring legal matters, stock-based compensation, **impairment of investment in a non-affiliate, non-recurring warranty provisions**, compensation expense in connection with acquisitions, **severance charges**, other acquisition expenses, and other expenses caused by non-recurring, or unusual, events that are not indicative of our ongoing business.

Our management uses EBITDA and Adjusted EBITDA to assess our financial and operating performance, and we believe these measures are helpful to management and external users in understanding our performance. EBITDA and Adjusted EBITDA help management identify controllable cash expenses and make decisions designed to help us meet our identified financial and operational goals and to optimize our financial performance, while neutralizing the impact of some expenses included in our operating results caused by external influences over which management has little or no control and by non-recurring, or unusual, events that might otherwise mask trends in our performance. Accordingly, we believe these metrics measure our financial performance based on operational factors that management can impact in the short-term, namely our cost structure and expenses.

We believe that the presentation of EBITDA and Adjusted EBITDA provides information useful to investors in assessing our results of operations. The GAAP measure most directly comparable to EBITDA and Adjusted EBITDA is net income (loss). EBITDA and Adjusted EBITDA are not used as measures of our liquidity and should not be considered alternatives to net income (loss) or any other measure of financial performance presented in accordance with GAAP. Our EBITDA and Adjusted EBITDA may not be comparable to the EBITDA and Adjusted EBITDA of other companies due to the fact that not all companies use the same definitions of EBITDA and Adjusted EBITDA. Accordingly, there can be no assurance that our basis for computing these non-GAAP measures is comparable with that of other companies.

The following table presents a reconciliation of net loss (as determined in accordance with GAAP) to EBITDA and Adjusted EBITDA for each of the periods indicated.

	For the three months ended March 31,		For the three months ended June 30,		For the six months ended June 30,	
	2024		2023		2024	
	(dollars in thousands)		(dollars in thousands)		(dollars in thousands)	
Net loss	\$ (7,692)	\$ (13,215)	\$ (4,605)	\$ (10,349)	\$ (12,297)	\$ (23,564)
Interest income, net	(2,409)	(2,016)	(2,290)	(1,815)	(4,699)	(3,831)
Income tax expense (benefit)	45	(7)				
Income tax expense	68	18	113	11		
Depreciation and amortization	1,501	1,254	1,585	1,342	3,086	2,596
EBITDA	(8,555)	(13,984)	(5,242)	(10,804)	(13,797)	(24,788)
Legal matter ⁽¹⁾	5,300	-	-	-	5,300	-
Stock-based compensation	3,281	3,680	3,284	3,276	6,565	6,956
Impairment of investment in non-affiliate	2,250	-	2,250	-		
Non-recurring warranty provision	463	-	463	-		
Compensation expense in connection with acquisitions	-	1,625	-	370	-	1,995
Severance charges	231	-				

Other acquisition expenses	140	205	117	226	257	431
Other non-operating expenses ⁽²⁾	30	488	261	488		
Adjusted EBITDA	\$ 397	\$ (8,474)	\$ 902	\$ (6,444)	\$ 1,299	\$ (14,918)

(1) Refer to Note 12 "Commitments and Contingencies".

(1) Refer to Note 12 "Commitments and Contingencies".

(2) Other non-operating expenses includes severance expense and amortization of capitalized software implementation costs

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Liquidity and Capital Resources

Sources of Liquidity

As of **March 31, 2024** **June 30, 2024**, we had cash and cash equivalents of **\$204.7 million** **\$187.4 million**, which were held for working capital and general corporate purposes. Our cash equivalents are comprised primarily of money market funds. To date, our principal sources of liquidity have been the net proceeds received as a result of the Business Combination, and payments collected from sales to our customers.

Debt Issuances

Following the maturity of our Revolving Facility (as defined below) in December 2021, we entered into a \$75.0 million senior secured revolving credit facility with a five-year term (the "Senior Revolving Facility"). Interest rates for draws upon the Senior Revolving Facility are determined by whether the Company elects a secured overnight financing rate loan ("SOFR Loan") or alternate base rate loan ("ABR Loan"). For SOFR Loans, the interest rate is based upon the forward-looking term rate based on SOFR as published by the CME Group Benchmark Administration Limited (CBA) plus 0.10%, subject to a floor of 0.00%, plus an applicable margin. For ABR Loans, the interest rate is based upon the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.50%, or (iii) 3.25%, plus an applicable margin. As of **March 31, 2024** **June 30, 2024**, the applicable margins for SOFR Loans and ABR Loans under the Senior Revolving Facility were 1.75% and (0.50%), respectively. The Senior Revolving Facility is secured by substantially all of the Company's assets and guaranteed by each of the Company's material domestic subsidiaries.

We believe that our current cash, cash equivalents, available borrowing capacity under the Senior Revolving Facility, and cash raised in the Business Combination will be sufficient to fund our operations for at least the next 12 months beyond the issuance date of this Report. Our future capital requirements, however, will depend on many factors, including our sales volume, the expansion of sales and marketing activities, and market adoption of our new and enhanced products and features. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. From time to time, we may seek to raise additional funds through equity and debt. If we are unable to raise additional capital when desired and on reasonable terms, our business, results of operations, and financial condition may be adversely affected.

Stock Repurchase Program

In March 2024, our board of directors authorized a stock repurchase program pursuant to which we may repurchase up to \$50 million of our Class A common stock. Repurchases under the program may be made from time to time through open market purchases or through privately negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. The repurchase program does not obligate us to acquire any particular amount of our Class A common stock and may be suspended at any time at our discretion. The timing and number of shares repurchased will depend on a variety of factors, including the stock price, business and market conditions, corporate and regulatory requirements, alternative investment opportunities, acquisition opportunities, and other factors.

During the three months ended **March 31, 2024** **June 30, 2024**, we repurchased **1.6 million** **0.8 million** shares of our Class A common stock under the stock repurchase program at an average price of approximately **\$2.74** **\$2.62** per share for a total of **\$4.4 million** **\$2.0 million**. During the six months ended June 30, 2024, we repurchased 2.4 million shares of our Class A common stock under the stock repurchase program at an average price of approximately \$2.70 per share for a total of \$6.4 million. As of **March 31, 2024** **June 30, 2024**, approximately **\$45.6 million** **\$43.6 million** remained available for stock repurchases pursuant to our stock repurchase program.

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Cash Flow Summary - **Three Months Ended March 31, 2024** **Six months ended June 30, 2024** and 2023

The following table summarizes our cash flows for the periods presented.

	Three months ended March 31,		Six months ended June 30,	
	2024		2023	
	(dollars in thousands)		(dollars in thousands)	
Net cash provided by (used in)				
Operating activities	\$ (3,337)	\$ (10,290)	\$ (17,214)	\$ (15,684)
Investing activities	(956)	(1,169)	(1,997)	(2,328)
Financing activities	(6,462)	(1,854)	(8,839)	(2,278)

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Operating Activities

For the **three** **six** months ended **March 31, 2024** **June 30, 2024**, our operating activities used **\$3.3 million** **\$17.2 million** in cash resulting primarily from our net loss of **\$7.7 million** **\$12.3 million** and **\$6.7 million** **\$23.4 million** used in changes in our operating assets and liabilities, partially offset by **\$11.1 million** **approximately \$18.5 million** provided by non-cash expenses. Changes in our operating assets and liabilities primarily resulted from an **\$11.2 million** decrease in deferred revenue, an **\$8.7 million** decrease in accounts payable, a **\$4.7 million** increase in accounts receivable and a **\$3.5 million** decrease in accrued expenses and other liabilities, partially offset by a **\$5.2 million** decrease in deferred cost of revenue. Non-cash expenses consisted primarily of stock-based compensation of **\$6.6 million**, a non-cash legal accrual for **\$5.0 million** in which the Company agreed to settle a dispute with a supplier by returning **\$5.0 million** of inventory, depreciation and amortization of **\$3.1 million**, an impairment of an investment in non-affiliate of **\$2.3 million** and provision for expected credit losses of **\$1.4 million**.

For the six months ended June 30, 2023, our operating activities used **\$15.7 million** in cash resulting primarily from our net loss of **\$23.6 million** and **\$4.3 million** used in changes in our operating assets and liabilities, partially offset by **\$12.2 million** provided by non-cash expenses. Changes in our operating assets and liabilities primarily resulted from a **\$7.4 million** decrease in accounts payable, **\$6.7 million** decrease in accrued expenses and other liabilities, and a **\$3.6 million** decrease in deferred revenue, partially offset by a **\$5.6 million** decrease in inventory, **\$2.7 million** decrease in accounts receivable, and a **\$2.7 million** decrease in deferred cost of revenue. Non-cash expenses consisted primarily of a non-cash legal accrual for **\$5.0 million** in which the Company has made a substantive offer to settle a dispute with a supplier by returning **\$5.0 million** of inventory, stock-based compensation of **\$3.3 million**, depreciation and amortization of **\$1.5 million**, and provision for doubtful accounts of **\$1.2 million**.

For the three months ended March 31, 2023, our operating activities used **\$10.3 million** in cash resulting primarily from our net loss of **\$13.2 million** and **\$4.0 million** used in changes in our operating assets and liabilities, partially offset by **\$6.9 million** provided by non-cash expenses. Changes in our operating assets and liabilities primarily resulted from a **\$11.1 million** decrease in accrued expenses and other liabilities, a **\$6.7 million** **\$12.1 million** decrease in accounts payable and a **\$4.6 million** **\$6.3 million** increase in prepaid expenses and other assets, partially offset by a **\$8.9 million** **\$15.2 million** decrease in inventory, a **\$3.5 million** decrease in accounts receivable, a **\$3.3 million** **\$7.3 million** decrease in deferred cost of revenue, and a **\$3.0 million** **\$2.9 million** increase in deferred revenue. Non-cash expenses consisted primarily of stock-based compensation of **\$3.7 million** **\$7.0 million**, depreciation and amortization of **\$2.6 million**, and compensation expense related to acquisitions of **\$1.6 million**, and depreciation and amortization of **\$1.3 million** **\$1.8 million**. Of the total cash used for our operating activities, **\$6.0 million** was attributable to payments related to our acquisitions, the SightPlan acquisition. We believe the ADI agreement will have a positive impact on cash flow in future periods due to supply chain optimization and a reduced inventory balance.

Investing Activities

For the **three** **six** months ended **March 31, 2024** **June 30, 2024**, we used **\$1.0 million** **\$2.0 million** of cash from investing activities, resulting primarily from cash paid of **\$1.7 million** for capitalized internal-use software development costs and **\$0.3 million** for the purchase of property and equipment.

For the six months ended June 30, 2023, we used **\$2.3 million** of cash for investing activities, resulting primarily from cash paid of **\$0.9 million** for capitalized internal-use software development costs.

For the three months ended March 31, 2023, we used \$1.2 million of cash for investing activities, resulting primarily from cash paid of \$1.1 million for capitalized internal-use software development costs.

Financing Activities

For the **three** **six** months ended **March 31, 2024** **June 30, 2024**, our financing activities used **\$6.5 million** **\$8.8 million** of cash, resulting primarily from **\$4.4 million** **\$6.4 million** used for repurchases of Class A common stock, **\$1.5 million** used for earnout payments related to the iQuie acquisition, and **\$0.9 million** **\$1.3 million** used for taxes paid related to net share settlements of stock-based compensation awards.

For the **three six** months ended **March 31, 2023** **June 30, 2023**, our financing activities used **\$1.9 million** **\$2.3 million** of cash, resulting primarily from \$1.7 million used for earnout payments related to the iQue acquisition.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of **March 31, 2024** **June 30, 2024**.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that can significantly impact the amounts we report as assets, liabilities, revenue, costs and expenses and the related disclosures. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. Our actual results could differ significantly from these estimates under different assumptions and conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance as these policies involve a greater degree of judgment and complexity.

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Revenue Recognition

We derive revenue primarily from sales of systems that consist of hardware devices, professional installation services and Hosted Services to assist property owners and property managers with visibility and control over assets, while providing all-in-one home control offerings for residents. Revenue is recognized when control of these products and services are transferred to the customer in an amount that reflects the consideration we expect to be entitled to receive in exchange for those products and services.

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Payments we receive by credit card, check, or automated clearing house payments, and payment terms are determined by individual contracts and range from due upon receipt to net 30 days. Taxes collected from customers and remitted to governmental authorities are not included in reported revenue. Payments received from customers in advance of revenue recognition are reported as deferred revenue.

We apply the practical expedient that allows for inclusion of the future auto-renewals in the initial measurement of the transaction price. We only apply these steps when it is probable that we will collect the consideration to which we are entitled in exchange for the goods or services it transfers to a customer.

Accounting for contracts recognized over time involves the use of various estimates of total contract revenue and costs. Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation may be revised in the future as we observe the economic performance of our contracts. Changes in job performance, job conditions and estimated profitability may result in revision to our estimates of revenue and costs and are recognized in the period in which the revision is identified.

We may enter into contracts that contain multiple distinct performance obligations including hardware and Hosted Services. The hardware performance obligation includes the delivery of hardware, and the Hosted Services performance obligation allows the customer use of our software during the contracted-use term. The subscription for the software and certain Hub Devices combine as one performance obligation, and there is no support or ongoing subscription for other device hardware. We partner with several manufacturers to offer a range of compatible hardware options for its customers. We maintain control of the hardware purchased from manufacturers prior to it being transferred to the customer, and accordingly, SmartRent is considered the principal in these arrangements.

For each performance obligation identified, we estimate the standalone selling price, which represents the price at which we would sell the good or service separately. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price, considering available information such as market conditions, historical pricing data, and internal pricing guidelines related to the performance obligations. We then allocate the transaction price among those obligations based on the estimation of the standalone selling price.

Inventory Valuation

Inventories are stated at the lower of cost or estimated net realizable value. Cost is computed under the first-in, first-out method. We adjust the inventory balance based on anticipated obsolescence, usage, and historical write-offs. Significant judgment is used in establishing our forecasts of future demand and obsolete material exposures. We consider marketability and product life cycle stage, product development plans, demand forecasts, historical revenue, and assumptions about future demand and market conditions in establishing our estimates. If the actual product demand is

significantly lower than forecast, which may be caused by factors within and outside of our control, or if there were a higher incidence of inventory obsolescence because of rapidly changing technology and our customer requirements, we may be required to increase our inventory adjustment. A change in our estimates could have a significant impact on the value of our inventory and our results of operations.

Stock-Based Compensation

Our stock-based compensation relates to stock options and restricted stock units ("RSUs") granted to our employees and directors. Stock-based awards are measured based on the grant date fair value. We estimate the fair value of stock option awards on the grant date using the Black-Scholes option-pricing model. The fair value of RSUs is based on the grant date fair value of the stock price. The fair value of these awards is recognized as compensation expense on a straight-line basis over the requisite service period in which the awards are expected to vest. Forfeitures are recognized as they occur by reversing previously recognized compensation expense.

The Black-Scholes model considers several variables and assumptions in estimating the fair value of stock-based awards. These variables include the per share fair value of the underlying common stock, exercise price, expected term, risk-free interest rate, expected annual dividend yield, the expected stock price volatility over the expected term and forfeitures, which are recognized as they occur. For all stock options granted, we calculated the expected term using the simplified method for "plain vanilla" stock option awards.

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The grant date fair value is also utilized with respect to RSUs with performance and service conditions to vest. For RSUs with a performance condition, based on a liquidity event, as well as a service condition to vest, no compensation expense is recognized until the performance condition has been satisfied. Subsequent to the liquidity event, compensation expense is recognized to the extent the requisite service period has been completed and compensation expense thereafter is recognized on an accelerated attribution method. Under the accelerated attribution method, compensation expense is recognized over the remaining requisite service period for each service condition tranche as though each tranche is, in substance, a separate award. In August 2021, the Company completed the merger with FWA, which met the liquidity event vesting condition and triggered the recognition of compensation expense for RSUs for which the time-based vesting condition had been satisfied or partially satisfied.

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Emerging Growth Company Status

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts "emerging growth companies" as defined in Section 2(A) of the Securities Act of 1933, as amended, from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. We are an "emerging growth company" and have elected to take advantage of the benefits of this extended transition period.

We will use this extended transition period for complying with new or revised accounting standards that have different effective dates for public business entities and non-public business entities until the earlier of the date we (a) are no longer an emerging growth company or (b) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. The extended transition period exemptions afforded by our emerging growth company status may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of this exemption because of the potential differences in accounting standards used.

We will remain an "emerging growth company" under the JOBS Act until the earliest of (a) the first fiscal year following the fifth anniversary of the initial public offering by FWA, which closed on February 9, 2021, (b) the last date of our fiscal year in which we have total annual gross revenue of at least \$1.235 billion, (c) the last date of our fiscal year in which we are deemed to be a "large accelerated filer" under the rules of the SEC with at least \$700.0 million of outstanding securities held by non-affiliates or (d) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

Recent Accounting Pronouncements

See Note 2, "Significant Accounting Policies" - Recent Accounting Guidance for more information.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

We do not believe that inflation has had a material effect, to date, on our business, results of operations or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations or financial condition.

Interest Rate Fluctuation Risk

As of **March 31, 2024** **June 30, 2024**, we had cash, cash equivalents, and restricted cash of approximately **\$204.9 million** **\$187.7 million**, which consisted primarily of institutional money market funds, which carries a degree of interest rate risk. A hypothetical 10% change in interest rates would increase our annual interest income by **\$20.5 million** **\$18.8 million**, or decrease our annual interest income by **\$2.4 million** **\$4.7 million**, based on our cash position as of **March 31, 2024** **June 30, 2024**.

Foreign Currency Exchange Rate Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Substantially all of our revenue is generated in U.S. dollars. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations, which are primarily in the United States and to a lesser extent in Croatia and other international markets. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign currency exchange rates. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our historical consolidated financial statements. To date, we have not engaged in any hedging strategies. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

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Item 4 - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our **Chief Interim Principal** Executive Officer and **Chief Principal** Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) at the end of the period covered by this Report and, based on such evaluation, have concluded that our disclosure controls and procedures were effective as of **March 31, 2024** **June 30, 2024**, at the reasonable assurance level to ensure that the information required to be disclosed by us in this Report was (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and (ii) accumulated and communicated to our management, including our **Chief Interim Principal** Executive Officer and **Chief Principal** Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1 – Legal Proceedings

From time to time, we are subject to various claims, charges and litigation matters that arise in the ordinary course of business. We believe these actions are a normal incident of the nature and kind of business in which we are engaged. While it is not feasible to predict the outcome of these matters with certainty, we do not believe that any asserted or unasserted legal claims or proceedings, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations or prospects.

Item 1A – Risk Factors

We are subject to various risks and uncertainties in the course of our business. For a discussion of risks and uncertainties relating to our business, please see the section titled "Risk Factors" in our Annual Report on 10-K filed with the SEC on March 5, 2024. **There** **Other than the risk factor below, there** have been no material changes from the risk factors disclosed therein. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future SEC filings.

We may not successfully manage the transition of leadership associated with the departure of our Chief Executive Officer, which could have an adverse impact on us.

On July 29, 2024, Lucas Haldeman ended his tenure as the Company's Chief Executive Officer and Chairman of the Board. In connection with Mr. Haldeman's departure, Daryl Stemm, our Chief Financial Officer, was appointed as our Interim Principal Executive Officer, and John Dorman, a current member of our board of directors, was appointed Chairman of the Board. The Company has also formed a Management Committee to guide the Company through the transition period until a new Chief Executive Officer is appointed. Our success will depend, in part, on our management of the transition to our Management Committee and our Interim Principal Executive Officer, the effectiveness of our Management Committee and our Interim Principal Executive Officer, our search for, transition to and integration of a permanent successor Chief Executive Officer, and the effectiveness of the permanent successor, if appointed. There can be no assurance that we will be successful in finding a suitable permanent successor or that we will be able to do so in a timely manner. The Chief Executive Officer position is critical to executing on and achieving our vision, strategic direction, culture, and products. The leadership transition may create uncertainty among employees, suppliers and customers, divert resources and management attention, and impact public or market perception, our stock price or our performance, any of which could negatively impact our ability to operate effectively which could have an adverse impact on our business and results of operations.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the share repurchase activity for the three months ended **March 31, 2024** **June 30, 2024**.

Period	Total Number of Shares	Average Price Paid	Total Number of Shares	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	Purchased ⁽¹⁾	Per Share ⁽²⁾	Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Under the Plans or Programs ⁽¹⁾
(in thousands, except per share amounts)				
January 1 - January 31, 2024	-	\$ -	-	\$ 50,000
February 1 - February 29, 2024	-	\$ -	-	\$ 50,000
March 1 - March 31, 2024	1,595	\$ 2.74	1,595	\$ 45,643
Total	1,595		1,595	

Period	Total Number of Shares	Average Price Paid	Total Number of Shares	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	Purchased ⁽¹⁾	Per Share ⁽²⁾	Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Under the Plans or Programs ⁽¹⁾
(in thousands, except per share amounts)				
April 1 - April 30, 2024	-	\$ -	-	\$ 45,643
May 1 - May 21, 2024	-	\$ -	-	\$ 45,643
June 1 - June 30, 2024	765	\$ 2.62	765	\$ 43,643
Total	765		765	

(1) In March 2024, our board of directors authorized the repurchase of up to \$50,000,000 of our Class A common stock. Repurchases under the program can be made through open market transactions, privately negotiated transactions and other means in compliance with applicable federal securities laws, including through Rule 10b5-1 plans. We have discretion in determining the conditions under which shares may be repurchased from time to time. The repurchase program does not have an expiration date and may be suspended at any time at our discretion. Refer to Note 7 — Convertible Preferred Stock and Equity in Part I, Item 1, of this Report for additional information related to share repurchases.

(2) Average price paid per share includes costs associated with the repurchases.

Item 3 – Defaults Upon Senior Securities

None.

Item 4 – Mine Safety Disclosures

Not Applicable.

Item 5 – Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended **March 31, 2024** **June 30, 2024**, none of our directors or executive officers adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408 of Regulation S-K).

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Item 6 - Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.2	Amended and Restated Bylaws.	8-K	3.2	August 30, 2021
10.1†	SmartRent Inc. Non-Employee Director Compensation Policy (filed herewith).			
10.2†	SmartRent, Inc. Executive Incentive Compensation Plan.	8-K	10.1	January 25, 2024
31.1	Certification of Principal Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
31.2	Certification of Principal Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
32.1*	Certification of Principal Executive Officer as adopted pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
32.2*	Certification of Principal Financial Officer as adopted pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).1			

Exhibit	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Third Amended and Restated Certificate of Incorporation.	8-K	3.1	August 30, 2021
3.2	Amended and Restated Bylaws.	8-K	3.2	August 30, 2021
10.1†	SmartRent, Inc. Non-Employee Director Compensation Policy (filed herewith).			
10.2†	Amended and Restated SmartRent Inc. 2021 Equity Incentive Plan.	8-K	10.1	May 15, 2024
10.3†	Severance Agreement and Release between SmartRent, Inc. and Lucas Haldeman, dated July 29, 2024 (filed herewith).			
31.1	Certification of Interim Principal Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
31.2	Certification of Principal Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
32.1*	Certification of Interim Principal Executive Officer and Principal Financial Officer as adopted pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).			
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).1			

* The certifications attached as Exhibit 32.1 and Exhibit 32.2 that accompany this Report are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of SmartRent, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

† Indicates a management contract or any compensatory plan, contract or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 8th day of May August 2024.

SmartRent, Inc.

By: /s/ Lucas Haldeman
Lucas Haldeman
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Daryl Stemm

Daryl Stemm
Interim Principal Executive Officer and Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)

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EXHIBIT 10.1

SMARTRENT, INC. NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Last updated February 15, 2022

SmartRent, Inc., a Delaware corporation (the "**Company**"), believes that the granting of cash and equity compensation to the members of its Board of Directors (the "**Board**," and members of the Board, the "**Directors**") represents an effective tool to attract, retain and reward Directors who are not employees of the Company (the "**Non-Employee Directors**"). This Non-Employee Director Compensation Policy (this "**Policy**") is intended to formalize the Company's policy regarding cash compensation and grants of equity to its Non-Employee Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given such term in the Company's 2021 Equity Incentive Plan (the

"Plan"). Each Non-Employee Director will be solely responsible for any tax obligations incurred by such Non-Employee Director as a result of the cash payments paid and equity awards granted to such Non-Employee Director under this Policy.

1. ANNUAL CASH COMPENSATION

Annual Cash Retainer

Each Non-Employee Director will be paid an annual cash retainer of \$80,000. There are no per-meeting attendance fees for attending Board or shareholder meetings.

Additional Committee and Lead Director Annual Cash Retainer

Each Non-Employee Director who serves as a lead director or chairman of a committee of the Board will be paid additional annual cash fees as follows:

Lead Independent Director:	\$20,000
Audit Committee Chair:	\$20,000
Compensation Committee Chair:	\$15,000
Nominating and Corporate Governance Committee Chair:	\$10,000

Each Non-Employee Director who serves as a non-Chair member of a committee of the Board will be paid additional annual cash fees as follows:

Audit Committee Member:	\$10,000
Compensation Committee Member:	\$7,500
Nominating and Corporate Governance Committee Member:	\$5,000

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All cash compensation will be paid quarterly, subject to continued service, on each February 15th, May 15th, August 15th, and November 15th, and all cash compensation described above is subject to proration for periods of service less than a full quarter or full year in length, as applicable.

The Board in its discretion may change and otherwise revise the terms of the cash compensation granted under this Policy, including, without limitation, the amount of cash compensation to be paid, on or after the date the Board determines to make any such change or revision.

2. EQUITY COMPENSATION

Non-Employee Directors will be entitled to receive all types of Awards (excluding Incentive Stock Options) under the Plan (or the applicable equity plan in place at the time of grant). All grants of Awards to Non-Employee Directors pursuant to Section 2 of this Policy

will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions and subject to Sections 4.3 and 13 of the Plan.

Each Non-Employee Director will be granted an Award (an "**Annual Award**") on the date of the Company's annual meeting of stockholders each calendar year (unless the Board determines to award them on a different date), beginning with the 2022 annual meeting of stockholders; provided that any Non-Employee Director who is not continuing as a Director following such annual meeting of stockholders will not receive an Annual Award with respect to such meeting. The Annual Award will have an estimated fair value of \$150,000 using valuation methodologies deemed appropriate by the Compensation Committee of the Board or the Board from time to time, in light of commercial considerations deemed necessary to fulfill the goals set forth in this Policy and to align directors with shareholder interests. The Annual Award will be comprised of Restricted Stock Units which will vest in full upon the earlier of (i) the first anniversary of the vesting start date or (ii) the date immediately prior to the Company's next annual meeting of stockholders.

In the event of a Change in Control, each Non-Employee Director will fully vest in his or her Initial Award and/or each Annual Award provided that the Non-Employee Director continues to provide Service through such date.

3. TRAVEL EXPENSES

Each Non-Employee Director's reasonable, customary and documented travel expenses to Board meetings will be reimbursed by the Company.

4. ADDITIONAL PROVISIONS

All provisions of the Plan not inconsistent with this Policy will apply to Awards granted to Non-Employee Directors.

5. ADJUSTMENTS

In the event that any dividend or other distribution (whether in the form of cash, Stock, other securities or other property), recapitalization, stock split, reverse stock split,

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reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Stock or other securities of the Company or other change in the corporate structure of the Company affecting the Stock occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Policy, will adjust the number of shares of Stock issuable pursuant to Awards granted under this Policy.

6. LIMITATIONS

No Non-Employee Director may be issued in any fiscal year cash payments (including the fees under Section 1 above) and Awards (including Awards under Section 2 above) with aggregate value greater than \$600,000, increased to \$750,000 in the fiscal year of his or her initial service as a Non-Employee Director. Any Awards or other compensation

granted to an individual for his or her services as an employee, or for his or her services as a consultant other than a Non-Employee Director, will be excluded for purposes of the limitations under this Section 6.

7. SECTION 409A

In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the fifteenth (15th) day of the third (3rd) month following the end of the Company's fiscal year in which the compensation is earned or expenses are incurred, as applicable, or (b) the fifteenth (15th) day of the third (3rd) month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and guidance thereunder, as may be amended from time to time (togethers, "**Section 409A**"). It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company reimburse a Non-Employee Director for any taxes imposed or other costs incurred as a result of Section 409A.

8. REVISIONS

The Board or any committee designated by the Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of a Non-Employee Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Non-Employee Director and the Company. Termination of this Policy will not affect the Board's or the Compensation Committee's ability to exercise the powers granted to it under the Plan with respect to Awards granted under the Plan pursuant to this Policy prior to the date of such termination.

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made by and between Lucas Haldeman ("Employee") and SmartRent, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party"; the direct and indirect current and former subsidiaries and affiliates of the Company, including, without limitation, SmartRent Technologies, Inc. (f/k/a SmartRent.com, Inc.), together with the Company, each individually and collectively referred to as the "Company Group").

RECITALS

WHEREAS, Employee was employed at-will by the Company Group;

WHEREAS, Employee signed an Employment Agreement on March 17, 2021, as amended by the First Amendment to Employment Agreement between the Parties, effective January 1, 2024 (the "Employment Agreement");

WHEREAS, Employee signed an Employee Confidentiality and Proprietary Rights Agreement on March 17, 2021 (the "Confidentiality Agreement");

WHEREAS, Employee was granted certain awards of stock options ("Options") to purchase shares of the Company's common stock ("Shares") and restricted stock units covering Shares ("RSUs") under the Company's 2021 Equity Incentive Plan (the "2021 Plan") and Amended and Restated 2018 Stock Plan (the "2018 Plan," and together with the 2021 Plan, the "Plans") and applicable award agreements thereunder (collectively the "Award Documents"), as set forth in Schedule I attached hereto (such awards, collectively, the "Awards");

WHEREAS, Employee's employment with the Company Group is terminating effective July 29, 2024 (the "Separation Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company Group and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee's relationship with or separation from the Company Group.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. Consideration. In consideration of and contingent on Employee's execution of this Agreement, this Agreement going into effect, and Employee's fulfillment of all of its terms and conditions, the Company agrees as follows:

a. Severance Pay. The Company will cause Employee to be paid a total of One Million One Hundred Seventy Thousand Dollars (\$1,170,000), less applicable payroll deductions and withholdings, (the "Cash Severance Payment"), which shall be paid in approximately equal installments, less applicable payroll deductions and withholdings, in accordance with the Company Group's applicable regular payroll practices and dates, during the eighteen (18) month period beginning no later than the first regular payroll date that occurs at least five (5) business days following the Effective Date of this Agreement.

b. Continued Medical Benefit. The Company will cause Employee to be paid a lump sum taxable cash payment in the gross amount of \$23,250, less applicable payroll deductions and withholdings (the "**COBRA Severance Payment**"). The COBRA Severance Payment reflects the approximate cost of continued health coverage under COBRA (as defined below) for a period of eighteen (18) months. The COBRA Severance Payment will be paid with the first installment of the Cash Severance Payment. For the avoidance of doubt, this payment is not conditioned on Employee electing COBRA continuation coverage.

c. Accelerated Vesting of Equity Awards. On the Separation Date, but subject to the effectiveness of this Agreement as provided herein, Employee's vesting in each of the Company equity awards (but specifically excluding any awards that vest in whole or in part based on the achievement of performance goals) shall accelerate as to the number of shares subject to the applicable equity award that otherwise would have vested within the eighteen (18) month period immediately following the Separation Date had Employee remained employed by the Company Group through such period (and specifically excluding any awards that would have vested in connection with a change in control of the Company or similar event), as set forth on Schedule I attached hereto.

d. Acknowledgement. Employee acknowledges that without this Agreement, Employee is otherwise not entitled to the consideration listed in this Section 1, and that other than the consideration set forth in this Agreement, Employee is not and will not be entitled to any other severance or other payments, compensation, or benefits from the Company Group (whether under the Employment Agreement or otherwise).

2. Stock. The Parties agree that, subject to any acceleration provided in Section 1.c., the Awards will be considered to have vested only up to the Separation Date as set forth in Schedule I attached hereto. Any Awards (or portions thereof) that have not vested through the Separation Date or in accordance with Section 1.c. are forfeited as of the end of the Separation Date and Employee no longer has any further rights with respect to such Awards (or applicable portions thereof) or any Shares subject thereto. Except as provided herein, the Awards shall continue to be governed by the terms and conditions of the applicable Award Documents, including without limitation the exercisability of any vested Options.

3. Resignation from the Board and all Company Positions. Employee acknowledges and agrees that, as of the Separation Date, Employee no longer is, and no longer has any rights to serve as, a member of the Company's Board of Directors (the "Board"). Executive similarly acknowledges and agrees that, as of the Separation Date, Employee no longer serves as an officer, employee, member of the board of directors, or in any other capacity with the Company Group. As required by the Employment Agreement, Employee will promptly sign any instruments that the Company requires to confirm Employee's cessation of service on the Board and in other positions with the Company Group (including, but not limited to, no later than July 29, 2024, a separate resignation from the Board effective as of such date and in a form provided by the Company).

4. Benefits. Employee's Company Group-sponsored health insurance benefits shall cease no later than the last day of the month in which the Separation Date occurs (or such earlier date as may be required by applicable plan terms and conditions), subject to Employee's right to continue Employee's health insurance under COBRA. Subject to Employee's right to continue Employee's health insurance under COBRA, Employee's participation in all benefits and incidents of employment, including, but not limited to, vesting in the Awards or any other equity awards, ceased as of the Separation Date (except that the Company intends to pay Employee's regular base salary through July 31, 2024, notwithstanding Employee's earlier termination from employment).

5. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company Group has paid or provided (to the extent applicable) all salary, wages, bonuses, vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock,

stock options, equity awards, vesting, and any and all other benefits and compensation due to Employee by the Company Group.

6. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by each entity in the Company Group, and each of their respective current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, benefit plans, plan administrators, professional employer organizations or co-employers, insurers, trustees, divisions, predecessor and successor corporations, and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Employee signs this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee's relationship with the Company Group and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims under the law of any jurisdiction, including, but not limited to, wrongful discharge of employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract (both express and implied), breach of covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, the following, each as may be amended, and except as prohibited by law: Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Rights Act, the Immigration Reform and Control Act, the Arizona Wage Act, the Arizona Equal Pay Act, the Arizona Employment Protection Act, the Arizona Civil Rights Act, the Fair Wages and Healthy Families Act, and the Arizona Occupational Health and Safety Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the withholding or other tax treatment of any of the proceeds received by Employee from the Company Group; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release claims that cannot be released as a matter of law. Any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Agreement, except as required by applicable law. This release does not extend to any right Employee may have to unemployment compensation benefits or workers' compensation benefits. In addition, this release does not extend to any rights of indemnification Employee may have pursuant to any indemnification agreement between the Company Group and Employee, pursuant to the Company's certificate of incorporation and bylaws, or under any applicable D&O insurance policy with the Company, subject to the respective terms, conditions, and limitations of such indemnification agreement, certificate of incorporation and bylaws, or D&O insurance policy, in each case, as may be applicable.

7. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Employee signs this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following Employee's execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that Employee has knowingly and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

8. Unknown Claims. Employee acknowledges that Employee has been advised to consult with legal counsel and that Employee is familiar with the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in Employee's favor at the time of executing the release, which, if known by Employee, would have materially affected Employee's settlement with the Releasees. Employee, being aware of said principle, agrees to expressly waive any rights Employee may have to that effect, as well as under any other statute or common law principles of similar effect.

9. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company Group or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company Group or any of the other Releasees.

10. No Right to Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company Group, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company Group.

11. Trade Secrets and Confidential Information/Company Property.

a. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including (but not limited to) the provisions therein regarding nondisclosure of Proprietary Information (as defined in the Confidentiality Agreement). Employee understands and agrees that Proprietary Information will also encompass any Proprietary Information of all entities in the Company Group and Employee will preserve such Proprietary Information. Employee also reaffirms and agrees to abide by the Restrictive Covenants set forth in Section 10 of the Employment Agreement (and, for the avoidance of doubt, Employee acknowledges and agrees that all references to the "Company" in Section 10 of the Employment Agreement are intended to encompass the Company Group). Employee's signature below constitutes Employee's certification under penalty of perjury that Employee has returned all documents and other items provided to Employee by the Company Group (with the exception of a copy of the employee handbook and personnel documents specifically relating to Employee), developed or obtained by Employee in connection with Employee's employment with the Company Group, or otherwise belonging to the Company Group, including, but not limited to, all passwords to any software or other programs or data that Employee used in performing services for the Company Group.

b. To the extent that the Company Group does not own any and all discoveries, designs, developments, improvements, inventions (whether or not protectable under patent laws), works of authorship, information fixed in any tangible medium of expression (whether or not protectable under copyright laws), trade secrets, know-how, ideas (whether or not protectable under trade secret laws), mask works, trademarks, service marks, trade names and trade dress and all intellectual property rights therein and thereto ("Innovations") that Employee (either solely or jointly) conceived, reduced to practice, created, derived, developed, or made during Employee's employment with a member of the Company Group ("Company Innovations"), Employee hereby irrevocably assigns to Company all of Employee's right, title, and interest (including all related intellectual property rights) in and to such Company Innovations, other than Excluded Innovations. "Excluded Innovations" means any Innovation which Employee can prove (i) was developed entirely on Employee's own time, (ii) without the use of Company Group equipment, supplies, facilities, or trade secret information, (iii) does not relate (A) directly to the business of the Company Group, or (B) to the actual or demonstrably anticipate research or development of the Company Group; and (iv) does not result from any work performed by Employee for the Company Group.

c. Employee hereby assigns to the Company all of Employee's right, title and interest in and to the domain names listed on Exhibit A (the "Transferred Domains") and agrees to execute the Domain Name Assignment on Exhibit B. In accordance with the assignment of the Transferred Domains, Employee agrees, promptly upon the request of the Company, to execute and deliver such further agreements or documents, and to take such further action, as may be necessary or desirable to evidence more fully or effectuate the assignment of the Transferred Domains. In particular, Employee hereby covenants to fully cooperate with and assist Company in the submission of any electronic mail messages or registrant name change agreements or any other documents required by any entity responsible for maintaining records of ownership of Internet domain names to transfer the assignment and registration of the Transferred Domains from Employee to Company, in accordance with such entity's procedures and policies.

12. No Cooperation. Subject to the "Protected Activity Not Prohibited" section below, Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. Subject to the "Protected Activity Not Prohibited" section below, if approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that Employee cannot provide counsel or assistance.

13. Nondisparagement. Subject to the "Protected Activity Not Prohibited" section below, Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. The Company agrees to instruct its officers and directors to (i) refrain from any disparagement, defamation, libel, or slander of Employee and (ii) refrain from any tortious interference with the contracts and relationships of Employee.

14. Protected Activity Not Prohibited. Employee understands that nothing in this Agreement shall in any way limit or prohibit Employee from engaging in any "Protected Activity," which means filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"). Additionally, nothing in this Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor

Relations Act ("NLRA"). For purposes of clarity, nothing in this Agreement shall be interpreted to impair or limit Employee's participation in any legally protected activities, such as (i) forming, joining, or supporting labor unions, (ii) bargaining collectively through representatives of employees' choosing, (iii) discussing wages, benefits, or terms and conditions of employment, and (iv) discussing, or raising complaints about, working conditions for the purpose of mutual aid or protection of Employee or the Company Group's other current or former employees, to the extent such activities are protected by Section 7 of the NLRA. When engaging in any of the protected conduct described in this section, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company Group Proprietary Information; provided, however, that such disclosures may be made to Government Agencies in connection with Protected Activity. For the sake of clarity, Company Group Proprietary Information does not include information regarding working conditions, wages, benefits, or other terms and conditions of employment, to the extent such information is protected by applicable law. Additionally, Employee understands that the protected conduct described herein does not include the disclosure of any Company Group attorney-client privileged communications or privileged attorney work product. Employee understands that nothing in the Confidentiality Agreement (or any other agreement with the Company Group) shall limit or prohibit Employee from engaging in any protected conduct set forth in this section. Finally, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

15. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law, provided, however, that the Company shall not recover One Hundred Dollars (\$100.00) of the consideration already paid pursuant to this Agreement, and such amount shall serve as full and complete consideration for the promises and obligations assumed by Employee under this Agreement and the Confidentiality Agreement.

16. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company Group hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company Group of any fault or liability whatsoever to Employee or to any third party.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

18. Arbitration. Except as prohibited by law, the Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, Employee's relationship with the Company Group or the terms thereof, or any of the matters herein released, shall be subject to arbitration under the Federal Arbitration Act (the "FAA") and that the FAA shall govern and apply to this arbitration agreement with full force and effect; however, without limiting any provisions of the FAA, a motion or petition or action to compel arbitration may also be brought in state court under the procedural provisions of such state's laws relating to motions or petitions or actions to compel arbitration. Employee agrees that, to the fullest extent permitted by law, Employee may bring any such arbitration proceeding only in Employee's individual capacity. Any arbitration will occur in Arizona, before JAMS, pursuant to its Employment Arbitration Rules & Procedures, except as expressly provided in this section. The Parties agree that the arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, and motions to dismiss, applying the standards set forth under the Arizona Rules of Civil Procedure. The Parties agree that the arbitrator shall apply Arizona substantive law to the arbitration (without reference to any conflict-of-law provisions of any jurisdiction) and shall issue a written decision on the merits. The Parties also agree that the arbitrator shall have the power to award any remedies available under applicable law. The arbitrator may grant injunctions and other relief in such disputes. The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration. The Parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The Parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, and each party shall separately pay for its respective counsel fees and expenses; provided, however, that the arbitrator may award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury, notwithstanding the foregoing, this Section will not prevent either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to this agreement and the agreements incorporated herein by reference. Should any part of this agreement to arbitrate contained in this section conflict with any other arbitration agreement applicable to the Parties, the Parties agree that the agreement to arbitrate in this Section shall govern.

19. Cooperation with Company Group. Employee agrees that he shall provide reasonable cooperation and assistance to the Company Group in the transition of his role and in the resolution of any matters in which Employee was involved during the course of Employee's relationship with the Company Group, or about which Employee has knowledge, and in the defense or prosecution of any investigations, audits, claims or actions now in existence or which may be brought or threatened in the future against or on behalf of the Company Group, including any investigations, audits, claims or actions involving or against its officers, directors and employees. Employee's cooperation with such matters shall include, without limitation, being available to consult with the Company Group regarding matters in which Employee has been involved or has knowledge; to reasonably assist the Company Group in preparing for any proceeding (including, without limitation, depositions, mediations, hearings, settlement negotiations, discovery conferences, arbitration, or trial); to provide affidavits reflecting truthful written testimony; to assist with any audit, inspection, proceeding or other inquiry; and to act as a witness to provide truthful testimony in connection with any investigation, audit, mediation, litigation or other legal proceeding affecting the Company Group. Employee agrees to keep the Company's Human Resources department apprised of his current contact information, including telephone

numbers, work address, home address, and email address(es), and to promptly respond to communications from the Company Group in connection with this Section 19. Employee understands and agrees that this provision requires his cooperation with the Company Group, but is not intended to have any influence whatsoever on any specific outcome in any matter and he is expected at all times to provide truthful testimony and responses in connection with any matter. Employee understands and agrees that he is not otherwise entitled to any additional compensation for such transition assistance, beyond the payments and consideration provided under this Agreement.

20. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the consideration provided to Employee or made on Employee's behalf under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the consideration provided hereunder by the Company Group and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Releasees harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company Group for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company Group by reason of any such claims, including attorneys' fees and costs.

21. Section 409A. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities or ambiguous terms herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. Notwithstanding the foregoing, if and to the extent necessary to avoid subjecting Employee to an additional tax under Section 409A, any payments or benefits deemed to be separation-related deferred compensation (within the meaning of Section 409A), whether under this Agreement or any other arrangement, payable to Employee will be delayed until the first payroll date that that occurs on or after the date six (6) months and one (1) day following Employee's separation from service (within the meaning of Section 409A), except that in the event of Employee's death, any such delayed payments will be paid as soon as practicable after the date of Employee's death, and in each case all subsequent payments and benefits will be payable in accordance with the payment schedule applicable to such payment or benefit. In no event will the Releasees have any obligation to reimburse, indemnify or hold harmless Employee for any taxes or costs that may be imposed on or incurred by Employee as a result of Section 409A. In no event will Employee have discretion to determine the taxable year of payment of any separation-related payments.

22. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action

to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

25. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company Group and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company Group and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company Group (including the Employment Agreement, except as set forth later in this sentence), with the exception of the Confidentiality Agreement, any indemnification agreement between the Company Group and Employee, Sections 8 and 10 of the Employment Agreement, and the Award Documents. Employee agrees and acknowledges that any payments or benefits under this Agreement shall be subject to the Company's Compensation Clawback Policy, and any clawback policy adopted pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or that is otherwise adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

26. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and an authorized representative of the Company's Board of Directors.

27. Governing Law. This Agreement shall be governed by the laws of the State of Arizona, without regard for choice-of-law provisions, except that any dispute regarding the enforceability of the "Arbitration" section of this Agreement shall be governed by the FAA. Employee consents to personal and exclusive jurisdiction and venue in the State of Arizona.

28. Effective Date. Employee understands that this Agreement shall be null and void if not executed by Employee within twenty-one (21) days. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

29. Counterparts. This Agreement may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Agreement may be executed and delivered by facsimile, photo, email PDF, DocuSign/Echosign or a similarly accredited secure signature service or other electronic transmission or signature.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

30. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily and without any duress or undue influence on the part or behalf of the Company Group or any third party, with the full intent of releasing all of Employee's claims against the Company Group and any of the other Releasees. Employee acknowledges that:

- Employee has read this Agreement;
- Employee has a right to consult with an attorney regarding this Agreement, and has been represented in the preparation, negotiation, and execution of this Agreement by an attorney of Employee's own choice or has elected not to retain an attorney;
- Employee understands the terms and consequences of this Agreement and of the releases it contains;
- Employee is fully aware of the legal and binding effect of this Agreement; and
- (e) Employee has not relied upon any representations or statements made by the Company Group that are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

LUCAS HALDEMAN, an individual

Dated: 7/29/24 /s/ Lucas Haldeman
Lucas Haldeman

SMARTRENT, INC.

Dated: 7/29/24 By /s/ Kristen Lee

Kristen Lee
Chief Legal Officer

SCHEDULE I

Outstanding Equity Awards

Type of Equity Award	Grant Date	Grant Number	Plan	Per Share Exercise Price	Number of Shares Vested or Distributed as of the Separation Date	Number of Shares Outstanding and Unvested as of the Separation Date
Option	01/23/2024	FIDN069PZLN0D	2021	\$3.36	0	1,070,859
Option	01/24/2023	FIDMOW055AE41	2018	\$2.87	319,233	957,702
Option	11/18/2020	ES-14	2018	\$0.64	2,033,834	184,895
Option	08/17/2019	ES-01(ISO)	2018	\$0.47	939,911	0
Option	08/17/2019	ES-01(NSO)	2018	\$0.47	1,192,509	0
RSU	01/18/2022	FIDLPZNSYBOJ	2021	N/A	337,915	202,751
RSU	08/24/2021	ES-65	2021	N/A	55,097	27,548

RSU	08/24/2021	ES-66	2021	N/A	53,245	19,777
RSU	04/19/2021	ES-15	2021	N/A	396,869	91,586

Equity Award Vesting Schedule (to be accelerated as provided in this Agreement)

Vesting Date	Type of Equity Award	Grant Date	Grant Number	Number of Shares Scheduled to Vest*	Per Share Exercise Price
Aug-16-2024	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Aug-18-2024	NSO	Nov-18-2020	ES-14	46,223	\$0.64
Aug-19-2024	RSU	Apr-19-2021	ES-15	10,177	N/A
Aug-24-2024	RSU	Aug-24-2021	ES-65	27,548	N/A

Aug-24-2024	RSU	Aug-24-2021	ES-66	1,522	N/A
Sep-18-2024	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Sep-18-2024	NSO	Nov-18-2020	ES-14	46,224	\$0.64
Sep-19-2024	RSU	Apr-19-2021	ES-15	10,176	N/A
Sep-24-2024	RSU	Aug-24-2021	ES-66	1,521	N/A
Oct-18-2024	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Oct-18-2024	NSO	Nov-18-2020	ES-14	46,224	\$0.64
Oct-19-2024	RSU	Apr-19-2021	ES-15	10,176	N/A
Oct-24-2024	RSU	Aug-24-2021	ES-66	1,522	N/A
Nov-18-2024	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Nov-18-2024	NSO	Nov-18-2020	ES-14	46,224	\$0.64
Nov-19-2024	RSU	Apr-19-2021	ES-15	10,176	N/A
Nov-24-2024	RSU	Aug-24-2021	ES-66	1,521	N/A
Dec-18-2024	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Dec-19-2024	RSU	Apr-19-2021	ES-15	10,176	N/A
Dec-24-2024	RSU	Aug-24-2021	ES-66	1,521	N/A
Jan-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Jan-19-2025	RSU	Apr-19-2021	ES-15	10,176	N/A
Jan-23-2025	NSO	Jan-23-2024	FIDNO69PZLNOD	267,714	\$3.36
Jan-24-2025	NSO	Jan-24-2023	FIDMOWO55AE4I	319,234	\$2.87
Jan-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A
Feb-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,263	N/A
Feb-19-2025	RSU	Apr-19-2021	ES-15	10,176	N/A
Feb-24-2025	RSU	Aug-24-2021	ES-66	1,522	N/A
Mar-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Mar-19-2025	RSU	Apr-19-2021	ES-15	10,177	N/A
Mar-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A
Apr-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Apr-19-2025	RSU	Apr-19-2021	ES-15	10,176	N/A
Apr-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A
May-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
May-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A

Jun-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Jun-24-2025	RSU	Aug-24-2021	ES-66	1,522	N/A
Jul-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Jul-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A
Aug-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Aug-24-2025	RSU	Aug-24-2021	ES-66	1,521	N/A
Sep-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Oct-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,263	N/A
Nov-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Dec-18-2025	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,264	N/A
Jan-18-2026	RSU	Jan-18-2022	FIDLPZNZSYBOJ	11,265	N/A
Jan-23-2026	NSO	Jan-23-2024	FIDNO69PZLNOD	267,715	\$3.36
Jan-24-2026	NSO	Jan-24-2023	FIDMOWO55AE4I	319,234	\$2.87

* Shares actually will vest only if and as provided in this Agreement.

Exhibit A

TRANSFERRED DOMAINS

- smartrent.com
- alloyhome.com
- alloyautomation.com
- alloyaccess.com
- alloyaccess-demo.com
- alloyaccess-qa.com
- alloyinstall-qa.com
- alloyinstall.com
- alloypass.com
- alloysmarthome.com
- alloyparking.com
- gosmartrent.com
- selftournow.com
- smartrent-email.com
- smartrent-security.com
- srinternal.io
- walkinator.com
- smartrent-ui.com

Exhibit B

DOMAIN NAME ASSIGNMENT AGREEMENT

THIS DOMAIN NAME ASSIGNMENT AGREEMENT(the "Domain Assignment") is made and entered into as of July 29, 2024 (the "Effective Date"), by and between Lucas Haldeman ("Employee"), and SmartRent, Inc. ("Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

RECITALS

WHEREAS, Company has used the domain names set forth in Schedule A attached hereto (collectively referred to as the "Domain Names");

WHEREAS, Employee and the Company intended from the first date of use that Company be the sole and exclusive owner of all such Domain Names; and

WHEREAS, pursuant to the terms and subject to the conditions set forth herein, Employee and Company now wish to document, effect, and confirm such assignment to Company of such Domain Names.

NOW THEREFORE, in consideration of the foregoing and of the promises contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Assignment. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Employee hereby irrevocably assigns, transfers and conveys to Company all of the Employee's worldwide right, title and interest in and to the Domain Names (and all registrations, renewals and extensions thereof) Upon execution of this Domain Assignment, Employee will file all documents and take all action necessary to transfer all of Employee's rights to the Domain Names. Employee covenants to promptly take whatever actions are reasonably necessary, including, but not limited to, executing additional documents as requested by Company, to assist Company in perfecting Company's rights to the Domain Names. In particular, Employee hereby covenants to fully cooperate with and assist Company in the submission of any electronic mail messages or Registrant Name Change Agreements or any other documents required by any entity responsible for maintaining records of ownership of Internet domain names to transfer the assignment and registration of the Domain Names from Employee to Company, in accordance with such entity's procedures and policies.

2. Cooperation. In accordance with this Domain Assignment, Employee agrees, promptly upon the request of Company, to execute and deliver such further agreements or documents, and to take such further action, as may be necessary or desirable to evidence more fully the transactions described in this Domain Assignment.

3. Miscellaneous.

3.1. Authorization. Each Party represents and warrants that it is fully entitled and duly authorized to enter into this Domain Assignment.

3.2. Entire Agreement. The terms of this Domain Assignment are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Domain Assignment may not be amended except in a writing signed by both of the Parties.

3.3. Successors and Assigns. This Domain Assignment is binding upon and shall inure to the benefit of each Party to this Domain Assignment and to any successors in interests or assigns of any Party to this Domain Assignment.

3.4. Counterparts. This Domain Assignment may be executed in counterparts, each of which shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

3.5. Governing Law. This Domain Assignment is governed by and construed in accordance with the laws of the State of Arizona, and the Parties consent to the exclusive jurisdiction of any court of competent jurisdiction sitting in the State of Arizona.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

LUCAS HALDEMAN, an individual

Dated: 7/29/24 /s/ Lucas Haldeman
Lucas Haldeman

SMARTRENT, INC.

Dated: 7/29/24 By /s/ Kristen Lee
Kristen Lee
Chief Legal Officer

SCHEDULE A
TRANSFERRED DOMAINS

- smartrent.com
- alloyhome.com
- alloyautomation.com
- alloyaccess.com
- alloyaccess-demo.com
- alloyaccess-qa.com
- alloyinstall-qa.com
- alloyinstall.com
- alloypass.com
- alloysmarthome.com
- alloyparking.com
- gosmartrent.com
- selftournow.com
- smartrent-email.com
- smartrent-security.com
- srinternal.io
- walkinator.com
- smartrent-ui.com

EXHIBIT 31.1

CERTIFICATION OF CHIEF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a), UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Lucas Haldeman, Daryl Stemm**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SmartRent, Inc. for the period ended **March 31, 2024** June 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the

circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 8, 2024** **August 7, 2024**

/s/ **LUCAS HALDEMAN DARYL STEMM**

Lucas Haldeman Daryl Stemm

Chief Interim Principal Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a), UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daryl Stemm, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SmartRent, Inc. for the period ended **March 31, 2024** **June 30, 2024**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 8, 2024** August 7, 2024

/s/ DARYL STEMM

Daryl Stemm
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SmartRent, Inc. (the "Company") on Form 10-Q for the quarterly period ended **March 31, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Lucas Haldeman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 8, 2024**

/s/ LUCAS HALDEMAN

Lucas Haldeman
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SmartRent, Inc. (the "Company") on Form 10-Q for the quarterly period ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Daryl Stemm, **Interim Principal Executive Officer** and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as

adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2024 August 7, 2024

/s/ DARYL STEMM

Daryl Stemm

Interim Principal Executive Officer and Chief Financial Officer
(Principal Executive, Financial Officer and Principal Accounting Officer)

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