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 June 30, 2026

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	**85-4218526**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
6811 E. Mayo Blvd., 4th Floor Phoenix, Arizona	**85054**
(Address of Principal Executive Offices)	*(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**

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

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 August 3, 2026, there were 191,611,799 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 our metrics, including, among others, Annual Recurring Revenue, Average Revenue per Unit, Customer Churn, Property Net Revenue Retention, Customer Net Revenue Retention, Bookings, the number of Units Deployed, New Units Deployed, Units Shipped, and Units Booked;
- the impact of macroeconomic conditions and geopolitical events on our business;
- our anticipated investments in sales and marketing and research and development;
- 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 ability to manage our supply chain;
- our ability to effectively manage our growth and future expenses;
- our recent leadership changes;
- our ability to maintain our brand;
- our ability to successfully defend litigation brought against us;
- our ability to achieve or maintain profitability;
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- 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;
- our expectations about competition and our ability to compete effectively with new and existing competitors in new and existing markets and offerings;
- management's plans, beliefs and objectives for future operations including Vision 2028 (defined below in Recent Developments);
- 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 uninterrupted operation of our network;
- our ability to maintain, protect and enhance our intellectual property;
- the impact of international trade restrictions, such as tariffs and other controls on imports or exports of goods, technology, or data;
- our expectations regarding our share repurchase program;
- our ability to satisfy certain New York Stock Exchange ("NYSE") listing requirements;
- the impact of seasonal factors on our business;

- our expectations of the impact of, and our ability to comply with existing, modified or new laws and regulations applicable to our business; and
- our ability to correctly estimate our tax obligations.

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

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, 2025, filed on March 4, 2026. 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	
	June 30, 2026	**December 31, 2025**
ASSETS		
Current assets		
Cash and cash equivalents	$ 92,662	$ 104,550
Accounts receivable, net	38,105	47,401
Inventory	21,331	26,670
Deferred cost of revenue, current portion	1,010	3,068
Prepaid expenses and other current assets	9,291	6,189
Total current assets	162,399	187,878
Property and equipment, net	4,686	5,121
Deferred cost of revenue	-	121
Goodwill	92,339	92,339
Intangible assets, net	17,564	19,501
Other long-term assets	16,710	15,965
Total assets	$ 293,698	$ 320,925
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 8,456	$ 13,012
Accrued expenses and other current liabilities	15,206	14,040
Deferred revenue, current portion	19,022	32,966
Total current liabilities	42,684	60,018
Deferred revenue	20,647	22,968
Other long-term liabilities	5,229	5,800
Total liabilities	68,560	88,786
Commitments and contingencies (Note 11)		
Convertible preferred stock, $0.0001 par value; 50,000 shares authorized as of June 30, 2026 and December 31, 2025; no shares of preferred stock issued and outstanding as of June 30, 2026 and December 31, 2025	-	-
Stockholders' equity		
Class A common stock, $0.0001 par value; 500,000 shares authorized as of June 30, 2026 and December 31, 2025, respectively; 191,611 and 189,677 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	19	19
Additional paid-in capital	651,619	645,051
Accumulated deficit	(426,783)	(413,294)
Accumulated other comprehensive loss	283	363
Total stockholders' equity	225,138	232,139
Total liabilities, convertible preferred stock and stockholders' equity	$ 293,698	$ 320,925

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Revenue				
Hardware	$ 13,624	$ 15,143	$ 29,005	$ 33,973
Professional services	8,636	4,327	14,669	8,220
Hosted services	17,584	18,838	34,853	37,459
Total revenue	39,844	38,308	78,527	79,652
Cost of revenue				
Hardware	11,914	12,868	24,490	26,828
Professional services	6,860	6,237	12,758	13,530
Hosted services	4,850	6,535	9,938	13,064
Total cost of revenue	23,624	25,640	47,186	53,422
Operating expense				
Research and development	5,582	6,465	11,728	14,723
Sales and marketing	5,225	6,375	9,671	11,145
General and administrative	11,874	11,513	21,497	28,407
Total operating expense	22,681	24,353	42,896	54,275
Impairment charge	-	-	-	24,929
Loss from operations	(6,461)	(11,685)	(11,555)	(52,974)
Interest income	815	1,101	1,675	2,404
Interest expense	(89)	(89)	(188)	(192)
Other expense, net	(68)	(220)	(143)	(207)
Loss before income taxes	(5,803)	(10,893)	(10,211)	(50,969)
Income tax (benefit) expense	(162)	(33)	(122)	75
Net loss	$ (5,641)	$ (10,860)	$ (10,089)	$ (51,044)
Other comprehensive loss				
Foreign currency translation adjustment	387	639	(80)	727
Comprehensive loss	$ (5,254)	$ (10,221)	$ (10,169)	$ (50,317)
Net loss per common share				
Basic and diluted	$ (0.03)	$ (0.06)	$ (0.05)	$ (0.27)
Weighted-average number of shares used in computing net loss per share				
Basic and diluted	192,414	188,755	192,028	190,577

See accompanying Notes to Condensed Consolidated Financial Statements.

SMARTRENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Convertible Preferred Stock		Class A Common Stock					
	Shares	Amount (Par Value $0.0001)	Shares	Amount (Par Value $0.0001)	Additional Paid In Capital	Accumulated Deficit	Accumulated other comprehensive income (loss)	Total Stockholders' Equity
Balance, December 31, 2025	**-**	**$ -**	**189,677**	**$ 19**	**$ 645,051**	**$ (413,294)**	**$ 363**	**$ 232,139**
Stock-based compensation	-	-	-	-	3,057	-	-	3,057
Issuance of Class A common stock upon vesting of equity awards	-	-	1,974	-	-	-	-	-
Tax withholdings related to net share settlement of equity awards	-	-	(470)	-	(559)	-	-	(559)
ESPP purchases	-	-	118	-	96	-	-	96
Exercise of options			1,422		856			856
Net loss	-	-	-	-	-	(4,448)	-	(4,448)
Other comprehensive loss	-	-					(467)	(467)
Balance, March 31, 2026	**-**	**$ -**	**192,721**	**$ 19**	**$ 648,501**	**$ (417,742)**	**$ (104)**	**$ 230,674**
Stock-based compensation	-	-	-	-	3,233	-	-	3,233
Issuance of common stock upon vesting of equity awards	-	-	2,004	-	-	-	-	-
Tax withholdings related to net share settlement of equity awards	-	-	(430)	-	(170)	-	-	(170)
Repurchases of Class A common stock	-	-	(2,800)	-		(3,400)	-	(3,400)
Exercise of options	-	-	116	-	55	-	-	55
Net loss	-	-	-	-	-	(5,641)	-	(5,641)
Other comprehensive income	-	-	-	-	-	-	387	387
Balance, June 30, 2026	**-**	**$ -**	**191,611**	**$ 19**	**$ 651,619**	**$ (426,783)**	**$ 283**	**$ 225,138**

SMARTRENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Convertible Preferred Stock		Class A Common Stock					
	Shares	Amount (Par Value $0.0001)	Shares	Amount (Par Value $0.0001)	Additional Paid In Capital	Accumulated Deficit	Accumulated other comprehensive (loss) income	Total Stockholders' Equity
Balance, December 31, 2024	**-**	**$ -**	**192,049**	**$ 19**	**$ 637,361**	**$ (347,847)**	**$ (98)**	**$ 289,435**
Stock-based compensation	-	-	-	-	2,836	-	-	2,836
Issuance of Class A common stock upon vesting of equity awards	-	-	906	-	-	-	-	-
Tax withholdings related to net share settlement of equity awards	-	-	(328)	-	(478)	-	-	(478)
ESPP purchases	-	-	140	-	175	-	-	175
Repurchases of Class A common stock	-	-	(1,018)	-	-	(1,202)	-	(1,202)
Net loss	-	-	-	-	-	(40,184)	-	(40,184)
Other comprehensive income	-	-					88	88
Balance, March 31, 2025	**-**	**$ -**	**191,749**	**$ 19**	**$ 639,894**	**$ (389,233)**	**$ (10)**	**$ 250,670**
Stock-based compensation	-	-	-	-	2,161	-	-	2,161
Issuance of common stock upon vesting of equity awards	-	-	438	-	-	-	-	-
Tax withholdings related to net share settlement of equity awards	-	-	(57)	-	(45)	-	-	(45)
Repurchases of Class A common stock	-	-	(4,066)	-	-	(3,716)	-	(3,716)
Net loss	-	-	-	-	-	(10,860)	-	(10,860)
Other comprehensive income	-	-	-	-	-	-	639	639
Balance, June 30, 2025	**-**	**$ -**	**188,064**	**$ 19**	**$ 642,010**	**$ (403,809)**	**$ 629**	**$ 238,849**

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	For the six months ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (10,089)	$ (51,044)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	4,514	4,009
Goodwill impairment	-	24,929
(Recovery of) provision for warranty expense	(372)	497
Non-cash lease expense	224	449
Stock-based compensation	6,290	4,997
Change in fair value of earnout related to acquisition	-	(294)
Non-cash interest expense	68	72
Provision for excess and obsolete inventory	300	594
Provision for expected credit losses	63	141
Change in operating assets and liabilities		
Accounts receivable	9,150	897
Inventory	5,017	1,378
Deferred cost of revenue	2,180	5,108
Prepaid expenses and other assets	(3,412)	(2,821)
Accounts payable	(4,517)	2,914
Accrued expenses and other liabilities	1,217	2,584
Deferred revenue	(16,258)	(21,311)
Lease liabilities	(605)	(198)
Net cash used in operating activities	(6,230)	(27,099)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(255)	(3,462)
Capitalized software costs	(2,691)	(2,388)
Net cash used in investing activities	(2,946)	(5,850)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for repurchases of Class A common stock	(3,400)	(4,918)
Proceeds from options exercise	911	-
Proceeds from ESPP purchases	96	175
Taxes paid related to net share settlements of stock-based compensation awards	(729)	(523)
Net cash used in financing activities	(3,122)	(5,266)
Effect of exchange rate changes on cash and cash equivalents	410	777
Net decrease in cash and cash equivalents	(11,888)	(37,438)
Cash and cash equivalents - beginning of period	104,550	142,482
Cash and cash equivalents - end of period	$ 92,662	$ 105,044
Reconciliation of cash and cash equivalents to the condensed consolidated balance sheets		
Cash and cash equivalents	$ 92,662	$ 105,044
Total cash and cash equivalents	$ 92,662	$ 105,044

See accompanying Notes to Condensed Consolidated Financial Statements.

SMARTRENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(Unaudited)
(in thousands)

	For the six months ended June 30,	
	2026	**2025**
Supplemental disclosure of cash flow information		
Interest paid	$ 132	$ 125
Cash paid for income taxes	162	299
Schedule of non-cash investing and financing activities		
Accrued property and equipment at period end	18	23
Stock repurchases excise tax charged to equity	-	32

See accompanying Notes to Condensed Consolidated Financial Statements.

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 solutions can help lower operating costs, increase revenue, mitigate operational friction and protect assets for owners and operators, while providing a differentiated, elevated living experience for residents. The Company is headquartered in Phoenix, Arizona.

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 Condensed Consolidated Balance Sheet at December 31, 2025 has been derived from the audited consolidated financial statements as of December 31, 2025, as presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on March 4, 2026. 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 June 30, 2026 and 2025 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 June 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 or any future period.

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 Condensed Consolidated Statements of Operations and Comprehensive Loss.

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 expected credit losses, intangible assets, warranty liabilities, stand-alone selling price of items sold, certain assumptions used in the valuation of equity awards, and assumptions used to estimate the fair value of stock-based compensation expense. Actual results could differ materially from those estimates.

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.

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 expected credit losses on the Condensed Consolidated Balance Sheets. The allowance for expected credit losses totaled $2,194 and $2,131 as of June 30, 2026, and December 31, 2025, respectively. The (recovery of) provision for expected credit losses is recorded in general and administrative expenses in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Loss. The provision for (recovery of) expected credit losses totaled $259 and $(26) for the three months ended June 30, 2026 and 2025, respectively. The provision for expected credit losses totaled $63 and $141 for the six months ended June 30, 2026 and 2025, respectively. The Company evaluates the collectability of the accounts receivable balances and has determined the allowance for 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 Condensed Consolidated Balance Sheets date. Accounts receivable determined to be uncollectible are charged against the allowance for 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 Condensed 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		Revenue	
	As of		For the three months ended		For the six months ended	
	June 30, 2026	December 31, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Customer A	13%	11%	*	11%	*	13%
Customer B	19%	24%	*	*	*	*
Customer C	11%	*	21%	*	21%	18%

* 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.

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. During the three months ended March 31, 2025, the Company experienced a sustained decline in stock price, resulting in a significant decrease in market capitalization. As a result, the Company conducted an interim impairment test utilizing the qualitative approach and determined that impairment was more likely than not. As a result, the Company then performed an interim quantitative impairment test which resulted in an indication of impairment.

The fair value of the entity was determined using the combination of an income approach and market-based approach. The mix between the two approaches requires significant judgement, however, the Company engaged a third-party valuation specialist to assist with its assessment. As a result of this test, the Company recorded a goodwill impairment charge of $24,929 during the three months ended March 31, 2025. There were no such charges recorded during the remainder of 2025 or during the three or six months ended June 30, 2026.

	June 30, 2026	December 31, 2025
Balance at beginning of period	$ 92,339	$ 117,268
Impairment charge	-	(24,929)
Balance at end of period	$ 92,339	$ 92,339

The significant assumptions used in determining the fair value of the reporting unit under the income approach primarily relate to revenue growth rate, forecasted EBITDA and the selected discount rate used in the discounted cash flow model. The significant assumptions used in the market-based approach primarily relate to the forecasted EBITDA margin, the selected control premium, and selected revenue and EBITDA multiples, which require significant judgement.

To the extent that inputs and assumptions used in the analysis change, such as an increased discount rate, updated cash flow projections, or decreases to Guideline companies' multiples, additional impairment charges may be recorded in the future. In addition, a further decrease in the Company's common stock share price and market capitalization or significant changes to the Company's long term forecast could be an indicator of a decrease in the fair value of the Company's equity.

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 June 30, 2026 and 2025, included in cost of hardware revenue was $118 and $311 of warranty expense, respectively. For the six months ended June 30, 2026 and 2025, included in cost of hardware revenue was a $(62) warranty recovery and $426 warranty expense, respectively. As of June 30, 2026, and December 31, 2025, the Company's warranty allowance was $257 and $423, respectively, and is recorded in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets.

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.

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 June 30, 2026 or 2025. 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. We do not expect to deploy any more non-distinct Hub Devices.

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 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 both 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 it transfers to a customer.

- 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 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 subscription revenue generated from fees that provide customers access to one or more of the Company’s software applications including access controls and asset monitoring and related services. These subscription arrangements have contractual terms ranging from one month to ten 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.

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 which vest based on performance and time based service conditions. For RSUs with a performance condition as well as a time-based service condition, compensation expense is recognized over the service period based on the number of awards that the Company believes is probable to vest.

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. During the three months ended June 30, 2026 and 2025, the Company capitalized $1,647 and $1,120, respectively, of research and development costs in other long-term assets on the Condensed Consolidated Balance Sheets. During the six months ended June 30, 2026 and 2025, the Company capitalized $2,736 and $2,935, respectively, of research and development costs in other long-term assets on the Condensed Consolidated Balance Sheets. As of June 30, 2026, the Company had capitalized $20,699 of research and development costs in other long-term assets on the Condensed Consolidated Balance Sheets, including $19,592 of capitalized software costs, of which $12,358 remained to be amortized. As of December 31, 2025, the Company had capitalized $17,963 of research and development costs, including $16,900 of capitalized software costs, in other long-term assets on the Condensed Consolidated Balance Sheets, of which $11,529 remained to be amortized.

Advertising

Advertising costs are expensed as incurred and recorded as a component of sales and marketing expense. The Company incurred $24 and $335 of advertising expenses for the three months ended June 30, 2026 and 2025, respectively. The Company incurred $38 and $558 of advertising expenses for the six months ended June 30, 2026 and 2025, respectively.

Segments

The Company has one operating segment and one reportable segment. Its chief operating decision maker ("CODM") is the Company's President and Chief Executive Officer, with the exception of the period from July 29, 2024 to February 24, 2025 when a management committee comprised of certain of the Company's executives acted as the CODM while the Company was in a transition period between Chief Executive Officers. The CODM 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. Refer to Note 12 - Segment Reporting for more information on the Company's operating and reportable segments.

Recent Accounting Guidance

Recent Accounting Guidance Not Yet Adopted

In November 2024, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses and in January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to financial statements. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the effect that the updated standard will have on the consolidated financial statement disclosures.

In September 2025, the FASB issued ASU No. 2025-06 ("ASU 2025-06"), Intangibles–Goodwill and Other–Internal-Use Software. The guidance modernizes and clarifies the threshold for when an entity is required to start capitalizing software costs and is based on when (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The amendments in ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods, with early adoption permitted. We are evaluating the impact of the standard on the consolidated financial statement disclosures.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements ("ASU 2025-12"). The guidance addresses suggestions received from stakeholders regarding the Accounting Standards Codification and makes other incremental improvements to U.S. GAAP. The update represents changes to the Codification that clarify, correct errors in or make other improvements to a variety of topics that are intended to make it easier to understand and apply. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Entities are required to apply the amendments to ASC 260 retrospectively. All other amendments may be applied prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the effect that the updated standard will have on the consolidated financial statement disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements ("ASU 2025-11"). The guidance is intended to improve the navigability of guidance in ASC 270, Interim Reporting, and clarify when it applies. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, and permits prospective or full retrospective adoption. The Company is currently evaluating the effect that the updated standard will have on the consolidated financial statement disclosures.

Recently Adopted Accounting Guidance

In July 2025, the FASB issued ASU No. 2025-05 ("ASU 2025-05"), Financial Instruments–Credit Losses. The guidance provides an optional practical expedient when applying the guidance related to the estimation of expected credit losses for current accounts receivable and current contract assets resulting from transactions arising from contracts with customers. The amendments in ASU 2025-05 are effective for fiscal years beginning after December 15, 2025, and interim reporting periods, with early adoption permitted. The Company adopted this standard which had no impact on results of operations, cash flows or financial condition.

NOTE 3. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF INSTRUMENTS

The following table displays the carrying values and fair values of financial instruments.

Assets on the Condensed Consolidated Balance Sheets		As of June 30, 2026 Carrying Value	Unrealized Losses	Fair Value	As of December 31, 2025 Carrying Value	Unrealized Losses	Fair Value
Cash and cash equivalents	Level 1	$ 92,662	$ -	$ 92,662	$ 104,550	$ -	$ 104,550
Total		$ 92,662	$ -	$ 92,662	$ 104,550	$ -	$ 104,550

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.

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Revenue by geography				
United States	$ 39,844	$ 38,288	$ 78,465	$ 79,608
International	-	20	62	44
Total revenue	$ 39,844	$ 38,308	$ 78,527	$ 79,652

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Revenue by type				
Hardware	$ 13,624	$ 15,143	$ 29,005	$ 33,973
Professional services	8,636	4,327	14,669	$ 8,220
Hosted services	17,584	18,838	34,853	$ 37,459
Total revenue	$ 39,844	$ 38,308	$ 78,527	$ 79,652

	For the three months ended June 30,								For the six months ended June 30,							
	2026				2025				2026				2025			
	(dollars in thousands)								(dollars in thousands)							
SmartRent Solutions[1]	Hardware	Professional Services	Hosted Services	Total 2026	Hardware	Professional Services	Hosted Services	Total 2025	Hardware	Professional Services	Hosted Services	Total 2026	Hardware	Professional Services	Hosted Services	Total 2025
Smart Communities Solutions																
Smart Apartments	$ 12,283	$ 7,567	$ 13,488	$ 33,338	$ 13,558	$ 3,807	$ 14,609	$ 31,974	$ 26,654	$ 12,474	$ 26,590	$ 65,718	$ 31,255	$ 6,801	$ 29,024	$ 67,080
Access Control	1,051	907	770	2,728	1,193	267	614	2,074	1,757	1,833	1,513	5,103	1,832	743	1,145	3,720
Other	290	162	1,032	1,484	392	253	990	1,635	594	362	2,054	3,010	886	676	1,866	3,428
Smart Operations Solutions	-	-	2,294	2,294	-	-	2,625	2,625	-	-	4,696	4,696	-	-	5,424	5,424
Total Revenue	**$ 13,624**	**$ 8,636**	**$ 17,584**	**$ 39,844**	**$ 15,143**	**$ 4,327**	**$ 18,838**	**$ 38,308**	**$ 29,005**	**$ 14,669**	**$ 34,853**	**$ 78,527**	**$ 33,973**	**$ 8,220**	**$ 37,459**	**$ 79,652**

(1) For the three and six months ended June 30, 2026, the Company revised the presentation of the above table by aggregating Community WiFi revenue in Other as revenue from the Company's Community WiFi solution is becoming less significant. The revised presentation has been applied retrospectively for the comparative periods ended June 30, 2025. For the three months ended June 30, 2026 and 2025, total revenue attributable to Community WiFi was $262 and $304, respectively. For the six months ended June 30, 2026 and 2025, total revenue attributable to Community WiFi was $452 and $718, respectively. For the three months ended June 30, 2025, revenue attributable to Community WiFi was $54 related to Hardware, $41 related to Professional Services and $209 related to Hosted Services. For the six months ended June 30, 2025, revenue attributable to Community WiFi was $57 related to Hardware, $259 related to Professional Services and $402 related to Hosted Services.

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 six months ended June 30,	
	2026	2025
Deferred revenue balance as of January 1	$ 55,934	$ 87,659
Revenue recognized from balance of deferred revenue at the beginning of the period	(11,075)	(21,448)
Revenue deferred during the period	1,546	6,187
Revenue recognized from revenue originated and deferred during the period	(117)	(807)
Deferred revenue balance as of March 31	46,288	71,591
Revenue recognized from balance of deferred revenue at the beginning of the period	(8,885)	(8,454)
Revenue deferred during the period	2,709	6,202
Revenue recognized from revenue originated and deferred during the period	(443)	(2,982)
Deferred revenue balance as of June 30	39,669	66,357

As of June 30, 2026, the Company expects to recognize 48% of its total deferred revenue within the next 12 months, 21% of its total deferred revenue between 13 and 36 months, 24% 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 June 30, 2026 and 2025 are $7,180 and $13,283, 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	
	June 30, 2026	December 31, 2025
Finished Goods	$ 21,020	$ 26,359
Raw Materials	311	311
Total inventory	$ 21,331	$ 26,670

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 June 30, 2026 and 2025, the Company recorded write-downs of $541 and $387, respectively. During the six months ended June 30, 2026 and 2025, the Company recorded write-downs of $300 and $594, respectively. As of June 30, 2026 and December 31, 2025, the Company's inventory reserve balance was $4,439 and $4,307, respectively. The Company evaluates inventory levels for excess and obsolete products based on its assessment of future demand and market conditions.

Prepaid expenses and other current assets consisted of the following.

	As of	
	June 30, 2026	December 31, 2025
Prepaid expenses	$ 7,989	$ 5,856
Other current assets	1,302	333
Total prepaid expenses and other current assets	$ 9,291	$ 6,189

Property and equipment, net consisted of the following.

	As of	
	June 30, 2026	December 31, 2025
Leasehold improvements	$ 5,245	$ 5,202
Computer hardware	2,398	2,332
Warehouse and other equipment	940	950
Furniture and fixtures	326	322
Property and equipment	8,909	8,806
Less: Accumulated depreciation	(4,223)	(3,685)
Total property and equipment, net	$ 4,686	$ 5,121

Depreciation and amortization expense on all property, plant and equipment was $384 and $170 during the three months ended June 30, 2026 and 2025, respectively. Depreciation and amortization expense on all property, plant and equipment was $671 and $359 during the six months ended June 30, 2026 and 2025, respectively.

Intangible assets, net consisted of the following.

	As of					
	June 30, 2026			December 31, 2025		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer relationships	$ 22,990	$ (9,557)	$ 13,433	$ 22,990	$ (8,446)	$ 14,544
Developed technology	10,600	(6,590)	4,010	10,600	(5,854)	4,746
Trade name	900	(779)	121	900	(689)	211
Total intangible assets, net	$ 34,490	$ (16,926)	$ 17,564	$ 34,490	$ (14,989)	$ 19,501

Amortization expense on all intangible assets was $969 and $968 for the three months ended June 30, 2026 and 2025, respectively. Amortization expense on all intangible assets was $1,937 for each of the six months ended June 30, 2026 and 2025. Total future amortization for finite-lived intangible assets is estimated as follows.

	Amortization Expense
2026 - Remaining	$ 1,936
2027	3,734
2028	3,693
2029	2,554
2030	2,222
Thereafter	3,425
Total	$ 17,564

Other long-term assets consisted of the following.

	As of	
	June 30, 2026	December 31, 2025
Capitalized software costs, net	$ 11,721	$ 10,846
Operating lease - ROU asset, net	2,585	2,810
Other long-term assets	2,404	2,309
Total other long-term assets	$ 16,710	$ 15,965

Amortization expense for capitalized software costs was $895 and $876 for the three months ended June 30, 2026 and 2025, respectively. Amortization expense for capitalized software costs was $1,817 and $1,617 for the six months ended June 30, 2026 and 2025, respectively.

Accrued expenses and other current liabilities consisted of the following.

	As of	
	June 30, 2026	December 31, 2025
Accrued expenses	$ 7,448	$ 3,383
Accrued compensation costs	5,628	7,778
Warranty allowance	257	423
Other	1,873	2,456
Total accrued expenses and other current liabilities	$ 15,206	$ 14,040

Other long-term liabilities consisted of the following.

	As of	
	June 30, 2026	December 31, 2025
Lease liability, noncurrent	$ 5,229	$ 5,792
Other long-term liabilities	-	8
Total other long-term liabilities	$ 5,229	$ 5,800

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 June 30, 2026. 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 Condensed 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 June 30, 2026 and 2025, the Company recorded $34 and $36, respectively, of amortization expense in connection with these costs, as a component of interest expense on the Condensed Consolidated Statements of Operations and Comprehensive Loss. For the six months ended June 30, 2026 and 2025, the Company recorded $68 and $72, respectively, of amortization expense in connection with these costs, as a component of interest expense on the Condensed 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 June 30, 2026, 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 June 30, 2026 and 2025, the facility fee totaled $46 and $45, respectively. During the six months ended June 30, 2026 and 2025, the facility fee totaled $93 and $92, respectively.

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. As of June 30, 2026 the Company did not maintain the minimum cash balance but exceeded the 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 June 30, 2026, and through the date these condensed 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 June 30, 2026 and December 31, 2025, there was no outstanding principal amount under the Senior Revolving Facility.

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 June 30, 2026, there are no preferred stock issued or outstanding.

Stock Repurchase Program

In March 2024, the Company's Board of Directors (the "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 and six months ended June 30, 2026, the Company repurchased and subsequently retired 2,800 shares of our Class A common stock under the stock repurchase program at an average price of $1.21 per share for a total of $3,400, including $28 of broker fees. As of June 30, 2026, approximately $13,379 remained available for stock repurchases pursuant to our stock repurchase program. See Note 13 - Subsequent Events for more information.

During the three months ended June 30, 2025, the Company repurchased and subsequently retired 4,066 shares of our Class A common stock under the stock repurchase program at an average price of $0.91 per share for a total of $3,684, including $41 of broker fees. During the six months ended June 30, 2025, the Company repurchased and subsequently retired 5,084 shares of our Class A common stock under the stock repurchase program at an average price of $0.96 per share for a total of $4,886, including $51 of broker fees. 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 June 30, 2025, approximately $16,751 and remained available for stock repurchases pursuant to our stock repurchase program.

NOTE 8. STOCK-BASED COMPENSATION

2018 Stock Plan

The Company’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 the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company. The 2018 Stock Plan sought 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 executed a unanimous written consent to provide an additional incentive to certain employees of the Company 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. 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 August 2021, 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. On May 12, 2026, the Company's stockholders approved an amendment to the 2021 Plan, as amended and restated, which increased the number of shares reserved for issuance thereunder by 20,000 shares of Class A common stock. The Company is authorized to issue up to a total of 44,400 shares of Class A common stock under the 2021 Plan, as amended and restated. Non-employee board member RSUs generally will vest over one year, 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 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 six months ended June 30, 2026, and the shares available for future issuances as of June 30, 2026 and December 31, 2025.

	Shares Available for Future Issuance
Shares available as of December 31, 2025	10,874
RSUs forfeited	210
RSUs settled for taxes	481
RSUs issued	(6,115)
PSUs issued	(1,119)
Shares available as of March 31, 2026	4,331
Additions to the plan	20,000
RSUs forfeited	853
RSUs settled for taxes	430
RSUs issued	(1,431)
PSUs issued	(600)
Shares available as of June 30, 2026	23,583

The table below summarizes the activity related to stock options, pursuant to the 2018 Stock Plan and 2021 Plan, for the six months ended June 30, 2026.

	Options Outstanding			
	Number of Options	Weighted-Average Exercise Price ($ per share)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
December 31, 2025	3,072	$ 1.45	3.25	$ 2,961
Exercised	(1,422)	0.47		
Forfeited	(145)	3.01		
March 31, 2026	1,505	2.27	5.92	$ 503
Exercised	(116)	$ 0.47		
June 30, 2026	1,389	$ 2.42	6.16	$ 268
Exercisable options as of June 30, 2026	996	$ 2.11	5.72	$ 268

During the three months ended June 30, 2026 and 2025, stock-based compensation expense of $137 and $213, respectively, was recognized in connection with the outstanding options. During the six months ended June 30, 2026 and 2025, stock-based compensation expense of $273 and $508, respectively, was recognized in connection with the outstanding options. As of June 30, 2026, there is $637 of unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of 1.4 years.

The table below summarizes the activity related to RSUs, pursuant to the 2018 Stock Plan and 2021 Plan, for the six months ended June 30, 2026.

	Restricted Stock Units	
	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value (per share)
December 31, 2025	10,046	$ 1.51
Granted	6,579	1.72
Vested or distributed	(1,974)	1.78
Forfeited	(215)	1.79
March 31, 2026	14,436	1.56
Granted	1,431	1.16
Vested or distributed	(2,004)	0.85
Forfeited	(848)	1.77
June 30, 2026	13,015	$ 1.62

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 or other service. Compensation expense associated with the unvested RSUs is recognized on a straight-line basis over the vesting period.

During the three months ended June 30, 2026 and 2025, stock-based compensation expense of $2,625 and $1,935, respectively, was recognized in connection with the vesting of all RSUs. During the six months ended June 30, 2026 and 2025, stock-based compensation expense of $5,204 and $4,479, respectively, was recognized in connection with the vesting of all RSUs. As of June 30, 2026, there is $16,732 of unrecognized compensation expense related to restricted stock units, which is expected to be recognized over a weighted-average period of 2.6 years.

During the three months ended June 30, 2026, the Company granted performance stock units ("PSUs") to our President and Chief Executive Officer covering a target of 600 shares of the Company's Class A common stock. These PSUs are earned and vest based on the growth rate of the Company's Annual Recurring Revenue ("ARR"). The Company defines 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. The grant date fair value of the awards was determined using the closing share price of our Class A common stock on the date of grant. The total quantity of PSUs eligible to vest under these awards range from 0% to 200% of the target based on the actual ARR growth rate during a one-year performance period. ARR growth will be determined by calculating ARR as of June 30, 2026 compared to June 30, 2027. As such, the awards are subject to performance conditions and compensation expense is recognized over the service period based on the number of awards that we believe is probable to vest. The Company assesses the likelihood of achieving these performance conditions each quarter and adjusts compensation expense accordingly.

During the three months ended March 31, 2026, the Company granted PSUs to our President and Chief Executive Officer covering a target of 1,119 shares of the Company's Class A common stock. These PSUs are earned and vest based on the Company's annual cost savings. The grant date fair value of the awards was determined using the closing share price of our Class A common stock on the date of grant. The total quantity of PSUs eligible to vest under these awards range from 0% to 200% of the target based on annualized cost savings as of December 31, 2026. As such, the awards are subject to performance conditions and compensation expense is recognized over the service period based on the number of awards that the Company believes is probable to vest. The Company assesses the likelihood of achieving these performance conditions each quarter and adjusts compensation expense accordingly.

The table below summarizes the activity related to PSUs, pursuant to the 2021 Plan, for the six months ended June 30, 2026.

	Performance Stock Units	
	Number of Performance Stock Units	Weighted Average Grant Date Fair Value (per share)
December 31, 2025	-	$ -
Granted	1,119	1.72
March 31, 2026	1,119	$ 1.72
Granted	600	$ 1.14
June 30, 2026	1,719	$ 1.52

No right to any Class A common stock is earned or accrued until such time that vesting occurs, nor does the grant of the PSU award confer any right to continue vesting or employment or other service.

During the three months ended June 30, 2026, stock-based compensation expense of $449 was recognized in connection with the vesting of PSUs. There was no such expense for the three months ended June 30, 2025. During the six months ended June 30, 2026, stock-based compensation expense of $787 was recognized in connection with the vesting of PSUs. There was no such expense for the six months ended June 30, 2025. As of June 30, 2026, there is $1,716 of unrecognized compensation expense related to PSUs, which is expected to be recognized over a weighted-average period of 0.7 years.

2025 Inducement Equity Incentive Plan

In January 2025, the Board adopted the SmartRent, Inc. 2025 Inducement Equity Incentive Plan (the “Inducement Plan”), pursuant to which the Company may grant equity awards that are intended to qualify as employment inducement awards under the New York Stock Exchange Listed Company Manual Rule 303A.08 and any applicable interpretive material and other guidance issued under such rule (together, the “Inducement Listing Rule”), from time to time as determined by the Committee (as defined in the Inducement Plan), the Board’s Compensation Committee, or a majority of the Company’s “Independent Directors” (as defined under the applicable rules of the New York Stock Exchange). Upon adoption of the Inducement Plan, and subject to the adjustment provisions therein, the Company reserved 6,500 shares of Common Stock for issuance pursuant to equity awards granted under the Inducement Plan.

The Inducement Plan provides for the grant of equity-based awards, including options, stock appreciation rights, restricted stock awards, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards. Such equity-based awards may be granted under the Inducement Plan only to employees of the Company, so long as the following requirements are met: (i) the employee was not previously an employee or director, or the employee is to become employed by the Participating Company Group (as defined in the Inducement Plan) following a bona fide period of non-employment (within the meaning of the Inducement Listing Rule), and (ii) the grant of the award or awards is an inducement material to the employee’s entering into employment with the Participating Company Group in accordance with the Inducement Listing Rule.

The table below summarizes the activity pursuant to the Inducement Plan, for the six months ended June 30, 2026 and the shares available for future issuances as of June 30, 2026.

	Shares Available for Future Issuance
Shares available as of December 31, 2025	6,281
RSUs issued	(465)
Shares available as of March 31, 2026	5,816
<no activity>	-
Shares available as of June 30, 2026	5,816

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.

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 June 30, 2026 and 2025, stock-based compensation expense of $22 and $13, respectively, was recognized in connection with the ESPP. During the six months ended June 30, 2026 and 2025, stock-based compensation expense of $26 and $10, respectively, was recognized in connection with the ESPP.

The table below summarizes the activity related to the ESPP for the six months ended June 30, 2026.

ESPP Activity	**Shares Available for Sale**
December 31, 2025	8,761
Annual additions to the plan	1,897
Shares purchased	(118)
March 31, 2026	10,540
<no activity>	-
June 30, 2026	10,540

Stock-Based Compensation

The Company recorded stock-based compensation expense as follows.

	For the three months ended June 30,		**For the six months ended June 30,**	
	2026	**2025**	**2026**	**2025**
Cost of revenue	$ 80	$ 126	$ 180	$ 419
Research and development	541	770	1,240	1,942
Sales and marketing	237	181	458	409
General and administrative	2,375	1,084	4,412	2,227
Total	$ 3,233	$ 2,161	$ 6,290	$ 4,997

NOTE 9. INCOME TAXES

The Company's effective tax rate ("ETR") from continuing operations was 2.79% and 0.30% for the three months ended June 30, 2026 and 2025, respectively. The Company's effective tax rate ("ETR") from continuing operations was 1.19% and (0.15%) for the six months ended June 30, 2026 and 2025, respectively. The Company's ETR during the six months ended June 30, 2026 differed from the federal statutory rate of 21% primarily due to changes in valuation allowance and foreign taxes.

The income tax benefit on the Consolidated Statement of Operations and Comprehensive Loss is primarily related to current year foreign losses offset by foreign and state taxes. The Company established a full valuation allowance for net deferred U.S. federal and state tax assets, including U.S. net operating loss carryforwards. The Company expects to maintain this valuation allowance until it becomes more likely than not that the benefit of the U.S. federal and state deferred tax assets will be realized in future periods if it reports U.S. 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.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company has benefited from the restoration of 100% bonus depreciation and the favorable treatment of research and development expenditures under Section 174 enacted by the OBBBA, and the effects of the legislation have been reflected in the Company's income tax provision.

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 June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Common stock options, RSUs and PSUs	16,123	17,067	16,123	17,067
Total	16,123	17,067	16,123	17,067

NOTE 11. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Company enters into long-term purchase commitments for certain goods and services. In October 2025, the Company entered into an agreement with a supplier to purchase minimum volumes of certain goods and services through December 2030. Future minimum annual payments in connection with the purchase commitment as of June 30, 2026 are as follows.

	Annual Minimum Payments
2026 - Remainder	$ 2,664
2027	5,978
2028	6,900
2029	7,950
2030	9,050
Total purchase commitment	$ 32,542

In the event of certain deteriorating business conditions during fiscal year 2028, and upon providing sixty days written notice to the supplier prior to January 1, 2029, the Company has the option to request for a reduction of its minimum payments for the fiscal years of 2029 and 2030 respectively, including an extension of the commitment term by one additional fiscal year, 2031.

Legal Matters

The Company is subject to various legal proceedings and claims that arise in the ordinary course of its business from time to time. 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 condensed consolidated financial statements.

In February 2024, a putative class action complaint was filed against Fifth Wall Acquisition Sponsor, LLC, Fifth Wall Asset Management, LLC (the “FWAA Defendants”), and the individual directors of Fifth Wall Acquisition Corp. I (“FWAA”) (the “Director Defendants” and collectively the “Defendants”) in the Delaware Court of Chancery by a stockholder of FWAA for purported damages arising from the business combination with SmartRent.com, Inc. (the "2024 Class Action”). The complaint asserted claims for purported actions relating to FWAA’s August 24, 2021 merger with legacy SmartRent.com, Inc. Beginning in February 2025, the parties participated in a mediation, which ultimately led to all the parties’ agreement to settle the 2024 Class Action for $11,375. In August 2025, the parties executed a Stipulation and Agreement of Settlement, Compromise and Release, which the Court approved in November 2025.

Legal expenses and settlement costs incurred by the Company during the three months ended June 30, 2025 were $1,886 in connection with the 2024 Class Action. There were no such expenses incurred during the three months ended June 30, 2026. Legal expenses and settlement costs incurred by the Company during the six months ended June 30, 2026 and 2025 were $37 and $3,462, respectively, in connection with the 2024 Class Action. These legal expenses were recorded within general and administrative expenses on the Condensed Consolidated Statements of Operations and Comprehensive Loss and accrued expenses and other current liabilities on the Consolidated Balance Sheets.

In December 2025, the San Francisco Tenants Union and three residents filed claims against the Company and several multifamily property owners in the Superior Court of the State of California in the County of San Francisco for alleged violations of Article 1 Section 1 of the California Constitution for alleged violation of tenant privacy rights, for common law intrusion upon seclusion and for violation of the San Francisco Rent Ordinance for purportedly interfering with tenants' privacy rights arising out of the use of the Company’s SmartHome products and services (the "Complaint"). The Complaint seeks declaratory relief that the conduct described in the Complaint constitutes an invasion of the right to privacy and injunctive relief prohibiting the Company and owners from violating tenants’ privacy rights. The Complaint also seeks unspecified damages. The Company disputes the plaintiffs’ claims and intends to vigorously defend against those claims.

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.

NOTE 12. SEGMENT REPORTING

The Company operates as a single operating segment, which is also its only reportable segment as its CODM, which is currently the Company's President and Chief Executive Officer, 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 $7,002 and $10,080 of assets outside the United States on June 30, 2026, and December 31, 2025, respectively.

The CODM uses revenue, gross profit, operating expenses, and net income as the primary measures to assess performance and to make strategic decisions regarding product development, market expansion, and resource allocation. Key financial performance measures of the segment are as follows.

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Revenue				
Hardware	$ 13,624	$ 15,143	$ 29,005	$ 33,973
Professional Services	8,636	4,327	14,669	8,220
Deferred hub amortization	1,456	4,619	3,506	9,277
SaaS - Smart Apartments	*12,032*	*9,990*	*23,084*	*19,747*
SaaS - Smart Operations	*2,294*	*2,625*	*4,696*	*5,424*
SaaS - All Other	*1,802*	*1,604*	*3,567*	*3,011*
SaaS	16,128	14,219	31,347	28,182
Total revenue	39,844	38,308	78,527	79,652
Cost of revenue				
Hardware	11,914	12,868	24,490	26,828
Professional Services	6,860	6,237	12,758	13,530
Deferred hub amortization	859	2,300	2,062	4,740
SaaS	3,991	4,235	7,876	8,324
Total cost of revenue	23,624	25,640	47,186	53,422
Gross profit	16,220	12,668	31,341	26,230
Operating expenses				
Research and development	5,038	5,695	10,480	12,781
Sales and marketing	4,949	6,194	9,131	10,736
General and administrative	8,271	9,229	14,622	23,836
Stock compensation	3,153	2,035	6,110	4,578
Depreciation and amortization	1,270	1,200	2,553	2,344
Total operating expenses	22,681	24,353	42,896	54,275
Impairment charge	-	-	-	24,929
Loss from operations	(6,461)	(11,685)	(11,555)	(52,974)
Other segment items[(1)]	820	825	1,466	1,930
Net loss	$ (5,641)	$ (10,860)	$ (10,089)	$ (51,044)

(1) Other segment items include interest income, net, other income (expense), net, and income tax expense (benefit).

Beginning in 2026, the Company revised the presentation of key financial information provided to the CODM. The table above reflects the updated presentation, which has been applied retrospectively in the financial information for the comparative periods ending June 30, 2025.

The CODM is regularly provided with the consolidated cost of revenue and consolidated operating expenses as noted on the face of the Condensed Consolidated Statement of Operations and Comprehensive Loss, as these make up the significant expenses included in the measure of the segment profit or loss. Reported segment revenues less the significant expenses defined in accordance with ASC 280-10-50-26A is equal to the reported segment profit or loss, and thus there are no other segment items to disclose herein.

The Company considers these categories significant based on their materiality to the segment's results and their importance in the CODM's evaluation of segment performance and resource allocation decisions.

NOTE 13. SUBSEQUENT EVENTS

In connection with the preparation of the accompanying condensed consolidated financial statements, the Company has evaluated events and transactions occurring after June 30, 2026 and through August 5, 2026, 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 July 2026, 1 shares of the Company's Class A common stock were issued to certain employees related to vested RSUs.

On July 24, 2026, the Company's Board of Directors approved the termination of its existing stock repurchase program and authorized a new stock repurchase program pursuant to which the Company may repurchase up to $25,000 of its outstanding Class A common stock. The new authorization replaces the prior repurchase program in its entirety.

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 condensed consolidated financial statements and related notes included herein and the consolidated financial statements and notes thereto for the year ended December 31, 2025 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 cloud-based SaaS solutions, many of which are enabled by smart building hardware, provide 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 centrally connected devices ("Hub Devices"), which integrate our enterprise software with third party smart devices, 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 software and devices that power (i) smart apartments and homes, (ii) access control for buildings, common areas, and rental units, and other solutions such as asset protection and monitoring 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 a category leader in the enterprise smart home solutions industry. As of June 30, 2026, we had 929,487 Units Deployed (as defined below) and approximately 600 customers who either have an active subscription or have purchased any SmartRent product in the past twelve months, including many of the largest multifamily residential owners in the United States. As of June 30, 2026, we believe our customers owned an aggregate of approximately 6.8 million rental units. This represents approximately 14% 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 single-family rental homeowners, homebuilders, and iBuyers in the United States.

Our Business Model

We generate revenue primarily from sales of smart home systems that enable property owners and property managers to have visibility and control over assets, while providing all-in-one home control offerings for residents. Our revenue is primarily generated from: (1) the direct sale to our customers of hosted services from subscription fees collected from customers to provide Hosted Services including access controls, asset monitoring, and related services; (2) the sale and delivery of smart home devices, which generally consist of a Hub Device, door-locks, thermostats, sensors, and light switches; and (3) installation and implementation of smart home devices that enable our Hosted Services. Subscription arrangements have contractual terms ranging from one month to ten years and the weighted average length of our recurring revenue contracts is 3.9 years.

Key Factors Affecting Our Performance

We believe that our success is dependent on many factors, including those discussed below. Our operating results and cash flows are influenced by our ability to execute our Vision 2028 strategy, which is designed to extend our market leadership while creating long-term value for our stakeholders. Vision 2028 is centered on two strategic priorities: (1) accelerating growth by reinforcing our competitive moat and (2) expanding our path to profitability through a more leverageable operating model. These priorities are operationalized through five strategic pillars: (i) growing our installed footprint, (ii) scaling a world-class go-to-market organization, (iii) unifying our platform through deeper use of data, analytics and artificial intelligence, (iv) simplifying our hardware architecture while expanding software offerings, and (v) strengthening operating rigor through scalable internal processes. Our ability to successfully execute against these strategic initiatives is expected to be a significant driver of our future operating performance. At the same time, execution of these initiatives presents 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 more 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 systems 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.

In 2025, the U.S. government announced tariffs on goods imported from various countries to the U.S. Countries subject to such tariffs have imposed or may in the future impose reciprocal or retaliatory tariffs and other trade measures. An increase in tariffs could have an adverse impact on our cost structure, supply chain, and broader economic environment.

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. 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 third-party partner integrations, resulting in a multi-functional platform that enhances property management workflow efficiencies, empowers team productivity, elevates resident interactions, and improves resident living experiences. In the future, we intend to unify our platform with deeper use of data, analytics and AI, and simplify our hardware architecture while expanding software offerings.

Category Adoption and Market Growth

Our future growth depends in part on the continued consumer adoption of software and hardware 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 prior years, we experienced headwinds to adoption as certain customers deferred capital expenditures, driven by broader macroeconomic conditions, which resulted in a decrease in Units Shipped and New Units Deployed. In addition, changes in our executive leadership and the structure of our sales organization have impacted sales and overall volumes.

Recent Developments

In the first quarter of 2026, we introduced Vision 2028, a focused three-year strategy that outlines how we believe we will extend our market leadership and create long-term value for our stakeholders. Our priorities are (1) accelerating growth by reinforcing our competitive moat and (2) expanding our path to profitability through a more leverageable operating model. These two priorities are operationalized via the following strategic pillars: (i) grow our installed footprint, (ii) scale a world-class go-to-market organization, (iii) unify our platform with deeper use of data, analytics and AI, (iv) simplify hardware architecture while expanding software offerings, and (v) strengthen operating rigor through scalable internal processes.

Basis of Presentation

The condensed 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 such information. 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. 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 June 30, 2026 and 2025, we had an aggregate of 929,487 and 847,956 Units Deployed, respectively. For the three months ended June 30, 2026 and 2025, we had 18,857 and 21,068 New Units Deployed, respectively. For the six months ended June 30, 2026 and 2025, we had 39,519 and 39,182 New Units Deployed, respectively.

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 June 30, 2026 and 2025, we had 23,249 and 26,543 Units Shipped, respectively. For the six months ended June 30, 2026 and 2025, we had 56,715 and 69,961 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 that will result in a New Unit Deployed. We utilize the concept of Units Booked to measure the 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 June 30, 2026 and 2025, there were 48,254 and 24,319 Units Booked, respectively. For the six months ended June 30, 2026 and 2025, there were 64,846 and 42,529 Units Booked, respectively. We have a long sales cycle, and the timing of customer decisions and orders doesn’t always align with our reporting periods. As a result, we are increasingly focused on trailing twelve-month Units Booked, which we believe provides a more meaningful view of underlying customer demand and the progress we’re making in executing our go-to-market strategy. For the trailing twelve months ended June 30, 2026 and 2025, there were 112,560 and 80,218 Units Booked, respectively. For the three months ended June 30, 2026 and 2025, ARR related to Units Booked was $3,227 and $2,397, respectively. For the six months ended June 30, 2026 and 2025, ARR related to Units Booked was $5,122 and $4,643, 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, including renewals and upgrades. 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 June 30, 2026 and 2025, Bookings were $48,194 and $30,460, respectively. For the six months ended June 30, 2026 and 2025, Bookings were $66,665 and $57,640, respectively. For the trailing twelve months ended June 30, 2026 and 2025, Bookings were $124,676 and $107,203, respectively.

SaaS Revenue

We define SaaS Revenue as subscription revenue from fees paid by customers for access to one or more of SmartRent's software applications, including access controls, asset monitoring and related services, and our Community WiFi solution. We believe that SaaS Revenue growth demonstrates our ability to acquire new customers and to maintain and expand our relationships with existing customers. More specifically, we monitor our SaaS Revenue to assess the general health and trajectory of our Hosted Services business. Arrangements with customers do not provide the customer with the right to take possession of SmartRent's software at any time. Customers are granted continuous access to the services over the contractual period. As of June 30, 2026, approximately 31% of our ARR had prepaid payment terms. We believe that our customer base is inherently sticky given the barriers to entry associated with rolling out an integrated enterprise solution across a portfolio of rental units. For the three months ended June 30, 2026 and 2025, we generated SaaS Revenue of $16.1 million and $14.2 million, respectively. For the six months ended June 30, 2026 and 2025, we generated SaaS Revenue of $31.3 million and $28.2 million, respectively.

Annual Recurring Revenue

We define 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 June 30, 2026 and 2025, ARR was $64.5 million and approximately $56.9 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 June 30, 2026 and 2025, Hardware ARPU was $586 and $571, respectively. For the six months ended June 30, 2026 and 2025, Hardware ARPU was $511 and $486, 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 June 30, 2026 and 2025, Professional Services ARPU was $580 and $365, respectively. For the six months ended June 30, 2026 and 2025, Professional Services ARPU was $475 and $392, respectively.

We define SaaS ARPU as total SaaS Revenue during a given period divided by the average aggregate Units Deployed in the same period divided by the number of months in the 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 June 30, 2026 and 2025, SaaS ARPU was $5.84 and $5.66, respectively. For the six months ended June 30, 2026 and 2025, SaaS ARPU was $5.74 and $5.67, respectively.

We define Units Booked SaaS ARPU as the first year ARR for binding orders with Units Booked executed during the stated measurement period divided by the total Units Booked in the same period divided by the number of months in the 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 June 30, 2026 and 2025, Units Booked SaaS ARPU was $5.57 and $8.21, respectively. For the six months ended June 30, 2026 and 2025, Units Booked SaaS ARPU was $6.58 and $9.10, respectively. For the trailing twelve months ended June 30, 2026 and 2025, Units Booked SaaS ARPU was $7.09 and $9.08, respectively.

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 previous Units Deployed 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. For the three months ended June 30, 2026 and 2025, our Customer Churn for our Smart Communities Solutions was 0.00% and 0.08%, respectively. For the six months ended June 30, 2026 and 2025, our Customer Churn for our Smart Communities Solutions was 0.05% and 0.10%, respectively.

Property Net Revenue Retention

We define Property 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. Property Net Revenue Retention includes additions to revenue from price increases on existing products, additions of new products at existing properties and transfers of ownership, offset by any reductions in revenue caused by cancellations or downgrades. Property Net Revenue Retention was 99% as of June 30, 2026 compared to 102% as of June 30, 2025.

Customer Net Revenue Retention

We define Customer Net Revenue Retention as SaaS Revenue at the end of the current period related to customers 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 customers. A customer with SaaS Revenue is defined as an entity that has an active subscription during the stated period. Customer Net Revenue Retention includes additions to revenue from transfers of ownership, price increases on existing products and additions of new products at existing properties, offset by any reductions in revenue caused by cancellations or downgrades. Customer Net Revenue Retention was 111% as of June 30, 2026 compared to 108% as of June 30, 2025.

The table below summarizes our key metrics.

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	Change %	2026	2025	Change %
Hardware						
Hardware Units Shipped	23,249	26,543	(12)%	56,715	69,961	(19)%
Hardware ARPU[(2)]	$ 586	$ 571	3%	$ 511	$ 486	5%
Professional Services						
New Units Deployed	18,857	21,068	(10)%	39,519	39,182	1%
Professional services ARPU[(2)]	$ 580	$ 365	59%	$ 475	$ 392	21%
Hosted Services						
Units Deployed	929,487	847,956	10%	929,487	847,956	10%
Average aggregate units deployed	920,366	837,784	10%	910,179	828,727	10%
SaaS ARPU[(2)]	$ 5.84	$ 5.66	3%	$ 5.74	$ 5.67	1%
Bookings						
Units Booked	48,254	24,319	98%	64,846	42,529	52%
Bookings (in thousands)	$ 48,194	$ 30,460	58%	$ 66,665	$ 57,640	16%
Units Booked SaaS ARPU[(2)]	$ 5.57	$ 8.21	(32)%	$ 6.58	$ 9.10	(28)%
Bookings - TTM[(1)]						
Units Booked - TTM[(1)]	112,560	80,218	40%	N/A	N/A	N/A
Bookings (in thousands) - TTM[(1)]	$ 124,676	$ 107,203	16%	N/A	N/A	N/A
Units Booked SaaS ARPU - TTM[(1)(2)]	$ 7.09	$ 9.08	(22)%	N/A	N/A	N/A

(1) TTM = Trailing 12 months

(2) ARPU metrics may vary significantly based on scope and mix during the period.

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 June 30,								For the six months ended June 30,							
	2026				2025				2026				2025			
	(dollars in thousands)								(dollars in thousands)							
SmartRent Solutions[1]	Hardware	Professional Services	Hosted Services	Total 2026	Hardware	Professional Services	Hosted Services	Total 2025	Hardware	Professional Services	Hosted Services[2]	Total 2026	Hardware	Professional Services	Hosted Services[2]	Total 2025
Smart Communities Solutions																
Smart Apartments	$ 12,283	$ 7,567	$ 13,488	$ 33,338	$ 13,558	$ 3,807	$ 14,609	$ 31,974	$ 26,654	$ 12,474	$ 26,590	$ 65,718	$ 31,255	$ 6,801	$ 29,024	$ 67,080
Access Control	1,051	907	770	2,728	1,193	267	614	2,074	1,757	1,833	1,513	5,103	1,832	743	1,145	3,720
Other	290	162	1,032	1,484	392	253	990	1,635	594	362	2,054	3,010	886	676	1,866	3,428
Smart Operations Solutions	-	-	2,294	2,294	-	-	2,625	2,625	-	-	4,696	4,696	-	-	5,424	5,424
Total Revenue	**$ 13,624**	**$ 8,636**	**$ 17,584**	**$ 39,844**	**$ 15,143**	**$ 4,327**	**$ 18,838**	**$ 38,308**	**$ 29,005**	**$ 14,669**	**$ 34,853**	**$ 78,527**	**$ 33,973**	**$ 8,220**	**$ 37,459**	**$ 79,652**

(1) During the first quarter of 2026, we revised the presentation of the above table by aggregating Community WiFi revenue in Other as revenue from our Community WiFi solution is becoming less significant. The revised presentation has been applied retrospectively for the comparative periods ended June 30, 2025. For the three months ended June 30, 2026 and 2025, total revenue attributable to Community WiFi was $262 and $304, respectively. For the three months ended June 30, 2025, revenue attributable to Community WiFi was $54 related to Hardware, $41 related to Professional Services and $209 related to Hosted Services. For the six months ended June 30, 2026 and 2025, total revenue attributable to Community WiFi was $452 and $718, respectively. For the six months ended June 30, 2025, revenue attributable to Community WiFi was $57 related to Hardware, $259 related to Professional Services and $402 related to Hosted Services.

(2) For the three months ended June 30, 2026 and 2025, Hosted services revenue for our Smart Apartments solution included hub amortization revenue of $1,456 and $4,619, respectively. For the six months ended June 30, 2026 and 2025, Hosted services revenue for our Smart Apartments solution included hub amortization revenue of $3,506 and $9,277, respectively.

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 previous versions of our Hub Devices do not function independently without the subscription, and therefore, the revenue for those Hub Devices 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

We generate hosted services revenue from (1) the direct sale to our customers of hosted services from subscription fees collected from customers to provide access to one or more of our software applications including access controls, asset monitoring, WiFi, and related services (“Hosted Services”) and (2) the amortization of non-distinct Hub Devices. These subscription arrangements have contractual terms ranging from one month to ten years and include recurring fixed plan subscription fees. The weighted average length of our recurring revenue contracts is 3.9 years. 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.

We sold 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. We do not expect to deploy any more non-distinct Hub Devices.

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 commensurate with increases in revenue. 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 commensurate with increases in revenue.

Tariffs imposed by the U.S. government since 2019, especially with respect to China, have subjected certain SmartRent products manufactured overseas to additional import duties. The amount of the import tariff has changed numerous times based on actions by the U.S. government. The U.S. government has implemented and threatened further increases to tariffs in 2025 on imports from countries such as Canada, Mexico and China. Such actions may increase our cost of hardware revenue and reduce our hardware revenue margins in the future. We continue to monitor and evaluate changes in policy impacting global trade, including tariff regulations.

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.

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.

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. We believe our sales and marketing expenses may increase over time as we hire additional sales and marketing personnel, increase our lead generation 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, legal settlements, 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 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.

Impairment Charge

Impairment charge consists of goodwill impairment. See Note 2 - Significant Accounting Policies for more information.

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 benefit on the Condensed Consolidated Statement of Operations and Comprehensive Loss is primarily related to current year foreign losses offset by foreign and state taxes. We established a full valuation allowance for net deferred U.S. federal and state tax assets, including U.S. net operating loss carryforwards. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of the U.S. federal and state deferred tax assets will be realized in future periods if we report U.S. taxable income. We believe that we have established an adequate allowance for uncertain tax positions, although we 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.

Results of Operations for the Three and Six Months Ended June 30, 2026 and 2025

The results of operations presented below should be reviewed together with the condensed 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 June 30,		2026 vs 2025 Change		Six months ended June 30,		2026 vs 2025 Change	
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Revenue								
Hardware	$ 13,624	$ 15,143	$ (1,519)	(10)%	$ 29,005	$ 33,973	$ (4,968)	(15)%
Professional services	8,636	4,327	4,309	100%	14,669	8,220	6,449	78%
Hosted services	17,584	18,838	(1,254)	(7)%	34,853	37,459	(2,606)	(7)%
Total revenue	39,844	38,308	1,536	4%	78,527	79,652	(1,125)	(1)%
Cost of revenue								
Hardware	11,914	12,868	(954)	(7)%	24,490	26,828	(2,338)	(9)%
Professional services	6,860	6,237	623	10%	12,758	13,530	(772)	(6)%
Hosted services	4,850	6,535	(1,685)	(26)%	9,938	13,064	(3,126)	(24)%
Total cost of revenue	23,624	25,640	(2,016)	(8)%	47,186	53,422	(6,236)	(12)%
Operating expense								
Research and development	5,582	6,465	(883)	(14)%	11,728	14,723	(2,995)	(20)%
Sales and marketing	5,225	6,375	(1,150)	(18)%	9,671	11,145	(1,474)	(13)%
General and administrative	11,874	11,513	361	3%	21,497	28,407	(6,910)	(24)%
Total operating expenses	22,681	24,353	(1,672)	(7)%	42,896	54,275	(11,379)	(21)%
Impairment charge	-	-	-	100%	-	24,929	(24,929)	100%
Loss from operations	(6,461)	(11,685)	5,224	45%	(11,555)	(52,974)	41,419	78%
Other income (expense)								
Interest income	815	1,101	(286)	(26)%	1,675	2,404	(729)	(30)%
Interest expense	(89)	(89)	(0)	0%	(188)	(192)	4	2%
Other expense, net	(68)	(220)	152	69%	(143)	(207)	64	31%
Loss before income taxes	(5,803)	(10,893)	5,090	47%	(10,211)	(50,969)	40,758	80%
Income tax (benefit) expense	(162)	(33)	129	391%	(122)	75	197	263%
Net Loss	$ (5,641)	$ (10,860)	$ 5,219	48%	$ (10,089)	$ (51,044)	$ 40,955	80%

Comparison of the three and six months ended June 30, 2026 and 2025

Revenue

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Revenue								
Hardware	$ 13,624	$ 15,143	$ (1,519)	(10)%	$ 29,005	$ 33,973	$ (4,968)	(15)%
Professional services	8,636	4,327	4,309	100%	14,669	8,220	6,449	78%
Hosted services	17,584	18,838	(1,254)	(7)%	34,853	37,459	(2,606)	(7)%
Total revenue	$ 39,844	$ 38,308	$ 1,536	4%	$ 78,527	$ 79,652	$ (1,125)	(1)%

Total revenue increased by $1.5 million, or 4%, to $39.8 million for the three months ended June 30, 2026, from $38.3 million for the three months ended June 30, 2025. The increase was primarily driven by a 59% increase in Professional Services ARPU to $580 for the three months ended June 30, 2026 from $365 for the three months ended June 30, 2025 primarily driven by an increase of $2.5 million related to the installation of hub upgrades. This was partially offset by a 12% decrease in Units Shipped to 23,249 for the three months ended June 30, 2026 from 26,543 for the three months ended June 30, 2025. Hosted Services revenue from hub amortization decreased by approximately $3.1 million and revenue from SaaS increased by $1.9 million from the three months ended June 30, 2025 to the three months ended June 30, 2026.

Total revenue decreased by approximately $1.2 million, or 1%, to $78.5 million for the six months ended June 30, 2026, from $79.7 million for the six months ended June 30, 2025. Hosted Services revenue from hub amortization decreased by approximately $5.7 million. Further, the decrease in total revenue was primarily driven by a 19% decrease in Units Shipped to 56,715 for the six months ended June 30, 2026 from 69,961 for the six months ended June 30, 2025, offset by a 21% increase in Professional Services ARPU to $475 for the six months ended June 30, 2026 from $392 for the six months ended June 30, 2025 primarily driven by an increase of $3.0 million related to the installation of hub upgrades. Hosted Services revenue from SaaS increased by $3.1 million from the six months ended June 30, 2025 to the six months ended June 30, 2026.

Hardware revenue decreased by $1.5 million, or 10%, to $13.6 million for the three months ended June 30, 2026, from $15.1 million for the three months ended June 30, 2025. This decrease in hardware revenue was primarily driven by a 12% decrease in Units Shipped to 23,249 for the three months ended June 30, 2026 from 26,543 for the three months ended June 30, 2025.

Hardware revenue decreased by $5.0 million, or 15%, to $29.0 million for the six months ended June 30, 2026, from $34.0 million for the six months ended June 30, 2025. This decrease in hardware revenue was primarily driven by a 19% decrease in Units Shipped to 56,715 for the six months ended June 30, 2026 from 69,961 for the six months ended June 30, 2025.

Professional services revenue increased by $4.3 million, or 100%, to $8.6 million for the three months ended June 30, 2026, from $4.3 million for the three months ended June 30, 2025. The increase in professional services revenue was primarily driven by a 59% increase in Professional Services ARPU to $580 for the three months ended June 30, 2026 from $365 for the three months ended June 30, 2025 primarily driven by an increase of $2.5 million related to the installation of hub upgrades and $0.6 million related to the installation of access control solutions.

Professional services revenue increased by approximately $6.5 million, or 78%, to $14.7 million for the six months ended June 30, 2026, from $8.2 million for the six months ended June 30, 2025. The increase in professional services revenue was primarily driven by a 21% increase in Professional Services ARPU to $475 for the six months ended June 30, 2026 from $392 for the six months ended June 30, 2025 primarily due to an increase of $3.0 million related to the installation of hub upgrades and $1.1 million related to the installation of access control solutions.

Hosted Services revenue decreased by approximately $1.2 million, or 7%, to $17.6 million for the three months ended June 30, 2026, from $18.8 million for the three months ended June 30, 2025. Of the $17.6 million revenue in 2026, $16.1 million is related to SaaS Revenue and $1.5 million is related to hub amortization. Revenue from hub amortization decreased by $3.1 million and revenue from SaaS increased by $1.9 million, or 13%, from the three months ended June 30, 2025 to the three months ended June 30, 2026. The increase of SaaS revenue resulted primarily from a 10% increase in the aggregate number of Units Deployed from 847,956 units at June 30, 2025 to 929,487 units at June 30, 2026.

Hosted Services revenue decreased by $2.6 million, or 7%, to $34.9 million for the six months ended June 30, 2026, from $37.5 million for the six months ended June 30, 2025. Of the $34.9 million revenue in 2026, $31.3 million is related to SaaS Revenue and $3.6 million is related to hub amortization. Revenue from hub amortization decreased by approximately $5.7 million and revenue from SaaS increased by $3.1 million, or 11%, from the six months ended June 30, 2025 to the six months ended June 30, 2026. The increase of SaaS revenue resulted primarily from a 10% increase in the aggregate number of Units Deployed from 847,956 units at June 30, 2025 to 929,487 units at June 30, 2026.

We don't expect to deploy any more non-distinct Hub Devices, thus, the revenue contribution from hub amortization should continue to decrease in future periods until the non-distinct Hub Devices are fully amortized. As noted above, revenue from hub amortization decreased by approximately $5.7 million from the six months ended June 30, 2025 to the six months ended June 30, 2026. During the remainder of 2026, hub amortization is expected to further decrease by $4.8 million compared to the same periods in 2025. The table below shows the expected revenue contribution from hub amortization.

	2026	2027
	(dollars in thousands)	
Revenue contribution from hub amortization		
Q1[(1)]	$ 2,050	$ 154
Q2[(1)]	1,456	51
Q3	876	17
Q4	401	6
Total	$ 4,783	$ 228

(1) Q1 and Q2 2026 are actual.

Cost of Revenue

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Cost of revenue								
Hardware	$ 11,914	$ 12,868	$ (954)	(7)%	$ 24,490	$ 26,828	$ (2,338)	(9)%
Professional services	6,860	6,237	623	10%	12,758	13,530	(772)	(6)%
Hosted services	4,850	6,535	(1,685)	(26)%	9,938	13,064	(3,126)	(24)%
Total cost of revenue	$ 23,624	$ 25,640	$ (2,016)	(8)%	$ 47,186	$ 53,422	$ (6,236)	(12)%

Total cost of revenue decreased by $2.0 million, or 8%, to $23.6 million for the three months ended June 30, 2026, from $25.6 million for the three months ended June 30, 2025. The decrease in cost of revenue resulted primarily from a $1.4 million decrease in hub amortization, and a 12% decrease in Units Shipped. The decreases were partially offset by a $2.1 million increase in third-party direct labor costs, partially offset by a decrease of $1.4 million in fixed, professional services personnel-related and travel costs resulting from actions executed in the second half of 2025.

Total cost of revenue decreased by $6.2 million, or 12%, to $47.2 million for the six months ended June 30, 2026, from $53.4 million for the six months ended June 30, 2025. The decrease in cost of revenue resulted primarily from a $2.7 million decrease in hub amortization, and a 19% decrease in Units Shipped.

Hardware cost of revenue decreased by $1.0 million, or 7%, to $11.9 million for the three months ended June 30, 2026, from $12.9 million for the three months ended June 30, 2025. This decrease in hardware cost of revenue was primarily attributable to a 12% decrease in Units Shipped.

Hardware cost of revenue decreased by $2.3 million, or 9%, to $24.5 million for the six months ended June 30, 2026, from $26.8 million for the six months ended June 30, 2025. This decrease in hardware cost of revenue was primarily attributable to a 19% decrease in Units Shipped partially offset by an unfavorable product mix related to locks.

Professional services cost of revenue increased by $0.7 million, or 10%, to $6.9 million for the three months ended June 30, 2026, from $6.2 million for the three months ended June 30, 2025. Importantly, this 10% increase in professional services cost of revenue was significantly lower than the 100% increase in professional services revenue. The increase in professional services cost of revenue is primarily attributable to a $2.1 million increase in third-party direct labor costs, partially offset by a decrease of $1.2 million in fixed, personnel-related costs resulting from actions executed in the second half of 2025.

Professional services cost of revenue decreased by $0.7 million, or 6%, to $12.8 million for the six months ended June 30, 2026, from $13.5 million for the six months ended June 30, 2025. The decrease in professional services cost of revenue is primarily attributable to a decrease of $2.6 million in fixed, personnel-related costs resulting from actions executed in the second half of 2025, partially offset by an increase of $2.3 million in third-party direct labor costs.

Hosted Services cost of revenue decreased by approximately $1.6 million, or 26%, to $4.9 million for the three months ended June 30, 2026, from $6.5 million for the three months ended June 30, 2025. The decrease resulted from a $1.4 million decrease in hub amortization expense.

Hosted Services cost of revenue decreased by approximately $3.2 million, or 24%, to $9.9 million for the six months ended June 30, 2026, from $13.1 million for the six months ended June 30, 2025. The decrease resulted primarily from a $2.7 million decrease in hub amortization expense.

Operating Expenses

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Research and development	$ 5,582	$ 6,465	$ (883)	(14)%	$ 11,728	$ 14,723	$ (2,995)	(20)%
Sales and marketing	5,225	6,375	(1,150)	(18)%	9,671	11,145	(1,474)	(13)%
General and administrative	11,874	11,513	361	3%	21,497	28,407	(6,910)	(24)%

Research and development expenses decreased by $0.9 million, or 14%, to $5.6 million for the three months ended June 30, 2026, from $6.5 million for the three months ended June 30, 2025, primarily related to a decrease of $1.2 million in personnel-related expenses. We believe our research and development expenses will increase in future periods in connection with expenses required to execute Vision 2028.

Research and development expenses decreased by $3.0 million, or 20%, to $11.7 million for the six months ended June 30, 2026, from $14.7 million for the six months ended June 30, 2025, primarily related to a decrease of $3.1 million in personnel-related expenses.

Sales and marketing expenses decreased by $1.2 million, or 18%, to $5.2 million for the three months ended June 30, 2026 from $6.4 million for the three months ended June 30, 2025, resulting primarily from a decrease of $1.3 million in third-party marketing expenses. We believe our sales and marketing expenses will increase in future periods as we continue to invest in building a scalable sales organization in connection with fulfilling the objectives of Vision 2028.

Sales and marketing expenses decreased by approximately $1.4 million, or 13%, to $9.7 million for the six months ended June 30, 2026 from $11.1 million for the six months ended June 30, 2025, resulting primarily from a decrease of $1.7 million in third-party marketing expenses.

General and administrative expenses increased by $0.4 million, or 3%, to $11.9 million for the three months ended June 30, 2026 from $11.5 million for the three months ended June 30, 2025. This was primarily driven by a $0.3 million increase in personnel-related expenses.

General and administrative expenses decreased by $6.9 million, or 24%, to $21.5 million for the six months ended June 30, 2026 from $28.4 million for the six months ended June 30, 2025. This was primarily driven by a $6.3 million decrease in legal matters.

Goodwill Impairment Charge

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Impairment charge	$ -	$ -	$ -	0%	$ -	$ 24,929	$ (24,929)	(100)%

During the three months ended March 31, 2025, we identified certain indicators of impairment, which resulted in a goodwill impairment charge of $24.9 million. No such charges were recorded during the remainder of 2025 or during the three or six months ended June 30, 2026. See Note 2 - Significant Accounting Policies for additional information.

Other Income

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Interest income	$ 815	$ 1,101	$ (286)	(26)%	$ 1,675	$ 2,404	$ (729)	(30)%
Interest expense	(89)	(89)	(0)	(0)%	(188)	(192)	4	2%
Other expense, net	(68)	(220)	152	69%	(143)	(207)	64	31%

Interest income decreased by $0.3 million to $0.8 million for the three months ended June 30, 2026, from $1.1 million for the three months ended June 30, 2025. The decrease in interest income is primarily attributable to a lower cash balance on which we are earning interest, and a decrease in interest rates.

Interest income decreased by $0.7 million to $1.7 million for the six months ended June 30, 2026, from $2.4 million for the six months ended June 30, 2025. The decrease in interest income is primarily attributable to a lower cash balance on which we are earning interest, and a decrease in interest rates.

Interest expense was flat at $0.1 million for the three months ended June 30, 2026 and 2025.

Interest expense was flat at $0.2 million for the six months ended June 30, 2026 and 2025.

Other expense, net decreased by approximately $0.1 million to $(0.1) million for the three months ended June 30, 2026, from $(0.2) million for the three months ended June 30, 2025. The decrease in other expense, net is primarily attributable to changes in foreign exchange rates.

Other expense, net decreased by $0.1 million to $(0.1) million for the six months ended June 30, 2026, from $(0.2) million for the six months ended June 30, 2025. The decrease in other expense, net is primarily attributable to changes in foreign exchange rates.

Income Taxes

	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)				(dollars in thousands)			
Loss before income taxes	$ (5,803)	$ (10,893)	$ 5,090	47%	$ (10,211)	$ (50,969)	$ 40,758	80%
Income tax (benefit) expense	(162)	(33)	129	391%	(122)	75	197	263%

We provided a full valuation allowance on our net U.S. federal and state deferred tax assets on June 30, 2026 and 2025.

As of December 31, 2025, we had gross net operating losses of $252.9 million and $246.0 million for federal and state income tax return purposes, respectively. Federal net operating losses can be carried forward indefinitely, while State net operating losses will expire between 2032 and 2045. We also have $0.1 million of R&D credits available that expire in 2039.

The income tax benefit is related to foreign losses offset by foreign and state taxes.

Non-GAAP Financial Measures

To supplement the condensed 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, goodwill impairment, non-recurring warranty provisions, 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 June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
	(dollars in thousands)		(dollars in thousands)	
Net loss	$ (5,641)	$ (10,860)	$ (10,089)	$ (51,044)
Interest income, net	(726)	(1,012)	(1,487)	(2,212)
Income tax (benefit) expense	(162)	(33)	(122)	75
Depreciation and amortization	2,291	2,066	4,514	4,009
EBITDA	(4,238)	(9,839)	(7,184)	(49,172)
Legal matters[(1)]	1,385	(780)	1,422	4,325
Stock-based compensation	3,233	2,161	6,290	4,997
Goodwill impairment[(2)]	-	-	-	24,929
Non-recurring warranty provision	-	-	-	(150)
Other acquisition expenses	-	(283)	-	(231)
Other non-operating expenses[(3)]	337	1,392	563	1,581
Adjusted EBITDA	$ 717	$ (7,349)	$ 1,091	$ (13,721)

(1) Refer to Note 11 "Commitments and Contingencies."
(2) Refer to Note 2 "Significant Accounting Policies."
(3) During the three months ended June 30, 2026 other non-operating expenses includes capitalized software implementation amortization of $152 and capitalized software impairment of $132. During the three months ended June 30, 2025 other non-operating expenses includes severance expense of $1,247. During the six months ended June 30, 2026 other non-operating expenses includes capitalized software implementation amortization of $297 and capitalized software impairment of $208. During the six months ended June 30, 2025 other non-operating expenses includes severance expense of $1,416.

Liquidity and Capital Resources

Sources of Liquidity

As of June 30, 2026, we had cash and cash equivalents of $92.7 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 with SmartRent.com, Inc., and payments collected from sales to our customers.

Debt Issuances

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 we elect 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 June 30, 2026, 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 our assets and guaranteed by each of our 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 with SmartRent.com, Inc. 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, the Board authorized a stock repurchase program pursuant to which we may repurchase up to $50 million of our Class A common stock. In July 2026, the Board approved the termination of this stock repurchase program which had $13.4 million available for repurchase as of June 30, 2026 and authorized a new stock repurchase program pursuant to which we may repurchase up to $25 million of our outstanding Class A common stock. The new authorization replaces the prior repurchase program in its entirety.

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 and six months ended June 30, 2026, we repurchased 2.8 million shares of our Class A common stock under the stock repurchase program at an average price of approximately $1.21 per share for a total of $3.4 million. As of June 30, 2026, approximately $13.4 million remained available for stock repurchases pursuant to our stock repurchase program.

During the three months ended June 30, 2025, we repurchased 4.1 million shares of our Class A common stock under the stock repurchase program at an average price of approximately $0.91 per share for a total of $3.7 million. During the six months ended June 30, 2025, we repurchased 5.1 million shares of our Class A common stock under the stock repurchase program at an average price of approximately $0.96 per share for a total of $4.9 million.

Cash Flow Summary - Six Months Ended June 30, 2026 and 2025

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

	Six months ended June 30,	
	2026	2025
	(dollars in thousands)	
Net cash used in		
Operating activities	$ (6,230)	$ (27,099)
Investing activities	(2,946)	(5,850)
Financing activities	(3,122)	(5,266)

Operating Activities

For the six months ended June 30, 2026, our operating activities used $6.2 million in cash resulting primarily from our net loss of $10.1 million and $7.2 million used in changes in our operating assets and liabilities, partially offset by $11.1 million provided by non-cash expenses. Changes in our operating assets and liabilities primarily resulted from a $16.3 million decrease in deferred revenue, and a $4.5 million decrease in accounts payable, partially offset by a $9.2 million decrease in accounts receivable and a $5.0 million decrease in inventory. Non-cash expenses consisted primarily of $6.3 million of stock compensation and $4.5 million of depreciation and amortization.

For the six months ended June 30, 2025, our operating activities used $27.1 million in cash resulting primarily from our net loss of $51.0 million and $11.5 million used in changes in our operating assets and liabilities, partially offset by approximately $35.4 million provided by non-cash expenses. Changes in our operating assets and liabilities primarily resulted from a $21.3 million decrease in deferred revenue, partially offset by a $5.1 million decrease in deferred cost of revenue, and a $2.6 increase in accrued expenses and other liabilities. Non-cash expenses consisted primarily of a $24.9 million goodwill impairment - refer to Note 2 Significant Accounting Policies, $5.0 million of stock compensation and $4.0 million of depreciation and amortization.

Investing Activities

For the six months ended June 30, 2026, we used $2.9 million of cash for investing activities, primarily related to cash paid of $2.7 million for capitalized software development costs.

For the six months ended June 30, 2025, we used $5.9 million of cash for investing activities, primarily related to $2.4 million for capitalized internal-use software development costs and cash paid of $3.5 million for the purchase of property and equipment.

Financing Activities

For the six months ended June 30, 2026, our financing activities used $3.1 million of cash, resulting primarily from $3.4 million used for repurchases of Class A common stock.

For the six months ended June 30, 2025, our financing activities used $5.3 million of cash, resulting primarily from $4.9 million used for repurchases of Class A common stock.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of June 30, 2026.

Critical Accounting Estimates

We prepare our condensed consolidated financial statements in accordance with GAAP. The preparation of these condensed 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.

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.

Payments we receive by 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 our 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.

Goodwill

Goodwill represents the excess of cost over net assets of our completed business combinations. We test 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. We conduct additional tests between annual tests if there are indications of potential goodwill impairment. During the three months ended March 31, 2025, we experienced a sustained decline in stock price, resulting in a significant decrease in market capitalization. As a result, we conducted an interim impairment test utilizing the qualitative approach and determined that impairment was more likely than not. As a result, we then performed an interim quantitative impairment test which resulted in an indication of impairment.

The fair value of the reporting unit used in this impairment test was determined using a combination of an income approach and market-based approach. The mix between the two approaches requires significant judgement. As a result of these tests, we recorded a goodwill impairment charge of $24.9 million during the three months ended March 31, 2025.

The significant assumptions used in determining the fair value of the reporting unit under the income approach primarily relate to revenue growth rate, forecasted EBITDA and the selected discount rate used in the discounted cash flow model. The significant assumptions used in the market-based approach primarily relate to the forecasted EBITDA margin, the selected control premium, and selected revenue and EBITDA multiples, which require significant judgement.

To the extent that inputs and assumptions used in the analysis change, such as an increased discount rate, updated cash flow projections, or decreases to Guideline companies' multiples, additional impairment charges may be recorded in the future. In addition, a further decrease in our common stock share price and market capitalization or significant changes to the Company's long term forecast could be an indicator of a decrease in the fair value of our equity.

As noted above, the estimates and assumptions regarding expected future cash flows, discount rates, and revenue and EBITDA multiples require considerable judgment and are based on market conditions, financial forecasts, industry trends, and historical experience. These estimates have inherent uncertainties as they may be based on varying assumptions which could lead to materially different results. Our goodwill balance was $92.3 million as of June 30, 2026 and December 31, 2025.

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.

The grant date fair value is also utilized with respect to RSUs which vest based on performance and time based service conditions. For RSUs with a performance condition as well as a time-based service condition, compensation expense is recognized over the service period based on the number of awards that the Company believes is probable to vest.

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 FWAA, 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 June 30, 2026, we had cash and cash equivalents of approximately $92.7 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 $9.3 million, or decrease our annual interest income by $3.4 million, based on our cash position as of June 30, 2026.

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.

Item 4 - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer and Chief 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) as of the end of the period covered by this Report. Based on such evaluation, our President and Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2026, 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 President and Chief Executive Officer and Chief 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 months ended June 30, 2026, 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. See Note 11 - Commitments and Contingencies for additional information.

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 Form 10-K filed with the SEC on March 4, 2026. 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.

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

(a) Unregistered Sales of Equity Securities

None.

(c) Issuer Purchases of Equity Securities

The following table summarizes the share repurchase activity for the three months ended June 30, 2026.

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
		(in thousands, except per share amounts)		
April 1 - April 30, 2026	-	$ -	-	$ 16,751
May 1 - May 31, 2026	2,000	$ 1.23	2,000	$ 14,309
June 1 - June 30, 2026	800	$ 1.17	800	$ 13,379
Total	2,800		2,800	

(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 June 30, 2026, 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).

Item 6 - Exhibits

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

		Incorporated by Reference		
Exhibit	**Exhibit Description**	**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	3.1	November 17, 2025
10.1†	Amended and Restated Employment Agreement, dated as of April 22, 2026, by and between SmartRent, Inc. and Natalie Cariola.	10-Q	10.1	May 6, 2026
10.2†	SmartRent, Inc. 2021 Equity Incentive Plan, as amended and restated.	8-K	10.1	May 13, 2026
10.3†	SmartRent, Inc. 2021 Employee Stock Purchase Plan, as amended and restated.			Filed herewith
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)			

* The certifications attached as Exhibit 32.1 and 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.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized, on this 5th day of August 2026.

SmartRent, Inc.

By: /s/ Frank Martell

Frank Martell
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Daryl Stemm

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

SMARTRENT, INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

(Amended and Restated May 12, 2026)

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SmartRent, Inc.
2021 Employee Stock Purchase Plan

1. Establishment, Purpose and Term of Plan.

1.1 Establishment. The SmartRent, Inc. 2021 Employee Stock Purchase Plan is hereby established effective as of the date the Plan is approved by the Company's Stockholders (the "***Effective Date***"), as amended and restated effective as of May 12, 2026 (the "***Amendment Date***").

1.2 Purpose. The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward Eligible Employees of the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan provides Eligible Employees with an opportunity to acquire a proprietary interest in the Company through the purchase of Stock. The Plan is comprised of the Section 423 Plan and the Non-423 Plan. The Company intends that the Section 423 Plan qualify as an "employee stock purchase plan" under Section 423 of the Code (including any amendments or replacements of such section), and the Section 423 Plan shall be so construed. The Non-423 Plan, which is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, is intended to provide Eligible Employees employed by Participating Companies outside the United States with an opportunity to purchase shares of Stock pursuant to the terms and conditions of the Plan but not necessarily in compliance with the requirements of Section 423 of the Code.

1.3 Term of Plan. The Plan shall continue in effect until its termination by the Committee.

2. Definitions and Construction.

2.1 Definitions. Any term not expressly defined in the Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Business Combination Closing***" means the closing of the transactions contemplated by that certain merger agreement entered into by and between SmartRent.com, Inc., Einstein Merger Corp. I, and Fifth Wall Acquisition Corp. I.

(c) "***Cash Exercise Notice***" means a written notice in such form as specified by the Company which states a Participant's election to exercise, as of the next Purchase Date, a Purchase Right granted to such Participant with respect to a Pre-Registration Offering Period.

(d) "***Change in Control***" means the occurrence of any one or a combination of the following:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any

acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a "Transaction") in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(s)(iii), the entity to which the assets of the Company were transferred (the "Transferee"), as the case may be; or

(iii) a date specified by the Committee following approval by the stockholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(b) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple events described in subsections (i), (ii) and (iii) of this Section 2.1(b) are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(e) "***Code***" means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(f) "***Committee***" means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(g) "***Company***" means SmartRent, Inc., a Delaware corporation, or any successor corporation thereto.

(h) "***Compensation***" means, with respect to any Offering Period, regular base wages or salary, overtime payments, shift premiums and payments for paid time off, calculated before deduction of (i) any income or employment tax withholdings or (ii) any amounts deferred pursuant to Section 401(k) or Section 125 of the Code. Compensation shall be limited to such amounts actually payable in cash or deferred during the Offering Period. Compensation shall not include (i) sign-on bonuses, annual or other incentive bonuses, commissions, profit-sharing distributions or other incentive-type payments, (ii) any contributions made by a Participating Company on the Participant's behalf to any employee benefit or welfare plan now or hereafter established (other than amounts deferred pursuant to Section 401(k) or Section 125 of the Code), (iii) payments in lieu of notice, payments pursuant to a severance agreement, termination pay, moving allowances, relocation payments, or (iv) any amounts directly or indirectly paid pursuant to the Plan or any other stock purchase, stock option or other stock-based compensation plan, or any other compensation not expressly included by this Section.

(i) "***Eligible Employee***" means an Employee who meets the requirements set forth in Section 5 for eligibility to participate in the Plan.

(j) "***Employee***" means a person treated as an employee of a Participating Company, and, with respect to the Section 423 Plan, a person who is an employee for purposes of Section 423 of the Code. A Participant shall be deemed to have ceased to be an Employee either upon an actual termination of employment or upon the corporation employing the Participant ceasing to be a Participating Company. For purposes of the Section 423 Plan, an individual shall not be deemed to have ceased to be an Employee while on any military leave, sick leave, or other bona fide leave of absence approved by the Company or legally protected under applicable laws, of three (3) months or less. For purposes of the Section 423 Plan, if an individual's leave of absence exceeds three (3) months, the individual shall be deemed to have ceased to be an Employee three (3) months and one (1) day following the commencement of such leave unless the individual's right to reemployment with the Participating Company Group is guaranteed either by statute or by contract. The foregoing rules regarding leaves of absence shall apply equally for purposes of the Non-423 Plan, except as otherwise required by applicable Local Law.

(k) "***Fair Market Value***" means, as of any date:

(i) If, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value is established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as determined by the Committee, in its discretion.

(ii) If, on the relevant date, the Stock is not then listed on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined in good faith by the Committee.

(l) "***Incumbent Director***" means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(m) "***Local Law***" means the applicable laws of the non-United States jurisdiction governing the participation in the Plan of an Eligible Employee.

(n) "***Non-423 Plan***" means that component of the Plan which is not intended to be an "employee stock purchase plan" under Section 423 of the Code and need not necessarily comply with the requirements of Section 423 of the Code.

(o) "***Non-United States Offering***" means either (i) an Offering under the Section 423 Plan covering Eligible Employees employed by a Participating Company outside the United States, provided that the terms of such Offering comply with the requirements of Section 423 of the Code, including such variations in terms of Purchase Rights as permitted by Section 3.4; or (ii) an Offering under the Non-423 Plan covering Eligible Employees of one or more Participating Companies outside the United States, the terms of which need not comply with the requirements of Section 423 of the Code.

(p) "***Offering***" means an offering of Stock pursuant to the Plan, as provided in Section 6.

(q) "***Offering Date***" means, for any Offering Period, the first day of such Offering Period.

(r) "***Offering Period***" means a period, established by the Committee in accordance with Section 6.1, during which an Offering is outstanding.

(s) "***Officer***" means any person designated by the Board as an officer of the Company.

(t) "***Ownership Change Event***" means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(u) "***Parent Corporation***" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(v) "***Participant***" means an Eligible Employee who has become a participant in an Offering Period in accordance with Section 7 and remains a participant in accordance with the Plan.

(w) "***Participating Company***" means the Company and any Parent Corporation or Subsidiary Corporation designated by the Committee as a corporation the Employees of which may, if Eligible Employees, participate in the Plan. The Committee shall have the discretion to determine from time to time which Parent Corporations or Subsidiary Corporations shall be Participating Companies. The Committee shall designate from time to time and set forth in Appendix A to this Plan those Participating Companies whose Eligible Employees may participate in the Section 423 Plan and those Participating Companies whose Eligible Employees may participate in the Non-423 Plan.

(x) "***Participating Company Group***" means, at any point in time, the Company and all other corporations collectively which are then Participating Companies.

(y) "***Plan***" means this 2021 Employee Stock Purchase Plan of the Company, as amended from time to time, comprised of the Section 423 Plan and the Non-423 Plan.

(z) "***Pre-Registration Offering Period***" means an Offering Period commencing prior to the Registration Date with respect to the shares of Stock issuable pursuant to such Offering Period.

(aa) "***Purchase Date***" means, for any Offering Period, the last day of such Offering Period, or, if so determined by the Committee, the last day of each Purchase Period occurring within such Offering Period, on which outstanding Purchase Rights are exercised.

(bb) "***Purchase Period***" means a period, established by the Committee in accordance with Section 6.1 and included within an Offering Period, the final date of which is a Purchase Date.

(cc) "***Purchase Price***" means the price at which a share of Stock may be purchased under the Plan, as determined in accordance with Section 9.

(dd) "***Purchase Right***" means an option granted to a Participant pursuant to the Plan to purchase such shares of Stock as provided in Section 8, which the Participant may or may not exercise during the Offering Period in which such option is outstanding. Such option arises from the right of a Participant to withdraw any payroll deductions or other funds accumulated on behalf of the Participant and not

previously applied to the purchase of Stock under the Plan, and to terminate participation in the Plan at any time during an Offering Period.

(ee) "***Registration Date***" means October 29, 2021, which is the effective date of the first registration on Form S-8 filed of the shares of Stock issuable pursuant to the Plan.

(ff) "***Section 423 Plan***" means that component of the Plan which is intended to be an "employee stock purchase plan" under Section 423 of the Code.

(gg) "***Securities Act***" means the Securities Act of 1933, as amended.

(hh) "***Stock***" means the Common Stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(ii) "***Subscription Agreement***" means a written or electronic agreement, in such form as is specified by the Company, stating an Employee's election to participate in the Plan and authorizing payroll deductions under the Plan from the Employee's Compensation or other method of payment authorized by the Committee pursuant to Section 11.1(b).

(jj) "***Subscription Date***" means the last business day prior to the Offering Date of an Offering Period or such earlier date as the Company shall establish.

(kk) "***Subsidiary Corporation***" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. ADMINISTRATION.

3.1 Administration by the Committee. The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any form of agreement or other document employed by the Company in the administration of the Plan, or of any Purchase Right shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or the Purchase Rights, unless fraudulent or made in bad faith. Subject to the provisions of the Plan, the Committee shall determine all of the relevant terms and conditions of Purchase Rights; provided, however, that all Participants granted Purchase Rights pursuant to an Offering under the Section 423 Plan shall have the same rights and privileges within the meaning of Section 423(b)(5) of the Code, other than for such variations in terms of Purchase Rights as permitted by Section 3.4. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or any agreement thereunder (other than determining questions of interpretation pursuant to the second sentence of this Section 3.1) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 Authority of Officers. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 Power to Adopt Sub-Plans. The Committee shall have the power, in its discretion, to adopt one or more sub-plans of the Plan as the Committee deems necessary or desirable to comply with the laws or regulations, tax policy, accounting principles or custom of foreign jurisdictions applicable to employees of a subsidiary business entity of the Company, provided that any such sub-plan shall be within the scope of the Non-423 Plan. Any of the provisions of any such sub-plan may supersede the provisions of this Plan, other than Section 4. Except as superseded by the provisions of a sub-plan, the provisions of this Plan shall govern such sub-plan.

3.4 Power to Vary Terms with Respect to Non-U.S. Employees. In order to comply with the laws of a foreign jurisdiction, the Committee shall have the power, in its discretion and as permitted by Section 423 of the Code, to grant Purchase Rights in an Offering under the Section 423 Plan to citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens) that provide terms which are less favorable than the terms of Purchase Rights granted under the same Offering to Employees resident in the United States.

3.5 Power to Establish Separate Offerings with Varying Terms. The Committee shall have the power, in its discretion, to establish separate, simultaneous or overlapping Offerings having different terms and conditions and to designate the Participating Company or Companies that may participate in a particular Offering, provided that each Offering under the Section 423 Plan shall individually comply with the terms of the Plan and the requirements of Section 423(b)(5) of the Code that all Participants granted Purchase Rights pursuant to such Offering shall have the same rights and privileges within the meaning of such section, other than for such variations in terms of Purchase Rights as permitted by Section 3.4.

3.6 Policies and Procedures Established by the Company. Without regard to whether any Participant's Purchase Right may be considered adversely affected, the Company may, from time to time, consistent with the Plan and the requirements of Section 423 of the Code in the case of the Section 423 Plan, establish, change or terminate such rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its discretion, for the proper administration of the Plan, including, without limitation, (a) a minimum payroll deduction amount required for participation in an Offering, (b) a limitation on the frequency or number of changes permitted in the rate of payroll deduction during an Offering, (c) an exchange ratio applicable to amounts withheld or paid in a currency other than United States dollars, (d) a payroll deduction greater than or less than the amount designated by a Participant in order to adjust for the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan or as advisable to comply with the requirements of Section 423 of the Code, and (e) determination of the date and manner by which the Fair Market Value of a share of Stock is determined for purposes of administration of the Plan. All such actions by the Company with respect to the Section 423 Plan shall be taken consistent with the requirements under Section 423(b)(5) of the Code that all Participants granted Purchase Rights pursuant to an Offering shall have the same rights and privileges within the meaning of such section, except as otherwise permitted by Section 3.4 and the regulations under Section 423 of the Code.

3.7 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action,

suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. SHARES SUBJECT TO PLAN.

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan and the Section 423 Plan shall be two million (2,000,000), and the maximum aggregate number of shares of Stock that may be issued under the Non-423 Plan shall be two million (2,000,000), less the aggregate number of shares of Stock issued under the Section 423 Plan. Shares issued under the Plan shall consist of authorized but unissued or reacquired shares of Stock, or any combination thereof. If an outstanding Purchase Right for any reason expires or is terminated or canceled, the shares of Stock allocable to the unexercised portion of that Purchase Right shall again be available for issuance under the Plan.

4.2 Annual Increase in Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased automatically on January 1, 2022 and on each subsequent January 1, through and including January 1, 2030, by a number of shares (the "***Annual Increase***") equal to the smallest of (a) one percent (1%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31, (b) two million (2,000,000) shares, or (c) an amount determined by the Board.

4.3 Adjustments for Changes in Capital Structure. Subject to any required action by the stockholders of the Company and the requirements of Section 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan, any limit on the number of shares which may be purchased by any Participant during an Offering Period or Purchase Period (as described in Sections 8.1 and 8.2), the number of shares subject to each Purchase Right, and in the Purchase Price in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Purchase Rights are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "***New Shares***"), the Committee may unilaterally amend the outstanding Purchase Rights to provide that such Purchase Rights are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise price per share of, the outstanding Purchase Rights shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and in no event may the Purchase Price be decreased to an amount less than the par value, if any, of the stock subject to the Purchase Right. The adjustments determined by the Committee pursuant to this Section 4.2 shall be final, binding and conclusive.

5. ELIGIBILITY.

5.1 Employees Eligible to Participate. Each Employee of a Participating Company is eligible to participate in the Plan and shall be deemed an Eligible Employee, except the following:

(a) Any Employee who is customarily employed by the Participating Company Group for twenty (20) hours or less per week; or

(b) Any Employee who is customarily employed by the Participating Company Group for not more than five (5) months in any calendar year.

An Eligible Employee shall be eligible to participate in the Section 423 Plan or the Non-423 Plan in accordance with the designation in Appendix A of the Employee's employer as either a Section 423 Plan Participating Company or a Non-423 Plan Participating Company. Notwithstanding the foregoing, an Employee of a Participating Company designated in Appendix A as a Section 423 Plan Participating Company who is a citizen or resident of a non-United States jurisdiction (without regard to whether the Employee is also a citizen of the United States or a resident alien) may be excluded from participation in the Section 423 Plan or an Offering thereunder if either (i) the grant of a Purchase Right under the Section 423 Plan or Offering to a citizen or resident of the foreign jurisdiction is prohibited under the Local Law of such jurisdiction or (ii) compliance with the Local Law of such jurisdiction would cause the Section 423 Plan or Offering to violate the requirements of Section 423 of the Code. For purposes of participation in the Non-423 Plan, Eligible Employees shall include any other Employees of the applicable Non-423 Plan Participating Company to the extent that applicable Local Law requires participation in the Plan to be extended to such Employees, as determined by the Company.

5.2 Exclusion of Certain Stockholders. Notwithstanding any provision of the Plan to the contrary, no Employee shall be treated as an Eligible Employee and granted a Purchase Right under the Section 423 Plan if, immediately after such grant, the Employee would own, or hold options to purchase, stock of the Company or of any Parent Corporation or Subsidiary Corporation possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of such corporation, as determined in accordance with Section 423(b)(3) of the Code. For purposes of this Section 5.2, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of such Employee.

5.3 Determination by Company. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee or an Eligible Employee and the effective date of such individual's attainment or termination of such status, as the case may be. For purposes of an individual's participation in or other rights, if any, under the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

6. OFFERINGS.

6.1 Offering Periods. The Plan shall be implemented by sequential Offerings of approximately six (6) months' duration or such other duration as the Committee shall determine. Offering Periods shall commence on or about the first trading days of February and August of each year and end on or about the last trading days of the next July and January, respectively, occurring thereafter. However, a Pre-Registration Offering Period shall commence immediately following the Business Combination Closing and end on or about the last trading day of January 2022. Notwithstanding the foregoing, the Committee may establish additional or alternative concurrent, sequential or overlapping Offering Periods, a different duration for one or more Offering Periods or different commencing or ending dates for such Offering Periods; provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months. If the Committee shall so determine in its discretion, each Offering Period may consist of two (2) or more consecutive Purchase Periods having such duration as the Committee shall

specify, and the last day of each such Purchase Period shall be a Purchase Date. If the first or last day of an Offering Period or a Purchase Period is not a day on which the principal stock exchange or quotation system on which the Stock is then listed is open for trading, the Company shall specify the trading day that will be deemed the first or last day, as the case may be, of the Offering Period or Purchase Period.

6.2 Non-United States Offerings. The Committee shall communicate to the Employees eligible to participate in a Non-United States Offering (whether pursuant to the Section 423 Plan or the Non-423 Plan) those terms of the Non-United States Offering that differ from the terms otherwise applicable to the relevant Offering covering Eligible Employees employed by a Participating Company within the United States under the Section 423 Plan a reasonable period of time prior to the Subscription Date for such Non-United States Offering.

7. PARTICIPATION IN THE PLAN.

7.1 Initial Participation.

(a) **Generally**. Except as provided in Section 7.1(b), an Eligible Employee may become a Participant in an Offering Period by delivering a properly completed written or electronic Subscription Agreement to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) not later than the close of business on the Subscription Date established by the Company for that Offering Period. An Eligible Employee who does not deliver a properly completed Subscription Agreement in the manner permitted or required on or before the Subscription Date for an Offering Period shall not participate in the Plan for that Offering Period or for any subsequent Offering Period unless the Eligible Employee subsequently delivers a properly completed Subscription Agreement to the appropriate Company office or representative on or before the Subscription Date for such subsequent Offering Period. An Employee who becomes an Eligible Employee after the Offering Date of an Offering Period shall not be eligible to participate in that Offering Period but may participate in any subsequent Offering Period provided the Employee is still an Eligible Employee as of the Offering Date of such subsequent Offering Period.

(b) **Automatic Participation in Pre-Registration Offering Period**. Notwithstanding Section 7.1(a), each Employee who is an Eligible Employee as of the Offering Date of a Pre-Registration Offering Period shall automatically become a Participant in the Pre-Registration Offering Period and shall be granted automatically a Purchase Right consisting of an option to purchase the lesser of (i) a number of whole shares of Stock determined in accordance with Section 8, or (ii) a number of whole shares of Stock determined by dividing fifteen percent (15%) of such Participant's Compensation paid during the Pre-Registration Offering Period by the Purchase Price applicable to the Pre-Registration Offering Period. The Company shall not require or permit any Participant to deliver a Subscription Agreement for participation in the Pre-Registration Offering Period; provided, however, that following the applicable Registration Date a Participant may deliver a Subscription Agreement to the office or representative designated by the Company if the Participant wishes to change the terms of the Participant's participation in the Pre-Registration Offering Period. Such changes may include, for example, an election to commence payroll deductions in accordance with Section 10.

7.2 Continued Participation.

(a) **Generally**. Except as provided in Section 7.1(b), a Participant shall automatically participate in the next Offering Period commencing immediately after the final Purchase Date of each Offering Period in which the Participant participates provided that the Participant remains an Eligible Employee on the Offering Date of the new Offering Period and has not either (a) withdrawn from the Plan pursuant to Section 12.1, or (b) terminated employment or otherwise ceased to be an Eligible Employee as provided in Section 13. A Participant who may automatically participate in a subsequent Offering

Period, as provided in this Section, is not required to deliver any additional Subscription Agreement for the subsequent Offering Period in order to continue participation in the Plan. However, a Participant may deliver a new Subscription Agreement for a subsequent Offering Period in accordance with the procedures set forth in Section 7.1(a) if the Participant desires to change any of the elections contained in the Participant's then effective Subscription Agreement.

(b) **Participation Following Pre-Registration Offering Period**. Notwithstanding Section 7.1(a), an Eligible Employee who was automatically enrolled in a Pre-Registration Offering Period and who wishes to participate in an Offering Period which begins after the Pre-Registration Offering Period shall deliver a Subscription Agreement in accordance with Section 7.1(a) no earlier than the applicable Registration Date and no later than the Subscription Date for such Offering Period, unless the Employee delivered a Subscription Agreement with respect to the Pre-Registration Offering Period as provided in Section 7.1(b).

8. RIGHT TO PURCHASE SHARES.

8.1 Grant of Purchase Right. Except as provided in Section 7.1(b) with respect to a Pre-Registration Offering Period or otherwise provided below, on the Offering Date of each Offering Period commencing on or after the Amendment Date, each Participant in such Offering Period shall be granted automatically a Purchase Right consisting of an option to purchase on each Purchase Date within the Offering Period up to the number of shares of Stock determined by dividing the Participant's Compensation deductions accumulated under the Plan for such Purchase Date by the applicable Purchase Price. However, in no event will a Participant be permitted to purchase during each Offering Period more than such number of shares of Stock specified by the Committee prior to the Offering Date of the Offering Period or, in the absence of such Committee specification, such number shall not exceed 4,000 shares of Stock; and provided, further, that such purchase will be subject to such other limitations set forth in Sections 8 and 10 and in the Participant's subscription agreement. For clarity, any Offering Period in effect as of the Amendment Date that commenced prior to such date will be subject to terms of this Section 8 as in effect on the Offering Date of such Offering Period.

8.2 Calendar Year Purchase Limitation. Notwithstanding any provision of the Plan to the contrary, no Participant (whether participating in the Section 423 Plan or the Non-423 Plan) shall be granted a Purchase Right which permits his or her right to purchase shares of Stock under the Plan to accrue at a rate which, when aggregated with such Participant's rights to purchase shares under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, exceeds Twenty-Five Thousand Dollars ($25,000) in Fair Market Value (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such Purchase Right is outstanding at any time. For purposes of the preceding sentence, the Fair Market Value of shares purchased during a given Offering Period shall be determined as of the Offering Date for such Offering Period. The limitation described in this Section shall be applied in conformance with Section 423(b)(8) of the Code or any successor thereto and the regulations thereunder.

8.3 Aggregate Purchase Date Share Limit. Prior to the Offering Date of any Offering Period commencing on or after the Amendment Date, the Committee shall determine the aggregate number of shares that may be purchased by all Participants on any Purchase Date of a Purchase Period or determine that no such aggregate limit under this Section 8.3 shall apply on a Purchase Date(s) in an Offering Period. In the absence of such determination by the Committee for an Offering Period commencing on or after the Amendment Date, the aggregate number of shares that may be purchased by all Participants on any Purchase Date of a Purchase Period in the Offering Period shall not exceed two million (2,000,000) shares. Unless otherwise specified by the Committee, any such limit shall apply in the aggregate to all Purchase Periods ending on the same date, regardless of whether under the Section 423 Plan or the Non-423 Plan.

9. PURCHASE PRICE.

The Purchase Price at which each share of Stock may be acquired in an Offering Period upon the exercise of all or any portion of a Purchase Right shall be established by the Committee; provided, however, that the Purchase Price on each Purchase Date shall not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period or (b) the Fair Market Value of a share of Stock on the Purchase Date. Subject to adjustment as provided by the Plan and unless otherwise provided by the Committee, the Purchase Price for each Offering Period shall be eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period or (b) the Fair Market Value of a share of Stock on the Purchase Date.

10. ACCUMULATION OF PURCHASE PRICE THROUGH PAYROLL DEDUCTION.

Except as provided in Section 11.1(b) with respect to a Pre-Registration Offering Period and in Section 11.1(c) with respect to a Non-United States Offering or except as otherwise provided by the Committee in connection with an Offering under the Non-423 Plan, shares of Stock acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only by means of payroll deductions from the Participant's Compensation accumulated during the Offering Period for which such Purchase Right was granted, subject to the following:

10.1 Amount of Payroll Deductions. Except as otherwise provided herein, the amount to be deducted under the Plan from a Participant's Compensation on each pay day during an Offering Period shall be determined by the Participant's Subscription Agreement. The Subscription Agreement shall set forth the percentage of the Participant's Compensation to be deducted on each pay day during an Offering Period in whole percentages of not less than one percent (1%) (except as a result of an election pursuant to Section 10.3 to stop payroll deductions effective following the first pay day during an Offering) or more than fifteen percent (15%). The Committee may change the foregoing limits on payroll deductions effective as of any Offering Date.

10.2 Commencement of Payroll Deductions. Payroll deductions shall commence on the first pay day occurring on or following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated as provided herein; provided, however, that with respect to a Pre-Registration Offering Period, payroll deductions shall commence as soon as practicable following the Company's receipt of the Participant's Subscription Agreement (delivered no earlier than the applicable Registration Date), if any.

10.3 Election to Decrease or Stop Payroll Deductions. During an Offering Period, a Participant may elect to decrease the rate of or to stop (but not to increase) deductions from his or her Compensation by delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) an amended Subscription Agreement authorizing such change on or before the "Change Notice Date." The "***Change Notice Date***" shall be a date prior to the beginning of the first pay period for which such election is to be effective as established by the Company from time to time and announced to the Participants. A Participant who elects, effective following the first pay day of an Offering Period, to decrease the rate of his or her payroll deductions to zero percent (0%) shall nevertheless remain a Participant in such Offering Period unless the Participant withdraws from the Plan as provided in Section 12.1.

10.4 Election to Increase Payroll Deductions for Subsequent Offering. Prior to the Offering Date of any Offering Period, an Eligible Employee may elect to increase the rate of deductions from Compensation (not in excess of the limit set forth in Section 10.1) effective with the next Offering Period by delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) an amended Subscription Agreement authorizing such change on or before the Change Notice Date prior to the commencement of such new Offering Period.

10.5 Administrative Suspension of Payroll Deductions. The Company may, in its discretion, suspend a Participant's payroll deductions under the Plan as the Company deems advisable to avoid accumulating payroll deductions in excess of the amount that could reasonably be anticipated to purchase the maximum number of shares of Stock permitted (a) under the Participant's Purchase Right, or (b) during a calendar year under the limit set forth in Section 8.2. Unless the Participant has either withdrawn from the Plan as provided in Section 12.1 or has ceased to be an Eligible Employee, suspended payroll deductions shall be resumed at the rate specified in the Participant's then effective Subscription Agreement either (i) at the beginning of the next Offering Period if the reason for suspension was clause (a) in the preceding sentence, or (ii) at the beginning of the next Offering Period having a first Purchase Date that falls within the subsequent calendar year if the reason for suspension was clause (b) in the preceding sentence.

10.6 Participant Accounts. Individual bookkeeping accounts shall be maintained for each Participant. All payroll deductions from a Participant's Compensation (and other amounts received from the Participant in a Pre-Registration Offering Period pursuant to Section 11.1(b), from a non-United States Participant pursuant to Section 11.1(c) or pursuant to an Offering under the Non-423 Plan) shall be credited to such Participant's Plan account and shall be deposited with the general funds of the Company (except as otherwise required by Local Law in connecting with an Offering under the Non-423 Plan). All such amounts received or held by the Company may be used by the Company for any corporate purpose.

10.7 No Interest Paid. Interest shall not be paid on sums deducted from a Participant's Compensation pursuant to the Plan or otherwise credited to the Participant's Plan account (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan).

11. PURCHASE OF SHARES.

11.1 Exercise of Purchase Right.

(a) **Generally**. Except as provided in Section 11.1(b) and Section 11.1(c), on each Purchase Date of an Offering Period, each Participant who has not withdrawn from the Plan and whose participation in the Offering has not otherwise terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right the number of whole shares of Stock determined by dividing (a) the total amount of the Participant's payroll deductions accumulated in the Participant's Plan account during the Offering Period and not previously applied toward the purchase of Stock by (b) the Purchase Price. However, in no event shall the number of shares purchased by the Participant during an Offering Period exceed the number of shares subject to the Participant's Purchase Right. No shares of Stock shall be purchased on a Purchase Date on behalf of a Participant whose participation in the Offering or the Plan has terminated before such Purchase Date.

(b) **Purchase in Pre-Registration Period**. Notwithstanding Section 11.1(a), on the Purchase Date of a Pre-Registration Offering Period, each Participant who has not withdrawn from the Plan and whose participation in such Offering Period has not otherwise terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right (i) a number of whole shares of Stock determined in accordance with Section 11.1(a) to the extent of the total amount of the Participant's payroll deductions accumulated in the Participant's Plan account during the Pre-Registration Offering Period, if any, and not previously applied toward the purchase of Stock, and (ii) such additional shares of Stock (not exceeding in the aggregate the Participant's Purchase Right) as determined in accordance with a Cash Exercise Notice delivered to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) no earlier than the applicable Registration Date and not later than the close of business on the business day immediately preceding the Purchase Date or such earlier date as the Company shall establish, accompanied by payment of the Purchase Price for such additional shares in cash or by check. However, in no event shall the

aggregate number of shares purchased by a Participant during the Pre-Registration Offering Period exceed the number of shares subject to the Participant's Purchase Right. In addition, if a Participant delivers a Subscription Agreement to the Company after the applicable Registration Date, the Participant may not elect to exercise a Purchase Right pursuant to a Cash Exercise Notice in an amount which, when aggregated with payroll deductions pursuant to such Subscription Agreement, exceeds fifteen percent (15%) of the Participant's Compensation during the Pre-Registration Offering Period. The Company shall refund to the Participant in accordance with Section 11.4 any excess Purchase Price payment received from the Participant.

(c) **Purchase by Non-United States Participants for Whom Payroll Deductions Are Prohibited by Applicable Law**. Notwithstanding Section 11.1(a), where payroll deductions on behalf of Participants who are citizens or residents of countries other than the United States (without regard to whether they are also citizens of the United States or resident aliens) are prohibited or made impracticable by applicable Local Law, the Committee may establish a separate Offering (a "***Non-United States Offering***") covering all Eligible Employees of one or more Participating Companies subject to such prohibition or restrictions on payroll deductions. The Non-United States Offering shall provide another method for payment of the Purchase Price with such terms and conditions as shall be administratively convenient and comply with applicable Local Law. On each Purchase Date of the Offering Period applicable to a Non-United States Offering, each Participant who has not withdrawn from the Plan and whose participation in such Offering Period has not otherwise terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right a number of whole shares of Stock determined in accordance with Section 11.1(a) to the extent of the total amount of the Participant's Plan account balance accumulated during the Offering Period in accordance with the method established by the Committee and not previously applied toward the purchase of Stock. However, in no event shall the number of shares purchased by a Participant during such Offering Period exceed the number of shares subject to the Participant's Purchase Right. The Company shall refund to a Participant in a Non-United States Offering in accordance with Section 11.4 any excess Purchase Price payment received from such Participant.

11.2 Pro Rata Allocation of Shares. If the number of shares of Stock which might be purchased by all Participants on a Purchase Date exceeds the number of shares of Stock remaining available for issuance under the Plan or the maximum aggregate number of shares of Stock that may be purchased on such Purchase Date pursuant to a limit established by the Committee pursuant to Section 8.1 or Section 8.3, the Company shall make a pro rata allocation of the shares available in as uniform a manner as practicable and as the Company determines to be equitable. Any fractional share resulting from such pro rata allocation to any Participant shall be disregarded.

11.3 Delivery of Title to Shares. Subject to any governing rules or regulations, as soon as practicable after each Purchase Date, the Company shall issue or cause to be issued to or for the benefit of each Participant the shares of Stock acquired by the Participant on such Purchase Date by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

11.4 Return of Plan Account Balance. Any cash balance remaining in a Participant's Plan account following any Purchase Date shall be refunded to the Participant as soon as practicable after such Purchase Date. However, if the cash balance to be returned to a Participant pursuant to the preceding sentence is less than the amount that would have been necessary to purchase an additional whole share of Stock on such Purchase Date, the Company may retain the cash balance in the Participant's Plan account to be applied toward the purchase of shares of Stock in the subsequent Purchase Period or Offering Period.

11.5 Tax Withholding. At the time a Participant's Purchase Right is exercised, in whole or in part, or at the time a Participant disposes of some or all of the shares of Stock he or she acquires under the Plan, the Participant shall make adequate provision for the federal, state, local and foreign taxes (including social insurance), if any, required to be withheld by any Participating Company upon exercise of the Purchase Right or upon such disposition of shares, respectively. A Participating Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary to meet such withholding obligations. The Company or any other Participating Company shall have the right to take such other action as it determines to be necessary or advisable to satisfy withholding obligations for such taxes.

11.6 Expiration of Purchase Right. Any portion of a Participant's Purchase Right remaining unexercised after the end of the Offering Period to which the Purchase Right relates shall expire immediately upon the end of the Offering Period.

11.7 Provision of Reports and Stockholder Information to Participants. Each Participant who has exercised all or part of his or her Purchase Right shall receive, as soon as practicable after the Purchase Date, a report of such Participant's Plan account setting forth the total amount credited to his or her Plan account prior to such exercise, the number of shares of Stock purchased, the Purchase Price for such shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded or retained in the Participant's Plan account pursuant to Section 11.4. The report required by this Section may be delivered or made available in such form and by such means, including by electronic transmission, as the Company may determine. In addition, each Participant shall be provided information concerning the Company equivalent to that information provided generally to the Company's common stockholders.

12. WITHDRAWAL FROM PLAN.

12.1 Voluntary Withdrawal from the Plan. A Participant may withdraw from the Plan by signing and delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) a written or electronic notice of withdrawal on a form provided by the Company for this purpose. Such withdrawal may be elected at any time prior to the end of an Offering Period; provided, however, that if a Participant withdraws from the Plan after a Purchase Date, the withdrawal shall not affect shares of Stock acquired by the Participant on such Purchase Date. A Participant who voluntarily withdraws from the Plan is prohibited from resuming participation in the Plan in the same Offering from which he or she withdrew, but may participate in any subsequent Offering by again satisfying the requirements of Sections 5 and 7.1. The Company may impose, from time to time, a requirement that the notice of withdrawal from the Plan be on file with the Company office or representative designated by the Company for a reasonable period prior to the effectiveness of the Participant's withdrawal.

12.2 Return of Plan Account Balance. Upon a Participant's voluntary withdrawal from the Plan pursuant to Section 12.1, the Participant's accumulated Plan account balance which has not been applied toward the purchase of shares of Stock shall be refunded to the Participant as soon as practicable after the withdrawal, without the payment of any interest (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan), and the Participant's interest in the Plan and the Offering shall terminate. Such amounts to be refunded in accordance with this Section may not be applied to any other Offering under the Plan.

13. TERMINATION OF EMPLOYMENT OR ELIGIBILITY.

Upon a Participant's ceasing, prior to a Purchase Date, to be an Employee of the Participating Company Group for any reason, including retirement, disability or death, or upon the failure of a Participant to remain an Eligible Employee, the Participant's participation in the Plan shall terminate immediately. In such event, the Participant's Plan account balance which has not been applied toward the purchase of shares of Stock shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's

beneficiary designated in accordance with Section 20, if any, or legal representative, and all of the Participant's rights under the Plan shall terminate. Interest shall not be paid on sums returned pursuant to this Section 13 (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan). A Participant whose participation has been so terminated may again become eligible to participate in the Plan by satisfying the requirements of Sections 5 and 7.1.

14. Effect of Change in Control on Purchase Rights.

In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or parent thereof, as the case may be (the "***Acquiring Corporation***"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under outstanding Purchase Rights or substitute substantially equivalent purchase rights for the Acquiring Corporation's stock. If the Acquiring Corporation elects not to assume, continue or substitute for the outstanding Purchase Rights, the Purchase Date of the then current Offering Period shall be accelerated to a date before the date of the Change in Control specified by the Committee, but the number of shares of Stock subject to outstanding Purchase Rights shall not be adjusted. All Purchase Rights which are neither assumed or continued by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control.

15. Nontransferability of Purchase Rights.

Neither payroll deductions or other amounts credited to a Participant's Plan account nor a Participant's Purchase Right may be assigned, transferred, pledged or otherwise disposed of in any manner other than as provided by the Plan or by will or the laws of descent and distribution (A beneficiary designation pursuant to Section 20 shall not be treated as a disposition for this purpose.) Any such attempted assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan as provided in Section 12.1. A Purchase Right shall be exercisable during the lifetime of the Participant only by the Participant.

16. Compliance with Applicable Law.

The issuance of shares of Stock or other property under the Plan shall be subject to compliance with all applicable requirements of federal, state and foreign securities law and other applicable laws, rules and regulations, and approvals by government agencies as may be required or as the Company deems necessary or advisable. A Purchase Right may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any securities exchange or market system upon which the Stock may then be listed. In addition, no Purchase Right may be exercised unless (a) a registration statement under the Securities Act shall at the time of exercise of the Purchase Right be in effect with respect to the shares issuable upon exercise of the Purchase Right, or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Purchase Right may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of a Purchase Right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

17. Rights as a Stockholder and Employee.

A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of the shares of Stock purchased pursuant to the exercise of the Participant's Purchase Right (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.2. Nothing herein shall confer upon a Participant any right to continue in the employ of the Participating Company Group or interfere in any way with any right of any Participating Company to terminate the Participant's employment at any time.

18. Notification of Disposition of Shares.

The Company may require the Participant to give the Company prompt notice of any disposition of shares of Stock acquired by exercise of a Purchase Right. The Company may require that until such time as a Participant disposes of shares of Stock acquired upon exercise of a Purchase Right, the Participant shall hold all such shares in the Participant's name until the later of two years after the date of grant of such Purchase Right or one year after the date of exercise of such Purchase Right. The Company may direct that the certificates evidencing shares of Stock acquired by exercise of a Purchase Right refer to such requirement to give prompt notice of disposition.

19. Legends.

The Company may at any time place legends or other identifying symbols referencing any applicable federal, state or foreign securities law restrictions or any provision convenient in the administration of the Plan on some or all of the certificates representing shares of Stock issued under the Plan. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include but shall not be limited to the following:

> "THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON THE PURCHASE OF SHARES UNDER AN EMPLOYEE STOCK PURCHASE PLAN AS DEFINED IN SECTION 423 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE PLAN IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE)."

20. Designation of Beneficiary.

20.1 Designation Procedure. Subject to applicable Local Law and procedures, a Participant may file a written designation of a beneficiary who is to receive (a) shares and cash, if any, from the Participant's Plan account if the Participant dies subsequent to a Purchase Date but prior to delivery to the Participant of such shares and cash, or (b) cash, if any, from the Participant's Plan account if the Participant dies prior to the exercise of the Participant's Purchase Right. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. A Participant may change his or her beneficiary designation at any time by written notice to the Company.

20.2 Absence of Beneficiary Designation. If a Participant dies without an effective designation pursuant to Section 20.1 of a beneficiary who is living at the time of the Participant's death, the Company shall deliver any shares or cash credited to the Participant's Plan account to the Participant's legal representative or as otherwise required by applicable law.

21. NOTICES.

All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. AMENDMENT OR TERMINATION OF THE PLAN.

The Committee may at any time amend, suspend or terminate the Plan, except that (a) no such amendment, suspension or termination shall affect Purchase Rights previously granted under the Plan unless expressly provided by the Committee, and (b) no such amendment, suspension or termination may adversely affect a Purchase Right previously granted under the Plan without the consent of the Participant, except to the extent permitted by the Plan or as may be necessary to qualify the Section 423 Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to comply with any applicable law, regulation or rule. In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would authorize the sale of more shares than are then authorized for issuance under the Plan or would change the definition of the corporations that may be designated by the Committee as Participating Companies. Notwithstanding the foregoing, in the event that the Committee determines that continuation of the Plan or an Offering would result in unfavorable financial accounting consequences to the Company, the Committee may, in its discretion and without the consent of any Participant, including with respect to an Offering Period then in progress: (i) terminate the Plan or any Offering Period, (ii) accelerate the Purchase Date of any Offering Period, (iii) reduce the discount or the method of determining the Purchase Price in any Offering Period (e.g., by determining the Purchase Price solely on the basis of the Fair Market Value on the Purchase Date), (iv) reduce the maximum number of shares of Stock that may be purchased in any Offering Period, or (v) take any combination of the foregoing actions.

23. NO REPRESENTATIONS WITH RESPECT TO TAX QUALIFICATION.

Although the Company may endeavor to (a) qualify Purchase Rights for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States (*e.g.*, options granted under Section 423 of the Code) or (b) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in this Plan. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

24. CHOICE OF LAW.

Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Subscription Agreement shall be governed by the laws of the State of Delaware, without regard to its conflict of law rules.

EXHIBIT 31.1

CERTIFICATION OF 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, Frank Martell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SmartRent, Inc. for the period ended June 30, 2026;

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 this 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: August 5, 2026

/s/ FRANK MARTELL
Frank Martell
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL 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 June 30, 2026;

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 this 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: August 5, 2026

/s/ DARYL STEMM
Daryl Stemm
Chief Financial Officer
(Principal Financial and 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 June 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Frank Martell, 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:

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: August 5, 2026

/s/ FRANK MARTELL
Frank Martell
President and 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 June 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Daryl Stemm, 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: August 5, 2026

/s/ DARYL STEMM
Daryl Stemm
Chief Financial Officer
(Principal Financial and Accounting Officer)