

LANTRONIX, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30,	June 30,
	2021	2021
	<u> </u>	<u> </u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,270	\$ 9,739
Accounts receivable, net	21,766	13,515
Inventories	26,557	15,059
Contract manufacturers' receivables	1,149	1,960
Prepaid expenses and other current assets	3,551	2,880
Total current assets	<u>63,293</u>	<u>43,153</u>
Property and equipment, net	1,772	1,577
Goodwill	18,270	15,810
Purchased intangible assets, net	19,396	9,355
Lease right-of-use assets	2,183	2,431
Other assets	273	240
Total assets	<u>\$ 105,187</u>	<u>\$ 72,566</u>
 Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 15,600	\$ 9,122
Accrued payroll and related expenses	3,894	4,942
Current portion of long-term debt, net	1,515	1,472
Other current liabilities	10,093	7,328
Total current liabilities	<u>31,102</u>	<u>22,864</u>
Long-term debt, net	27,075	2,210
Other non-current liabilities	1,376	1,396
Total liabilities	<u>59,553</u>	<u>26,470</u>
 Commitments and contingencies		
Stockholders' equity:		
Common stock	3	3
Additional paid-in capital	251,706	249,885
Accumulated deficit	(206,446)	(204,163)
Accumulated other comprehensive income	371	371
Total stockholders' equity	<u>45,634</u>	<u>46,096</u>
Total liabilities and stockholders' equity	<u>\$ 105,187</u>	<u>\$ 72,566</u>

LANTRONIX, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		
	September 30, 2021	June 30, 2021	September 30, 2020
Net revenue	\$ 27,705	\$ 20,638	\$ 17,146
Cost of revenue	15,242	10,566	8,907
Gross profit	12,463	10,072	8,239
Operating expenses:			
Selling, general and administrative	7,906	6,061	4,899
Research and development	4,041	3,573	2,572
Restructuring, severance and related charges	542	157	92
Acquisition-related costs	541	663	-
Amortization of purchased intangible assets	1,193	579	882
Total operating expenses	14,223	11,033	8,445
Loss from operations	(1,760)	(961)	(206)
Interest expense, net	(379)	(71)	(85)
Other income (expense), net	(102)	(14)	39
Loss before income taxes	(2,241)	(1,046)	(252)
Provision for income taxes	42	50	50
Net loss	\$ (2,283)	\$ (1,096)	\$ (302)
Net loss per share - basic and diluted	\$ (0.08)	\$ (0.04)	\$ (0.01)
Weighted-average common shares - basic and diluted	29,228	28,979	28,371

LANTRONIX, INC.
UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS
(In thousands, except per share data)

	Three Months Ended		
	September 30, 2021	June 30, 2021	September 30, 2020
GAAP net loss	\$ (2,283)	\$ (1,096)	\$ (302)
Non-GAAP adjustments:			
Cost of revenue:			
Share-based compensation	100	69	58
Employer portion of withholding taxes on stock grants	1	2	-
Depreciation and amortization	<u>136</u>	<u>104</u>	<u>177</u>
Total adjustments to cost of revenue	<u>237</u>	<u>175</u>	<u>235</u>
Selling, general and administrative:			
Share-based compensation	1,126	800	445
Employer portion of withholding taxes on stock grants	13	13	5
Depreciation and amortization	<u>67</u>	<u>40</u>	<u>55</u>
Total adjustments to selling, general and administrative	<u>1,206</u>	<u>853</u>	<u>505</u>
Research and development:			
Share-based compensation	255	179	100
Employer portion of withholding taxes on stock grants	8	6	6
Depreciation and amortization	<u>71</u>	<u>58</u>	<u>33</u>
Total adjustments to research and development	<u>334</u>	<u>243</u>	<u>139</u>
Restructuring, severance and related charges	542	157	92
Acquisition related costs	541	663	-
Amortization of purchased intangible assets	1,193	579	882
Amortization of manufacturing profit in acquired inventory	<u>180</u>	<u>-</u>	<u>7</u>
Total non-GAAP adjustments to operating expenses	<u>3,996</u>	<u>2,495</u>	<u>1,625</u>
Interest (income) expense, net	379	71	85
Other (income) expense, net	102	14	(39)
Provision for income taxes	<u>42</u>	<u>50</u>	<u>50</u>
Total non-GAAP adjustments	<u>4,756</u>	<u>2,805</u>	<u>1,956</u>
Non-GAAP net income	<u>\$ 2,473</u>	<u>\$ 1,709</u>	<u>\$ 1,654</u>
Non-GAAP net income per share - diluted	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>
Denominator for GAAP net income per share - diluted	29,228	28,979	28,371
Non-GAAP adjustment	<u>1,672</u>	<u>1,716</u>	<u>1,833</u>
Denominator for non-GAAP net income per share - diluted	<u>30,900</u>	<u>30,695</u>	<u>30,204</u>
GAAP operating expenses	\$ 14,223	\$ 11,033	\$ 8,445
Non-GAAP adjustments to operating expenses	<u>(3,996)</u>	<u>(2,495)</u>	<u>(1,625)</u>
Non-GAAP operating expenses	<u>\$ 10,227</u>	<u>\$ 8,538</u>	<u>\$ 6,820</u>

LANTRONIX, INC.
UNAUDITED NET REVENUES BY PRODUCT LINE AND REGION
(In thousands)

	Three Months Ended		
	September 30, 2021	June 30, 2021	September 30, 2020
IoT	\$ 22,831	\$ 17,484	\$ 14,620
REM	4,766	3,041	2,402
Other	108	113	124
	\$ 27,705	\$ 20,638	\$ 17,146

	Three Months Ended		
	September 30, 2021	June 30, 2021	September 30, 2020
Americas	\$ 18,227	\$ 11,071	\$ 10,929
EMEA	4,659	5,711	2,639
Asia Pacific Japan	4,819	3,856	3,578
	\$ 27,705	\$ 20,638	\$ 17,146