



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

	<b>September 30,</b>	<b>June 30,</b>
	<b>2024</b>	<b>2024</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 26,395	\$ 26,237
Accounts receivable, net	30,801	31,279
Inventories, net	29,533	27,698
Contract manufacturers' receivables	2,722	1,401
Prepaid expenses and other current assets	3,169	2,335
Total current assets	92,620	88,950
Property and equipment, net	3,642	4,016
Goodwill	27,824	27,824
Intangible assets, net	4,000	5,251
Lease right-of-use assets	9,165	9,567
Other assets	607	600
Total assets	<u>\$ 137,858</u>	<u>\$ 136,208</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 17,149	\$ 10,347
Accrued payroll and related expenses	3,440	5,836
Current portion of long-term debt, net	3,057	3,002
Other current liabilities	11,859	10,971
Total current liabilities	35,505	30,156
Long-term debt, net	12,409	13,219
Other non-current liabilities	11,014	11,478
Total liabilities	<u>58,928</u>	<u>54,853</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	304,078	304,001
Accumulated deficit	(225,523)	(223,021)
Accumulated other comprehensive income	371	371
Total stockholders' equity	<u>78,930</u>	<u>81,355</u>
Total liabilities and stockholders' equity	<u>\$ 137,858</u>	<u>\$ 136,208</u>



**LANTRONIX, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Net revenue	\$ 34,423	\$ 49,075	\$ 33,031
Cost of revenue	19,948	30,353	18,934
Gross profit	14,475	18,722	14,097
Operating expenses:			
Selling, general and administrative	9,496	11,059	9,170
Research and development	4,956	5,265	5,106
Restructuring, severance and related charges	900	523	20
Fair value remeasurement of earnout consideration	-	-	(9)
Amortization of intangible assets	1,251	1,310	1,384
Total operating expenses	16,603	18,157	15,671
Income (loss) from operations	(2,128)	565	(1,574)
Interest expense, net	(119)	(175)	(338)
Other income (loss), net	(37)	9	19
Income (loss) before income taxes	(2,284)	399	(1,893)
Provision (benefit) for income taxes	218	13	(7)
Net income (loss)	\$ (2,502)	\$ 386	\$ (1,886)
Net income (loss) per share - basic	\$ (0.07)	\$ 0.01	\$ (0.05)
Net income (loss) per share - diluted	\$ (0.07)	\$ 0.01	\$ (0.05)
Weighted-average common shares - basic	38,024	37,697	36,982
Weighted-average common shares - diluted	38,024	38,096	36,982



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

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
GAAP net income (loss)	\$ (2,502)	\$ 386	\$ (1,886)
Non-GAAP adjustments:			
Cost of revenue:			
Share-based compensation	64	66	41
Employer portion of withholding taxes on stock grants	5	1	4
Amortization of manufacturing profit in acquired inventory	-	126	317
Depreciation and amortization	<u>123</u>	<u>124</u>	<u>86</u>
Total adjustments to cost of revenue	<u>192</u>	<u>317</u>	<u>448</u>
Selling, general and administrative:			
Share-based compensation	1,126	2,010	1,273
Employer portion of withholding taxes on stock grants	78	19	37
Depreciation and amortization	<u>351</u>	<u>369</u>	<u>334</u>
Total adjustments to selling, general and administrative	<u>1,555</u>	<u>2,398</u>	<u>1,644</u>
Research and development:			
Share-based compensation	410	471	428
Employer portion of withholding taxes on stock grants	19	4	13
Depreciation and amortization	<u>69</u>	<u>72</u>	<u>108</u>
Total adjustments to research and development	<u>498</u>	<u>547</u>	<u>549</u>
Restructuring, severance and related charges	900	523	20
Acquisition related costs	29	-	-
Fair value remeasurement of earnout consideration	-	-	(9)
Amortization of purchased intangible assets	1,251	1,310	1,384
Litigation settlement cost	<u>40</u>	<u>115</u>	<u>-</u>
Total non-GAAP adjustments to operating expenses	<u>4,273</u>	<u>4,893</u>	<u>3,588</u>
Interest expense, net	119	175	338
Other (income) expense, net	37	(9)	(19)
Provision (benefit) for income taxes	<u>218</u>	<u>13</u>	<u>(7)</u>
Total non-GAAP adjustments	<u>4,839</u>	<u>5,389</u>	<u>4,348</u>
Non-GAAP net income	<u>\$ 2,337</u>	<u>\$ 5,775</u>	<u>\$ 2,462</u>
Non-GAAP net income per share - diluted	<u>\$ 0.06</u>	<u>\$ 0.15</u>	<u>\$ 0.07</u>
Denominator for GAAP net income (loss) per share - diluted	38,024	38,096	36,982
Non-GAAP adjustment	<u>1,257</u>	<u>771</u>	<u>693</u>
Denominator for non-GAAP net income per share - diluted	<u>39,281</u>	<u>38,867</u>	<u>37,675</u>
GAAP cost of revenue	\$ 19,948	\$ 30,353	\$ 18,934
Non-GAAP adjustments to cost of revenue	<u>(192)</u>	<u>(317)</u>	<u>(448)</u>
Non-GAAP cost of revenue	<u>19,756</u>	<u>30,036</u>	<u>18,486</u>
Non-GAAP gross profit	<u>\$ 14,667</u>	<u>\$ 19,039</u>	<u>\$ 14,545</u>
Non-GAAP gross margin	<u>42.6%</u>	<u>38.8%</u>	<u>44.0%</u>



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

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Embedded IoT Solutions	\$ 13,387	\$ 11,364	\$ 11,373
IoT System Solutions	18,759	35,603	19,036
Software & Services	2,277	2,108	2,622
	<u>\$ 34,423</u>	<u>\$ 49,075</u>	<u>\$ 33,031</u>

	<b>Three Months Ended</b>		
	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>September 30, 2023</b>
Americas	\$ 17,420	\$ 17,126	\$ 22,933
EMEA	10,484	26,194	6,591
Asia Pacific Japan	6,519	5,755	3,507
	<u>\$ 34,423</u>	<u>\$ 49,075</u>	<u>\$ 33,031</u>