FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements concerning our business and product development plans and strategies, the perceived benefits of our products and corporate acquisitions, and our future growth and financial performance. Any statement relating to our plans, goals, expectations or any future event should be considered a forward-looking statement. While we have based our forward-looking statements on our current assumptions and expectations, forward-looking statements are not guarantee of future performance and are subject to substantial risks and uncertainties. As a result, our actual results could differ materially from those indicated in our forward-looking statements, and you should not rely on any of these forward-looking statements.

Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include the impact of the COVID-19 pandemic; volatility in global economic conditions; product development and marketing risks; risks related to manufacturing and international operations; difficulties associated with our suppliers, distributors or resellers; intense competition in our industry; changes in applicable U.S. and foreign government laws, regulations, and tariffs; risks associated with acquisitions, divestitures, mergers, or joint ventures; intellectual property and cybersecurity risks; the outcome of legal proceedings; and other risks and uncertainties described in “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, as well as in our other filings with the SEC. In addition, new risks emerge from time-to-time and we cannot predict all future risks or assess the impact of all risks to our business. Our forward-looking statements are based on our view as of the date they are made. Except as required by law, we expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof because of new information, future events or otherwise.

This presentation references certain non-GAAP financial measures, including non-GAAP net income (loss). A reconciliation of the non-GAAP financial measures to the corresponding GAAP financial measures, along with important information regarding our disclosure of the non-GAAP financials, is provided in Appendix A.
OUR VISION

TO PROVIDE TURNKEY CUSTOMER SOLUTIONS FOR IIoT AND REMOTE ENVIRONMENT MANAGEMENT

Lantronix aims to be the go-to industry IoT and REM partner, providing full stack turnkey solutions comprised of SaaS products and features, Professional Services, and Hardware.

Customers get a "one stop shop" experience enabled by ease of purchase, activation, deployment, and management, leaving them to focus on their core products and business.
SECURE TURNKEY SOLUTIONS FOR THE INDUSTRIAL IoT

- Global provider of secure turnkey management solutions for IIoT
- Connectivity products and SaaS services which are easy to deploy and manage, and accelerate customer time to market
- Growing Market opportunity with billions of devices connected worldwide*
- Strong Blue-Chip customer base
- Partnerships with top SOC manufacturers**
- Significant financial momentum and operating leverage
PROVEN LEADERSHIP TEAM

Paul Pickle
CEO

Jeremy Whitaker
CFO

Roger Holliday
VP, WW Sales

Jon Shipman
VP, Strategy

Fathi Hakam
VP, Engineering

David Goren
VP, Business Affairs & HR

Robert Adams
Head of BD & Investor Relations

Michael A. Fink
VP, Operations
FAVORABLE SECULAR TRENDS

Monitoring and Management
Energy & Distributed Utilities

Healthcare & Remote Patient Monitoring Commercial Applications

IoT Smart Cities Building Infrastructure Integration

Rise of Robotics Automation in Industrial Manufacturing and Logistics

Edge Compute, Computer Vision & AI Big Data Store and Sort, Predictive Analytics

Increased Government & Defense Spending for the Internet of Military Things
OUR GROWTH STRATEGY

Targeted Acquisitions
Expand Lantronix hardware and software offerings and technical capabilities; reduce time to market

Organic HW
Offer innovative hardware solutions across value oriented and premium product families

Organic SW
Offering turnkey customer solutions through Software as a Service products, built to leverage our innovative hardware
1. Identify Customer Need

2. Full Stack Approach
   - Control
   - Comprehend
   - Compute
   - Connect
   - Collect

3. Turnkey Solutions
   - Market Application
     - Vertically Aligned
   - Business Operations
     - Analytics, Insights, Predictions
   - Infrastructure
     - Monitoring & Management

IoT APPROACH SIMPLIFIED
CUSTOMER USE CASES

Robotics

Augmented Reality

Medical

Video Conferencing

Commercial IoT
OPERATING RESULTS
## SELECTED INCOME STATEMENT INFORMATION

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Q1 FY20</th>
<th>Q2 FY20</th>
<th>Q3 FY20</th>
<th>Q4 FY20</th>
<th>Q1 FY21</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$12,741</td>
<td>$13,228</td>
<td>$16,512</td>
<td>$17,397</td>
<td>$17,146</td>
<td>$45,580</td>
<td>$46,890</td>
<td>$59,878</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$6,195</td>
<td>$6,777</td>
<td>$7,377</td>
<td>$6,551</td>
<td>$8,239</td>
<td>$25,406</td>
<td>$26,273</td>
<td>$26,900</td>
</tr>
<tr>
<td>% of Net Revenue</td>
<td>48.6%</td>
<td>51.2%</td>
<td>44.7%</td>
<td>37.7%</td>
<td>48.1%</td>
<td>55.7%</td>
<td>56.0%</td>
<td>44.9%</td>
</tr>
<tr>
<td><strong>GAAP Net Income (Loss)</strong></td>
<td>$(2,470)</td>
<td>$(1,351)</td>
<td>$(5,216)</td>
<td>$(1,701)</td>
<td>$(302)</td>
<td>$680</td>
<td>$(408)</td>
<td>$(10,738)</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income (Loss)</strong></td>
<td>$7</td>
<td>$666</td>
<td>$611</td>
<td>$1,191</td>
<td>$1,654</td>
<td>$2,935</td>
<td>$3,690</td>
<td>$2,476</td>
</tr>
</tbody>
</table>

**FY 2020 HIGHLIGHTS**

- 28% revenue growth
- Change in gross profit as percentage of net revenue primarily due to product mix from acquisitions
- Non-GAAP opex as a percent of revenue down from 49% in FY19 to 42% in FY20

* Refer to Appendix for reconciliation of Non-GAAP financial measures
## APPENDIX A: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Q1 FY20</th>
<th>Q2 FY20</th>
<th>Q3 FY20</th>
<th>Q4 FY20</th>
<th>Q1 FY21</th>
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<td>(302)</td>
<td>(408)</td>
<td>(10,738)</td>
</tr>
<tr>
<td>Non-GAAP Adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based Compensation</td>
<td>578</td>
<td>938</td>
<td>1,132</td>
<td>990</td>
<td>603</td>
<td>1,871</td>
<td>3,639</td>
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<tr>
<td>Withholding Taxes on Stock Grants</td>
<td>10</td>
<td>2</td>
<td>7</td>
<td>14</td>
<td>11</td>
<td>12</td>
<td>33</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>147</td>
<td>156</td>
<td>269</td>
<td>275</td>
<td>265</td>
<td>464</td>
<td>847</td>
</tr>
<tr>
<td>Severance and Restructuring Costs</td>
<td>749</td>
<td>354</td>
<td>2,263</td>
<td>478</td>
<td>92</td>
<td>1,146</td>
<td>3,844</td>
</tr>
<tr>
<td>Acquisition Related Costs</td>
<td>643</td>
<td>353</td>
<td>1,250</td>
<td>38</td>
<td>-</td>
<td>410</td>
<td>2,284</td>
</tr>
<tr>
<td>Impairment of Long-Lived Asset</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>275</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of Purchased Intangible Assets</td>
<td>144</td>
<td>151</td>
<td>801</td>
<td>941</td>
<td>882</td>
<td>-</td>
<td>2,037</td>
</tr>
<tr>
<td>Amortization of Manufacturing Profit in Acquired Inventory</td>
<td>171</td>
<td>-</td>
<td>33</td>
<td>51</td>
<td>7</td>
<td>-</td>
<td>255</td>
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<tr>
<td>Litigation Settlement Cost</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Interest Expense (Income), Net</td>
<td>(56)</td>
<td>16</td>
<td>83</td>
<td>90</td>
<td>85</td>
<td>(236)</td>
<td>133</td>
</tr>
<tr>
<td>Other (Income) Expense, Net</td>
<td>43</td>
<td>10</td>
<td>(129)</td>
<td>(1)</td>
<td>(39)</td>
<td>15</td>
<td>(77)</td>
</tr>
<tr>
<td>Provision (Benefit) for Income Taxes</td>
<td>48</td>
<td>37</td>
<td>43</td>
<td>16</td>
<td>50</td>
<td>141</td>
<td>144</td>
</tr>
<tr>
<td>Total Non-GAAP Adjustments</td>
<td>2,477</td>
<td>2,017</td>
<td>5,827</td>
<td>2,892</td>
<td>1,956</td>
<td>4,098</td>
<td>13,214</td>
</tr>
<tr>
<td>Non-GAAP Net Income (Loss)</td>
<td>$ 7</td>
<td>$ 666</td>
<td>$ 611</td>
<td>$ 1,191</td>
<td>$ 1,654</td>
<td>$ 3,690</td>
<td>$2,476</td>
</tr>
</tbody>
</table>

Lantronix believes that the presentation of non-GAAP financial information, when presented in conjunction with the corresponding GAAP measures, provides important supplemental information to management and investors regarding financial and business decisions made regarding the Company’s financial condition and results of operations. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations of the non-GAAP financial measures to the financial measures calculated in accordance with GAAP should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Management believes that non-GAAP net income (loss) is an important measure of the Company’s business. Management uses this financial measure to monitor and evaluate ongoing operating results and trends to gain an understanding of our comparative operating performance.