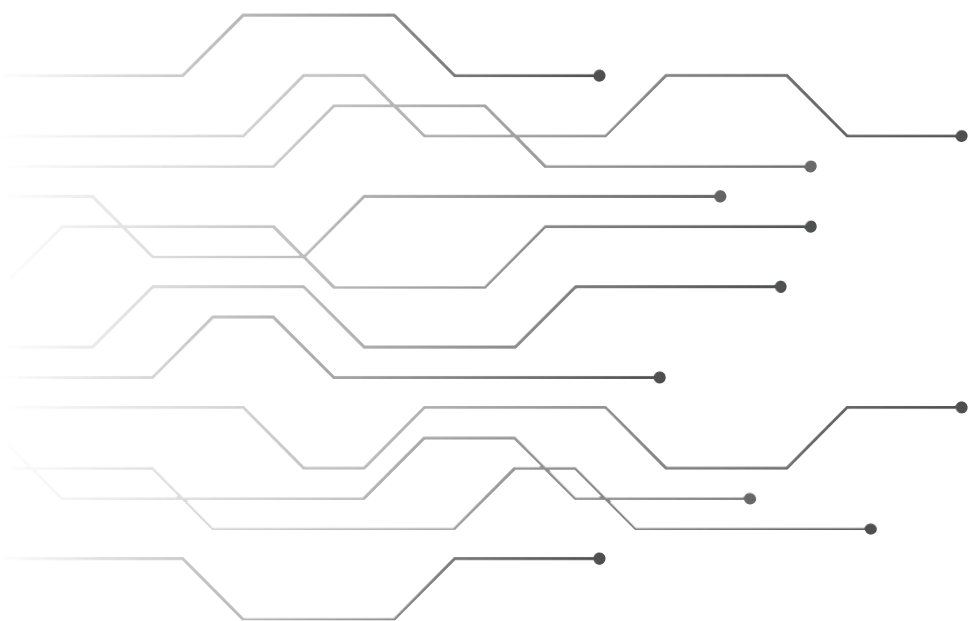




LANTRONIX[®]

January 2022



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, but are not limited to, 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 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.

Some of the financial information and data contained in this Presentation, including non-GAAP operating expenses, non-GAAP net income (loss), and non-GAAP earnings (loss) per share, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating historical or projected operating results and trends in and in comparing our financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. We do not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and revenue that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and revenue items are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents historical non-GAAP financial measures in connection with GAAP results. 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 of this Presentation.

This Presentation contains our trademarks, service marks, trade names and copyrights and those of other companies, which are the property of their respective owners.

A Proven Leadership Team



PAUL PICKLE
CEO



JEREMY WHITAKER
CFO



ROGER HOLLIDAY
VP, WW Sales



JACQUES ISSA
VP, Marketing



FATHI HAKAM
VP, Engineering



MICHAEL A. FINK
VP, Operations



DAVID GOREN
VP, Business Affairs
and Corporate Secretary



JONATHAN SHIPMAN
Executive Strategist



ROBERT ADAMS
Head of Corporate Development
and Investor Relations

Intelligent IT & IoT Solutions

Lantronix solutions dramatically simplify the creation, development, deployment, and management of IoT projects while providing quality, reliability and security

A conceptual image for the 'Connect' section. It features a person's hand holding a large, circular, metallic-looking lock with a keyhole in the center. The lock is surrounded by a network of white dots and lines. Various icons are overlaid on the image, including a cloud with an up and down arrow, a Wi-Fi symbol, a smartphone with a lock icon, and a wrench.

Connect

A conceptual image for the 'Compute' section. It shows a person's hand reaching out towards a laptop. The background is a light blue with a world map and several circular icons containing human figures, suggesting a global network or data processing.

Compute

A conceptual image for the 'Control' section. It depicts a man and a woman in a professional setting. The woman is holding a smartphone and looking at it, while the man stands next to her, looking at a computer monitor. The monitor displays two smartphone screens with various app interfaces.

Control

Investment Highlights

Expansive	Growing IIoT and SaaS market opportunity with billions of devices connected worldwide
Scale	Global geographic reach and extensive product portfolio
Customers	Strong, expanding blue-chip customer base worldwide
Momentum	Record backlog entering FQ122, strong revenue growth, increasing operating leverage and profitability
Leadership	Experienced team with strong track record of value creation

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



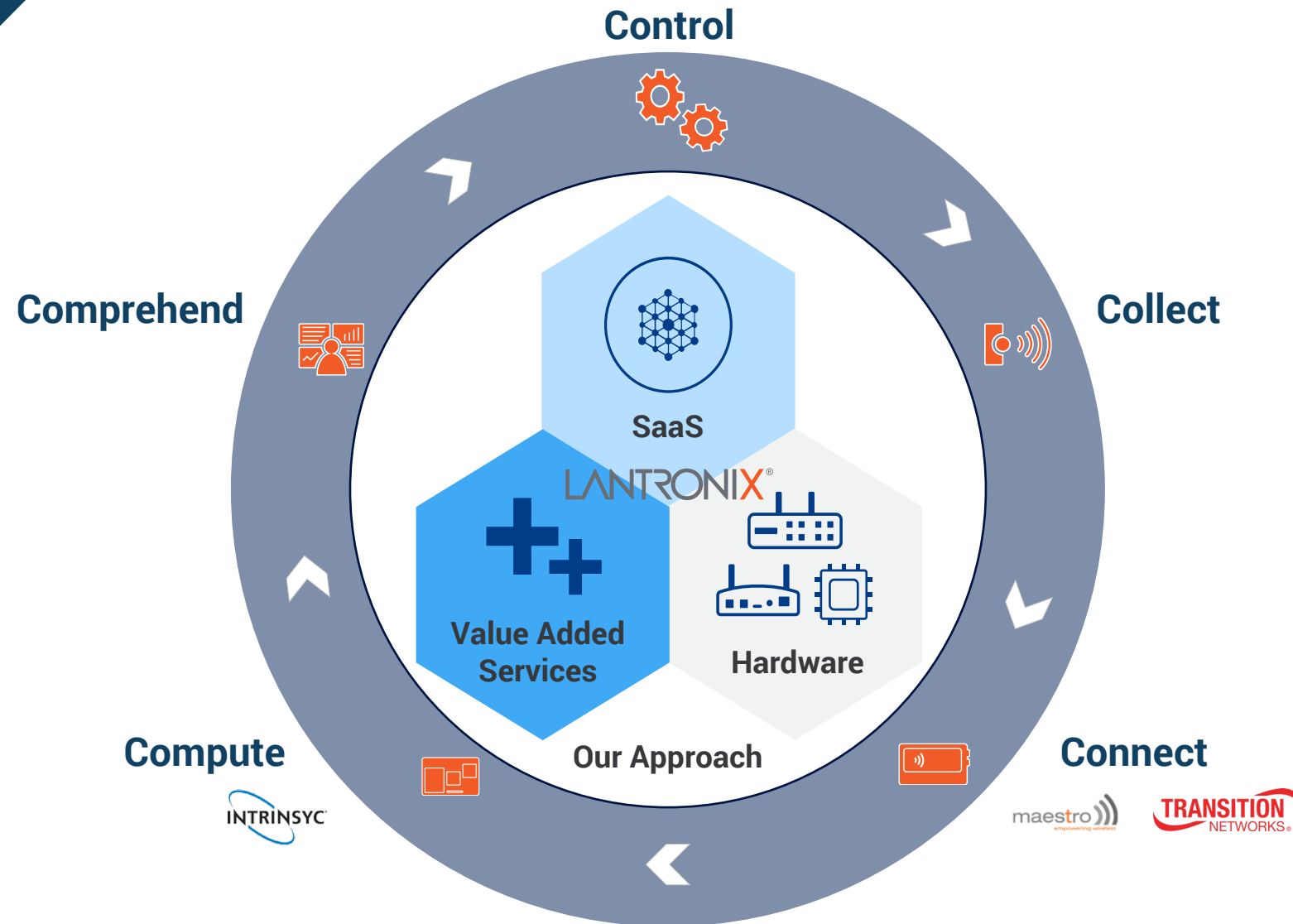
Edge Compute,
Computer Vision
& AI

Big Data Store and
Sort, Predictive
Analytics



Increased
Government &
Defense Spending
for the Internet of
Military Things

IoT as a Solution



Lantronix Key Pieces

SaaS (ConsoleFlow)

- Visibility and Control in an easy single pane of glass application.
- Knowing what is happening across your deployment and having the tools to respond.

Value Added Services

- Go beyond just visibility and control by easily selecting the service(s) you need. Provision cellular and VPN services for pick and go worldwide connectivity. Request engineering services for assistance with custom software and hardware projects.

Hardware

- No solution is complete without matching hardware to achieve your specific requirements and real-world applicability.
- Lantronix offers embedded and external devices for the Industrial Internet of Things and Remote Environment Management access solutions.

Customer Use Cases



Robotics



Medical



Augmented Reality

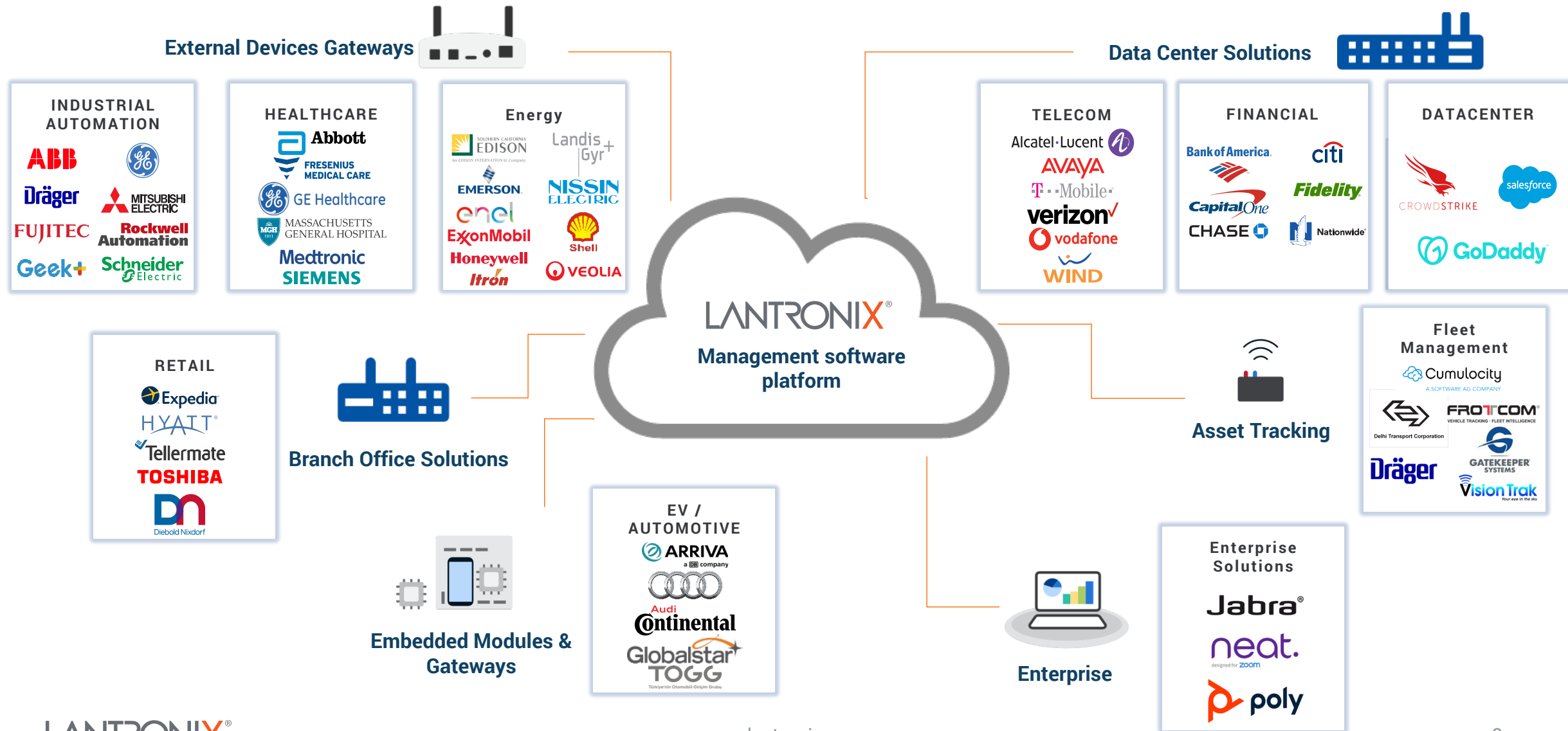


Video Conferencing



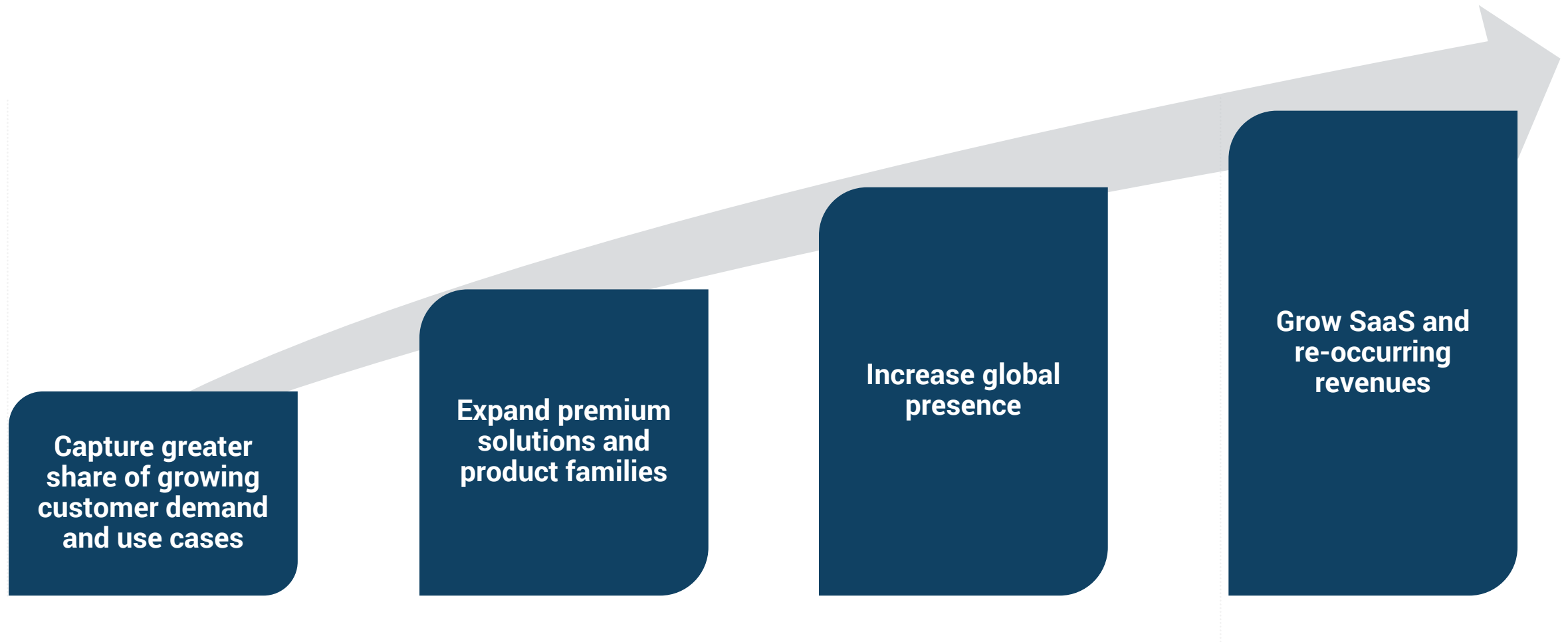
Commercial IoT

Key Verticals & Customers



Growth Strategy

Clear levers for organic growth and track record of accretive acquisitions



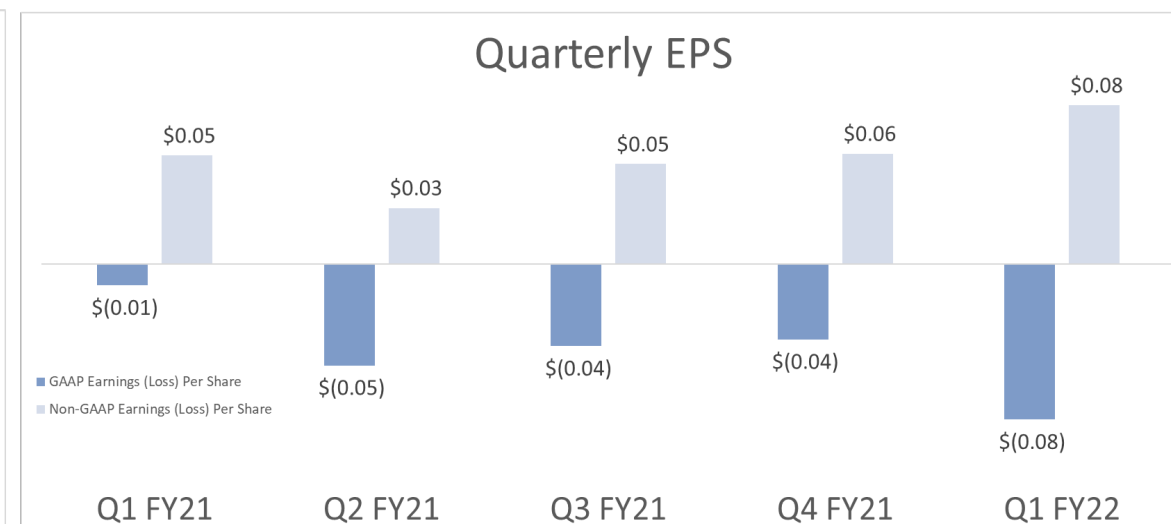
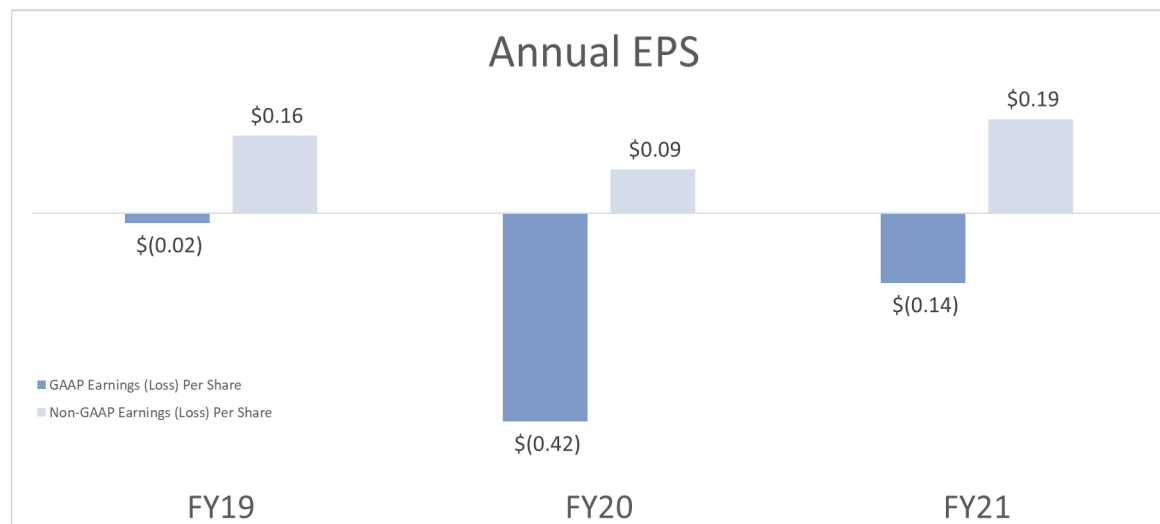
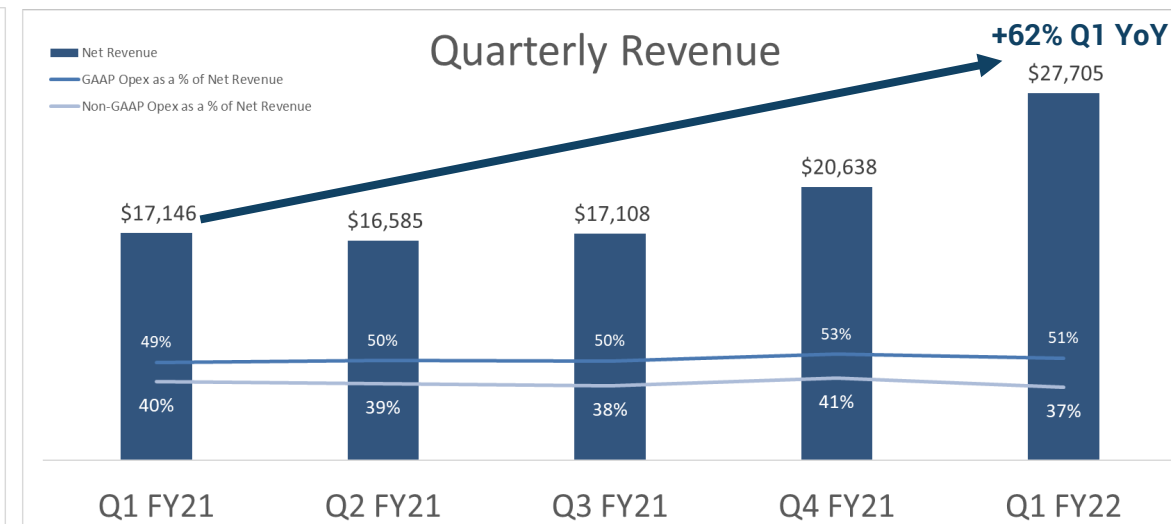
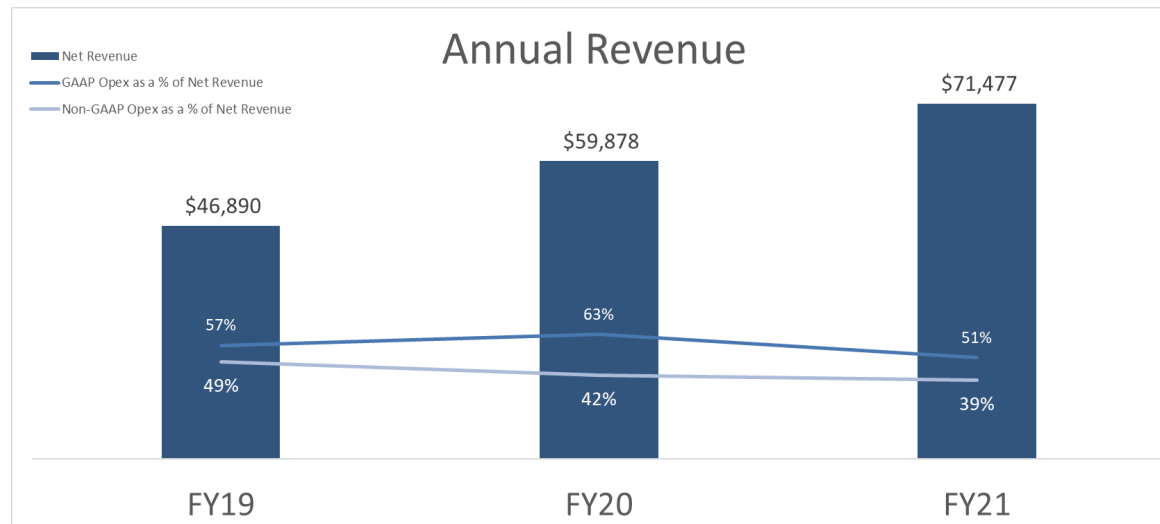
Financial Highlights



Q1 FY22 Highlights

- **Continued business momentum amidst challenging supply chain dynamics**
 - Record hardware backlog of \$42.8 million as of October 1, 2021
 - Strong design win momentum and demand across technologies, use cases and geographies
- **Record revenues of \$27.7 million, +62% Y/Y and 34% sequentially**
 - Double digit organic growth
 - Strong contribution from Transition Networks acquisition
- **GAAP Gross Margin of 45%**
 - In line with expectations based on revenue mix
 - Prior quarter's 48% Gross Margin included impact of large software license deal
- **Operating leverage and expanding profitability**
 - GAAP and non-GAAP operating expenses as % of revenue declined Y/Y and sequentially
 - Non-GAAP net income per share of \$.08 compared to \$.05 in prior year period
- **Clean balance sheet**
 - \$10.3 million in cash and equivalents
 - Working capital of \$32.2 million compared to \$20.3 million at June 30, 2021

Growth and Operating Leverage



See the Appendix for a reconciliation of the non-GAAP financial measures used in this presentation. Dollars in thousands.

Clean Balance Sheet

September 30, 2021, Balance Sheet Highlights

- Cash of \$10.3 million
- Working capital of \$32.2 million
- Debt of \$27.1 million
 - \$2.5mm Revolver and \$17.5mm Term Loan (L+3-4%, due Aug 2025)
 - \$12 million Mezz debt (L+9%, due Aug 2026)

Note:

During November of 2021, the Company issued 4.7 million shares in an underwritten offering of common stock and raised gross proceeds of approximately \$35.3 million

Quarterly Balance Sheet

(\$MM)	Q4 FY21	Q1 FY22
Cash	\$9.7	\$10.3
Working Capital	\$20.3	\$32.2
Short-term debt	\$1.5	\$1.5
Long-term debt	\$2.2	\$27.1

Investment Highlights



**Well positioned in IIoT
amidst expanding use
case/end markets**



**Record backlog and
high visibility for growth**



**Software and
recurring revenues**



**Increasing operating
leverage**

Appendix



Discussion of Non-GAAP Financial Measures

Non-GAAP net income consists of net loss excluding (i) share-based compensation and the employer portion of withholding taxes on stock grants, (ii) depreciation and amortization, (iii) interest income (expense), (iv) other income (expense), (v) income tax provision (benefit), (vi) restructuring, severance and related charges, (vii) acquisition related costs, (viii) impairment of long-lived assets, (ix) amortization of purchased intangibles, and (x) amortization of manufacturing profit in acquired inventory.

Non-GAAP net income per share is calculated by dividing non-GAAP net loss by non-GAAP weighted-average shares outstanding (diluted). For purposes of calculating non-GAAP net income per share, the calculation of GAAP weighted-average shares outstanding (diluted) is adjusted to exclude share-based compensation, which for GAAP purposes is treated as proceeds assumed to be used to repurchase shares under the GAAP treasury stock method.

Selected Financial Information

(in thousands, except per share values)	QUARTERLY										FISCAL YEAR		
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22		FY19	FY20	FY21
Selected Income Statement Information:													
Net Revenue	\$ 12,741	\$ 13,228	\$ 16,512	\$ 17,397	\$ 17,146	\$ 16,585	\$ 17,108	\$ 20,638	\$ 27,705		\$ 46,890	\$ 59,878	\$ 71,477
Y/Y Change	4%	9%	34%	71%	35%	25%	4%	19%	62%		3%	28%	19%
Sequential Change	25%	4%	25%	5%	(1%)	(3%)	3%	21%	34%				
Gross Profit	\$ 6,195	\$ 6,777	\$ 7,377	\$ 6,551	\$ 8,239	\$ 6,996	\$ 7,718	\$ 10,072	\$ 12,463		\$ 26,273	\$ 26,900	\$ 33,025
% of Net Revenue	48.6%	51.2%	44.7%	37.7%	48.1%	42.2%	45.1%	48.8%	45.0%		56.0%	44.9%	46.2%
GAAP Operating Expenses	8,630	8,065	12,596	8,147	8,445	8,318	8,566	11,033	14,223		\$ 26,761	\$ 37,438	\$ 36,362
% of Net Revenue	68%	61%	76%	47%	49%	50%	50%	53%	51%		57%	63%	51%
GAAP Net Income (Loss)	\$ (2,470)	\$ (1,351)	\$ (5,216)	\$ (1,701)	\$ (302)	\$ (1,459)	\$ (1,187)	\$ (1,096)	\$ (2,283)		\$ (408)	\$ (10,738)	\$ (4,044)
% of Net Revenue	-19%	-10%	-32%	-10%	-2%	-9%	-7%	-5%	-8%		-1%	-18%	-6%
GAAP Earnings (Loss) Per Share	\$ (0.11)	\$ (0.06)	\$ (0.19)	\$ (0.06)	\$ (0.01)	\$ (0.05)	\$ (0.04)	\$ (0.04)	\$ (0.08)		\$ (0.02)	\$ (0.42)	\$ (0.14)
Non-GAAP Measures:													
Non-GAAP Operating Expenses	\$ 6,280	\$ 6,231	\$ 6,986	\$ 5,624	\$ 6,820	\$ 6,401	\$ 6,422	\$ 8,538	\$ 10,227		\$ 22,865	\$ 25,121	\$ 28,181
% of Net Revenue	49%	47%	42%	32%	40%	39%	38%	41%	37%		49%	42%	39%
Non-GAAP Net Income (Loss)	\$ 7	\$ 667	\$ 611	\$ 1,191	\$ 1,654	\$ 860	\$ 1,539	\$ 1,709	\$ 2,473		\$ 3,690	\$ 2,476	\$ 5,762
% of Net Revenue	0%	5%	4%	7%	10%	5%	9%	8%	9%		8%	4%	8%
Non-GAAP Earnings (Loss) Per Share	\$ 0.00	\$ 0.03	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.08		\$ 0.16	\$ 0.09	\$ 0.19
Selected Balance Sheet Information:													
Cash	\$ 12,028	\$ 9,347	\$ 6,977	\$ 7,691	\$ 7,709	\$ 7,621	\$ 8,277	\$ 9,739	\$ 10,270		\$ 18,282	\$ 7,691	\$ 9,739
Long-term Debt	\$ -	\$ 4,418	\$ 4,050	\$ 3,682	\$ 3,314	\$ 2,946	\$ 2,578	\$ 2,210	\$ 27,075		\$ -	\$ 3,682	\$ 2,210
Working Capital	\$ 19,011	\$ 23,308	\$ 18,607	\$ 18,741	\$ 19,306	\$ 19,422	\$ 19,851	\$ 20,289	\$ 32,191		\$ 26,718	\$ 18,741	\$ 20,289
Fully Diluted Weighted Average Shares Outstanding	24,682	24,804	28,535	29,788	29,267	29,354	29,564	29,801	30,129		23,093	26,956	29,531

* Note: Refer to Appendix A for Reconciliation of Non-GAAP Measures

Appendix A: Non-GAAP Reconciliation

(in thousands, except per share values)	QUARTERLY									FISCAL YEAR		
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	FY19	FY20	FY21
GAAP net income (loss)	\$ (2,470)	\$ (1,351)	\$ (5,216)	\$ (1,701)	\$ (302)	\$ (1,459)	\$ (1,187)	\$ (1,096)	\$ (2,283)	\$ (408)	\$ (10,738)	\$ (4,044)
Non-GAAP adjustments:												
Cost of revenue:												
Share-based compensation	24	48	70	85	58	84	70	69	100	85	227	281
Employer portion of withholding taxes on stock grants	1	-	1	-	-	-	3	2	1	-	2	5
Depreciation and amortization	67	73	149	179	177	181	170	104	136	197	468	632
Total adjustments to cost of revenue	92	121	220	264	235	265	243	175	237	282	697	918
Selling, general and administrative:												
Share-based compensation and related withholding taxes	459	778	939	783	445	671	803	800	1,126	1,441	2,959	2,719
Employer portion of withholding taxes on stock grants	5	1	3	12	5	6	19	13	13	12	21	43
Depreciation and amortization	54	53	81	69	55	37	38	40	67	192	257	170
Total adjustments to selling, general and administrative	518	832	1,023	864	505	714	860	853	1,206	1,645	3,237	2,932
Research and development:												
Share-based compensation	95	113	123	122	100	135	170	179	255	345	453	584
Employer portion of withholding taxes on stock grants	4	1	3	2	6	2	5	6	8	-	10	19
Depreciation and amortization	26	30	39	27	33	50	57	58	71	75	122	198
Total adjustments to research and development	125	144	165	151	139	187	232	243	334	420	585	801
Restructuring, severance and related charges	749	354	2,263	478	92	137	120	157	542	1,146	3,844	506
Litigation settlement cost (recovery)	-	-	75	-	-	-	-	-	-	-	75	-
Acquisition related costs	643	353	1,250	38	-	-	178	663	541	410	2,284	841
Impairment of long-lived asset	-	-	-	-	-	-	-	-	-	275	-	-
Amortization of purchased intangible assets	144	151	801	941	882	879	754	579	1,193	-	2,037	3,094
Amortization of manufacturing profit in acquired inventory	171	-	33	51	7	-	-	-	180	-	255	7
Total non-GAAP adjustments to operating expenses	2,350	1,834	5,610	2,523	1,625	1,917	2,144	2,495	3,996	3,896	12,317	8,181
Non-GAAP operating expenses	6,280	6,231	6,986	5,624	6,820	6,401	6,422	8,538	10,227	22,865	25,121	28,181
Interest expense (income), net	(56)	16	83	90	85	82	77	71	379	(236)	133	315
Other (income) expense, net	43	10	(129)	(1)	(39)	(2)	224	14	102	15	(77)	197
Provision (benefit) for income taxes	48	37	43	16	50	57	38	50	42	141	144	195
Total non-GAAP adjustments	2,477	2,018	5,827	2,892	1,956	2,319	2,726	2,805	4,756	4,098	13,214	9,806
Non-GAAP net income (loss)	\$ 7	\$ 667	\$ 611	\$ 1,191	\$ 1,654	\$ 860	\$ 1,539	\$ 1,709	\$ 2,473	\$ 3,690	\$ 2,476	\$ 5,762
Non-GAAP net income (loss) per share - diluted	\$ 0.00	\$ 0.03	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.08	\$ 0.16	\$ 0.09	\$ 0.19
Reconciliation of non-GAAP operating expenses:												
GAAP operating expenses	8,630	8,065	12,596	8,147	8,445	8,318	8,566	11,033	14,223	26,761	37,438	36,362
Non-GAAP adjustments to operating expenses	(2,350)	(1,834)	(5,610)	(2,523)	(1,625)	(1,917)	(2,144)	(2,495)	(3,996)	(3,896)	(12,317)	(8,181)
Non-GAAP operating expenses	\$ 6,280	\$ 6,231	\$ 6,986	\$ 5,624	\$ 6,820	\$ 6,401	\$ 6,422	\$ 8,538	\$ 10,227	\$ 22,865	\$ 25,121	\$ 28,181
Reconciliation of denominator for non-GAAP net income (loss) per share - diluted :												
Denominator for GAAP net income (loss) per share - diluted	22,913	23,145	27,048	28,046	28,371	28,661	28,819	28,979	29,228	21,580	25,281	28,708
Non-GAAP adjustment	1,834	1,848	1,641	1,959	1,833	1,695	1,700	1,716	1,672	1,998	1,603	1,689
Denominator for non-GAAP net income (loss) per share - diluted	24,747	24,993	28,689	30,005	30,204	30,356	30,519	30,695	30,900	23,578	26,884	30,397