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 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 guarantees 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 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 FULL STACK SOLUTIONS ENABLING CUSTOMER IOT SOLUTIONS

To be the go to industry IoT partner, providing full stack solutions comprised of Professional Services, Hardware, and SaaS products, enabling customers to focus on their core product value and related technical expertise.
Lantronix
Secure Solutions for the Internet of Things

• Global provider of secure data access and management solutions for IoT
• Connectivity solutions that are easy to deploy and accelerate time to market
• Growing Market with millions of devices connected worldwide
• Strong Blue Chip customer base
• Significant financial momentum and operating leverage

IoT Market Growth Opportunity
Growth and Improvement in Operating Model
Strong Global Revenue Base
Experienced Leadership Team
PROVEN LEADERSHIP TEAM

Paul Pickle  
CEO

Jeremy Whitaker  
CFO

Kevin Yoder  
VP, WW Sales & Marketing

Jon Shipman  
VP, Strategy

Fathi Hakam  
VP, Engineering

David Goren  
VP, Business Affairs, Legal & Human Resources

Michael A. Fink  
VP, Operations
OUR GROWTH STRATEGY

Targeted Acquisitions
Expand the Lantronix application capability

Organic
Growth through cloud based software solutions

Organic
Growth through innovation and leading-edge hardware products
LANTRONIX Acquires asset tracking solutions, IoT Cellular Gateway, and LoRa/LPWAN capability

Strategically Compelling

Significant Value Creation

Focused End Markets and Complementary Customer Base

Cloud Management Solution
GROWTH OPPORTUNITY

Cellular IoT Gateway

Annual shipments of cellular IoT gateways (World 2017–2023)
Source: Berg Insight, October 2018

Cellular IoT Gateway

LPWAN IoT Connectivity

Number of Connected Devices, LPWAN
Source: IoT Analytics, August 2018

CAGR: 18.2%

CAGR: 109%

$0.8B

$2B

$0.7B

$7B

Million units

Million units
LANTRONIX
Announced agreement to acquire embedded high-end edge compute solutions provider to expand embedded hardware portfolio, software engineering, AI / Machine Learning, and rapid prototyping capabilities.

- Complementary Portfolios Enable More Complete IoT Solution Capability
- Diversifies Revenue Base and Expands Customer Engagement
- Combined R&D Teams Accelerate IoT Product Leadership
- Increased Scale and Efficiencies Drive Significant Accretion
Significant growth expected to continue in overall IoT with embedded computing modules representing a US$2.7 billion total addressable market for IoT Computing Solutions by 2022

(1) Source: Siemens
(2) Source: QYR Electronics Research Center
SIGNIFICANT DESIGN & DEVELOPMENT OPPORTUNITY

1400+ customer projects on 85+ different silicon platforms using various HLOS

Compute Solutions has successfully delivered over 1,400 client projects and is North America’s product design and development leader for higher performance, intelligent connected products.
EXPANDING INTO THE IoT STACK

Based on Fiscal 2019 Revenues as Reported
KEY MARKET POSITIONING

IoT Mobility Solutions

Compute Solutions

INDUSTRIAL/AUTOMATION
- Schneider Electric
- OMROM
- MITSUBISHI ELECTRIC
- Rockwell Automation
- GE
- FJUTECH
- ABB
- Dräger
- JCDecaux

HEALTHCARE
- Medtronic
- Fresenius Kabi
- Siemens
- GE Healthcare

TRACKING & FLEET MGT
- ENERGY / UTILITIES
- Audi
- Globalstar
- Emerson
- NISSIN ELECTRIC
- eSight
- ExxonMobil

INFLIGHT ENTERTAINMENT
- INDUSTRIAL & WEARABLES
- THALES
- Misty Robotics
- iRobot
- DB
FAVORABLE SECULAR TRENDS

Integration of Renewables & Distributed Energy

Rise of Robotics & Automation

Connected Healthcare & Remote Patient Monitoring

Smart Building Integration

M2M, Big Data, Analytics

Increase Government & Defense Spending
BROAD SUITE OF IOT SOLUTIONS

IOT GATEWAYS & BUILDING BLOCKS
Connectivity Without Complexity

MANAGEMENT SOFTWARE
Scalable Software Made Simple

IT MANAGEMENT SOLUTIONS
Management of Enterprise IT Infrastructure

INTELLIGENT EDGE COMPUTING
Application Development
Operating Results
STRENGTHENING FINANCIALS

* Refer to Appendix A for reconciliation of Non-GAAP financial measures
### SELECTED INCOME STATEMENT INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$12,279</td>
<td>$12,114</td>
<td>$12,334</td>
<td>$10,153</td>
<td>$12,741</td>
<td>$44,730</td>
<td>$45,580</td>
<td>$46,890</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$6,741</td>
<td>$6,661</td>
<td>$7,090</td>
<td>$5,742</td>
<td>$6,195</td>
<td>$23,580</td>
<td>$25,368</td>
<td>$26,273</td>
</tr>
<tr>
<td><strong>% of Net Revenue</strong></td>
<td>54.9%</td>
<td>55.0%</td>
<td>57.4%</td>
<td>56.6%</td>
<td>48.6%</td>
<td>52.7%</td>
<td>55.7%</td>
<td>56.0%</td>
</tr>
<tr>
<td><strong>GAAP Net Income (Loss)</strong></td>
<td>$(83)</td>
<td>$277</td>
<td>$857</td>
<td>$(1,459)</td>
<td>$(2,470)</td>
<td>$(277)</td>
<td>$680</td>
<td>$(408)</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income (Loss)</strong></td>
<td>$883</td>
<td>$790</td>
<td>$1,295</td>
<td>$722</td>
<td>$7</td>
<td>$1,581</td>
<td>$2,935</td>
<td>$3,690</td>
</tr>
</tbody>
</table>

#### Q1 FY 2020 HIGHLIGHTS:
- **Sequential revenue growth primarily due to revenue contribution from recent acquisition of Maestro**
- **Gross profit as percentage of net revenue includes non-cash charge of $171K related to Maestro acquisition**

#### FY 2019 HIGHLIGHTS:
- 3% revenue growth
- **Improved gross profit % despite impact from tariff costs**
- 26% improvement in non-GAAP net income

*Refer to Appendix A for reconciliation of Non-GAAP financial measures*
# SELECTED BALANCE SHEET INFORMATION

*(In thousands except price per share data)*

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>September 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$18,282</td>
<td>$12,028</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>7,388</td>
<td>7,845</td>
</tr>
<tr>
<td>Inventories, Net</td>
<td>10,509</td>
<td>12,423</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>38,190</td>
<td>33,989</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>11,472</td>
<td>14,978</td>
</tr>
<tr>
<td>Working Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Shares Outstanding</td>
<td>22,812</td>
<td>22,913</td>
</tr>
<tr>
<td>RSUs Outstanding</td>
<td>866</td>
<td>962</td>
</tr>
<tr>
<td>Stock Options Outstanding</td>
<td>3,147</td>
<td>2,924</td>
</tr>
<tr>
<td>Weighted Average Exercise Price Per Option</td>
<td>$2.29</td>
<td>$2.32</td>
</tr>
</tbody>
</table>
SUMMARY

- Established global IoT solutions provider with blue chip customer base
- Seasoned leadership team w/ significant enterprise experience
- Focused on organic and inorganic growth, scale, and profit efficiencies
- Maestro acquisition significantly increases IoT SAM with addition of cellular, tracking and LoRa product lines
- Intrinsyc acquisition adds intelligent compute hardware portfolio and custom application development capability
- SaaS cloud platform creates complete solution enabling incremental growth opportunity and driving customer stickiness
- Business model with potential for significant operating leverage
investors@lantronix.com
### APPENDIX A: Reconciliation of Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
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<td>$(2,470)</td>
<td>$(277)</td>
<td>$680</td>
<td>$(408)</td>
</tr>
<tr>
<td>Non-GAAP Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based Compensation</td>
<td>478</td>
<td>451</td>
<td>331</td>
<td>611</td>
<td>578</td>
<td>912</td>
<td>1,169</td>
<td>1,871</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>105</td>
<td>114</td>
<td>122</td>
<td>123</td>
<td>147</td>
<td>594</td>
<td>442</td>
<td>464</td>
</tr>
<tr>
<td>Interest Expense (Income), Net</td>
<td>4</td>
<td>(60)</td>
<td>(91)</td>
<td>(89)</td>
<td>(56)</td>
<td>23</td>
<td>18</td>
<td>(236)</td>
</tr>
<tr>
<td>Other (Income) Expense, Net</td>
<td>10</td>
<td>(8)</td>
<td>12</td>
<td>1</td>
<td>43</td>
<td>3</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Withholding Taxes on Stock Grants</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>-</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Severance and Restructuring Costs</td>
<td>323</td>
<td>-</td>
<td>-</td>
<td>823</td>
<td>749</td>
<td>246</td>
<td>506</td>
<td>1,146</td>
</tr>
<tr>
<td>Acquisition Related Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>410</td>
<td>643</td>
<td>-</td>
<td>-</td>
<td>410</td>
</tr>
<tr>
<td>Impairment of Long-Lived Asset</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>275</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>275</td>
</tr>
<tr>
<td>Provision (Benefit) for Income Taxes</td>
<td>40</td>
<td>14</td>
<td>60</td>
<td>27</td>
<td>48</td>
<td>68</td>
<td>98</td>
<td>141</td>
</tr>
<tr>
<td>Total Non-GAAP Adjustments</td>
<td>966</td>
<td>513</td>
<td>438</td>
<td>2,181</td>
<td>2,477</td>
<td>1,858</td>
<td>2,255</td>
<td>4,098</td>
</tr>
<tr>
<td>Non-GAAP Net Income (Loss)</td>
<td>$883</td>
<td>$790</td>
<td>$1,295</td>
<td>$722</td>
<td>$7</td>
<td>$1,581</td>
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</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 trends relating to 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.*