Enabling Edge Intelligence

LANTRONIX

Global Industrial IoT Leader based in Irvine, CA

July 2025

LTRX:NASDAQ

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.

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

Lantronix Growth Engine

Developing leading-edge products and SW to accelerate Edge AI & manage complex workflows
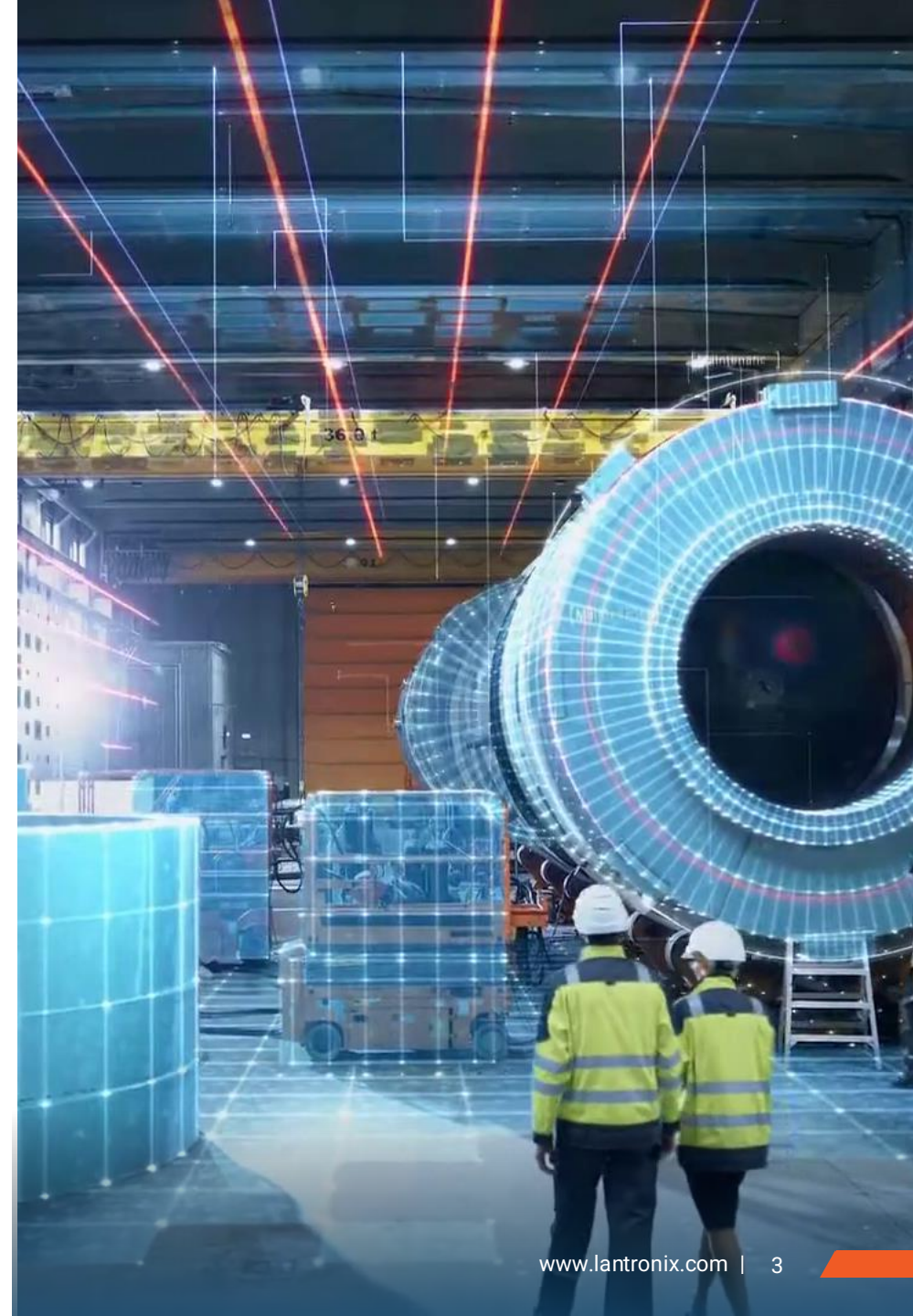
Focused on 3 vertical markets with strong secular growth: Smart Cities; Enterprise; and Transportation
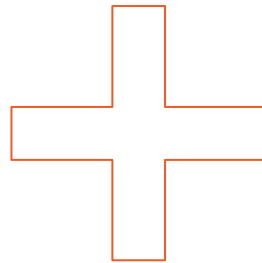
Uniquely positioned in IoT ecosystem to provide complete solutions with HW, SW, and Services

Completed acquisition of Netcomm's IoT product line; we expect the deal to be immediately accretive

COMPUTE

CONNECT

Enabling Edge Intelligence with Compute & Connect

- Proven Scalable Solutions
- Driving Operational Efficiency
- Real-Time Decision Making

Focus on Three High-Potential Vertical Markets

Combined Double-Digit Growth and Favorable Secular Trends

Enterprise

SAM
- 2024: $3.7B
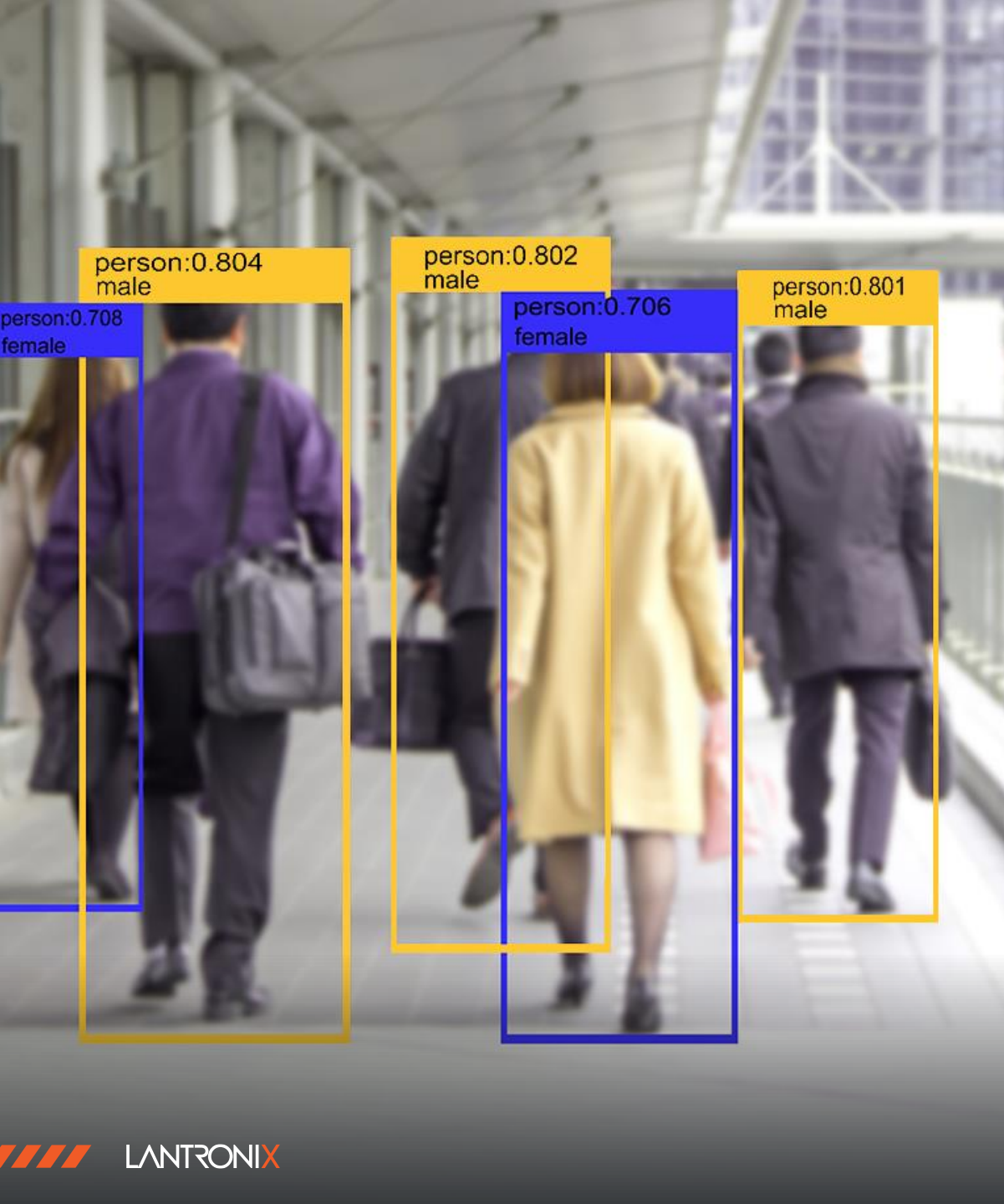- 2027: $4.8B
- CAGR: 9%

Smart Cities

SAM
- 2024: $3.9B
- 2027: $5.5B
- CAGR: 12%

Transportation

SAM
- 2024: $0.9B
- 2027: $1.6B
- CAGR: 21%

Edge Intelligence

- **Lantronix is uniquely positioned in the AI value chain as Edge AI grows rapidly**

- **Working on new Edge AI programs with Qualcomm**

- **Key western scaling partner of Qualcomm**

- **Developing features to make it easier and faster to deploy AI-based solutions**

  › Edge AI box (processing power)

  › AI-enabled SOM middleware

  › AI model optimization and tools

Lantronix Showcasing Technology - 2025

Enabling AI Edge Intelligence at Global Industry Events

Multiple Demos showcased Edge Intelligence on Qualcomm® platforms including AI demos

> **SmartLV** featuring an AI model for demand prediction for Smart Grid energy management
> **AI Hub – Model Optimization software** interfacing with Qualcomm's AI Hub to expedite model development
> **Open-Q 8550 demo** – based on Qualcomm QCS8550 System-on-Chip, with AI Engine for extreme edge computing
> **Open-Q 6490 demo** - based on Qualcomm QCS6490 System-on-Chip, ideal for edge devices like AI Camera and video telematics

Enterprise

Enabling Data Centers & Enterprise Networks with improved resiliency

❯ **Improving enterprise networks with leading Out-of-Band (OOB) management solutions**

❯ **Provides reduction in support time and costly network outages in Finance and Manufacturing sectors**

❯ **Elevate cyber security compliance requirements across complete networks**

LANTRONIX
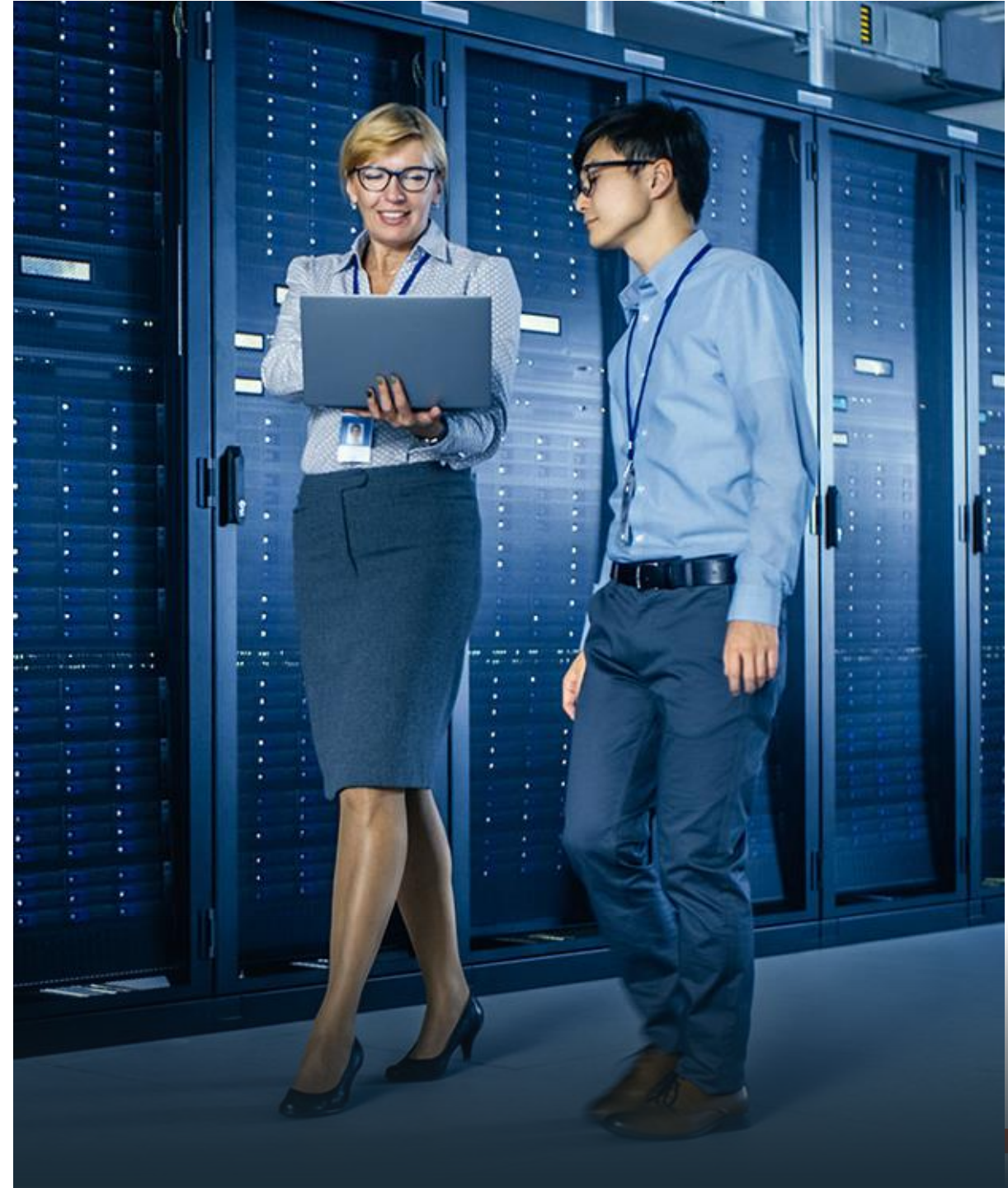
Smart Cities

Enabling infrastructure upgrades at National, State, and Regional levels

❯ **First AI-enabled IoT Edge gateways for low-voltage grid solutions**

❯ **Smart Utilities are improving their grid resiliency and flexibility with Edge AI**

❯ **Public transport systems requiring real-time IoT data & decision-making**

Transportation

Enabling Intelligence with Edge Computing

❯ **AI-powered video telematics solution combining real-time dashcam footage with GPS, engine, and driver behavior data— enabled by Lantronix SoMs/SiPs for intelligent fleet management.**

❯ **Unlocking the potential for increased productivity in airports using smart telematics gateways**

❯ **Enabling edge compute automotive infotainment systems**

AI-Enabled Solutions

Enabling Seamless Integration into AI-powered Thermal Camera Technology

> **Teledyne/Flir application of next-gen AI-enabled solutions in autonomous navigation/drones, surveillance & robotics**

> **Powered by our Open-Q™ SoMs based on Qualcomm Dragonwing platform**

> **Provides the flexibility to develop advanced thermal image processing (ISP) and AI capabilities to edge devices**
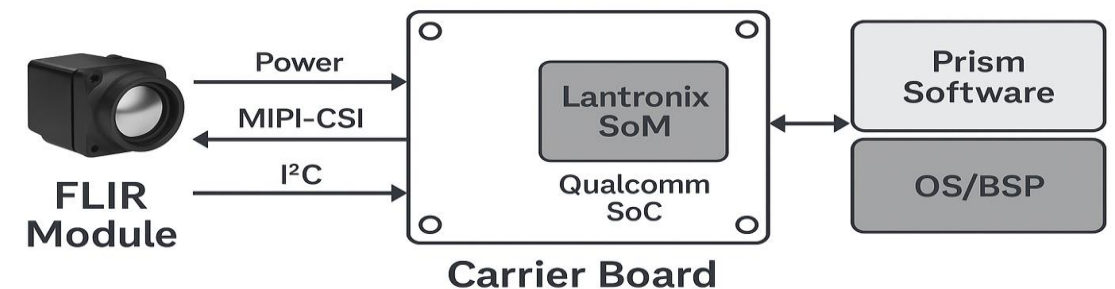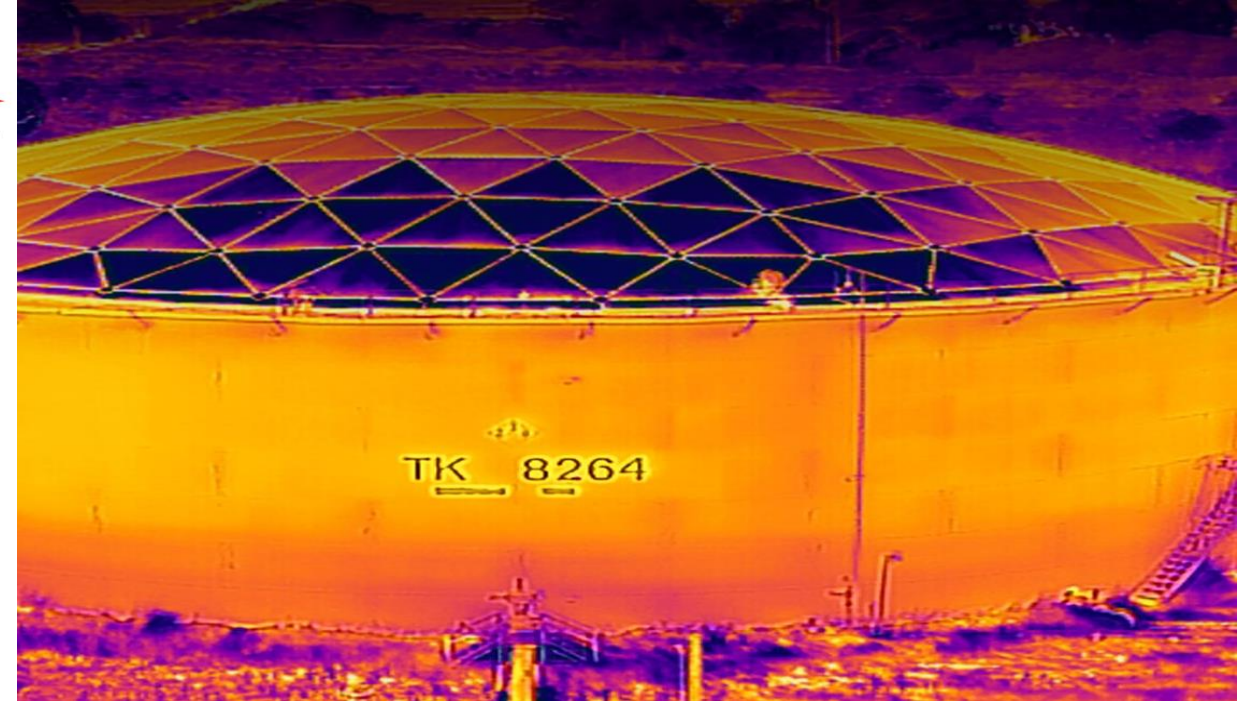
Strategic Rationale for Acquiring Netcomm IoT

➢ **Strong fit with company's focus on Compute & Connect**
- Expands Industrial IoT Router portfolio in 4G & 5G

➢ **Contributes new Blue-Chip enterprise customers**
- Cross-selling opportunities with new & existing customers

➢ **Provides geographic diversity**
- Deeper market penetration into Australia & New Zealand

➢ **Improves competitive positioning & economies of scale**
- Reduces R&D requirement for 5G IoT Routers

➢ **Positive financial impact**
- Expect acquisition to be immediately accretive to EPS

…and Increased Scale Through Acquisitions

Advancing Our Growth Trajectory in the Compute & Connect Arena

2019	2020	2021	2022	2024
Wireless & cellular connectivity	Embedded Edge Compute & Related Software design & IoT products	Switching, PoE and Media Convertors	Out-of-band management	Industrial IoT Gateway/Routers
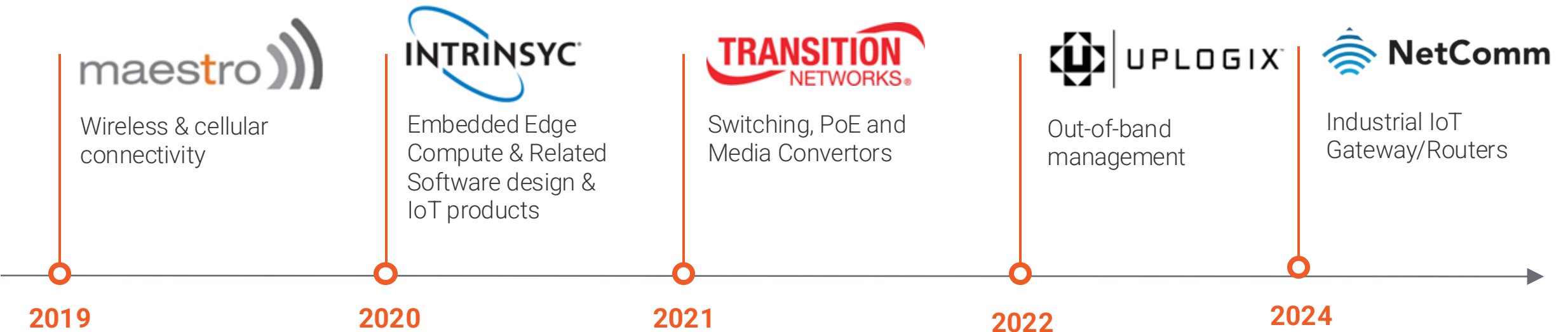
Creating scale through strategic accretive acquisitions remains an integral part of growth strategy.

Experienced leadership team with a track record of scaling businesses

Kurt Hoff
Chief Revenue Officer

synaptics

Saleel Awsare
President & CEO

synaptics

Mathi Gurusamy
Chief Product & Strategy Officer

Telit Cinterion

Steve Burrington
VP, Global Research & Development

SIERRA WIRELESS

Brent Stringham
Chief Financial Officer

ERNST & YOUNG

Dennis Gallagher
VP, General Counsel, & Corporate Secretary

CONEXANT

Driving Customer Engagements Globally

Vancouver, BC Canada

Plymouth, MN USA

Irvine, CA USA

Taipei, Taiwan

Hyderabad, India

- ❯ Presence in NAM, EU & Asia
- ❯ HQ in Irvine, US
- ⭐ Centers of Excellence

Worldwide Locations

Lantronix Growth Engine

❯ **Uniquely positioned in Edge AI ecosystem**

❯ **Addressing three high-potential vertical markets**

❯ **Complete solutions with HW, SW, & Services**

❯ **Driving larger customer engagements globally**

❯ **Focused on improving operational efficiency**

❯ **Scaling through strategic acquisition opportunities**

Appendix

GAAP Income Statement

Unaudited Consolidated Statements of Operations (In thousands, except per share data)

| | Three Months Ended | | | Nine Months Ended | |
| | | | | March 31, | |
	March 31, 2025	December 31, 2024	March 31, 2024	2025	2024
Net revenue	$ 28,500	$ 31,161	$ 41,183	$ 94,084	$ 111,252
Cost of revenue	16,097	17,877	24,679	53,922	65,620
Gross profit	12,403	13,284	16,504	40,162	45,632
Operating expenses:					
Selling, general and administrative	8,959	8,811	9,753	27,237	29,147
Research and development	4,463	4,984	5,186	14,403	15,017
Restructuring, severance and related charges	1,581	193	350	2,674	900
Acquisition-related costs	100	208	-	337	-
Fair value remeasurement of earnout consideration	-	-	-	-	(9)
Amortization of intangible assets	879	1,248	1,310	3,378	4,004
Total operating expenses	15,982	15,444	16,599	48,029	49,059
Loss from operations	(3,579)	(2,160)	(95)	(7,867)	(3,427)
Interest expense, net	(159)	(126)	(171)	(404)	(741)
Other income (loss), net	(19)	8	2	(48)	(2)
Loss before income taxes	(3,757)	(2,278)	(264)	(8,319)	(4,170)
Provision for income taxes	111	94	159	423	732
Net loss	$ (3,868)	$ (2,372)	$ (423)	$ (8,742)	$ (4,902)
Net loss per share - basic and diluted	$ (0.10)	$ (0.06)	$ (0.01)	$ (0.23)	$ (0.13)
Weighted-average common shares - basic and diluted	38,820	38,631	37,509	38,493	37,283

GAAP to Non-GAAP Reconciliation

Unaudited Reconciliation of GAAP to Non-GAAP Adjustments (in thousands, excerpt per share data & %'s)

	Three Months Ended			Nine Months Ended March 31,	
	March 31, 2025	December 31, 2024	March 31, 2024	2025	2024
GAAP net loss	$ (3,868)	$ (2,372)	$ (423)	$ (8,742)	$ (4,902)
Non-GAAP adjustments:					
Cost of revenue:					
Share-based compensation	34	48	66	146	171
Employer portion of withholding taxes on stock grants	-	2	1	7	6
Amortization of manufacturing profit in acquired inventory	44	-	190	44	696
Depreciation and amortization	101	114	144	338	339
Total adjustments to cost of revenue	179	164	401	535	1,212
Selling, general and administrative:					
Share-based compensation	1,159	1,044	1,337	3,329	4,238
Employer portion of withholding taxes on stock grants	13	20	21	111	68
Depreciation and amortization	345	348	352	1,044	1,024
Total adjustments to selling, general and administrative	1,517	1,412	1,710	4,484	5,330
Research and development:					
Share-based compensation	324	421	469	1,155	1,381
Employer portion of withholding taxes on stock grants	4	2	9	25	27
Depreciation and amortization	56	111	76	236	236
Total adjustments to research and development	384	534	554	1,416	1,644
Restructuring, severance and related charges	1,581	193	350	2,674	900
Acquisition related costs	100	208	-	337	-
Fair value remeasurement of earnout consideration	-	-	-	-	(9)
Amortization of purchased intangible assets	879	1,248	1,310	3,378	4,004
Litigation settlement cost	-	158	-	198	-
Total non-GAAP adjustments to operating expenses	4,461	3,753	3,924	12,487	11,869
Interest expense, net	159	126	171	404	741
Other (income) expense, net	19	(8)	(2)	48	2
Provision for income taxes	111	94	159	423	732
Total non-GAAP adjustments	4,929	4,129	4,653	13,897	14,556
Non-GAAP net income	$ 1,061	$ 1,757	$ 4,230	$ 5,155	$ 9,654
Non-GAAP net income per share - diluted	$ 0.03	$ 0.04	$ 0.11	$ 0.13	$ 0.25
Denominator for GAAP net income (loss) per share - diluted	38,820	38,631	37,509	38,493	37,283
Non-GAAP adjustment	1,300	953	1,674	1,034	1,021
Denominator for non-GAAP net income per share - diluted	40,120	39,584	39,183	39,527	38,304
GAAP cost of revenue	$ 16,097	$ 17,877	$ 24,679	$ 53,922	$ 65,620
Non-GAAP adjustments to cost of revenue	(179)	(164)	(401)	(535)	(1,212)
Non-GAAP cost of revenue	15,918	17,713	24,278	53,387	64,408
Non-GAAP gross profit	$ 12,582	$ 13,448	$ 16,905	$ 40,697	$ 46,844
Non-GAAP gross margin	44.1%	43.2%	41.0%	43.3%	42.1%

Balance Sheet

Unaudited Consolidated BS (In thousands)

	March 31, 2025	June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 19,999	$ 26,237
Accounts receivable, net	23,648	31,279
Inventories, net	28,151	27,698
Contract manufacturers' receivables	1,637	1,401
Prepaid expenses and other current assets	3,029	2,335
Total current assets	76,464	88,950
Property and equipment, net	2,768	4,016
Goodwill	31,089	27,824
Intangible assets, net	4,310	5,251
Lease right-of-use assets	8,974	9,567
Other assets	584	600
Total assets	$ 124,189	$ 136,208
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 11,005	$ 10,347
Accrued payroll and related expenses	3,905	5,836
Current portion of long-term debt, net	3,063	3,002
Other current liabilities	10,594	10,971
Total current liabilities	28,567	30,156
Long-term debt, net	9,458	13,219
Other non-current liabilities	10,694	11,478
Total liabilities	48,719	54,853
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	306,858	304,001
Accumulated deficit	(231,763)	(223,021)
Accumulated other comprehensive income	371	371
Total stockholders' equity	75,470	81,355
Total liabilities and stockholders' equity	$ 124,189	$ 136,208

Segmented Revenue

Unaudited Net Revenues by Product Line and Region (In thousands)

	Three Months Ended			Nine Months Ended	
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
Embedded IoT Solutions	$ 11,990	$ 10,784	$ 12,452	$ 36,161	$ 35,589
IoT System Solutions	14,730	18,592	26,789	52,081	68,847
Software & Services	1,780	1,785	1,942	5,842	6,816
	$ 28,500	$ 31,161	$ 41,183	$ 94,084	$ 111,252

	Three Months Ended			Nine Months Ended	
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
Americas	$ 16,497	$ 16,386	$ 17,543	$ 50,303	$ 61,077
EMEA	6,048	9,036	18,354	25,568	37,831
Asia Pacific Japan	5,955	5,739	5,286	18,213	12,344
	$ 28,500	$ 31,161	$ 41,183	$ 94,084	$ 111,252

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.

Thank You!

www.lantronix.com   /user/LantronixInc

/LantronixIoT   /lantronix   @lantronix

LANTRONIX

Global Industrial IoT Leader based in Irvine, CA