

LANTRONIX

**Global Leader
in Edge AI &
Industrial IoT**

April 2026
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, 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 the Appendix to this Presentation.

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Lantronix at a Glance

A Technology Growth Engine

Accelerating AI-Ready Edge Deployments: Developing leading-edge products and software to accelerate Edge AI & manage complex workflows

Seamless Edge AI Platform: An integrated solution delivering a robust platform for optimized model performance, supporting the rapid development, deployment and acceleration of edge AI solutions

Powering Network Infrastructure: Secure and resilient LTE and 5G WAN connectivity at the edge, supporting teams highly dependent on cloud-based and on-prem devices

Key Differentiators

Ultra-Low Latency AI Inference: Powers real-time decision-making for edge devices, critical for drone autonomy and surveillance

Robust IP and Edge Leadership: Portfolio accelerates secure, compliant solutions for embedded compute

Edge AI Hardware Expertise: Capturing multi-year growth in a ~\$60B market by 2030¹

Company Snapshot

\$117M

TTM
Revenue

43.6%

TTM
Gross Margin

\$4.6M

TTM
Adjusted EBITDA

\$23M

12/31/2025
Cash Balance

LTRX

NASDAQ

~300

Full-Time Employees

U.S.

Headquarters

1989

Year Founded

Proven Expertise & Capabilities

Global Leader in Edge AI & Industrial IoT

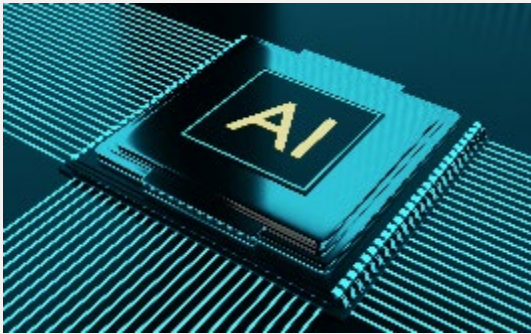
Proven Ability to Scale Across Large,
Distributed Asset Networks

Expanding Global Footprint with Leading
Defense and Commercial Drones

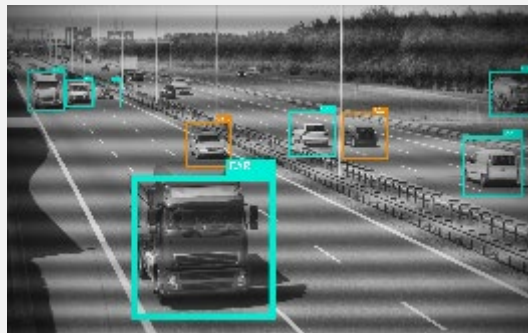
Combining Compute and Connect

One Platform, One Ecosystem, Endless Solutions

Compute



Connect



Enabling Edge Intelligence with Compute & Connect

Scalable Solutions

Operational Efficiency

Real-Time Decisions

- ▶ 20+ years of embedded hardware expertise
- ▶ Proven pivot: Serial device servers to cellular gateways & compute modules
- ▶ Now delivering AI-ready edge solutions with orchestration and remote device management

Positioned at the Center of Three Secular Edge AI Markets

Scalable Edge AI platforms driving expansion across defense, infrastructure, and enterprise



Aerospace & Defense

Defense Drone Supercycle Underway

- **\$1B+** Pentagon Drone Dominance program¹
- **Pentagon procurement** scaling at unprecedented pace
- **Edge AI** enabling autonomous mission platforms
- **NDA/TAA compliance** creates structural moat



Critical Infrastructure Monitoring

Infrastructure Digitization Accelerating

- **Grid modernization** fueling large-scale IoT deployments
- **Edge analytics** reducing downtime and operational risk
- **Resilience mandates** sustaining infrastructure spend
- **Multi-year infrastructure investment** cycle underway



Enterprise

Edge AI Upgrade Cycle Underway

- **AI workloads** driving enterprise upgrade cycle
- **Edge compute** improving security, uptime, and cost efficiency
- **Digital transformation** accelerating distributed edge adoption
- **Enterprise Edge AI spend** growing at double digits

Aerospace & Defense

Powering defense & public safety with secure Edge AI solutions

▶ Lantronix Solutions

- Platform Partner in DoW Drone Dominance Program: Lantronix partners/customers included in \$1.1B program deploying 200,000+ units through 2027—validating platform approach versus component suppliers
- NDAA/TAA-Compliant U.S. Supply Chain: Full compliance positions Lantronix to capture accelerating federal spending in secure, U.S.-based drone technologies
- Mission-Critical Edge AI: PercepXion™ software enables secure real-time monitoring, autonomous navigation, and on-device threat detection for defense operations

▶ Defense & Public Safety Wins

- U.S. Army SRR Program: Active Red Cat Teal Black Widow shipments with expansion into software and next-gen platforms
- Public Safety Entry - Flock Safety: First Drone-as-First-Responder design win opens new vertical with 18,000+ U.S. law enforcement agencies
- AI Threat Detection - Safe Pro Group: Real-time ground hazard detection demonstrates edge AI differentiation for autonomous navigation applications



Strategic Snapshot: Engaging the \$13B+ DoW Budget for UAS applications

▶ **Defense Focus**

Focusing on group 1-2, short-range reconnaissance drones align with current unmanned DoW funding

▶ **Commercial Edge AI**

Aerora + Teledyne FLIR partnerships for autonomous navigation and industrial inspection

▶ **Market Backdrop**

\$13B+ FY26 DoW spend, and the current DoW Drone Dominance Program indicates favoring of U.S.-based companies, creating an unprecedented demand for secure U.S. solutions

▶ **Lantronix Advantage**

Camera + compute expertise, NDAA/TAA¹ compliance, U.S.-based supply chain

▶ **Positioned for Multi-Year Growth**

Engaged with 15+ defense and commercial drone vendors globally



Platform Driven Edge Drone Camera Solutions

Strategic repositioning to defense AI applications



Defensible Market Position

Relied on by top defense, industry, and business leaders



Strategic Differentiation

Proven expertise in AI/ML, imaging, security, camera + compute, and connectivity



Revenue Potential

Drones could reach 15 - 20% of Lantronix's total sales in FY2027



Edge Processing

Reduced latency, faster response to input, and a counter to data transfer jamming



The civil UAS market is set to become the **most promising sector this decade**, driven by the rise of commercial applications and the increasing adoption of UAVs by governments for roles in **border security and public safety**.

– RGSBR Research, Unmanned Aerial Vehicles Industry Report (Sep 2025)



1

Reference Solutions

- Multi-spectral imaging
- EO + IR cameras
- Sensor fusion
- Advanced communications
- AI video pipelines
- Design services

Actual Size
45mm X 54mm X
3.6mm



2

Original Equipment Manufacturers (OEM)

- Open-Q SOMs
- Custom solutions
- Flight control and payload systems
- North American Supplier: NDAA/TAA¹-compliant
- Low SWaP (Size, Weight, and Power)



Trusted Partner in Next-Gen Edge Solutions

Partnering with Leading Innovators in Edge AI and Thermal Imaging



- ▶ **Strategic Positioning:** A strategic platform partner in Edge AI and Industrial IoT, Lantronix leverages its compute and connectivity solutions
- ▶ **Innovative Pipeline:** Developing next-gen Edge AI programs in collaboration with Qualcomm
- ▶ **Scaling Advantage:** Recognized as Qualcomm's key western scaling partner, enabling accelerated reach



- ▶ **Strategic Application:** Collaboration with Teledyne FLIR (thermal camera) on next-gen AI-enabled solutions in autonomous systems, drones, surveillance, and robotics
- ▶ **Technology Foundation:** Solutions powered by Lantronix Open-Q™ SOMs built on Qualcomm's Dragonwing platform
- ▶ **Differentiated Capability:** Enables advanced thermal image signal processing (ISP) and AI at the edge with greater flexibility for device innovation

Critical Infrastructure Monitoring

Enabling infrastructure upgrades at national, state, and regional levels

▶ Tier-1 U.S. Mobile Network Operator (MNO)

- Solution that allows MNOs to monitor the generators that are in each cell tower site

▶ Edge IoT Gateway Solutions

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

▶ Grid Resiliency

- Smart utilities are improving grid resiliency and flexibility with Edge AI

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

- Smart devices empower city and state agencies to capture data, enabling more efficient management of transportation systems



Strategic Snapshot: Tier-1 U.S. Carrier Win in Critical Network Resilience

Digitally transforming the management of power systems

▶ **Tier-1 Contract**

- Multi-year nationwide contract for backup power management + cloud-based software platform

▶ **PercepXion Software**

- Solution leverages Lantronix's Edge gateways and PercepXion™ software

▶ **Remote Oversight**

- Demonstrates proven ability to scale across large, distributed asset networks

▶ **Large Scale**

- Enables remote oversight and data-driven service to 50,000+ cell sites
- Focused on expanding beyond monitoring generators into other high-value applications within the tower (e.g., backup power banks and rectifiers)

▶ **24/7/365 Capabilities**

- 24/7 monitoring of remote sites with automated alerts for outages, tampering or security threats, along with comprehensive audit capabilities



Enterprise

Enabling data centers & enterprise networks with improved resiliency

▶ **Out-of-Band Management Solutions**

- Keeps critical operations functioning with rapid enterprise network recovery

▶ **Target Segments and Value Delivered**

- Across banking, logistics, aviation, federal, and healthcare, Lantronix's independent, policy-enforced OOB plane keeps critical operations recoverable, auditable, and automated

▶ **Reduction in Support Time**

- Reduces support time and mitigates costly network outages, cutting mean time to repair (MTTR)

▶ **Cybersecurity**

- Enhances cybersecurity compliance requirements across complete networks

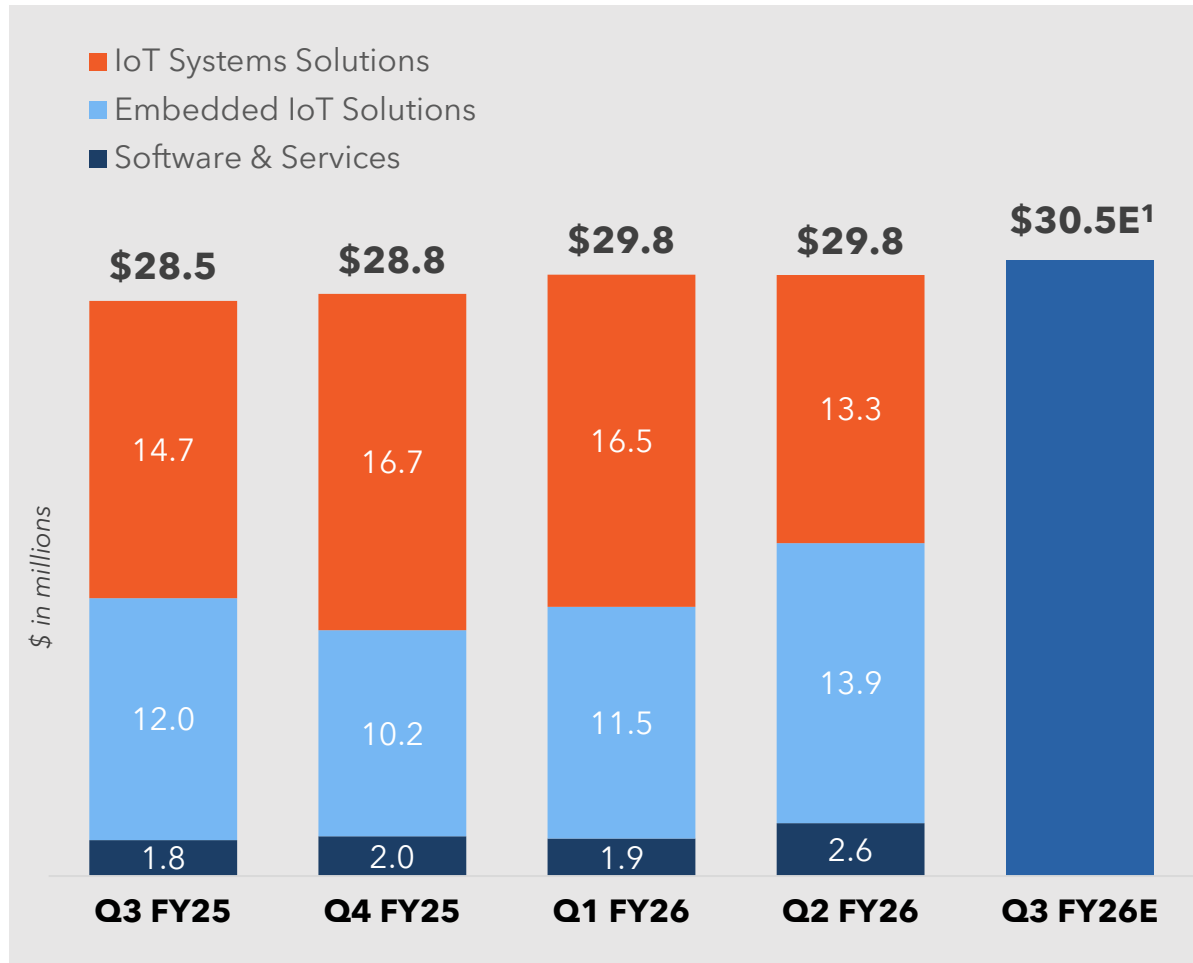
▶ **Select Enterprise Customers Include:**

- Abbott Healthcare, Bank of America, Motorola Solutions



Sequential Revenue Growth Driving Higher-Margin Mix

Diversified revenue base with increasing software and platform contribution

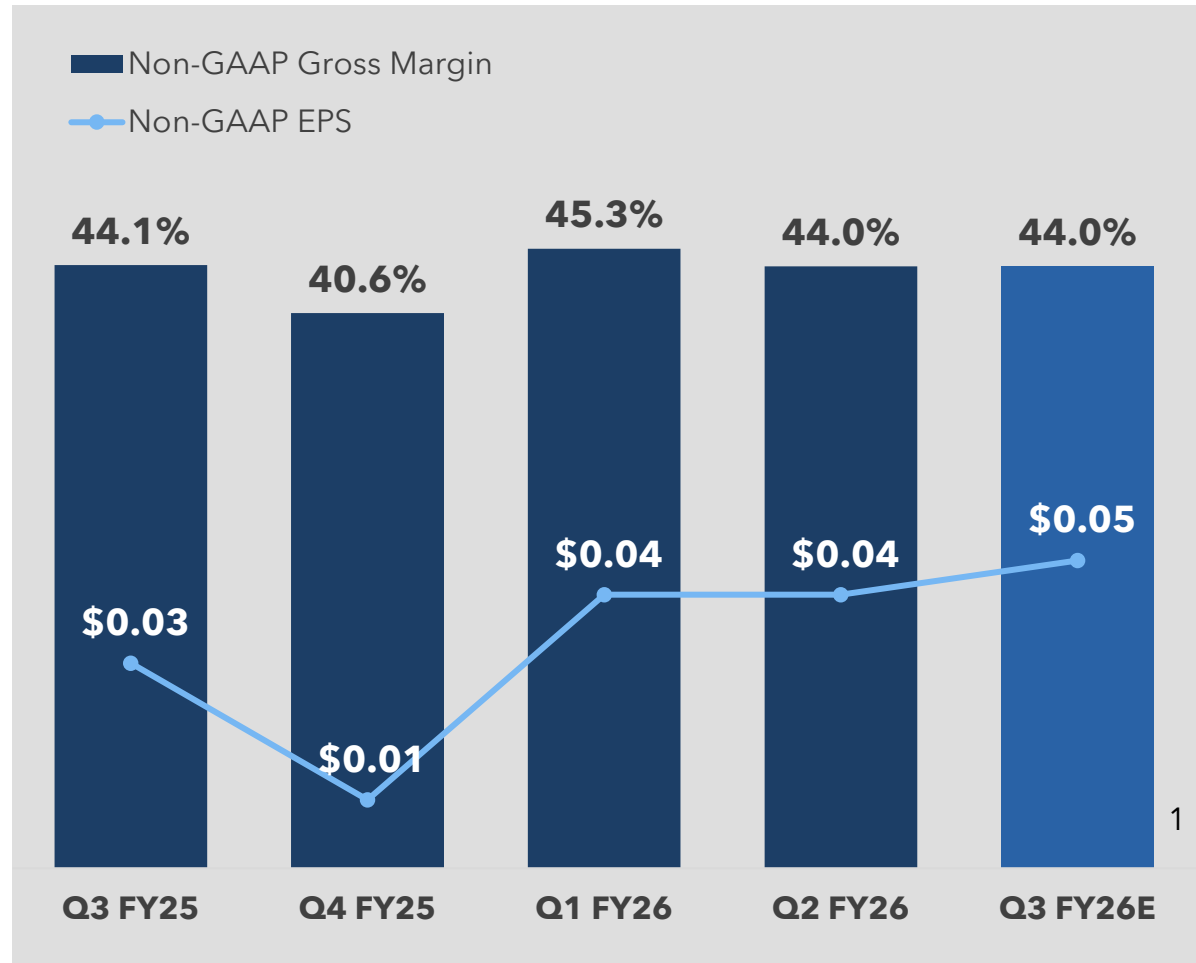


Sequential growth supported by improving revenue mix

- ▶ **FY26 Drone revenue** expected to be in the range of \$8 million - \$12 million
- ▶ **Software & services mix expanding**, targeting ~2x increase over ~18 months
- ▶ **Platform model driving higher-margin recurring revenue**

Margin Stability Driving Predictable EPS Expansion

Lean cost structure converting growth into operating leverage



Operating leverage emerging as revenue scales

- ▶ **Gross margins stable at 43-45%**, supporting consistent profitability
- ▶ **Lean cost structure driving EPS growth** as incremental revenue converts efficiently to earnings
- ▶ **Each ~\$10M of incremental revenue** expected to drive ~\$0.08-\$0.10 in non-GAAP EPS

Proven Leadership Team Driving Scalable Growth



Saleel Awsare

President & Chief Executive Officer

25+ years of experience



Brent Stringham

Chief Financial Officer

25+ years of experience



Mathi Gurusamy

Chief Product & Strategy Officer

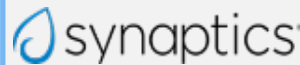
25+ years of experience



Kurt Hoff

Chief Revenue Officer

25+ years of experience



Steve Burrington

VP Global Research & Development

25+ years of experience



Dennis Gallagher

VP/General Counsel & Corporate Secretary

25+ years of experience



Sano Marsiano

VP Operations

25+ years of experience



~300 Full-Time Employees

Recognized Industry Leadership



Fox Series Telematic Gateways



Open-Q SOMs Series



PoE++ switches



Top 50 Edge Computing Innovators



IoT Company CEO of the Year



NTC-500 Series Gateway

Strategically Positioned for Multi-Year, High-Growth at the Intelligent Edge

- ▶ **Mission-Critical Solutions Across Three Key Verticals:**
Critical infrastructure monitoring, enterprise IT, and unmanned aerospace systems
- ▶ **Global Leadership Through Two Clear Growth Businesses**
Edge IoT and Network Infrastructure
- ▶ **Global Product Development Design Wins Validate Strategy**
Provides multi-year revenue visibility through drones, tier-1 carrier, out-of-band management
- ▶ **Differentiated Technology Platform and IP**
NDAA/TAA -compliant solutions, camera/edge compute expertise, and Qualcomm ecosystem partnership
- ▶ **Well-Positioned for Secular Growth**
In AI-driven infrastructure, aerospace modernization, and digital transformation





Appendix



LANTRONIX

GAAP Income Statement

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

	Three Months Ended			Six Months Ended	
	December 31,	September 30,	December 31,	December 31,	
	2025	2025	2024	2025	2024
Net revenue	\$ 29,774	\$ 29,794	\$ 31,161	\$ 59,568	\$ 65,584
Cost of revenue	16,807	16,448	17,877	33,255	37,825
Gross profit	12,967	13,346	13,284	26,313	27,759
Operating expenses:					
Selling, general and administrative	8,740	9,542	8,811	18,282	18,278
Research and development	4,620	4,598	4,984	9,218	9,940
Restructuring, severance and related charges	43	93	193	136	1,093
Acquisition-related costs	40	43	208	83	237
Amortization of intangible assets	598	597	1,248	1,195	2,499
Total operating expenses	14,041	14,873	15,444	28,914	32,047
Loss from operations	(1,074)	(1,527)	(2,160)	(2,601)	(4,288)
Interest expense, net	(9)	(15)	(126)	(24)	(245)
Other income (loss), net	(4)	183	8	179	(29)
Loss before income taxes	(1,087)	(1,359)	(2,278)	(2,446)	(4,562)
Provision for income taxes	243	42	94	285	312
Net loss	\$ (1,330)	\$ (1,401)	\$ (2,372)	\$ (2,731)	\$ (4,874)
Net loss per share - basic and diluted	\$ (0.03)	\$ (0.04)	\$ (0.06)	\$ (0.07)	\$ (0.13)
Weighted-average common shares - basic and diluted	39,496	39,188	38,631	39,343	38,330

GAAP to Non-GAAP Reconciliation

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

	Three Months Ended			Six Months Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024
GAAP net loss	\$ (1,330)	\$ (1,401)	\$ (2,372)	\$ (2,731)	\$ (4,874)
Non-GAAP adjustments:					
Cost of revenue:					
Share-based compensation	29	35	48	64	112
Employer portion of withholding taxes on stock grants	4	2	2	6	7
Amortization of manufacturing profit in acquired inventory	-	18	-	18	-
Depreciation and amortization	106	106	114	212	237
Total adjustments to cost of revenue	139	161	164	300	356
Selling, general and administrative:					
Share-based compensation	1,354	1,454	1,044	2,808	2,170
Employer portion of withholding taxes on stock grants	38	27	20	65	98
Depreciation and amortization	252	290	348	542	699
Total adjustments to selling, general and administrative	1,644	1,771	1,412	3,415	2,967
Research and development:					
Share-based compensation	197	284	421	481	831
Employer portion of withholding taxes on stock grants	12	6	2	18	21
Depreciation and amortization	49	50	111	99	180
Total adjustments to research and development	258	340	534	598	1,032
Restructuring, severance and related charges	43	93	193	136	1,093
Acquisition related costs	40	43	208	83	237
Amortization of purchased intangible assets	598	597	1,248	1,195	2,499
Litigation settlement cost	-	-	158	-	198
Total non-GAAP adjustments to operating expenses	2,583	2,844	3,753	5,427	8,026
Interest expense, net	9	15	126	24	245
Other (income) expense, net	4	(183)	(8)	(179)	29
Provision for income taxes	243	42	94	285	312
Total non-GAAP adjustments	2,978	2,879	4,129	5,857	8,968
Non-GAAP net income	\$ 1,648	\$ 1,478	\$ 1,757	\$ 3,126	\$ 4,094
Non-GAAP net income per share - diluted	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.07	\$ 0.10
Denominator for GAAP net income (loss) per share - diluted	39,496	39,188	38,631	39,343	38,330
Non-GAAP adjustment	2,209	2,214	953	2,368	901
Denominator for non-GAAP net income per share - diluted	41,705	41,402	39,584	41,711	39,231
GAAP cost of revenue	\$ 16,807	\$ 16,448	\$ 17,877	\$ 33,255	\$ 37,825
Non-GAAP adjustments to cost of revenue	(139)	(161)	(164)	(300)	(356)
Non-GAAP cost of revenue	16,668	16,287	17,713	32,955	37,469
Non-GAAP gross profit	\$ 13,106	\$ 13,507	\$ 13,448	\$ 26,613	\$ 28,115
Non-GAAP gross margin	44.0%	45.3%	43.2%	44.7%	42.9%

Balance Sheet

Unaudited Consolidated BS (In thousands)

	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,964	\$ 20,098
Accounts receivable, net	23,261	25,092
Inventories, net	27,074	26,371
Contract manufacturers' receivable	1,114	3,071
Prepaid expenses and other current assets	3,488	2,761
Total current assets	<u>77,901</u>	<u>77,393</u>
Property and equipment, net	1,818	2,456
Goodwill	31,089	31,089
Intangible assets, net	2,543	3,738
Lease right-of-use assets	7,713	8,422
Other assets	667	624
Total assets	<u>\$ 121,731</u>	<u>\$ 123,722</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 12,669	\$ 13,259
Accrued payroll and related expenses	4,163	3,471
Current portion of long-term debt, net	-	3,070
Other current liabilities	11,536	10,622
Total current liabilities	<u>28,368</u>	<u>30,422</u>
Long-term debt, net	9,677	8,684
Other non-current liabilities	9,265	10,238
Total liabilities	<u>47,310</u>	<u>49,344</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	311,171	308,397
Accumulated deficit	(237,125)	(234,394)
Accumulated other comprehensive income	371	371
Total stockholders' equity	<u>74,421</u>	<u>74,378</u>
Total liabilities and stockholders' equity	<u>\$ 121,731</u>	<u>\$ 123,722</u>

Segmented Revenue

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

	Three Months Ended			Six Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2025	2025	2024	2025	2024
Embedded IoT Solutions	\$ 13,865	\$ 11,467	\$ 10,784	\$ 25,332	\$ 24,171
IoT System Solutions	13,281	16,459	18,592	29,740	37,351
Software & Services	2,628	1,868	1,785	4,496	4,062
	<u>\$ 29,774</u>	<u>\$ 29,794</u>	<u>\$ 31,161</u>	<u>\$ 59,568</u>	<u>\$ 65,584</u>

	Three Months Ended			Six Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2025	2025	2024	2025	2024
Americas	\$ 20,481	\$ 20,651	\$ 16,386	\$ 41,132	\$ 33,806
EMEA	5,138	5,087	9,036	10,225	19,520
Asia Pacific Japan	4,155	4,056	5,739	8,211	12,258
	<u>\$ 29,774</u>	<u>\$ 29,794</u>	<u>\$ 31,161</u>	<u>\$ 59,568</u>	<u>\$ 65,584</u>

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.