



LANTRONIX, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	June 30,
	2025	2025
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>



LANTRONIX, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	<u>Three Months Ended</u>			<u>Six Months Ended</u>	
	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>	<u>December 31,</u>	
	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
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



LANTRONIX, INC.
UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS
(In thousands, except per share data)

	Three Months Ended			Six Months Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025 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	<u>139</u>	<u>161</u>	<u>164</u>	<u>300</u>	<u>356</u>
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	<u>1,644</u>	<u>1,771</u>	<u>1,412</u>	<u>3,415</u>	<u>2,967</u>
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	<u>258</u>	<u>340</u>	<u>534</u>	<u>598</u>	<u>1,032</u>
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	<u>2,583</u>	<u>2,844</u>	<u>3,753</u>	<u>5,427</u>	<u>8,026</u>
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	<u>2,978</u>	<u>2,879</u>	<u>4,129</u>	<u>5,857</u>	<u>8,968</u>
Non-GAAP net income	<u>\$ 1,648</u>	<u>\$ 1,478</u>	<u>\$ 1,757</u>	<u>\$ 3,126</u>	<u>\$ 4,094</u>
Non-GAAP net income per share - diluted	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.07</u>	<u>\$ 0.10</u>
Denominator for GAAP net income (loss) per share - diluted	39,496	39,188	38,631	39,343	38,330
Non-GAAP adjustment	<u>2,209</u>	<u>2,214</u>	<u>953</u>	<u>2,368</u>	<u>901</u>
Denominator for non-GAAP net income per share - diluted	<u>41,705</u>	<u>41,402</u>	<u>39,584</u>	<u>41,711</u>	<u>39,231</u>
GAAP cost of revenue	\$ 16,807	\$ 16,448	\$ 17,877	\$ 33,255	\$ 37,825
Non-GAAP adjustments to cost of revenue	<u>(139)</u>	<u>(161)</u>	<u>(164)</u>	<u>(300)</u>	<u>(356)</u>
Non-GAAP cost of revenue	<u>16,668</u>	<u>16,287</u>	<u>17,713</u>	<u>32,955</u>	<u>37,469</u>
Non-GAAP gross profit	<u>\$ 13,106</u>	<u>\$ 13,507</u>	<u>\$ 13,448</u>	<u>\$ 26,613</u>	<u>\$ 28,115</u>
Non-GAAP gross margin	<u>44.0%</u>	<u>45.3%</u>	<u>43.2%</u>	<u>44.7%</u>	<u>42.9%</u>



LANTRONIX, INC.
UNAUDITED NET REVENUES BY PRODUCT LINE AND REGION
(In thousands)

	Three Months Ended			Six Months Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 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, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 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>