



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

	March 31,	June 30,
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,782	\$ 9,739
Accounts receivable, net	23,189	13,515
Inventories, net	33,166	15,059
Contract manufacturers' receivables	2,028	1,960
Prepaid expenses and other current assets	3,995	2,880
Total current assets	85,160	43,153
Property and equipment, net	2,333	1,577
Goodwill	18,757	15,810
Purchased intangible assets, net	16,037	9,355
Lease right-of-use assets	8,360	2,431
Other assets	332	240
Total assets	<u>\$ 130,979</u>	<u>\$ 72,566</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 15,510	\$ 9,122
Accrued payroll and related expenses	3,690	4,942
Current portion of long-term debt, net	1,671	1,472
Other current liabilities	12,468	7,328
Total current liabilities	33,339	22,864
Long-term debt, net	14,691	2,210
Other non-current liabilities	7,920	1,396
Total liabilities	<u>55,950</u>	<u>26,470</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock	3	3
Additional paid-in capital	286,686	249,885
Accumulated deficit	(212,031)	(204,163)
Accumulated other comprehensive income	371	371
Total stockholders' equity	<u>75,029</u>	<u>46,096</u>
Total liabilities and stockholders' equity	<u>\$ 130,979</u>	<u>\$ 72,566</u>



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

	Three Months Ended			Nine Months Ended	
	March 31,	December 31,	March 31,	March 31,	
	2022	2021	2021	2022	2021
Net revenue	\$ 32,324	\$ 33,681	\$ 17,108	\$ 93,710	\$ 50,839
Cost of revenue	18,708	19,241	9,390	53,191	27,886
Gross profit	13,616	14,440	7,718	40,519	22,953
Operating expenses:					
Selling, general and administrative	8,326	8,935	4,995	25,167	14,747
Research and development	4,483	4,310	2,519	12,834	7,540
Restructuring, severance and related charges	51	167	120	760	349
Acquisition-related costs	154	68	178	763	178
Fair value remeasurement of earnout consideration	1,203	1,259	-	2,462	-
Amortization of purchased intangible assets	1,479	1,440	754	4,112	2,515
Total operating expenses	15,696	16,179	8,566	46,098	25,329
Loss from operations	(2,080)	(1,739)	(848)	(5,579)	(2,376)
Interest expense, net	(303)	(595)	(77)	(1,277)	(244)
Loss on extinguishment of debt	(764)	-	-	(764)	-
Other income (expense), net	32	45	(224)	(25)	(183)
Loss before income taxes	(3,115)	(2,289)	(1,149)	(7,645)	(2,803)
Provision for income taxes	75	106	38	223	145
Net loss	\$ (3,190)	\$ (2,395)	\$ (1,187)	\$ (7,868)	\$ (2,948)
Net loss per share - basic and diluted	\$ (0.09)	\$ (0.08)	\$ (0.04)	\$ (0.25)	\$ (0.10)
Weighted-average common shares - basic and diluted	34,695	31,848	28,819	31,925	28,617



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

	Three Months Ended			Nine Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
GAAP net loss	\$ (3,190)	\$ (2,395)	\$ (1,187)	\$ (7,868)	\$ (2,948)
Non-GAAP adjustments:					
Cost of revenue:					
Share-based compensation	80	100	70	280	212
Employer portion of withholding taxes on stock grants	1	7	3	9	3
Amortization of manufacturing profit in acquired inventory	-	200	-	380	7
Depreciation and amortization	161	128	170	425	528
Total adjustments to cost of revenue	<u>242</u>	<u>435</u>	<u>243</u>	<u>1,094</u>	<u>750</u>
Selling, general and administrative:					
Share-based compensation	1,264	1,178	803	3,568	1,919
Employer portion of withholding taxes on stock grants	25	91	19	129	30
Depreciation and amortization	78	75	38	220	130
Total adjustments to selling, general and administrative	<u>1,367</u>	<u>1,344</u>	<u>860</u>	<u>3,917</u>	<u>2,079</u>
Research and development:					
Share-based compensation	268	222	170	745	405
Employer portion of withholding taxes on stock grants	10	10	5	28	13
Depreciation and amortization	79	74	57	224	140
Total adjustments to research and development	<u>357</u>	<u>306</u>	<u>232</u>	<u>997</u>	<u>558</u>
Restructuring, severance and related charges	51	167	120	760	349
Acquisition related costs	154	68	178	763	178
Fair value remeasurement of earnout consideration	1,203	1,259	-	2,462	-
Loss on extinguishment of debt	764	-	-	764	-
Amortization of purchased intangible assets	1,479	1,440	754	4,112	2,515
Total non-GAAP adjustments to operating expenses	<u>5,375</u>	<u>4,584</u>	<u>2,144</u>	<u>13,775</u>	<u>5,679</u>
Interest expense, net	303	595	77	1,277	244
Other (income) expense, net	(32)	(45)	224	25	183
Provision for income taxes	75	106	38	223	145
Total non-GAAP adjustments	<u>5,963</u>	<u>5,675</u>	<u>2,726</u>	<u>16,394</u>	<u>7,001</u>
Non-GAAP net income	<u>\$ 2,773</u>	<u>\$ 3,280</u>	<u>\$ 1,539</u>	<u>\$ 8,526</u>	<u>\$ 4,053</u>
Non-GAAP net income per share - diluted	<u>\$ 0.08</u>	<u>\$ 0.10</u>	<u>\$ 0.05</u>	<u>\$ 0.25</u>	<u>\$ 0.13</u>
Denominator for GAAP net income per share - diluted	34,695	31,848	28,819	31,925	28,617
Non-GAAP adjustment	<u>1,992</u>	<u>2,145</u>	<u>1,700</u>	<u>1,967</u>	<u>1,821</u>
Denominator for non-GAAP net income per share - diluted	<u>36,687</u>	<u>33,993</u>	<u>30,519</u>	<u>33,892</u>	<u>30,438</u>



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

	Three Months Ended			Nine Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
IoT	\$ 28,587	\$ 28,521	\$ 13,661	\$ 79,939	\$ 41,683
REM	3,614	4,977	3,305	13,357	8,802
Other	123	183	142	414	354
	<u>\$ 32,324</u>	<u>\$ 33,681</u>	<u>\$ 17,108</u>	<u>\$ 93,710</u>	<u>\$ 50,839</u>

	Three Months Ended			Nine Months Ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Americas	\$ 20,448	\$ 20,073	\$ 8,615	\$ 58,748	\$ 27,567
EMEA	5,071	5,751	4,096	15,481	11,475
Asia Pacific Japan	6,805	7,857	4,397	19,481	11,797
	<u>\$ 32,324</u>	<u>\$ 33,681</u>	<u>\$ 17,108</u>	<u>\$ 93,710</u>	<u>\$ 50,839</u>