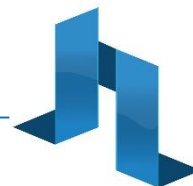




Lattice Inc.

July 20, 2016
Ticker Symbol: LTTC





Safe Harbor Statement

Management's prepared remarks contain forward-looking statements which are subject to risks and uncertainties and management may make additional forward-looking statements in response to your questions. Therefore, the company claims the protection of the Safe Harbor for forward-looking statements that is contained in the Private Securities Litigation Reform Act of 1995. Actual results may differ from those discussed today, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the company's filings with the Securities and Exchange Commission.



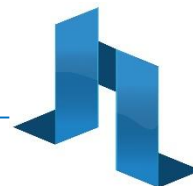
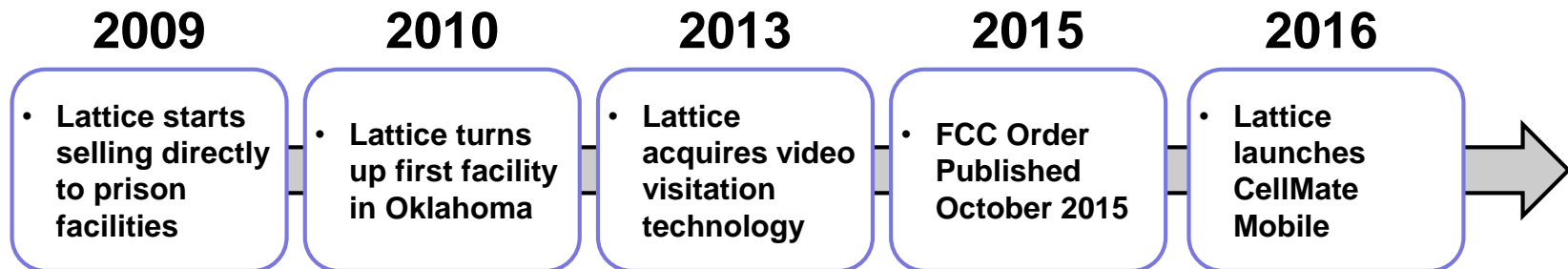
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The Company

- **Lattice has been developing and providing secure communications and information technology since 1973.**
- **Our focus on innovation is the source of our longevity through market ups and downs.**



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The Company

- Technology leader in the \$5 Billion correctional facilities market. Approximately 75% of facilities are small and fit in our target market.
- Provides a suite of cloud based services enabling smaller facilities access to technology traditionally only available to large facilities.
- Investing in new technology via development and acquisitions to grow share of wallet with existing customers and take share from slower moving competitors.
- 800% revenue growth from 2010 to 2015(ttm).



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Corrections Operating Platform (COP)

- ❖ Encompasses Inmate Account Management, Products and Services, and facility/inmate Support solutions:

A graphic for the Corrections Operating Platform (COP) featuring a background image of three smiling people. The title '(COP) Corrections Operating Platform™' is at the top. Below it are three orange arrow-shaped boxes pointing right, each containing an icon and a list of services.

(COP) Corrections Operating Platform™

- INMATE ACCOUNT MANAGEMENT**
 - On-Site Deposit Kiosks
 - Online, Phone, and Money Order Deposits
 - JMS/Commissary Integration
 - Payment Processing and Billing
- PRODUCTS AND SERVICES**
 - Nexus Inmate Phone System
 - NetVisit™ Video Visitation and Video Arraignment
 - CellMate™ Mobile Devices
- INDUSTRY-LEADING SUPPORT**
 - InTouch™ Inmate Hotline
 - Billing and Technical Support
 - Account Funding Transactions

Rapid Cloud Innovation

Lattice's cloud platform enables rapid service innovation, seamless acquisition integration and the ability to serve customers more cost effectively regardless of size or location

INTEGRATION SERVICES

INVESTIGATION

LEGAL COUNSEL

EDUCATION

HOME PC

EMAIL

MUSIC DOWNLOAD

SOCIAL MEDIA

SCHEDULING SERVICES

DEDICATED INMATE STATION

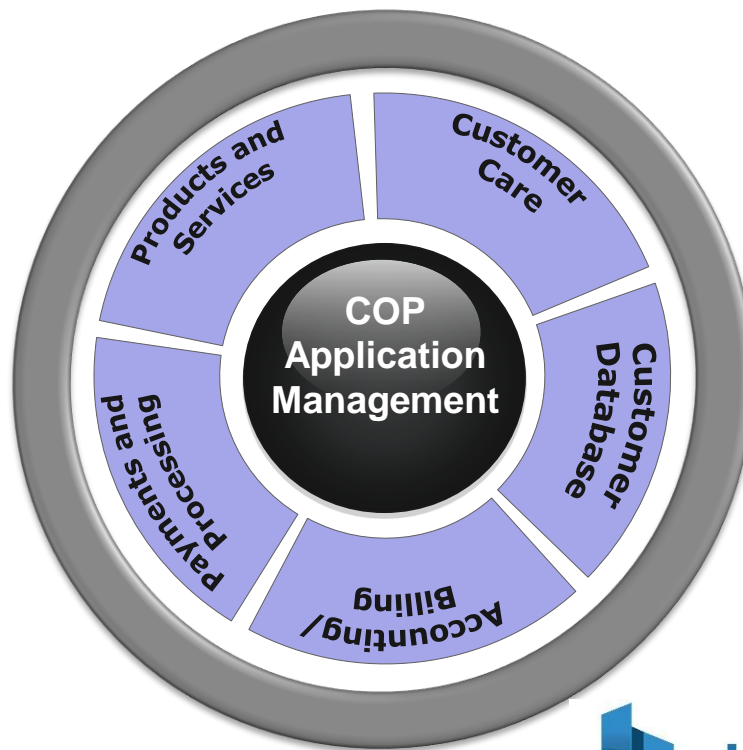
COMMISSARY ORDERING

INMATE E DEVICE

VIDEO VISITATION

VOICE MAIL

TEXT MESSAGING





CellMateTM Mobile Mobile Inmate Communications Device

Taking Inmate Communications
To the Next Level!



CellMate™ Mobile

- ❖ Grow facility revenue by providing new ways for inmates to communicate with family/friends and access entertainment/educational content
- ❖ Drive recurring Lattice revenue through continuous phone call and text messaging usage
- ❖ Deliver increased facility efficiency via a smartphone-sized device encompassing multiple apps/functionality
- ❖ Enable inmates to connect with family and friends, remain productive, improve their morale, and reduce recidivism

Product Overview



Communications

- ❖ Phone and Voicemail
- ❖ Text Messaging
- ❖ Electronic Messaging
- ❖ Manage Commissary and Phone Accounts
- ❖ Inmate Messaging for Medical, Grievances

Content

- ❖ Entertainment
 - ❖ Music
 - ❖ eBooks
 - ❖ Games
- ❖ Educational and Legal
 - ❖ Rehabilitation Videos
 - ❖ Online Courses
 - ❖ Law Library

Product Overview: Physical Appearance

- ❖ Mobile handheld device, size of a smartphone
- ❖ Clear back cover deters and identifies contraband from being hidden in back of device



Smartphone Size Benefits Vs. Competitive Tablets



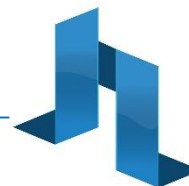
- ❖ Smartphone size is the most natural and common for making calls and sending texts
- ❖ The percentage of users reading eBooks and other content on smartphones is growing, while the percentage reading on tablets and e-readers is declining*
- ❖ “The future of digital reading is on the phone”
-- Judith Curr, publisher Simon & Schuster affiliate Atria Books*

* Source: *Wall Street Journal*, “The Rise Of Phone Reading”



Business Model

- **Revenue Sharing Eases Facility Budget Constraints**
 - Sticky recurring revenue streams
- **Lattice Leading Features & Products Benefit both the Facilities and Inmates**
 - Ability for family members to credit inmate's call account increases revenue
 - Video Visitation reduces costs for the facility and the inmate's family
 - Kiosk for cash management and value added services for unbanked inmates
 - Lattice social media and tablets increase revenues, decrease disruptive inmate behavior, and reduce recidivism

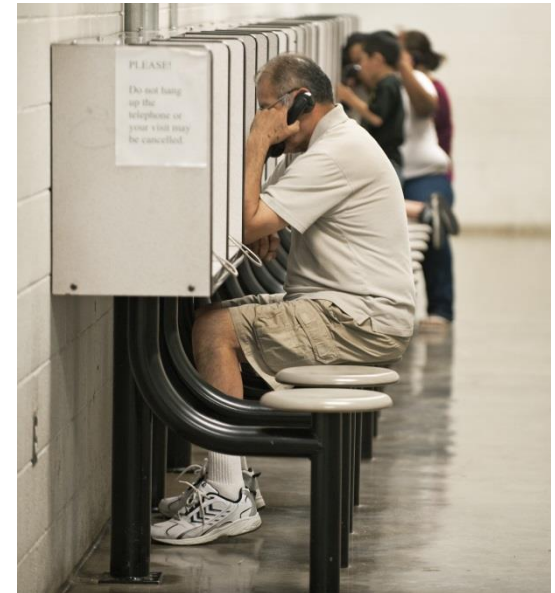


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Problems Solved

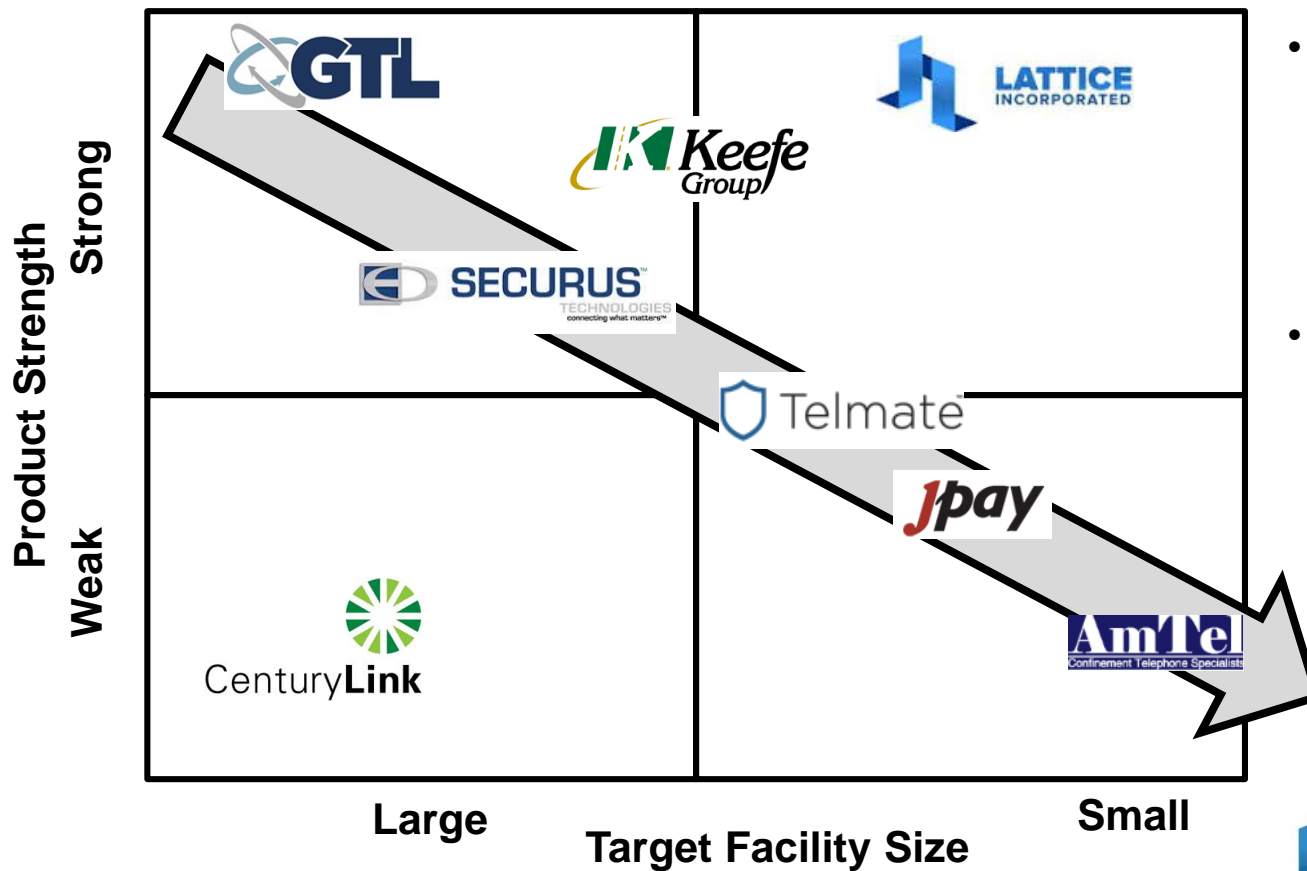
- **Lattice serves the advanced communications needs of small to medium sized prisons which are poorly served by our competitors**
- **Small Regional Service Providers**
 - Unsophisticated players which cater exclusively to very small or small facilities
 - Lattice technology will often enable their solution
- **Large National Service Providers**
 - Focus on larger facilities
 - Provide inconsistent service to smaller facilities
 - Serving small facilities is often not cost effective for these players



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Competitive Landscape



- Smaller providers typically have a limited product set to serve small/medium facilities
- Cloud platform enables Lattice to serve existing customers and win new ones



Differentiation

- Improved Revenue Generation per Facility
- Top Notch Tech Support & Customer Service for Inmates and Families
- Industry Leading Reliability
- Innovative product mix enabling improved quality of life for inmates

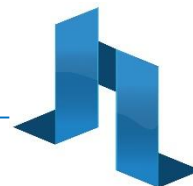


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U.S. Market Overview

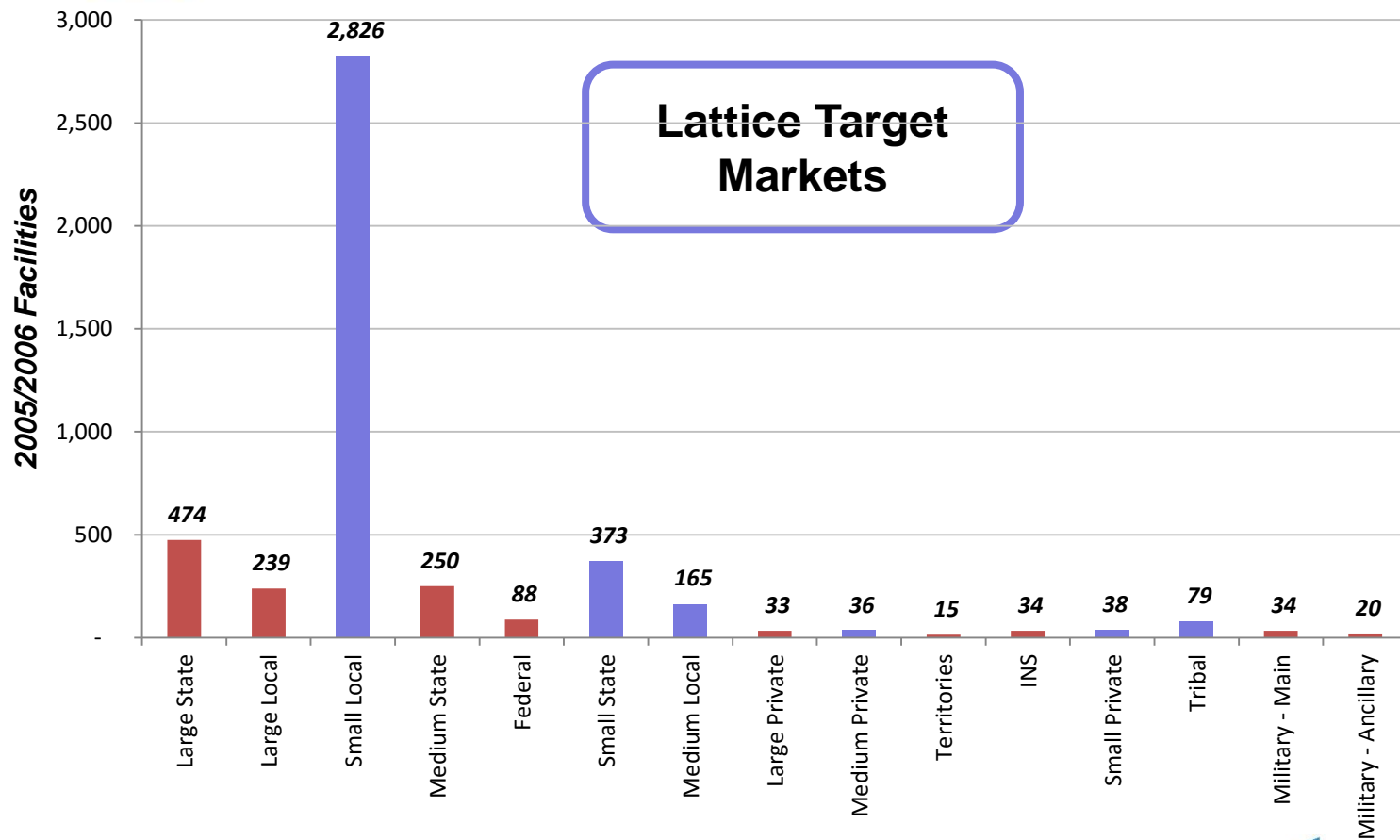
- \$5.0B+ Market total in Federal, State, and County
- \$650 - \$850 Telecom Revenue/inmate
- 2.3 Million Inmates today, steadily growing at 3% annually
- Communications revenues are split with the prison and are an important source of cash to augment traditionally stretched county and state budgets
- Strong recurring revenue base which is highly sticky



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U.S. Market – Correctional Facilities





Growth Opportunities

Products/services

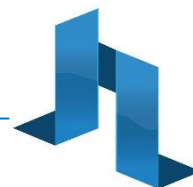
- Drive increased usage of existing services by improving ease of use
- Grow revenue by adding innovative new products and services such as a Phablet

Increase Share

- Win share from competitors
- Buy smaller players
- License technology to other providers
- Partner with specialists in private prisons

New Markets

- Enter new domestic markets by adding experienced direct sales
- Partner with established Systems Integrators to expand further internationally



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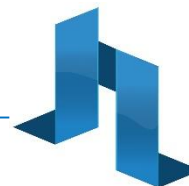
Proof Points

➤ Domestic Success

- In five years, expanded market share in target market.
- Winning footholds in new states and expanding regionally

➤ International Success

- Canada: awarded four installations under partnerships with Telus Canada and Wymactel
- Singapore: COP pilot project successful, currently rolling out an expanded program
- UK: First site operational in Gibraltar, successful trials in 400 bed UK facility



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Investment Highlights

- Cloud based service delivery allows us to drive higher revenue, lower costs and gives us the ability to more cost-effectively address new markets
- Proven track record of growth both domestically and internationally
- Ability to leverage new technologies from one market to another
- Recurring revenue model with 800% revenue growth over the last 5 years.



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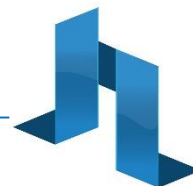


2016 Updates

- **Recurring revenue continues to ramp.**
- **FCC Order published on October 22, 2015 eliminated most ancillary fees creating a more competitive market.**
- **Officially launched CellMate Mobile.**
- **Launched Video Arraignment product.**



Q&A



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