

Lianluo Smart Limited/Newegg Commerce, Inc.

\$30,000,000 Worth of Common Shares
(or up to \$34,500,000 worth of Common Shares if the underwriter exercise its over-allotment option in full)

Free Writing Prospectus

This free writing prospectus relates to the registered offering of the common share of Lianluo Smart Limited (the “Company”) and should be read together with the preliminary prospectus dated May 3, 2021 (the “Preliminary Prospectus”) that was included in Amendment No. 6 to the Registration Statement on Form F-1 (File No. 333-249659, the “Registration Statement”). The Registration Statement has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Before you invest, you should read the prospectus in the Registration Statement (including the risk factors described therein) and other documents we have filed with the SEC in their entirety for more complete information about us and the offering. You may get these documents for free by visiting EDGAR on the SEC Web site at <http://www.sec.report>.

No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. When available, copies of the preliminary prospectus relating to the proposed initial public offering may be obtained from Maxim Group LLC, 405 Lexington Avenue, 2nd Floor, New York, NY 10174, at 212-895-3745.



Newegg Presentation

May 2021



Disclaimer

This presentation of Newegg Commerce, Inc. (the "company," "Newegg," "we," "us," or "our") includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements relate to future events or to our future financial performance and involved known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements include statements or assumptions about our plans, strategies, financial performance, financing plans, prospects, capital structure, cash flow, liquidity, goals and objectives for future operations or growth or future events. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. These statements may be identified by the use of words like "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "will", "should", "seek" and similar expressions and include any projections or estimates set forth herein. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the company and its management team, are inherently uncertain. A more complete description of these risks and uncertainties can be found in the company's filings with the U.S. Securities and Exchange Commission available for free at www.sec.gov. We caution you not to place undue reliance on any forward-looking statements, which are made as of the date of this presentation. We undertake no obligation to update any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

This presentation contains financial information prepared in accordance with U.S. generally accepting accounting principles ("GAAP") that have been extracted without material adjustment from audited GAAP financial statements and/or extracted or derived from unaudited accounting records that have been used to prepare GAAP financial statements. This presentation also contains certain non-GAAP financial measures which have not been and will not be audited. These non-GAAP financial measures are not recognized measures of financial performance or liquidity under GAAP, but are measures used by Newegg's management to monitor the underlying performance of Newegg's business and operations. These non-GAAP measures may not be indicative of Newegg's historical operating results nor are such measures meant to be predictive of future results. These measures and ratios may not be comparable to those used by other companies under the same or similar names. As such, undue reliance should not be placed on these non-GAAP financial measures. Certain financial information contained herein is unaudited and is based on internal records and/or estimates.

A registration statement on Form F-1 (File No. 333-249659, the "Registration Statement") relating to securities to be sold in the Company's public offering has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Before you invest, you should read the prospectus in the Registration Statement (including the risk factors described therein) and other documents we have filed with the SEC in their entirety for more complete information about us and the offering. You may get these documents for free by visiting EDGAR on the SEC Web site at <http://www.sec.gov>.

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TRANSACTION SUMMARY OFFERING

Newegg Commerce, Inc. will be the registrant post consummation of the reverse merger with Lianluo Smart Limited.

ISSUER	Lianluo Smart Limited/Newegg Commerce
EXCHANGE/TICKER	"LLIT" following completion of merger "NEGG"/ NASDAQ.
OFFERING SIZE	\$34.5M (Including Over-allotment)
SECURITIES OFFERED	Common Shares
PRICE/SHARE	TBD
USE OF PROCEEDS	Working capital to fund Enhancing Technology, Marketplace and Partner Services, Improving Fulfillment and General Strategic Growth Initiatives
SOLE BOOK RUNNER	Maxim Group LLC
EXPECTED PRICING DATE	Week of May 10 th , 2021

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GROWTH STRATEGY



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TRANSACTION SUMMARY MERGER OVERVIEW



On October 23, 2020, Newegg Inc. ("Newegg") entered into a definitive merger agreement with Lianluo Smart Limited and its merger sub, Lightning Delaware Sub, Inc. (collectively "LLIT") (NASDAQ: LLIT). Upon consummation of merger:

- LLIT will sell all of the business, assets and liabilities of its wholly owned subsidiary to a PRC company
- Newegg will be the surviving entity and LLIT's wholly owned subsidiary
- LLIT will change its name to Newegg Commerce, Inc. and will continue to trade on Nasdaq under new symbol "NEGG"
- Each share of Newegg immediately prior to the merger will be exchanged into 5.8417 common shares of LLIT
- Approximately 363M common shares will be issued to Newegg shareholders upon completion of the merger
- Post merger without taking into consideration of this offering, LLIT shareholders will own approximately 1.32% of the outstanding common shares and former Newegg shareholders will own approximately 98.68% of the outstanding common shares based on shares outstanding as of April 30, 2021
- Post merger, Newegg will continue to maintain BVI as corporate domicile and adhere to foreign private issuer requirements
- A special meeting of shareholders to vote on the merger and disposition of assets will be held on May 12, 2021 at 10:00 am Beijing Time

*Please see: https://www.sec.gov/Archives/edgar/data/1474627/000121390021021572/f424340421_lianluo.htm for additional information on the merger transaction.



COMPANY OVERVIEW

LEADERSHIP



Anthony Chow
邹果庆

Chief Executive Officer

EXPERIENCE: 27+ Years

Mr. Chow rejoined Newegg in 2019. Mr. Chow was Vice President of Newegg's North American business from 2006-2008 and then went on to lead Newegg China as President until 2011. Previously, he was the CEO of OTTO Greater China Group and VP of Haier China until rejoining Newegg in 2019.



Jamie Spannos
Chief Operating Officer

EXPERIENCE: 25+ Years

Mr. Spannos joined Newegg in 2018 as COO. Mr. Spannos' prior experience included Senior Vice President of North American Fulfillment and Logistics at FTD.com, where he oversaw all FTD.com and sub-brand operations across 103 drop-ship and internal distribution centers. Mr. Spannos also served as GM/VP/Managing Director of Home Depot's Import and Domestic Distribution Field Operations.



Montaque Hou
Chief Technology Officer

EXPERIENCE: 15+ Years

Mr. Hou joined Newegg in 2007. He was promoted to Chief Technical Officer in 2016. Mr. Hou's global technology team of more than 500 Engineers, designs, develops and deploys the technology that underpins site design, customer service, Newegg's marketplace, resource planning, logistics and inventory management of more than 40M unique SKUs.



Robert Chang
Chief Financial Officer

EXPERIENCE: 25+ Years

Mr. Chang has served the Company in various finance-related roles for more than two decades, being appointed to the CFO role in 2015. As CFO, Mr. Chang is responsible for overseeing all aspects of the Company's financial performance, including forecasting, evaluation and reporting.



Matt Strathman
General Counsel

EXPERIENCE: 25+ Years

Mr. Strathman joined the Company in 2008, serving the Company in various legal roles for over a decade. Prior to Newegg, Mr. Strathman worked as Senior Counsel for Empire Companies and as a business attorney in private practice.



Lisa Potok
VP, Finance & Investor Relations

EXPERIENCE: 25+ Years

Ms. Potok joined the Company in 2021 and brings over 25 years of financial, operational and leadership experience within a variety of both public and private companies. Ms. Potok's most recent experience includes the VP of Global Finance at CDS, an Advantage Solutions company, and the VP of Finance at FTD.com.



COMPANY OVERVIEW WHY NEWEGG?

Newegg is where tech experts go to buy technology

We are an entrenched and dominant player
in a large vertical niche



Laptops



Desktops



Consumer
Electronics



Components



COMPANY OVERVIEW

NEWEGG AT A GLANCE 2020

#5

Newsweek's 2020 Best Online Shops, Consumer Electronics

#7

eCommerceDB's 2020 Top Online Stores, Electronics



\$2.6
Billion+

2020 GMV



4.7
Million+

Unique Active Customers



382.2
Million+

Total Visits



32.5%

Repeat Purchasers



\$2.1
Billion+

2020 Net Sales



40.5
Million+

SKUs



4
Million+

Product Reviews



\$301

Average Order Value

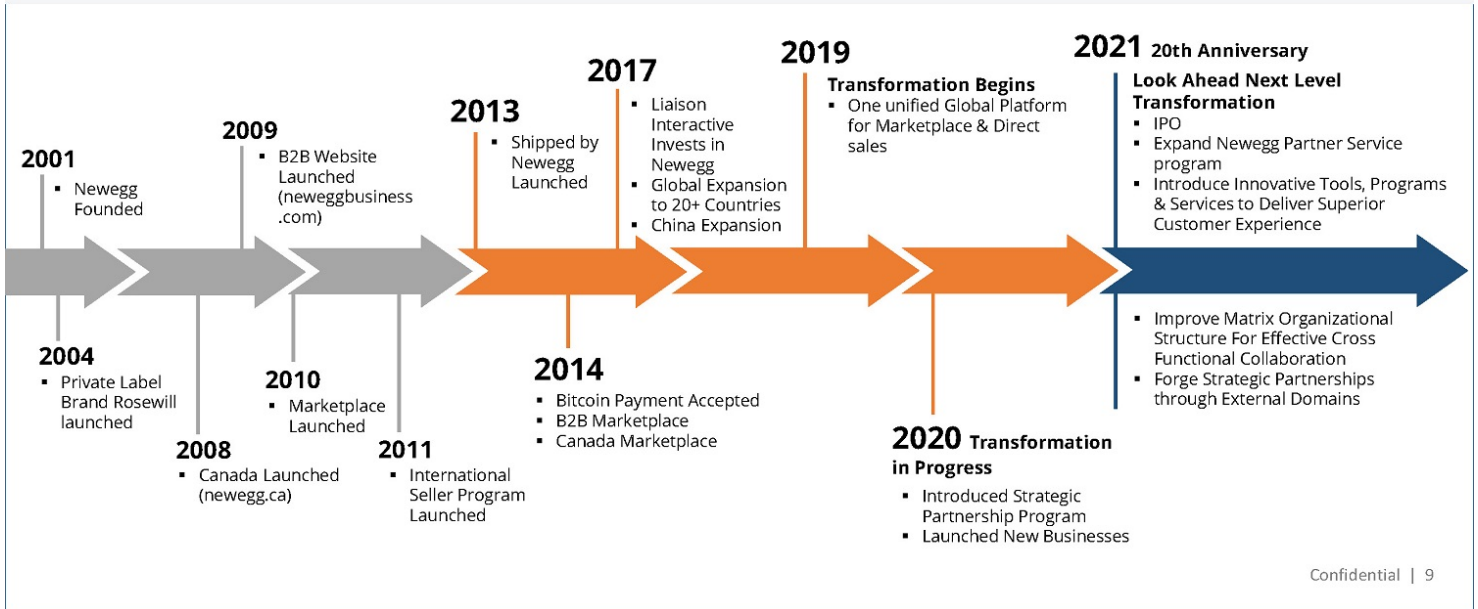
Statistics as of December 31, 2020

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COMPANY OVERVIEW HISTORY

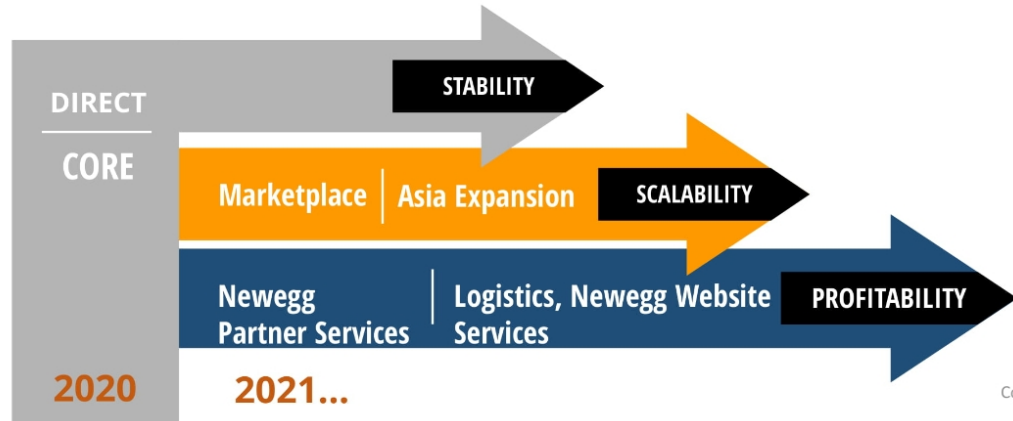
For two decades, Newegg has been at the forefront of e-commerce. Founded in 2001, Newegg began selling PC components and helped popularize the PC-building movement, and in doing so, developed a niche following among PC and DIY enthusiasts. Since then, Newegg has been a leading tech-focused e-retailer in North America, with a global reach in Europe, South America, Asia Pacific and the Middle East.





COMPANY OVERVIEW OUR BUSINESS MODEL

BUSINESS MODEL	DIRECT	MARKETPLACE	NEWEGG PARTNER SERVICES (NPS)
	Newegg controls inventories sourced from suppliers and directly sells goods to its customers and businesses on Newegg platforms	Newegg allows third-party Sellers to sell products through the Newegg Marketplace, and recognizes commission and service fees from third-party Sellers in its net sales	Newegg generates revenue by charging service fees for providing various e-commerce services to Vendor partners, marketplace Sellers and other customers and businesses





GROWTH STRATEGY DIRECT SALES STABILITY

NEWEGG MARKET SHARE: COMPONENTS



- We deliver Value and we help the Vendors build their Brand, simultaneously developing their Knowledge. We treat our Suppliers as Partners.
- Newegg's systematic approach to building relationships, over the last two decades, has powered our ability to grab allocation.
- Newegg increased GMV during the pandemic, as well as its market share.
- Newegg estimates its market share, in certain categories of components, as high as 40%.

Source: NPD Data. Market share of components sold retail. Components defined by Newegg as CPUs/Processors, VGA Cards, Motherboards, Power Supplies and Desktop Cases. Confidential | 11

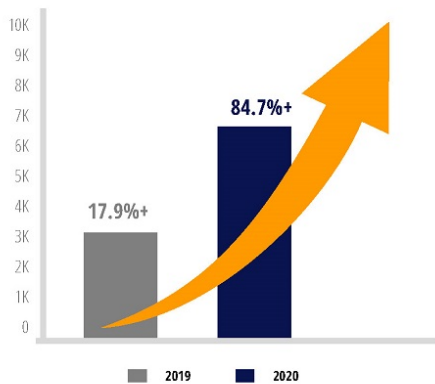


GROWTH STRATEGY CHINA MARKETPLACE GROWTH

China Seller base increased its GMV by 100%+ in 2020 and is on pace for faster growth this year!

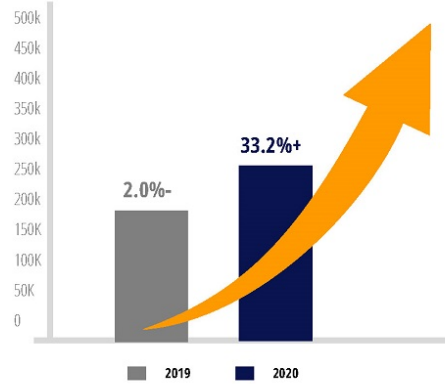
CHINA SELLER COUNT

84.7%+ increase in Sellers from 2019 to 2020



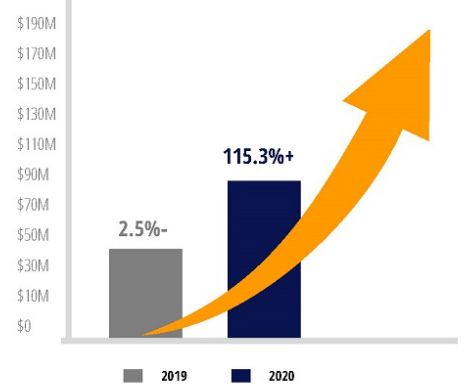
CHINA SELLER SKUS WITH SALES

33.2%+ increase in New SKUs with Sales in 2020



CHINA SELLER GMV

115.3%+ increase, \$39.6M in 2019 to \$84.3 in 2020

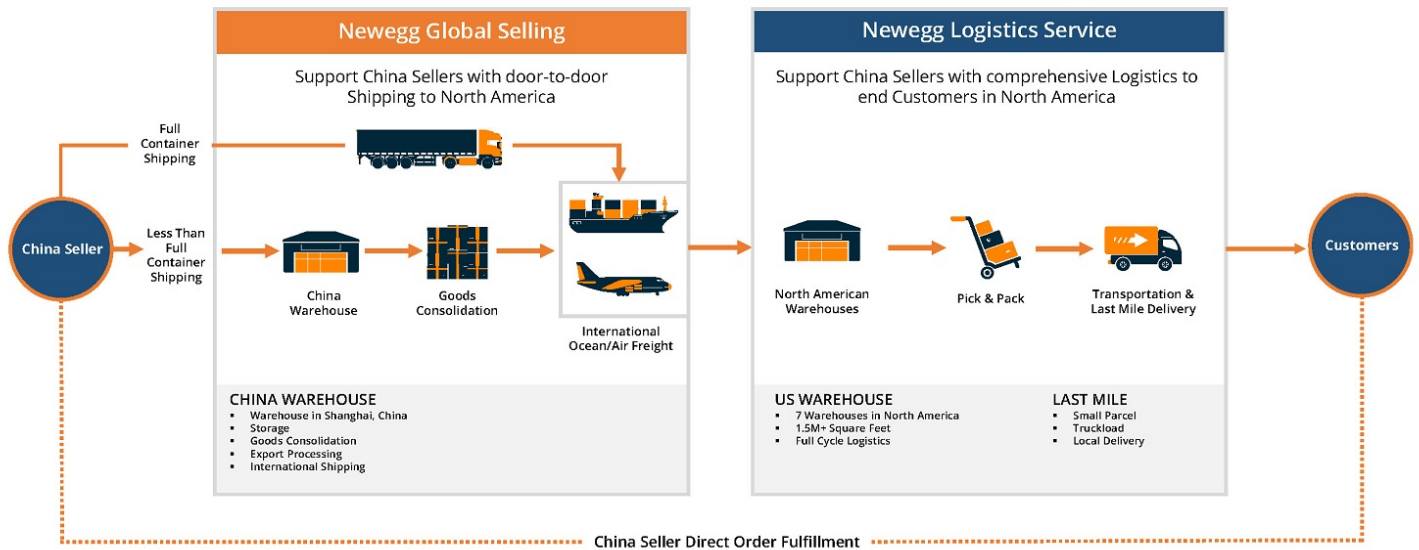


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Charts include Hong Kong based sellers



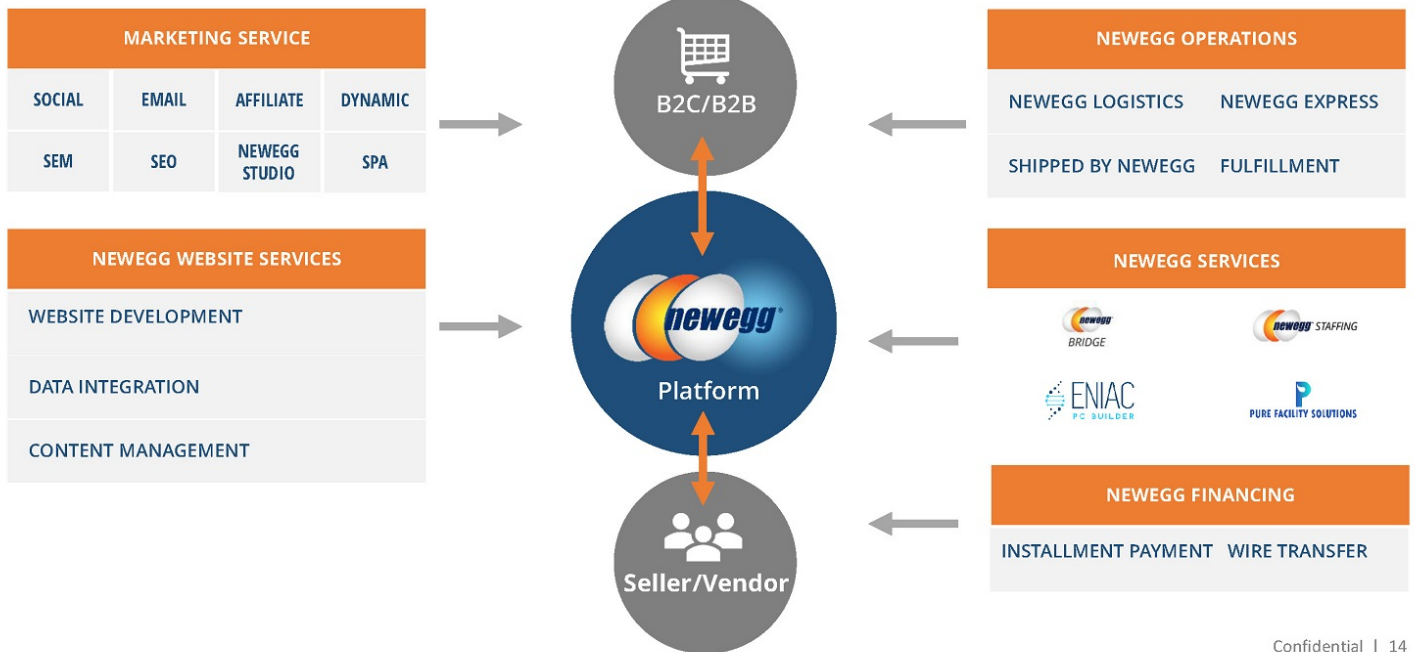
GROWTH STRATEGY CHINA



Our Asia Seller Recruiting Team offers a one-stop solution for Chinese Marketplace Sellers.
Newegg owns the entire journey, from China Sellers to US Customers.



GROWTH STRATEGY NEWEGG PARTNER SERVICES ECOSYSTEM





FINANCIAL OVERVIEW BUSINESS MODEL

Strategic Shifts

- Newegg recorded Service Revenue of \$13.0M in 2018, \$11.2M in 2019, surging to \$81.8M in 2020!
- Our Strategy is to shift towards Marketplace and Newegg Partner Service businesses.

Direct YoY GMV Growth

Our Direct business
fell in 2019 but
rebounded in 2020



STABILITY

Marketplace YoY GMV Growth

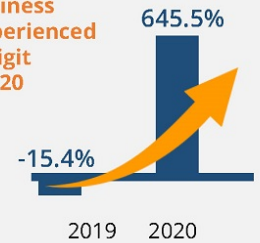
Marketplace has
grown by a CAGR
of 12% 2018-2020



SCALABILITY

Newegg Partner Services YoY GMV

Our NPS business
segment experienced
high triple digit
growth in 2020



PROFITABILITY



FINANCIAL OVERVIEW



Growth

35.9% GMV growth driven by adaptation to consumer demand. \$2.6B in 2020 vs \$1.9B in 2019.



Gross Profit

Gross profit has increased 66% YoY as a result of restructuring in Q4 2019.



EBITDA

2020 Adjusted EBITDA at \$39.3M profit up from (\$49.2M) loss. An increase of \$88.5M.

GMV vs. Gross Profit Vs. Adjusted EBITDA (\$ in millions)

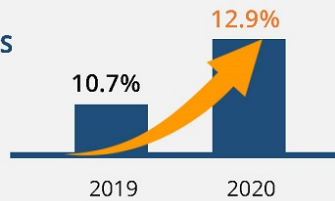




FINANCIAL OVERVIEW KEY STATISTICS

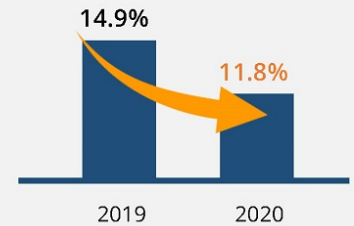
GROSS PROFIT AS A PERCENT OF NET SALES

**219 Basis Point
Improvement**



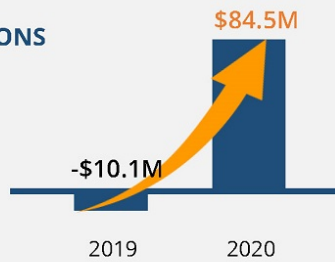
SG&A AS A PERCENT OF NET SALES

**311 Basis Point
Improvement**



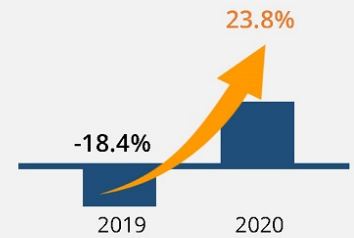
CASH FROM OPERATIONS

**\$94.6M Increase In
Cash From
Operations**



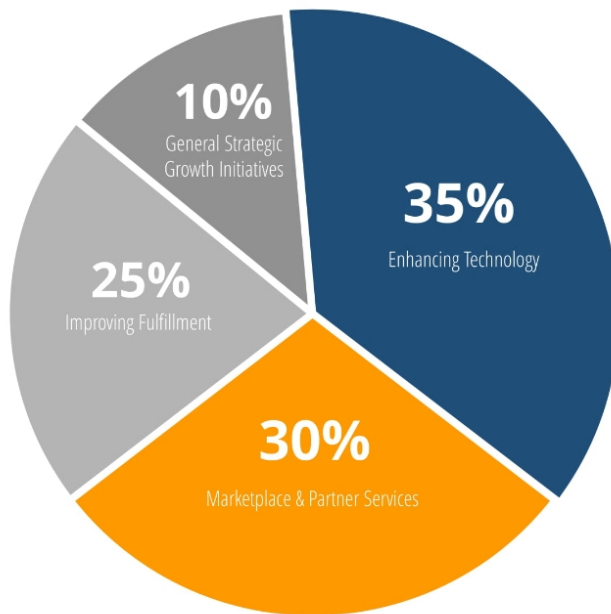
RETURN ON EQUITY

**42.2% Increase In
ROE**





KEY TAKEAWAYS USE OF PROCEEDS



»» To support the expansion of our Business Operations:

- 35% Enhancing Technology: Building capabilities including Technology Infrastructure.
- 30% Marketplace and Partner Services: Recruiting new Sellers and Creating and Growing our Service business.
- 25% Improving Fulfillment: Strengthening our ability to Serve Customers and Fulfill orders.
- 10% General Growth Initiatives: Employing Capital strategically to create Shareholder Value.



KEY TAKEAWAYS

Profitable Business with Improving Margins

Gross profit has increased 66% YoY as a result of Restructuring in Q4 2019.

Marketplace model allows Newegg to divest low margin items to Marketplace Sellers.



Strong Brand Recognition

Name is known and respected as the leader in IT/CE for over two decades.

Our Platform provides an extensive portfolio of user-generated content, including over 4M Product Reviews and approximately 32K Testimonials about User Experience.



Robust Marketplace Platform

Hybrid Marketplace model allows us to leverage the inventory of thousands of 3rd party Sellers and offer millions of SKUs to our Customers.

These Sellers represent over 95% of the SKUs available for sale on the Platform



Vendor Relationships

Our solid relationships with the top IT/CE brands allow us to stock in demand SKUs at competitive prices throughout market cycles.

Wide range of Tech-focused Products from over 400 Suppliers Globally – 40.5M SKUs and 1,748 Categories.



Customer Experience

Can fulfill orders to 95% of the US population within 2 days.

We offer 24/7 Customer Support across phone, email and chat





KEY TAKEAWAYS CONTACT

Lisa A. Potok

Vice President of Finance & Investor Relations



626.271.9700 Ext. 22180



Lisa.A.Potok@newegg.com

Newegg Inc.,

17560 Rowland Street
City of Industry, CA 91745



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Thank You!



ADJUSTED EBITDA RECONCILIATION

The following table reflects the reconciliation of net loss to Adjusted EBITDA for each of the periods indicated:

(In Million)	For the Year Ended December 31,	
	2020	2019
Net Income (Loss)	\$ 30.4	\$ (17.0)
Adjustments:		
Stock-based compensation expenses	1.6	0.7
Interest (income) expense, net	(0.5)	2.4
Income tax provision	1.9	4.6
Depreciation and amortization	9.1	10.7
Gain from sale of and equity income from equity method investments	(3.2)	(21.8)
Gain from sale of real estate property	-	(28.8)
Adjusted EBITDA	\$ 39.3	\$ (49.2)

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GMV RECONCILIATION

The following table reflects the reconciliation of net sales to GMV for each of the periods indicated:

(In Million)	For the Year Ended December 31,	
	2020	2019
Net Sales	\$ 2,114.9	\$ 1,533.9
Adjustments:		
GMV - Marketplace	663.7	495.2
Marketplace Commission	(58.1)	(46.0)
Deferred Revenue	16.2	(6.5)
Service Revenue	(81.8)	(11.2)
Asia Net Sales	-	(3.9)
Nutrend and Rosewill sales through third party platforms	(40.6)	(31.1)
Other	20.3	2.9
GMV	\$ 2,634.5	\$ 1,933.4

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