

LRAD Corporation
Condensed Consolidated Balance Sheets
(000's omitted)

	June 30, 2017 (Unaudited)	September 30, 2016
	<hr/>	<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,376	\$ 13,467
Short-term marketable securities	3,614	2,936
Accounts receivable	2,384	3,409
Inventories, net	5,711	4,764
Prepaid expenses and other	619	596
Total current assets	<hr/> 26,704	<hr/> 25,172
Long-term marketable securities	1,409	2,188
Deferred tax assets	9,282	8,527
Property and equipment, net	557	473
Intangible assets, net	65	63
Other assets	211	391
Total assets	<hr/> <hr/> \$ 38,228	<hr/> <hr/> \$ 36,814
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,798	\$ 575
Accrued liabilities	1,898	1,503
Total current liabilities	<hr/> 3,696	<hr/> 2,078
Other liabilities - noncurrent	62	165
Total liabilities	<hr/> 3,758	<hr/> 2,243
Total stockholders' equity	<hr/> 34,470	<hr/> 34,571
Total liabilities and stockholders' equity	<hr/> <hr/> \$ 38,228	<hr/> <hr/> \$ 36,814

LRAD Corporation
Condensed Consolidated Statements of Operations
(000's omitted except share and per share amounts)
(Unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2017	2016	2017	2016
Revenues	\$ 4,129	\$ 5,042	\$ 12,813	\$ 11,466
Cost of revenues	2,420	2,602	6,945	6,096
Gross profit	<u>1,709</u>	<u>2,440</u>	<u>5,868</u>	<u>5,370</u>
Operating expenses:				
Selling, general and administrative	2,040	1,568	5,899	5,305
Research and development	666	632	1,859	1,791
Total operating expenses	<u>2,706</u>	<u>2,200</u>	<u>7,758</u>	<u>7,096</u>
(Loss) income from operations	-997	240	-1,890	-1,726
Other income	33	30	95	95
(Loss) income from operations before income taxes	-964	270	-1,795	-1,631
Income tax benefit	(436)	(7)	(753)	(863)
Net (loss) income	<u>\$ (528)</u>	<u>\$ 277</u>	<u>\$ (1,042)</u>	<u>\$ (768)</u>
Net (loss) income per common share				
Basic and diluted	\$ (0.02)	\$ 0.01	\$ (0.03)	\$ (0.02)
Weighted average common shares outstanding:				
Basic	<u>31,861,916</u>	<u>31,798,853</u>	<u>31,820,632</u>	<u>32,028,153</u>
Diluted	<u>31,861,916</u>	<u>31,798,853</u>	<u>31,820,632</u>	<u>32,028,153</u>