

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

	March 31, 2018 (unaudited)	September 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,733	\$ 12,764
Short-term marketable securities	4,063	4,360
Restricted cash	364	40
Accounts receivable, net	5,718	5,682
Inventories, net	5,443	5,257
Prepaid expenses and other	846	983
Total current assets	29,167	29,086
Long-term marketable securities	991	711
Deferred tax assets, net	5,464	8,331
Long-term restricted cash	104	-
Property and equipment, net	484	510
Goodwill	2,604	-
Intangible assets, net	1,834	56
Prepaid expenses and other - noncurrent	241	164
Total assets	\$ 40,889	\$ 38,858
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,891	\$ 1,112
Accrued liabilities	\$ 3,414	\$ 2,562
Notes payable, current portion	896	-
Total current liabilities	6,201	3,674
Notes payable, less current portion	269	-
Total liabilities	6,470	3,674
 Total stockholders' equity	 34,419	 35,184
Total liabilities and stockholders' equity	\$ 40,889	\$ 38,858

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

	Three months ended March 31,		Six months ended March 31,	
	2018	2017	2018	2017
Revenues	\$ 7,868	\$ 5,742	\$ 15,497	\$ 8,684
Cost of revenues	3,832	2,809	7,503	4,526
Gross profit	<u>4,036</u>	<u>2,933</u>	<u>7,994</u>	<u>4,158</u>
Operating expenses:				
Selling, general and administrative	2,518	1,893	4,706	3,859
Research and development	914	605	1,692	1,193
Total operating expenses	<u>3,432</u>	<u>2,498</u>	<u>6,398</u>	<u>5,052</u>
Income (loss) from operations	604	435	1,596	(894)
Other income and expense, net	15	32	49	62
Income (loss) before income taxes	619	467	1,645	(832)
Income tax expense (benefit)	158	169	2,867	(318)
Net income (loss)	<u>\$ 461</u>	<u>\$ 298</u>	<u>\$ (1,222)</u>	<u>\$ (514)</u>
Net income (loss) per common share - basic and diluted	\$ 0.01	\$ 0.01	\$ (0.04)	\$ (0.02)
Weighted average common shares outstanding:				
Basic	<u>32,275,647</u>	<u>31,800,103</u>	<u>32,212,286</u>	<u>31,800,103</u>
Diluted	<u>33,299,206</u>	<u>31,863,902</u>	<u>32,212,286</u>	<u>31,800,103</u>