

**Oppenheimer
Non-Deal Road Show**

INVESTOR PRESENTATION

OCTOBER 2018



Disclosures



Forward-looking Statements

Except for historical information contained herein, the matters discussed are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. You should not place undue reliance on these statements. We base these statements on particular assumptions that we have made in light of our industry experience, the stage of product and market development as well as our perception of historical trends, current market conditions, current economic data, expected future developments and other factors that we believe are appropriate under the circumstances. These statements involve risks and uncertainties that could cause actual results to differ materially from those suggested in the forward-looking statements.

These risks and uncertainties are identified and discussed in our filings with the Securities and Exchange Commission. These forward-looking statements are based on information and management's expectations as of the date hereof.

Future results may differ materially from our current expectations.

For more information regarding other potential risks and uncertainties, see the "Risk Factors" section of the Company's Form 10-K for the fiscal year ended September 30, 2017. LRAD Corporation disclaims any intent or obligation to update those forward-looking statements, except as otherwise specifically stated.

Non-GAAP operational metrics

We include in this presentation Non-GAAP operational metrics of bookings and backlog, which we believe provide helpful information to investors with respect to evaluating the Company's performance. We consider bookings and backlog as leading indicators of future revenues and use these metrics to support production planning. Bookings is an internal, operational metric that measures the total dollar value of customer purchase orders executed in a period, regardless of the timing of the related revenue recognition. Backlog is a measure of purchase orders received that have not been shipped, but are planned to ship within the next 12 months.

Company Overview

- ▶ **A Global Leader in Voice Broadcast Systems, Advanced Mass Notification and Distributed Recipient Solutions**

Financials

Name – LRAD Corporation

Ticker – LRAD (NASDAQ)

Headquarters – San Diego, California

Share Price – \$3.05 (October 17, 2018)

Market Capitalization – \$99.6 million
(October 17, 2018)

The LRAD Advantage

LRAD adds new dimensions to loudspeaker technology

- Controlled Sound Dispersion: 30° to 360°
- Industry Leading Voice Clarity and Intelligibility
- Directional Transmission Ranges up to 5.5 Km.
- Multidirectional Mass Notification Transmission Ranges up to 14 Sq. Km.

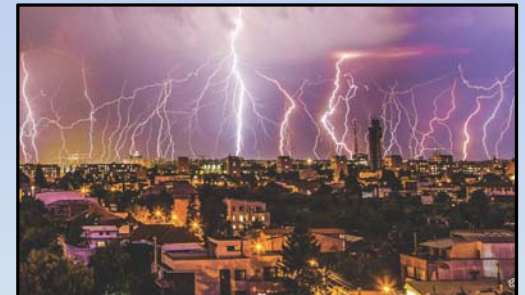
LRAD systems are in use in 72 countries and 375 U.S. cities, counties, and states

Effective Mass Notification Saves Lives



**“Early warning is a major element of disaster risk reduction.
It prevents loss of life and reduces the economic and material impact of disaster.”**

— United Nations, International Strategy for Disaster Reduction



**“Warning and information are just as important as food and water before,
during and after the occurrence of an emergency situation.”**

— Red Cross, World Disaster Report

LRAD Mass Notification Systems

- LRAD ONE VOICE systems broadcast warning sirens *and* voice messages with unprecedented clarity and uniform 60° - 360° coverage up to 14 sq. km. over towns, metro areas, campuses, bases and ports
- Industry leading voice intelligibility
- Stream live or prerecorded voice messages
- Remotely monitor speaker health and status
- LRAD MNS systems have the highest STI in the mass notification industry at 0.95



LRAD 360XT

- Mobile Mass Notification System — fully self-powered and self-contained
- Does not rely on external power or infrastructure



**LRAD 360XL
4 EMITTER STACK**



LRAD DS-60



**LRAD
360XL-MID**

■ Genasys – Distributed Recipient Software Solutions

Genasys is a leading location-based mass messaging software solutions provider, located in Madrid, Spain. Experienced development team with more than 200 man years of software development and strong, international technical sales, service and support.



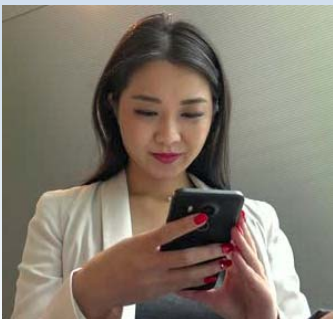
CURRENT PRODUCT OFFERINGS



news — SMS-based solution for sending public safety warnings and notifications to individual cell phones of affected populations based on geolocation analysis.



haz — a workforce management application and solution for remotely monitoring employees, planning tasks, and managing workplace incidents.



Genasys triples LRAD's addressable market in MNS



Country-wide installation In Australia —
Delivered more than 100 million messages



LRAD Acoustic Hailing Devices



- 30° focused intelligible voice and tone broadcasts
- Industry-leading clear voice output to 5,500 meters
- Prevents misunderstandings, determines intent, creates large standoff zones, resolves uncertain situations, saves lives



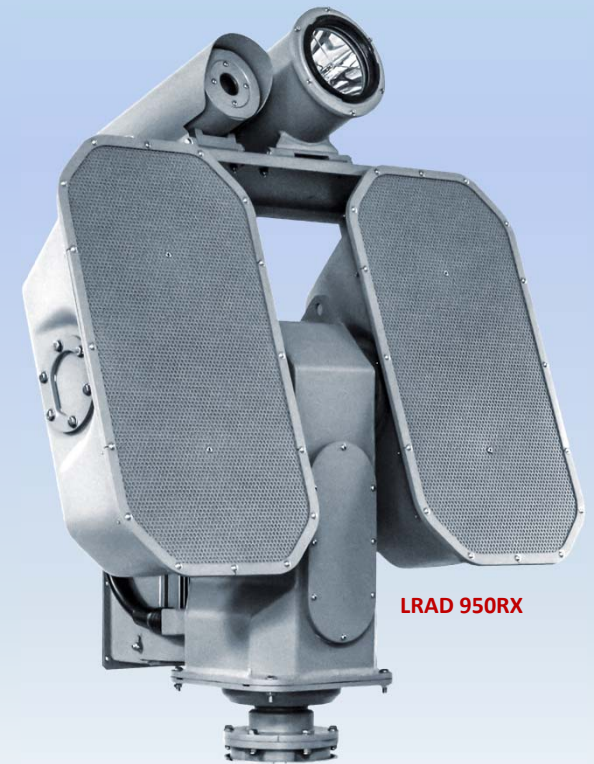
LRAD 500X-RE



LRAD 450XL



LRAD 100X



LRAD 950RX

Domestic & International Markets



MASS NOTIFICATION



GENASYS



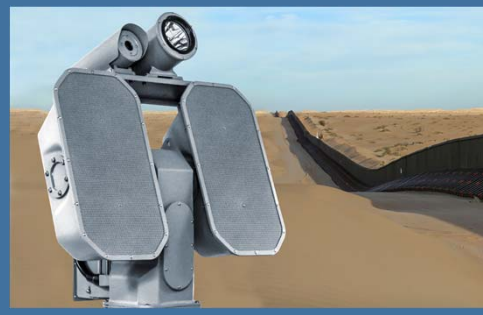
LAW ENFORCEMENT & PUBLIC SAFETY



DEFENSE



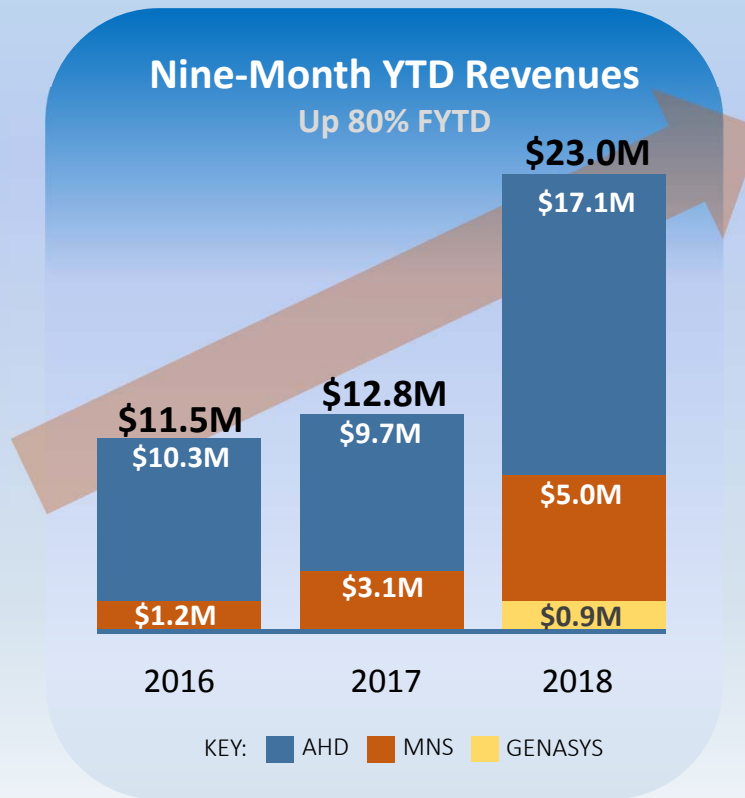
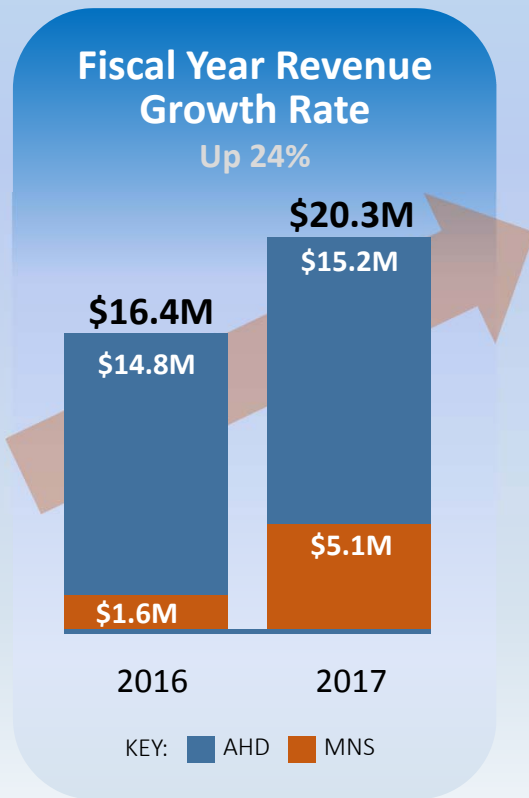
HOMELAND, BORDER & INFRASTRUCTURE SECURITY



WILDLIFE / ASSET PROTECTION

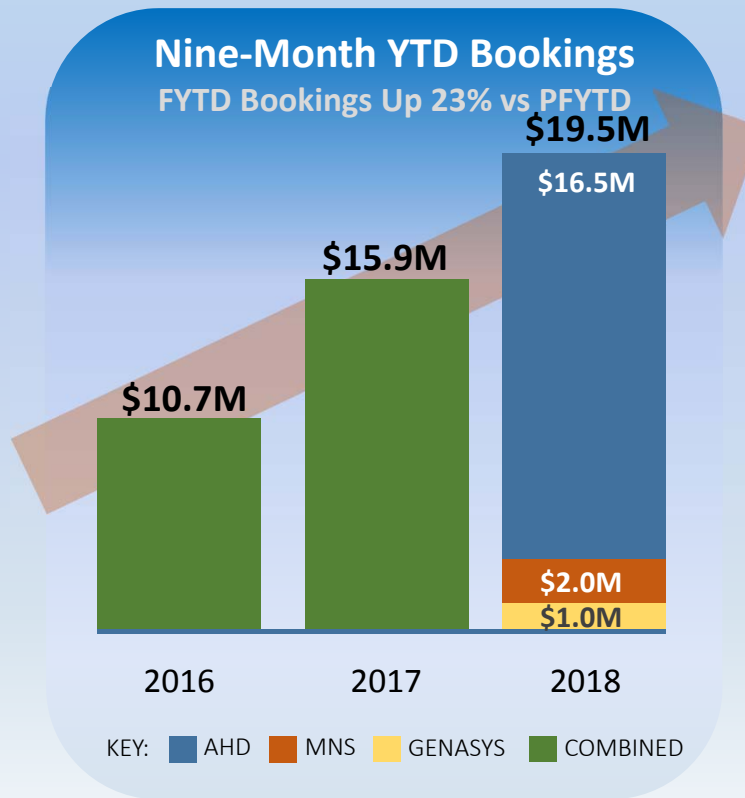
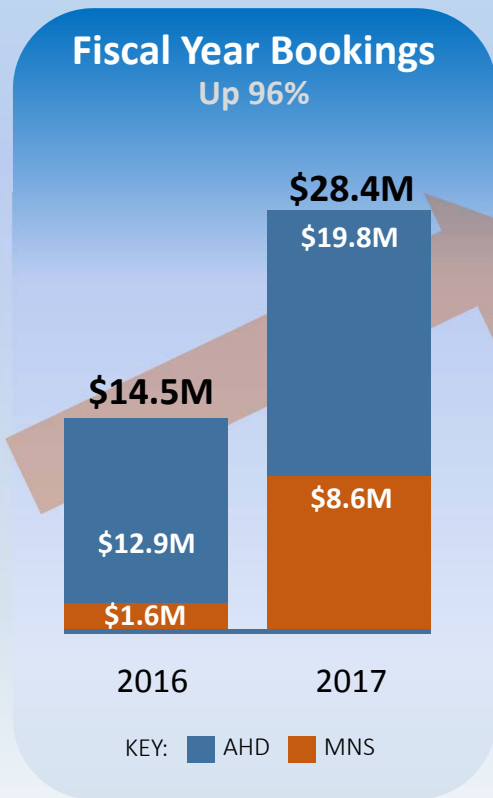


Revenues



- Reported four consecutive quarters exceeding \$7.5 million of revenue
- Income from operations:
 - FYTD '18: \$1.4 million
 - FYTD '17: (\$1.9 million)
- On \$10.2mm of additional revenue FYTD Op Inc. improved \$3.3mm
- Net Income/(Loss):
 - FYTD '18: (\$1.3 million)
 - FYTD '17: (\$1.0 million)
- Fiscal '18 loss includes a \$2.5 million non-cash income tax expense related to a reduction of the Company's deferred tax asset recorded in the first quarter of 2018 resulting from the change to the U.S. Corporate income tax rates

Bookings



- Third quarter 2018 bookings totaled \$7.0 million
- Backlog at June 30, 2018 totaled \$9.3 million
- Fiscal Year U.S. Army Bookings:
 - FY16 - \$1.0 million
 - FY17 - \$6.0 million
 - FY18 – \$11.0 million
 - FY19 – Anticipating Purchase Order larger than FY18 Order by FY19 end
- Additional U.S. and International military and law enforcement orders anticipated by fiscal year end

Balance Sheet

BALANCE SHEET HIGHLIGHTS 6/30/18

Cash & Cash Equivalents	\$12.0
Short-Term Mktbl. Sec.	\$3.7
Long-Term Mktbl. Sec.	\$1.3
Net Debt <small>(net of restricted cash)</small>	\$0.3
Working Capital	\$23.1

(in millions)

Genasys Acquisition

- Internal cash, equivalents and cash flow used to fund the purchase of Genasys. Purchase price included:
 - €1.9 million purchase price
 - €1.2 million debt assumption

Cash Flow

- Fiscal year nine-month cash provided by operating activities totaled \$2.2 million

Share Repurchase Program

- Purchased 211,326 shares during fiscal third quarter of 2018 for \$500,272, or \$2.37 per share
- \$3.4 million remaining under the repurchase program, which expires December 31, 2018

Ownership – Price - Volume



Ownership as of 6/30/18¹

52-Week Stock Chart (courtesy bigcharts.com)

SHARES OF COMMON STOCK OUTSTANDING 32,651,763 (at 6/30/18)

COMPANY	SHARES OWNED (MILLIONS)	OWNERSHIP
AWM Investment Co. - Special Situations Fund	5.0	15.2%
Wellington Management	3.9	11.8%
Manatuck Capital Management	2.9	8.8%
Iroquois Capital Mgt. ²	2.1	6.3%
Blackrock Institutional Trust	1.2	3.8%
Vanguard Group	1.0	3.0%



- Average Daily Trading Volume (3-months) – 97,800
- Short Interest (9/28/18) – 30,984
- 52-Week Range - \$1.86 - \$3.58
- Institutional interest exceeds 50%

1. OWNERSHIP FIGURES TAKEN FROM 6/30/18 FILINGS, EXCEPT WHERE MENTIONED
2. PER FORM 13D/A AS OF 06/18

Conclusion – Investment Highlights



Large Market Opportunities

- **International** – Increasing levels of global security needs driving LRAD product demand
- **Domestic** – Improving outlook for Law Enforcement, Border Security and Defense funding
- **U.S. Military** – FY 18 Army Order \$11.0mm – Larger FY19 order expected with additional orders anticipated beyond to fulfill program requirements of up to 3,500 units
- **Mass Notification** – Substantial opportunities to replace "siren only" systems with LRAD ONE VOICE systems. Growing demand for new installations from critical infrastructure and industrial facilities

Value

- **Global Brand Recognition** – LRAD is the de facto standard for Acoustic Hailing Devices
- **NOL of \$47.0mm**

Technology

- **World Leader in Acoustic Hailing Devices**
- **Advanced Mass Notification Systems**

Award Winning Products

Government Security News and American Security Today awarded LRAD products Best Acoustic Hailing Device and Best Mass Notification System

Other Highlights

- **Bookings** – Nine-Month fiscal 2018 bookings of \$19.5mm, up 23% versus same period last year
- **Backlog** – \$9.3mm at 6/30/18
- **FY18 Acquisition** of location-based, mobile mass message provider Genasys S.L. triples addressable market in Mass Notification

