

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

	September 30,	
	(unaudited) 2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,063	\$ 12,764
Short-term marketable securities	3,592	4,360
Restricted cash	404	-
Accounts receivable, net	2,786	5,682
Inventories, net	6,734	5,257
Prepaid expenses and other	3,091	983
Total current assets	27,670	29,046
Long-term marketable securities	1,201	711
Long-term restricted cash	340	40
Deferred tax assets, net	5,957	8,331
Property and equipment, net	2,449	510
Goodwill	2,446	-
Intangible assets, net	1,557	56
Prepaid expenses and other - noncurrent	241	164
Total assets	\$ 41,861	\$ 38,858
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,083	\$ 1,112
Accrued liabilities	3,200	2,562
Notes payable, current portion	297	-
Total current liabilities	6,580	3,674
Notes payable, less current portion	53	-
Other liabilities, noncurrent	1,739	-
Total liabilities	8,372	3,674
Total stockholders' equity	33,489	35,184
Total liabilities and stockholders' equity	\$ 41,861	\$ 38,858

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

	Three months ended September 30,		Years ended September 30,	
	2018	2017	2018	2017
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
Revenues	\$ 3,296	\$ 7,501	\$ 26,307	\$ 20,314
Cost of revenues	<u>2,248</u>	<u>3,090</u>	<u>13,567</u>	<u>10,036</u>
Gross profit	<u>1,048</u>	<u>4,411</u>	<u>12,740</u>	<u>10,278</u>
Operating expenses:				
Selling, general and administrative	3,082	2,687	10,693	8,586
Research and development	<u>859</u>	<u>641</u>	<u>3,523</u>	<u>2,500</u>
Total operating expenses	<u>3,941</u>	<u>3,328</u>	<u>14,216</u>	<u>11,086</u>
(Loss) income from operations	(2,893)	1,083	(1,476)	(808)
Other income and expense, net	<u>33</u>	<u>34</u>	<u>107</u>	<u>129</u>
(Loss) income before income taxes	(2,860)	1,117	(1,369)	(679)
Income tax (benefit) expense	<u>(418)</u>	<u>951</u>	<u>2,376</u>	<u>198</u>
Net (loss) income	<u>\$ (2,442)</u>	<u>\$ 166</u>	<u>\$ (3,745)</u>	<u>\$ (877)</u>
Net (loss) income per common share - basic and diluted	\$ (0.07)	\$ 0.01	\$ (0.12)	\$ (0.03)
Weighted average common shares outstanding:				
Basic and diluted	<u>33,020,947</u>	<u>31,955,209</u>	<u>32,492,645</u>	<u>31,855,430</u>