

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

	December 31, 2018 (unaudited)	September 30, 2018
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,416	\$ 11,063
Short-term marketable securities	3,784	3,592
Restricted cash	398	404
Accounts receivable, net	8,699	2,786
Inventories, net	8,708	6,734
Prepaid expenses and other	954	3,091
Total current assets	<u>26,959</u>	<u>27,670</u>
Long-term marketable securities	900	1,201
Long-term restricted cash	340	340
Deferred tax assets, net	5,674	5,957
Property and equipment, net	2,363	2,449
Goodwill	2,412	2,446
Intangible assets, net	1,460	1,557
Prepaid expenses and other - noncurrent	241	241
Total assets	<u><u>\$ 40,349</u></u>	<u><u>\$ 41,861</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,013	\$ 3,083
Accrued liabilities	2,080	3,200
Notes payable, current portion	292	297
Total current liabilities	<u>5,385</u>	<u>6,580</u>
Notes payable, less current portion	52	53
Other liabilities, noncurrent	1,916	1,739
Total liabilities	<u>7,353</u>	<u>8,372</u>
 Total stockholders' equity	 <u>32,996</u>	 <u>33,489</u>
Total liabilities and stockholders' equity	<u><u>\$ 40,349</u></u>	<u><u>\$ 41,861</u></u>

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

	Three months ended	
	December 31,	
	2018	2017
Revenues	\$ 10,177	\$ 7,628
Cost of revenues	<u>5,088</u>	<u>3,671</u>
Gross profit	<u>5,089</u>	<u>3,957</u>
Operating expenses:		
Selling, general and administrative	2,751	2,188
Research and development	<u>1,048</u>	<u>778</u>
Total operating expenses	<u>3,799</u>	<u>2,966</u>
Income from operations	1,290	991
Other income	<u>39</u>	<u>35</u>
Income before income taxes	1,329	1,026
Income tax expense	<u>283</u>	<u>2,709</u>
Net Income (loss)	<u>\$ 1,046</u>	<u>\$ (1,683)</u>
Net income (loss) per common share - basic and diluted	\$ 0.03	\$ (0.05)
Weighted average common shares outstanding:		
Basic	<u>32,896,021</u>	<u>32,236,039</u>
Diluted	<u>33,570,866</u>	<u>32,236,039</u>