

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

	<b>March 31, 2019 (unaudited)</b>	<b>September 30, 2018</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 7,723	\$ 11,063
Short-term marketable securities	3,109	3,592
Restricted cash	390	404
Accounts receivable, net	6,757	2,786
Inventories, net	8,306	6,734
Prepaid expenses and other	688	3,091
<b>Total current assets</b>	<b>26,973</b>	<b>27,670</b>
<b>Long-term marketable securities</b>	<b>1,695</b>	<b>1,201</b>
<b>Long-term restricted cash</b>	<b>340</b>	<b>340</b>
<b>Deferred tax assets, net</b>	<b>5,400</b>	<b>5,957</b>
<b>Property and equipment, net</b>	<b>2,484</b>	<b>2,449</b>
<b>Goodwill</b>	<b>2,365</b>	<b>2,446</b>
<b>Intangible assets, net</b>	<b>1,356</b>	<b>1,557</b>
<b>Prepaid expenses and other - noncurrent</b>	<b>123</b>	<b>241</b>
<b>Total assets</b>	<b>\$ 40,736</b>	<b>\$ 41,861</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,228	\$ 3,083
Accrued liabilities	3,334	3,200
Notes payable, current portion	286	297
<b>Total current liabilities</b>	<b>4,848</b>	<b>6,580</b>
Notes payable, less current portion	34	53
Other liabilities, noncurrent	2,083	1,739
<b>Total liabilities</b>	<b>6,965</b>	<b>8,372</b>
<b>Total stockholders' equity</b>	<b>33,771</b>	<b>33,489</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 40,736</b>	<b>\$ 41,861</b>

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

	Three months ended March 31,		Six months ended March 31,	
	2019	2018	2019	2018
<b>Revenues</b>	\$ 10,192	\$ 7,868	\$ 20,369	\$ 15,497
<b>Cost of revenues</b>	5,001	3,832	10,089	7,503
<b>Gross profit</b>	5,191	4,036	10,280	7,994
<b>Operating expenses:</b>				
Selling, general and administrative	2,475	2,518	5,227	4,706
Research and development	1,280	914	2,328	1,692
Total operating expenses	3,755	3,432	7,555	6,398
Income from operations	1,436	604	2,725	1,596
Other income and expense, net	17	15	57	49
Income before income taxes	1,453	619	2,782	1,645
Income tax expense	274	158	557	2,867
<b>Net income (loss)</b>	<b>\$ 1,179</b>	<b>\$ 461</b>	<b>\$ 2,225</b>	<b>\$ (1,222)</b>
<b>Net income (loss) per common share - basic and diluted</b>	<b>\$ 0.04</b>	<b>\$ 0.01</b>	<b>\$ 0.07</b>	<b>\$ (0.04)</b>
<b>Weighted average common shares outstanding:</b>				
<b>Basic</b>	32,584,952	32,275,647	32,738,871	32,212,286
<b>Diluted</b>	33,077,255	33,299,206	33,272,164	32,212,286