

Wrap Technologies, Inc.
Consolidated Balance Sheets
(unaudited - dollars in thousands)

	September 30,	December 31,
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,934	\$5,330
Short-term investments	10,000	13,949
Accounts receivable and contract assets	4,425	2,830
Inventories, net	5,816	3,975
Prepaid expenses and other current assets	658	775
Total current assets	25,833	26,859
Property and equipment, net	533	758
Operating lease right-of-use asset, net	205	285
Intangible assets, net	3,319	2,569
Goodwill, net	1,611	-
Other assets	166	100
Total assets	\$31,667	\$30,571
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,546	\$1,419
Accounts liabilities	1,128	1,463
Customer deposits	2	-
Deferred revenue	189	166
Operating lease liability - short term	116	108
Total current liabilities	2,981	3,156
Long-term liabilities	8,115	360
Total liabilities	11,096	3,516
Stockholders' equity	20,571	27,055
Total liabilities and stockholders' equity	\$31,667	\$30,571

Wrap Technologies, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited - dollars in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues:				
Product sales	\$3,248	\$1,612	\$4,897	\$4,042
Other revenue	383	89	647	422
Total revenues	3,631	1,701	5,544	4,464
Cost of revenues	1,454	790	2,347	2,430
Gross profit (loss)	2,177	911	3,197	2,034
Operating expenses (i):				
Selling, general and administrative	4,317	3,586	12,604	11,952
Research and development	610	1,236	2,683	4,210
Total operating expenses	4,927	4,822	15,287	16,162
Loss from operations	(2,750)	(3,911)	(12,090)	(14,128)
Other income (expense)	(33)	46	271	46
Net loss	(\$2,783)	(\$3,865)	(\$11,819)	(\$14,082)
Net loss per basic and diluted common share	(\$0.07)	(\$0.09)	(\$0.28)	(\$0.25)
Weighted average common shares used to compute net loss per basic and diluted common share	42,652,481	41,086,285	41,914,512	40,955,234
Comprehensive loss:				
Net loss	(\$2,783)	(\$3,865)	(\$11,819)	(\$14,082)
Net unrealized gain (loss) on short-term investments	-	73	-	62
Comprehensive loss	(\$2,783)	(\$3,792)	(\$11,819)	(\$14,020)

(i) includes stock-based compensation expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Selling, general and administrative	(\$149)	\$700	\$1,404	\$2,180
Research and development	(53)	172	244	448
Total share-based compensation expense	(\$202)	\$872	\$1,648	\$2,628