

**IRIDEX**

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IRIDEX Corporation
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
Total revenues	\$ 11,467	\$ 10,243	\$ 42,600	\$ 41,593
Cost of revenues	6,762	8,073	25,129	26,090
Gross profit	<u>4,705</u>	<u>2,170</u>	<u>17,471</u>	<u>15,503</u>
Operating expenses:				
Research and development	852	1,180	4,006	5,208
Sales and marketing	4,420	4,195	16,782	14,541
General and administrative	2,342	1,978	9,551	8,782
Gain on sale of intellectual property	-	-	-	(175)
Impairment of long-lived assets	-	35	-	35
Total operating expenses	<u>7,614</u>	<u>7,388</u>	<u>30,339</u>	<u>28,391</u>
Loss from operations	(2,909)	(5,218)	(12,868)	(12,888)
Other income (expense), net	76	(88)	92	(107)
Loss from operations before provision for (benefit from) income taxes	(2,833)	(5,306)	(12,776)	(12,995)
Provision for (benefit from) income taxes	23	(151)	37	(128)
Net loss	<u>\$ (2,856)</u>	<u>\$ (5,155)</u>	<u>\$ (12,813)</u>	<u>\$ (12,867)</u>
Net loss per share:				
Basic	<u>\$ (0.21)</u>	<u>\$ (0.44)</u>	<u>\$ (1.05)</u>	<u>\$ (1.11)</u>
Diluted	<u>\$ (0.21)</u>	<u>\$ (0.44)</u>	<u>\$ (1.05)</u>	<u>\$ (1.11)</u>
Weighted average shares used in computing net loss per share				
Basic	<u>13,599</u>	<u>11,586</u>	<u>12,199</u>	<u>11,555</u>
Diluted	<u>13,599</u>	<u>11,586</u>	<u>12,199</u>	<u>11,555</u>

IRIDEX Corporation
Condensed Consolidated Balance Sheets
 (In thousands and unaudited)

	December 29, <u>2018</u>	December 30, <u>2017</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 21,194	\$ 21,707
Accounts receivable, net	9,083	7,863
Inventories	8,794	9,381
Prepaid expenses and other current assets	547	500
Total current assets	39,618	39,451
Property and equipment, net	1,220	1,403
Intangible assets, net	100	116
Goodwill	533	533
Other long-term assets	201	143
Total assets	\$ 41,672	\$ 41,646
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 2,516	\$ 1,724
Accrued compensation	2,962	2,459
Accrued expenses	2,763	2,153
Accrued warranty	622	1,536
Deferred revenue	2,225	2,520
Total current liabilities	11,088	10,392
Long-term liabilities:		
Accrued warranty	238	199
Other long-term liabilities	385	533
Total liabilities	11,711	11,124
Stockholders' equity:		
Common stock	145	126
Additional paid-in capital	71,548	59,385
Accumulated other comprehensive income	70	-
Accumulated deficit	(41,802)	(28,989)
Total stockholders' equity	29,961	30,522
Total liabilities and stockholders' equity	\$ 41,672	\$ 41,646