



WIRELESS RONIN TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2007
	(unaudited)	(audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,293,681	\$ 14,542,280
Marketable securities — available-for-sale	8,300,961	14,657,635
Accounts receivable, net of allowance of \$91,758 and \$84,685	1,822,627	4,135,402
Income tax receivable	12,275	231,328
Inventories	461,568	539,140
Prepaid expenses and other current assets	265,854	817,511
Total current assets	16,156,966	34,923,296
Property and equipment, net	1,917,832	1,780,390
Intangible assets, net	-	3,174,804
Restricted cash	450,000	450,000
Other assets	34,901	40,217
TOTAL ASSETS	\$ 18,559,699	\$ 40,368,707
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of capital lease obligations	\$ 70,960	\$ 100,023
Accounts payable	1,068,090	1,387,327
Deferred revenue	180,621	1,252,485
Accrued purchase price consideration	-	999,974
Accrued liabilities	1,067,260	869,759
Total current liabilities	2,386,931	4,609,568
Capital lease obligations, less current maturities	-	70,960
TOTAL LIABILITIES	2,386,931	4,680,528
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Capital stock, \$0.01 par value, 66,666,666 shares authorized		
Preferred stock, 16,666,666 shares authorized, no shares issued and outstanding	-	-
Common stock, 50,000,000 shares authorized; 14,849,860 and 14,537,705 shares issued and outstanding at December 31, 2008 and December 31, 2007, respectively	148,499	145,377
Additional paid-in capital	80,649,804	78,742,311
Accumulated deficit	(64,212,458)	(43,520,098)
Accumulated other comprehensive income (loss)	(413,077)	320,589
Total shareholders' equity	16,172,768	35,688,179
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 18,559,699	\$ 40,368,707



WIRELESS RONIN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	(unaudited)	(audited)	(unaudited)	(audited)
Sales				
Hardware	\$ 481,390	\$ 348,262	\$ 2,478,936	\$ 3,298,078
Software	141,871	125,905	876,529	597,923
Services and other	1,278,872	1,135,514	4,025,937	2,088,912
Total sales	<u>1,902,133</u>	<u>1,609,681</u>	<u>7,381,402</u>	<u>5,984,913</u>
Cost of sales				
Hardware	441,184	287,026	2,192,837	2,286,695
Software	29,246	-	247,075	1,007
Services and other	1,137,777	846,271	4,084,689	1,531,647
Inventory lower of cost or market adjustment	64,688	73,018	64,688	73,018
Total cost of sales (exclusive of depreciation and amortization shown separately below)	<u>1,672,895</u>	<u>1,206,315</u>	<u>6,589,289</u>	<u>3,892,367</u>
Gross profit	229,238	403,366	792,113	2,092,546
Operating expenses:				
Sales and marketing expenses	741,861	812,331	3,998,744	2,805,522
Research and development expenses	704,526	370,677	2,541,267	1,197,911
General and administrative expenses	2,340,308	2,827,761	11,257,801	8,048,583
Depreciation and amortization expense	342,180	385,940	1,225,827	651,557
Impairment of network equipment held for sale	1,766,072	-	1,766,072	-
Impairment of intangible assets	1,264,870	-	1,264,870	-
Termination of partnership agreement	50,000	50,000	50,000	703,995
Total operating expenses	<u>7,209,817</u>	<u>4,446,709</u>	<u>22,104,581</u>	<u>13,407,568</u>
Operating loss	(6,980,579)	(4,043,343)	(21,312,468)	(11,315,022)
Other income (expenses):				
Interest expense	(3,592)	(7,974)	(22,484)	(40,247)
Interest income	83,851	377,732	647,066	1,277,456
Other	(73)	-	(4,475)	(8,572)
Total other income	<u>80,186</u>	<u>369,758</u>	<u>620,107</u>	<u>1,228,637</u>
Net loss	<u>\$ (6,900,393)</u>	<u>\$ (3,673,585)</u>	<u>\$ (20,692,361)</u>	<u>\$ (10,086,385)</u>
Basic and diluted loss per common share	<u>\$ (0.47)</u>	<u>\$ (0.25)</u>	<u>\$ (1.41)</u>	<u>\$ (0.82)</u>
Basic and diluted weighted average shares outstanding	<u>14,768,468</u>	<u>14,534,335</u>	<u>14,664,144</u>	<u>12,314,178</u>



WIRELESS RONIN TECHNOLOGIES, INC. 2008 SUPPLEMENTARY QUARTERLY FINANCIAL DATA

(Unaudited)

Supplementary Data

Statement of Operations	2007					2008				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Sales	\$ 196,436	\$ 3,054,863	\$ 1,123,933	\$ 1,609,681	\$ 5,984,913	\$ 1,933,514	\$ 1,596,223	\$ 1,949,532	\$ 1,902,133	\$ 7,381,402
Cost of sales	103,263	1,873,024	709,765	1,206,315	3,892,367	1,534,796	1,534,341	1,847,257	1,672,895	6,589,289
Operating expenses	3,284,664	2,430,602	3,245,593	4,446,709	13,407,568	4,860,861	5,179,815	4,854,088	7,209,817	22,104,581
Interest expense	10,881	9,634	11,758	7,974	40,247	7,197	6,560	5,135	3,592	22,484
Other	(151,807)	(278,686)	(460,659)	(377,732)	(1,268,884)	(272,084)	(165,057)	(121,672)	(83,778)	(642,591)
Net loss	\$ (3,050,565)	\$ (979,711)	\$ (2,382,524)	\$ (3,673,587)	\$ (10,086,387)	\$ (4,197,256)	\$ (4,959,436)	\$ (4,635,276)	\$ (6,900,393)	\$ (20,692,361)
FAS 123R (included in operating expenses)	596,020	136,339	148,544	286,268	1,167,171	395,219	305,911	200,869	410,957	1,312,956
Weighted average shares	9,832,288	10,446,571	14,369,262	14,534,335	12,314,178	14,544,181	14,577,825	14,764,345	14,768,468	14,664,144

Reconciliation Between GAAP and Adjusted Operating Loss

GAAP operating loss	\$ (3,191,491)	\$ (1,248,763)	\$ (2,831,425)	\$ (4,043,343)	\$ (11,315,022)	\$ (4,462,143)	\$ (5,117,933)	\$ (4,751,813)	\$ (6,980,579)	\$ (21,312,468)
Adjustments:										
Depreciation and amortization	66,366	74,407	124,844	385,940	651,557	250,946	336,715	295,986	342,180	1,225,827
Old building remaining lease obligation write-off	-	-	191,207	-	191,207	-	-	-	55,650	55,650
Termination partnership agreement	653,995	-	-	50,000	703,995	-	-	-	50,000	50,000
Stock-based compensation expense	596,020	136,339	148,544	286,268	1,167,171	395,219	305,911	200,869	410,957	1,312,956
Impairment of network equipment held for sale	-	-	-	-	-	-	-	-	1,766,072	1,766,072
Impairment of intangible assets	-	-	-	-	-	-	-	-	1,264,870	1,264,870
Severance	-	-	-	-	-	120,000	353,000	286,000	274,000	1,033,000
Total operating expense adjustment	1,316,381	210,746	464,595	722,208	2,713,930	766,165	995,626	782,855	4,163,729	6,708,375
Adjusted operating loss	\$ (1,875,110)	\$ (1,038,017)	\$ (2,366,830)	\$ (3,321,135)	\$ (8,601,092)	\$ (3,695,978)	\$ (4,122,307)	\$ (3,968,958)	\$ (2,816,850)	\$ (14,604,093)
Adjusted operating loss per common share	\$ (0.19)	\$ (0.10)	\$ (0.16)	\$ (0.23)	\$ (0.70)	\$ (0.25)	\$ (0.28)	\$ (0.27)	\$ (0.19)	\$ (1.00)

Reconciliation Between GAAP and Adjusted Gross Profit Margin

GAAP sales	\$ 196,436	\$ 3,054,863	\$ 1,123,933	\$ 1,609,681	\$ 5,984,913	\$ 1,933,514	\$ 1,596,223	\$ 1,949,532	\$ 1,902,133	\$ 7,381,402
Deferred customer revenue	-	-	89,775	808,291	898,066	-	79,730	-	-	79,730
Network operations center	-	-	(6,510)	(11,630)	(18,140)	(95,664)	(39,036)	(99,019)	(100,435)	(334,154)
Adjusted sales	196,436	3,054,863	1,207,198	2,406,342	6,864,839	1,837,850	1,636,917	1,850,513	1,801,698	7,126,978
GAAP cost of sales	103,263	1,873,024	709,765	1,206,315	3,892,367	1,534,796	1,534,341	1,847,257	1,672,895	6,589,289
Deferred customer costs	-	-	-	476,679	476,679	47,826	50,538	-	-	98,364
Inventory adjustment	-	-	-	(73,018)	(73,018)	-	-	-	(64,688)	(64,688)
Network operations center	-	(33,375)	(74,127)	(98,806)	(206,308)	(190,955)	(281,100)	(317,807)	(257,172)	(1,047,034)
Adjusted cost of sales	103,263	1,839,649	635,638	1,511,170	4,089,720	1,391,667	1,303,779	1,529,450	1,351,035	5,575,931
Adjusted gross profit	\$ 93,173	\$ 1,215,214	\$ 571,560	\$ 895,172	\$ 2,775,119	\$ 446,183	\$ 333,138	\$ 321,063	\$ 450,663	\$ 1,551,047
GAAP gross profit margin	47.4%	38.7%	36.8%	25.1%	35.0%	20.6%	3.9%	5.2%	12.1%	10.7%
Adjusted gross profit margin	47.4%	39.8%	47.3%	37.2%	40.4%	24.3%	20.4%	17.3%	25.0%	21.8%