Impinj, Inc.
Supplemental Information
March 31, 2024

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IMPINJ, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value, unaudited)

	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Assets:					
Current assets:					
Cash and cash equivalents	$ 37,483	$ 45,244	$ 78,100	$ 94,793	$ 166,852
Short-term investments	117,061	63,656	35,129	18,440	7,292
Accounts receivable, net	60,966	58,945	48,482	54,919	59,384
Inventory	85,809	112,323	106,806	97,172	87,757
Prepaid expenses and other current assets	3,835	3,455	4,446	4,372	3,120
Total current assets	305,154	283,623	272,963	269,696	324,405
Long-term investments	10,177	5,995	—	—	—
Property and equipment, net	41,800	45,077	44,923	44,891	47,451
Intangible assets, net	—	16,587	14,727	13,913	12,207
Operating lease right-of-use assets	9,795	11,004	10,326	9,735	9,107
Other non-current assets	1,844	1,744	1,613	1,478	1,370
Goodwill	3,881	19,516	19,049	19,696	19,343
Total assets	$ 372,651	$ 383,546	$ 363,601	$ 359,409	$ 413,883
Liabilities and stockholders' equity:					
Current liabilities:					
Accounts payable	$ 36,713	$ 27,627	$ 11,017	$ 8,661	$ 9,416
Accrued compensation and employee related benefits	7,042	7,746	7,702	8,519	8,207
Accrued and other current liabilities	7,381	9,681	9,306	8,614	11,694
Current portion of operating lease liabilities	2,966	3,301	3,308	3,373	3,454
Current portion of deferred revenue	502	2,523	2,425	1,713	1,672
Total current liabilities	54,604	50,878	33,758	30,880	34,443
Long-term debt	280,644	281,046	281,449	281,855	282,262
Operating lease liabilities, net of current portion	10,331	11,071	10,205	9,360	8,444
Deferred tax liabilities, net	134	3,415	3,062	2,911	2,574
Deferred revenue, net of current portion	317	341	327	272	237
Total liabilities	346,030	346,751	328,801	325,278	327,960
Stockholders' equity:					
Preferred stock, $0.001 par value	—	—	—	—	—
Common stock, $0.001 par value	27	27	27	27	28
Additional paid in capital	418,342	436,302	450,746	463,900	482,972
Accumulated other comprehensive income	(605)	(325)	(1,002)	355	(270)
Accumulated deficit	(391,143)	(399,209)	(414,971)	(430,151)	(396,807)
Total stockholders' equity	26,621	36,795	34,800	34,131	85,923
Total liabilities and stockholders' equity	$ 372,651	$ 383,546	$ 363,601	$ 359,409	$ 413,883

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)
(in thousands, except per share data, unaudited)

	2023					2024
	Q1	Q2	Q3	Q4	FY 12/31	Q1
Revenue	$ 85,897	$ 85,986	$ 65,005	$ 70,651	$ 307,539	$ 76,825
Cost of revenue	42,367	42,172	34,237	36,781	155,557	39,277
Gross profit	43,530	43,814	30,768	33,870	151,982	37,548
Gross margin	*50.7%*	*51.0%*	*47.3%*	*47.9%*	*49.4%*	*48.9%*
Operating expenses:						
Research and development	22,435	23,403	21,588	21,136	88,562	22,519
Sales and marketing	9,973	10,632	10,073	10,445	41,123	10,176
General and administrative	15,564	16,002	13,532	15,730	60,828	13,365
Amortization of intangibles	—	2,146	1,409	1,398	4,953	1,409
Restructuring costs	—	—	—	—	—	1,812
Total operating expenses	47,972	52,183	46,602	48,709	195,466	49,281
Loss from operations	(4,442)	(8,369)	(15,834)	(14,839)	(43,484)	(11,733)
Other income, net	1,365	1,165	1,090	1,024	4,644	1,292
Income from settlement of litigation	—	—	—	—	—	45,000
Interest expense	(1,209)	(1,211)	(1,213)	(1,215)	(4,848)	(1,216)
Income (loss) before income taxes	(4,286)	(8,415)	(15,957)	(15,030)	(43,688)	33,343
Income tax benefit (expense)	(72)	349	195	(150)	322	1
Net income (loss)	$ (4,358)	$ (8,066)	$ (15,762)	$ (15,180)	$ (43,366)	$ 33,344
Net income (loss) per share:						
Basic	$ (0.17)	$ (0.30)	$ (0.59)	$ (0.56)	$ (1.62)	$ 1.22
Diluted	$ (0.17)	$ (0.30)	$ (0.59)	$ (0.56)	$ (1.62)	$ 1.10 (1)
Weighted-average shares:						
Basic	26,285	26,713	26,920	27,089	26,752	27,357
Diluted	26,285	26,713	26,920	27,089	26,752	31,425 (1)

(1) Diluted net income per share includes the impact of our convertible debt using the if-converted method, which assumes full share settlement. Interest expense is added back to net income and weighted average shares includes total shares issuable at conversion of 2.6 million.

REVENUE BY TYPE
(in thousands)

	2023					2024
	Q1	Q2	Q3	Q4	FY 12/31	Q1
Revenue:						
Endpoint ICs	$ 67,049	$ 64,905	$ 48,592	$ 53,880	$ 234,426	$ 61,506
Systems(1)	18,848	21,081	16,413	16,771	73,113	15,319
Total revenue	$ 85,897	$ 85,986	$ 65,005	$ 70,651	$ 307,539	$ 76,825

(1) Systems revenue includes sales of reader ICs, readers and gateways, and test and measuremnt solutions.

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	2023					2024
	Q1	**Q2**	**Q3**	**Q4**	**FY 12/31**	**Q1**
Operating activities:						
Net income (loss)	$ (4,358)	$ (8,066)	$ (15,762)	$ (15,180)	$ (43,366)	$ 33,344
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,793	4,273	3,667	3,890	13,623	3,909
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790
Restructuring equity modification expense	—	—	—	—	—	366
Accretion of discount or amortization of premium on investments	(766)	(519)	(315)	(37)	(1,637)	(67)
Amortization of debt issuance costs	400	402	404	405	1,611	407
Deferred tax expense	—	(399)	(263)	(269)	(931)	(278)
Revaluation of acquisition-related contingent consideration liability	—	—	—	1,570	1,570	907
Changes in operating assets and liabilities, net of amounts acquired:						
Accounts receivable	(10,970)	3,215	10,438	(6,396)	(3,713)	(4,503)
Inventory	(39,412)	(25,321)	5,494	9,662	(49,577)	9,400
Prepaid expenses and other assets	1,389	888	(870)	218	1,625	1,355
Deferred revenue	(1,780)	808	(66)	(821)	(1,859)	(52)
Accounts payable	14,650	(8,537)	(16,167)	(2,249)	(12,303)	1,878
Accrued compensation and employee related benefits	(2,006)	127	(25)	785	(1,119)	(292)
Operating lease right-of-use assets	695	636	659	617	2,607	614
Operating lease liabilities	(891)	(770)	(840)	(807)	(3,308)	(820)
Accrued and other liabilities	4,472	(2,429)	(366)	(2,268)	(591)	2,182
Net cash provided by (used in) operating activities	(26,560)	(22,544)	(1,705)	1,427	(49,382)	60,140
Investing activities:						
Proceeds from maturities of investments	34,136	58,288	35,025	16,952	144,401	11,248
Proceeds from sales of investments	13,372	—	—	—	13,372	—
Business acquisitions, net of cash acquired	—	(23,357)	—	—	(23,357)	—
Purchases of intangible assets	—	(250)	—	—	(250)	—
Proceeds from sale of property and equipment	—	—	234	—	234	—
Purchases of property and equipment	(7,582)	(5,616)	(2,770)	(2,624)	(18,592)	(6,202)
Net cash provided by investing activities	39,926	29,065	32,489	14,328	115,808	5,046
Proceeds from exercise of stock options and employee stock purchase plan	4,520	1,233	2,137	846	8,736	6,917
Net cash provided by financing activities	4,520	1,233	2,137	846	8,736	6,917
Effect of exchange rate changes on cash and cash equivalents	—	7	(65)	92	34	(44)
Net increase in cash and cash equivalents	17,886	7,761	32,856	16,693	75,196	72,059
Cash and cash equivalents						
Beginning of period	19,597	37,483	45,244	78,100	19,597	94,793
End of period	$ 37,483	$ 45,244	$ 78,100	$ 94,793	$ 94,793	$ 166,852

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP) [1]
(in thousands, except per share data, unaudited)

	2023					2024
	Q1	Q2	Q3	Q4	FY 12/31	Q1
Revenue	$ 85,897	$ 85,986	$ 65,005	$ 70,651	$ 307,539	$ 76,825
Cost of revenue	40,901	40,154	32,198	34,690	147,943	37,231
Gross profit	44,996	45,832	32,807	35,961	159,596	39,594
Gross margin	*52.4%*	*53.3%*	*50.5%*	*50.9%*	*51.9%*	*51.5%*
Operating expenses:						
Research and development	17,286	16,844	15,499	14,995	64,624	16,507
Sales and marketing	7,725	7,728	7,306	7,694	30,453	7,695
General and administrative	11,368	11,302	9,745	10,319	42,734	8,707
Total operating expenses	36,379	35,874	32,550	33,008	137,811	32,909
Income from operations	8,617	9,958	257	2,953	21,785	6,685
Other income, net	1,365	1,165	1,090	1,024	4,644	1,292
Interest expense	(1,209)	(1,211)	(1,213)	(1,215)	(4,848)	(1,216)
Income before income taxes	8,773	9,912	134	2,762	21,581	6,761
Income tax expense	(890)	(616)	(12)	(260)	(1,778)	(590)
Net income	$ 7,883	$ 9,296	$ 122	$ 2,502	$ 19,803	$ 6,171
Net income per share:						
Basic	$ 0.30	$ 0.35	$ 0.00	$ 0.09	$ 0.74	$ 0.23
Diluted	$ 0.28	$ 0.33	$ 0.00	$ 0.09	$ 0.70	$ 0.21
Weighted-average shares:						
Basic	26,285	26,713	26,920	27,089	26,752	27,357
Diluted	28,553	28,522	28,116	28,344	28,384	28,836

(1) Non-GAAP Financial Measures:
To supplement our condensed consolidated financial statements prepared and presented in accordance with U.S. generally accepted accounting principles, or GAAP, our key non-GAAP performance measures include adjusted EBITDA and non-GAAP net income (loss), as defined below. We use adjusted EBITDA and non-GAAP net income (loss) as key measures to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operating plans. We believe these measures provide useful information for period-to-period comparisons of our business to allow investors and others to understand and evaluate our operating results in the same manner as our management and board of directors. Our presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP, and our non-GAAP measures may be different from similarly termed non-GAAP measures used by other companies.

Adjusted EBITDA
We define adjusted EBITDA as net income (loss) determined in accordance with GAAP, excluding, if applicable for the periods presented, the effects of stock-based compensation; depreciation and amortization; restructuring costs; settlement income and related costs; induced conversion expense; other income, net; interest expense; acquisition related expense and related purchase accounting adjustments; and income tax benefit (expense). During the year ended December 31, 2023, we revised our definition of adjusted EBITDA to exclude acquisition related expenses, related purchase accounting adjustments, and amortization of intangibles in connection with our Voyantic Oy acquisition. During the three months ended March 31, 2024, we further revised our definition of adjusted EBITDA to exclude settlement income. We have excluded these items because we do not believe they reflect our core operations and us excluding them enables more consistent evaluation of our operating performance. The revision to our definition of adjusted EBITDA did not impact adjusted EBITDA for any previously reported periods because there was no impact of a similar nature in such prior periods affecting comparability.

Non-GAAP Net Income
We define non-GAAP net income as net income (loss), excluding, if applicable for the periods presented, the effects of stock-based compensation; depreciation and amortization; restructuring costs; settlement income and related costs; induced conversion expense; acquisition related expense and related purchase accounting adjustments; and the corresponding income tax impacts of adjustments to net income (loss).
During the year ended December 31, 2023, we revised our definition of non-GAAP net income to adjust for acquisition related expenses, related purchase accounting adjustments, and amortization of intangibles in connection with our Voyantic Oy acquisition. During the three months ended March 31, 2024, we further revised our definition of non-GAAP net income to exclude settlement income. The revisions to our definition of non-GAAP net income did not impact non-GAAP net income for any previously reported periods because there was no impact of a similar nature in such prior periods affecting comparability.
Additionally, during the year ended December 31, 2023, we revised our definition of non-GAAP net income (loss) to adjust for income tax effects of adjustments to net income (loss), calculated at the statutory rate for current and historical periods. We have revised the prior period amounts to conform to our current period presentation.

IMPINJ, INC.
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(in thousands, unaudited)

	2023					2024
	Q1	**Q2**	**Q3**	**Q4**	**FY 12/31**	**Q1**
GAAP Gross profit	$ 43,530	$ 43,814	$ 30,768	$ 33,870	$ 151,982	$ 37,548
Adjustments:						
Depreciation	1049	1270	1438	1600	5357	1593
Purchase accounting adjustments	—	276	112	—	388	—
Stock-based compensation	417	472	489	491	1,869	453
Non-GAAP Gross profit	$ 44,996	$ 45,832	$ 32,807	$ 35,961	$ 159,596	$ 39,594
GAAP Gross Margin	50.7%	51.0%	47.3%	47.9%	49.4%	48.9%
Adjustments:						
Depreciation	1.2%	1.5%	2.2%	2.3%	1.8%	2.0%
Purchase accounting adjustments	0.0%	0.3%	0.2%	0.0%	0.1%	0.0%
Stock-based compensation	0.5%	0.5%	0.8%	0.7%	0.6%	0.6%
Non-GAAP Gross margin	52.4%	53.3%	50.5%	50.9%	51.9%	51.5%
GAAP Research and development	$ 22,435	$ 23,403	$ 21,588	$ 21,136	$ 88,562	$ 22,519
Adjustments:						
Depreciation	(580)	(680)	(643)	(728)	(2,631)	(750)
Stock-based compensation	(4,569)	(5,879)	(5,446)	(5,413)	(21,307)	(5,262)
Non-GAAP Research and development	$ 17,286	$ 16,844	$ 15,499	$ 14,995	$ 64,624	$ 16,507
GAAP Sales and marketing	$ 9,973	$ 10,632	$ 10,073	$ 10,445	$ 41,123	$ 10,176
Adjustments:						
Depreciation	(109)	(114)	(115)	(92)	(430)	(72)
Stock-based compensation	(2,139)	(2,790)	(2,652)	(2,659)	(10,240)	(2,409)
Non-GAAP Sales and marketing	$ 7,725	$ 7,728	$ 7,306	$ 7,694	$ 30,453	$ 7,695
GAAP General and administrative	$ 15,564	$ 16,002	$ 13,532	$ 15,730	$ 60,828	$ 13,365
Adjustments:						
Depreciation	(55)	(63)	(63)	(71)	(252)	(85)
Stock-based compensation	(3,099)	(4,007)	(3,720)	(3,744)	(14,570)	(3,666)
Acquisition related expenses	(1,042)	(630)	(4)	(1,596)	(3,272)	(907)
Non-GAAP General and administrative	$ 11,368	$ 11,302	$ 9,745	$ 10,319	$ 42,734	$ 8,707
GAAP Total operating expenses	$ 47,972	$ 52,183	$ 46,602	$ 48,709	$ 195,466	$ 49,281
Adjustments:						
Depreciation and amortization	(744)	(3,003)	(2,230)	(2,289)	(8,266)	(2,316)
Stock-based compensation	(9,807)	(12,676)	(11,818)	(11,816)	(46,117)	(11,337)
Restructuring costs	—	—	—	—	—	(1,812)
Acquisition related expenses	(1,042)	(630)	(4)	(1,596)	(3,272)	(907)
Non-GAAP Total operating expenses	$ 36,379	$ 35,874	$ 32,550	$ 33,008	$ 137,811	$ 32,909

IMPINJ, INC.
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(in thousands, except per share data, unaudited)

	2023					2024
	Q1	**Q2**	**Q3**	**Q4**	**FY 12/31**	**Q1**
GAAP Net income (loss)	$ (4,358)	$ (8,066)	$ (15,762)	$ (15,180)	$ (43,366)	$ 33,344
Adjustments:						
Depreciation and amortization	1,793	4,273	3,668	3,889	13,623	3,909
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790
Restructuring costs	—	—	—	—	—	1,812
Acquisition related expenses	1,042	630	4	1,596	3,272	907
Purchase accounting adjustments	—	276	112	—	388	—
Other income, net	(1,365)	(1,165)	(1,090)	(1,024)	(4,644)	(1,292)
Income from settlement of litigation	—	—	—	—	—	(45,000)
Interest expense	1,209	1,211	1,213	1,215	4,848	1,216
Income tax expense (benefit)	72	(349)	(195)	150	(322)	(1)
Adjusted EBITDA	$ 8,617	$ 9,958	$ 257	$ 2,953	$ 21,785	$ 6,685
GAAP Net income (loss)	$ (4,358)	$ (8,066)	$ (15,762)	$ (15,180)	$ (43,366)	$ 33,344
Adjustments:						
Depreciation and amortization	1,793	4,273	3,668	3,889	13,623	3,909
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790
Restructuring costs	—	—	—	—	—	1,812
Acquisition transaction expenses	1,042	630	4	1,596	3,272	907
Purchase accounting adjustments	—	276	112	—	388	—
Income from settlement of litigation	—	—	—	—	—	(45,000)
Income tax effects of adjustments [1]	(818)	(965)	(207)	(110)	(2,100)	(591)
Non-GAAP Net income	$ 7,883	$ 9,296	$ 122	$ 2,502	$ 19,803	$ 6,171
Non-GAAP Net income per share:						
Basic	$ 0.30	$ 0.35	$ 0.00	$ 0.09	$ 0.74	$ 0.23
Diluted	$ 0.28	$ 0.33	$ 0.00	$ 0.09	$ 0.70	$ 0.21

[1] The tax effects of the adjustments are calculated using the statutory rate, taking into consideration the nature of the item and relevant taxing jurisdiction.

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 12/31 2023	Q1 2024
GAAP and non-GAAP weighted-average shares — basic	26,285	26,713	26,920	27,089	26,752	27,357
GAAP Weighted-average shares — diluted	26,285	26,713	26,920	27,089	26,752	31,425
Dilutive shares from stock plans	2,268	1,809	1,196	1,255	1,632	—
Anti-dilutive shares from convertible debt	—	—	—	—	—	(2,589)
Non-GAAP Weighted-average shares — diluted	28,553	28,522	28,116	28,344	28,384	28,836