

Impinj, Inc.
Supplemental Information
December 31, 2024

Table of Contents

CONDENSED CONSOLIDATED BALANCE SHEETS	2
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)	3
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (GAAP)	4
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)	5
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES	7

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	June 30, 2024	September 30, 2024	December 31, 2024
Assets:								
Current assets:								
Cash and cash equivalents	\$ 37,483	\$ 45,244	\$ 78,100	\$ 94,793	\$ 166,852	\$ 214,653	\$ 73,704	\$ 46,053
Short-term investments	117,061	63,656	35,129	18,440	7,292	5,563	96,551	118,661
Accounts receivable, net	60,966	58,945	48,482	54,919	59,384	54,181	64,378	56,802
Inventory	85,809	112,323	106,806	97,172	87,757	80,773	88,357	99,346
Prepaid expenses and other current assets	3,835	3,455	4,446	4,372	3,120	3,148	6,097	5,536
Total current assets	305,154	283,623	272,963	269,696	324,405	358,318	329,087	326,398
Long-term investments	10,177	5,995	—	—	—	—	57,122	74,871
Property and equipment, net	41,800	45,077	44,923	44,891	47,451	47,209	49,908	50,610
Intangible assets, net	—	16,587	14,727	13,913	12,207	11,645	11,563	10,291
Operating lease right-of-use assets	9,795	11,004	10,326	9,735	9,107	8,424	7,817	7,142
Other non-current assets	1,844	1,744	1,613	1,478	1,370	1,235	1,117	1,045
Goodwill	3,881	19,516	19,049	19,696	19,343	19,256	19,833	18,723
Total assets	\$ 372,651	\$ 383,546	\$ 363,601	\$ 359,409	\$ 413,883	\$ 446,087	\$ 476,447	\$ 489,080
Liabilities and stockholders' equity:								
Current liabilities:								
Accounts payable	\$ 36,713	\$ 27,627	\$ 11,017	\$ 8,661	\$ 9,416	\$ 15,305	\$ 20,504	\$ 17,254
Accrued compensation and employee related benefits	7,042	7,746	7,702	8,519	8,207	12,549	18,043	22,309
Accrued and other current liabilities	7,381	9,681	9,306	8,614	11,694	2,848	3,702	2,684
Current portion of operating lease liabilities	2,966	3,301	3,308	3,373	3,454	3,462	3,534	3,589
Current portion of long-term debt	—	—	—	—	—	282,671	283,081	283,493
Current portion of deferred revenue	502	2,523	2,425	1,713	1,672	2,087	2,231	1,848
Total current liabilities	54,604	50,878	33,758	30,880	34,443	318,922	331,095	331,177
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	7,546	6,660	5,719
Deferred tax liabilities, net	134	3,415	3,062	2,911	2,574	2,466	2,454	2,200
Deferred revenue, net of current portion	317	341	327	272	237	181	139	120
Total liabilities	346,030	346,751	328,801	325,278	327,960	329,115	340,348	339,216
Stockholders' equity:								
Preferred stock, \$0.001 par value	—	—	—	—	—	—	—	—
Common stock, \$0.001 par value	27	27	27	27	28	28	28	29
Additional paid in capital	418,342	436,302	450,746	463,900	482,972	504,206	522,100	541,090
Accumulated other comprehensive income (loss)	(605)	(325)	(1,002)	355	(270)	(418)	594	(1,942)
Accumulated deficit	(391,143)	(399,209)	(414,971)	(430,151)	(396,807)	(386,844)	(386,623)	(389,313)
Total stockholders' equity	26,621	36,795	34,800	34,131	85,923	116,972	136,099	149,864
Total liabilities and stockholders' equity	\$ 372,651	\$ 383,546	\$ 363,601	\$ 359,409	\$ 413,883	\$ 446,087	\$ 476,447	\$ 489,080

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	Q2	Q3	Q4	FY 12/31
Revenue	\$ 85,897	\$ 85,986	\$ 65,005	\$ 70,651	\$ 307,539	\$ 76,825	\$ 102,495	\$ 95,198	\$ 91,569	\$ 366,087
Cost of revenue	42,367	42,172	34,237	36,781	155,557	39,277	44,979	47,629	45,347	177,232
Gross profit	43,530	43,814	30,768	33,870	151,982	37,548	57,516	47,569	46,222	188,855
<i>Gross margin</i>	<i>50.7%</i>	<i>51.0%</i>	<i>47.3%</i>	<i>47.9%</i>	<i>49.4%</i>	<i>48.9%</i>	<i>56.1%</i>	<i>50.0%</i>	<i>50.5%</i>	<i>51.6%</i>
Operating expenses:										
Research and development	22,435	23,403	21,588	21,136	88,562	22,519	24,924	25,492	25,894	98,829
Sales and marketing	9,973	10,632	10,073	10,445	41,123	10,176	9,827	9,888	10,688	40,579
General and administrative	15,564	16,002	13,532	15,730	60,828	13,365	13,223	12,452	12,762	51,802
Amortization of intangibles	—	2,146	1,409	1,398	4,953	1,409	496	506	491	2,902
Restructuring costs	—	—	—	—	—	1,812	—	—	—	1,812
Total operating expenses	47,972	52,183	46,602	48,709	195,466	49,281	48,470	48,338	49,835	195,924
Income (loss) from operations	(4,442)	(8,369)	(15,834)	(14,839)	(43,484)	(11,733)	9,046	(769)	(3,613)	(7,069)
Other income, net	1,365	1,165	1,090	1,024	4,644	1,292	2,122	2,416	2,107	7,937
Income from settlement of litigation	—	—	—	—	—	45,000	—	—	—	45,000
Interest expense	(1,209)	(1,211)	(1,213)	(1,215)	(4,848)	(1,216)	(1,217)	(1,219)	(1,221)	(4,873)
Income (loss) before income taxes	(4,286)	(8,415)	(15,957)	(15,030)	(43,688)	33,343	9,951	428	(2,727)	40,995
Income tax benefit (expense)	(72)	349	195	(150)	322	1	12	(207)	37	(157)
Net income (loss)	<u>\$ (4,358)</u>	<u>\$ (8,066)</u>	<u>\$ (15,762)</u>	<u>\$ (15,180)</u>	<u>\$ (43,366)</u>	<u>\$ 33,344</u>	<u>\$ 9,963</u>	<u>\$ 221</u>	<u>\$ (2,690)</u>	<u>\$ 40,838</u>
Net income (loss) per share:										
Basic	\$ (0.17)	\$ (0.30)	\$ (0.59)	\$ (0.56)	\$ (1.62)	\$ 1.22	\$ 0.36	\$ 0.01	\$ (0.09)	\$ 1.46
Diluted	\$ (0.17)	\$ (0.30)	\$ (0.59)	\$ (0.56)	\$ (1.62)	\$ 1.10 ⁽¹⁾	\$ 0.34	\$ 0.01	\$ (0.09)	\$ 1.39
Weighted-average shares:										
Basic	26,285	26,713	26,920	27,089	26,752	27,357	27,889	28,168	28,398	27,953
Diluted	26,285	26,713	26,920	27,089	26,752	31,425 ⁽¹⁾	29,422	29,727	28,398	29,471

⁽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	Q2	Q3	Q4	FY 12/31
Revenue:										
Endpoint ICs	\$ 67,049	\$ 64,905	\$ 48,592	\$ 53,880	\$ 234,426	\$ 61,506	89,392	80,966	74,051	\$ 305,915
Systems ⁽¹⁾	18,848	21,081	16,413	16,771	73,113	15,319	13,103	14,232	17,518	60,172
Total revenue	<u>\$ 85,897</u>	<u>\$ 85,986</u>	<u>\$ 65,005</u>	<u>\$ 70,651</u>	<u>\$ 307,539</u>	<u>\$ 76,825</u>	<u>\$ 102,495</u>	<u>\$ 95,198</u>	<u>\$ 91,569</u>	<u>\$ 366,087</u>

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

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

	2023					2024				
	Q1	Q2	Q3	Q4	FY 12/31	Q1	Q2	Q3	Q4	FY 12/31
Operating activities:										
Net income (loss)	\$ (4,358)	\$ (8,066)	\$ (15,762)	\$ (15,180)	\$ (43,366)	\$ 33,344	\$ 9,963	\$ 221	\$ (2,690)	\$ 40,838
Adjustments to reconcile net income (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	2,999	3,247	3,433	13,588
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790	14,705	14,841	15,210	56,546
Restructuring equity modification expense	—	—	—	—	—	366	—	—	—	366
Accretion of discount or amortization of premium on	(766)	(519)	(315)	(37)	(1,637)	(67)	(42)	(138)	(875)	(1,122)
Amortization of debt issuance costs	400	402	404	405	1,611	407	408	411	412	1,638
Deferred tax expense	—	(399)	(263)	(269)	(931)	(278)	(94)	(99)	(96)	(567)
Revaluation of acquisition-related contingent consideration liability	—	—	—	1,570	1,570	907	79	—	—	986
Changes in operating assets and liabilities, net of amounts acquired:										
Accounts receivable	(10,970)	3,215	10,438	(6,396)	(3,713)	(4,503)	5,202	(10,137)	7,439	(1,999)
Inventory	(39,412)	(25,321)	5,494	9,662	(49,577)	9,400	6,978	(7,553)	(11,045)	(2,220)
Prepaid expenses and other assets	1,389	888	(870)	218	1,625	1,355	106	(2,071)	837	227
Accounts payable	14,650	(8,537)	(16,167)	(2,249)	(12,303)	1,878	5,118	5,060	(2,786)	9,270
Accrued compensation and employee related benefits	(2,006)	127	(25)	785	(1,119)	(292)	4,348	5,459	4,340	13,855
Accrued and other liabilities	4,472	(2,429)	(366)	(2,268)	(591)	2,182	(1,892)	978	(1,024)	244
Acquisition-related contingent consideration liability	—	—	—	—	—	—	(2,556)	—	—	(2,556)
Operating lease right-of-use assets	695	636	659	617	2,607	614	679	628	639	2,560
Operating lease liabilities	(891)	(770)	(840)	(807)	(3,308)	(820)	(886)	(836)	(850)	(3,392)
Deferred revenue	(1,780)	808	(66)	(821)	(1,859)	(52)	364	57	(321)	48
Net cash provided by (used in) operating activities	(26,560)	(22,544)	(1,705)	1,427	(49,382)	60,140	45,479	10,068	12,623	128,310
Investing activities:										
Purchases of investments	—	—	—	—	—	—	—	(154,331)	(47,732)	(202,063)
Proceeds from maturities of investments	34,136	58,288	35,025	16,952	144,401	11,248	1,785	5,572	8,000	26,605
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)	(1,366)	(5,411)	(4,133)	(17,112)
Net cash provided by (used in) investing activities	39,926	29,065	32,489	14,328	115,808	5,046	419	(154,170)	(43,865)	(192,570)
Financing activities:										
Proceeds from exercise of stock options and employee stock purchase plan	4,520	1,233	2,137	846	8,736	6,917	6,529	3,053	3,782	20,281
Payment of acquisition-related contingent consideration	—	—	—	—	—	—	(4,602)	—	—	(4,602)
Net cash provided by financing activities	4,520	1,233	2,137	846	8,736	6,917	1,927	3,053	3,782	15,679
Effect of exchange rate changes on cash and cash equivalents	—	7	(65)	92	34	(44)	(24)	100	(191)	(159)
Net increase (decrease) in cash and cash equivalents	17,886	7,761	32,856	16,693	75,196	72,059	47,801	(140,949)	(27,651)	(48,740)
Cash and cash equivalents										
Beginning of period	19,597	37,483	45,244	78,100	19,597	94,793	166,852	214,653	73,704	94,793
End of period	\$ 37,483	\$ 45,244	\$ 78,100	\$ 94,793	\$ 94,793	\$ 166,852	\$ 214,653	\$ 73,704	\$ 46,053	\$ 46,053

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	Q2	Q3	Q4	FY 12/31
Revenue	\$ 85,897	\$ 85,986	\$ 65,005	\$ 70,651	\$ 307,539	\$ 76,825	\$ 102,495	\$ 95,198	\$ 91,569	\$ 366,087
Cost of revenue	40,901	40,154	32,198	34,690	147,943	37,231	42,861	45,334	\$ 42,911	168,337
Gross profit	44,996	45,832	32,807	35,961	159,596	39,594	59,634	49,864	48,658	197,750
<i>Gross margin</i>	52.4%	53.3%	50.5%	50.9%	51.9%	51.5%	58.2%	52.4%	53.1%	54.0%
Operating expenses:										
Research and development	17,286	16,844	15,499	14,995	64,624	16,507	17,615	17,865	17,968	69,955
Sales and marketing	7,725	7,728	7,306	7,694	30,453	7,695	6,956	7,076	7,798	29,525
General and administrative	11,368	11,302	9,745	10,319	42,734	8,707	8,234	7,604	7,862	32,407
Total operating expenses	36,379	35,874	32,550	33,008	137,811	32,909	32,805	32,545	33,628	131,887
Income from operations	8,617	9,958	257	2,953	21,785	6,685	26,829	17,319	15,030	65,863
Other income, net	1,365	1,165	1,090	1,024	4,644	1,292	2,122	2,416	2,107	7,937
Interest expense	(1,209)	(1,211)	(1,213)	(1,215)	(4,848)	(1,216)	(1,217)	(1,219)	(1,221)	(4,873)
Income before income taxes	8,773	9,912	134	2,762	21,581	6,761	27,734	18,516	15,916	68,927
Income tax expense	(890)	(616)	(12)	(260)	(1,778)	(590)	(2,421)	(1,617)	(1,389)	(6,017)
Net income	<u>\$ 7,883</u>	<u>\$ 9,296</u>	<u>\$ 122</u>	<u>\$ 2,502</u>	<u>\$ 19,803</u>	<u>\$ 6,171</u>	<u>\$ 25,313</u>	<u>\$ 16,899</u>	<u>\$ 14,527</u>	<u>\$ 62,910</u>
Net income per share:										
Basic	\$ 0.30	\$ 0.35	\$ 0.00	\$ 0.09	\$ 0.74	\$ 0.23	\$ 0.91	\$ 0.60	\$ 0.51	\$ 2.25
Diluted	\$ 0.28	\$ 0.33	\$ 0.00	\$ 0.09	\$ 0.70	\$ 0.21	\$ 0.83 ⁽²⁾	\$ 0.56 ⁽²⁾	\$ 0.48 ⁽²⁾	\$ 2.11 ⁽²⁾
Weighted-average shares:										
Basic	26,285	26,713	26,920	27,089	26,752	27,357	27,889	28,168	28,398	27,953
Diluted	28,553	28,522	28,116	28,344	28,384	28,836	32,011 ⁽²⁾	32,316 ⁽²⁾	32,487 ⁽²⁾	32,060 ⁽²⁾

⁽¹⁾ Refer to page 6 for definitions of our non-GAAP financial measures and related GAAP to non-GAAP reconciliations.

⁽²⁾ 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.

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, non-GAAP net income (loss), free cash flow and adjusted free cash flow 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 use free cash flow and adjusted free cash flow as key measures when assessing our sources of liquidity, capital resources, and quality of earnings. 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 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 (Loss)

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.

Free cash flow

We define free cash flow as net cash provided by (used in) operating activities, determined in accordance with GAAP, less purchases of property and equipment. We define adjusted free cash flow as free cash flow less cash received from gain on litigation settlement.

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	Q2	Q3	Q4	FY 12/31
GAAP Net income (loss)	\$ (4,358)	\$ (8,066)	\$ (15,762)	\$ (15,180)	\$ (43,366)	\$ 33,344	\$ 9,963	\$ 221	\$ (2,690)	\$ 40,838
Adjustments:										
Depreciation and amortization	1,793	4,273	3,668	3,889	13,623	3,909	2,999	3,247	3,433	13,588
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790	14,705	14,841	15,210	56,546
Restructuring costs	—	—	—	—	—	1,812	—	—	—	1,812
Acquisition related expenses	1,042	630	4	1,596	3,272	907	79	—	—	986
Purchase accounting adjustments	—	276	112	—	388	—	—	—	—	—
Other income, net	(1,365)	(1,165)	(1,090)	(1,024)	(4,644)	(1,292)	(2,122)	(2,416)	(2,107)	(7,937)
Income from settlement of litigation	—	—	—	—	—	(45,000)	—	—	—	(45,000)
Interest expense	1,209	1,211	1,213	1,215	4,848	1,216	1,217	1,219	1,221	4,873
Income tax expense (benefit)	72	(349)	(195)	150	(322)	(1)	(12)	207	(37)	157
Adjusted EBITDA	<u>\$ 8,617</u>	<u>\$ 9,958</u>	<u>\$ 257</u>	<u>\$ 2,953</u>	<u>\$ 21,785</u>	<u>\$ 6,685</u>	<u>\$ 26,829</u>	<u>\$ 17,319</u>	<u>\$ 15,030</u>	<u>\$ 65,863</u>
GAAP Net income (loss)	\$ (4,358)	\$ (8,066)	\$ (15,762)	\$ (15,180)	\$ (43,366)	\$ 33,344	\$ 9,963	\$ 221	\$ (2,690)	\$ 40,838
Adjustments:										
Depreciation and amortization	1,793	4,273	3,668	3,889	13,623	3,909	2,999	3,247	3,433	13,588
Stock-based compensation	10,224	13,148	12,307	12,307	47,986	11,790	14,705	14,841	15,210	56,546
Restructuring costs	—	—	—	—	—	1,812	—	—	—	1,812
Acquisition transaction expenses	1,042	630	4	1,596	3,272	907	79	—	—	986
Purchase accounting adjustments	—	276	112	—	388	—	—	—	—	—
Income from settlement of litigation	—	—	—	—	—	(45,000)	—	—	—	(45,000)
Income tax effects of adjustments ⁽¹⁾	(818)	(965)	(207)	(110)	(2,100)	(591)	(2,433)	(1,410)	(1,426)	(5,860)
Non-GAAP Net income	<u>\$ 7,883</u>	<u>\$ 9,296</u>	<u>\$ 122</u>	<u>\$ 2,502</u>	<u>\$ 19,803</u>	<u>\$ 6,171</u>	<u>\$ 25,313</u>	<u>\$ 16,899</u>	<u>\$ 14,527</u>	<u>\$ 62,910</u>
Non-GAAP Net income per share:										
Basic	\$ 0.30	\$ 0.35	\$ 0.00	\$ 0.09	\$ 0.74	\$ 0.23	\$ 0.91	\$ 0.60	\$ 0.51	\$ 2.25
Diluted	\$ 0.28	\$ 0.33	\$ 0.00	\$ 0.09	\$ 0.70	\$ 0.21	\$ 0.83 ⁽²⁾	\$ 0.56 ⁽²⁾	\$ 0.48 ⁽²⁾	\$ 2.11 ⁽²⁾

⁽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.

⁽²⁾ 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.

GAAP and non-GAAP weighted-average shares — basic	26,285	26,713	26,920	27,089	26,752	27,357	27,889	28,168	28,398	27,953
GAAP Weighted-average shares — diluted	26,285	26,713	26,920	27,089	26,752	31,425 ⁽¹⁾	29,422 ⁽²⁾	29,727 ⁽²⁾	28,398	29,471 ⁽²⁾
Dilutive shares from stock plans	2,268	1,809	1,196	1,255	1,632	—	—	—	1,500	—
Anti-dilutive shares from convertible debt	—	—	—	—	—	(2,589)	2,589	2,589	2,589	2,589
Non-GAAP Weighted-average shares — diluted	<u>28,553</u>	<u>28,522</u>	<u>28,116</u>	<u>28,344</u>	<u>28,384</u>	<u>28,836</u>	<u>32,011</u>	<u>32,316</u>	<u>32,487</u>	<u>32,060</u>

⁽¹⁾ GAAP weighted average shares — diluted includes the dilutive effect of convertible debt and the impact of dilutive shares from stock plans.

⁽²⁾ GAAP weighted average shares — diluted includes the impact of dilutive shares from stock plans.

	2023					2024				
	Q1	Q2	Q3	Q4	FY 12/31	Q1	Q2	Q3	Q4	FY 12/31
GAAP Net cash provided by (used in) operating activities	(26,560)	(22,544)	(1,705)	1,427	(49,382)	60,140	45,479	10,068	12,623	128,310
Adjustments:										
Purchases of property and equipment	(7,582)	(5,616)	(2,770)	(2,624)	(18,592)	(6,202)	(1,366)	(5,411)	(4,133)	(17,112)
Free cash flow	<u>\$ (34,142)</u>	<u>\$ (28,160)</u>	<u>\$ (4,475)</u>	<u>\$ (1,197)</u>	<u>\$ (67,974)</u>	<u>\$ 53,938</u>	<u>\$ 44,113</u>	<u>\$ 4,657</u>	<u>\$ 8,490</u>	<u>\$ 111,198</u>
Adjustments:										
Income from settlement of litigation	—	—	—	—	—	(45,000)	—	—	—	(45,000)
Adjusted free cash flow	<u>\$ (34,142)</u>	<u>\$ (28,160)</u>	<u>\$ (4,475)</u>	<u>\$ (1,197)</u>	<u>\$ (67,974)</u>	<u>\$ 8,938</u>	<u>\$ 44,113</u>	<u>\$ 4,657</u>	<u>\$ 8,490</u>	<u>\$ 66,198</u>

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

	2023					2024				
	Q1	Q2	Q3	Q4	FY 12/31	Q1	Q2	Q3	Q4	FY 12/31
GAAP Gross profit	\$ 43,530	\$ 43,814	\$ 30,768	\$ 33,870	\$ 151,982	\$ 37,548	\$ 57,516	\$ 47,569	\$ 46,222	188,855
Adjustments:										
Depreciation	1,049	1,270	1,438	1,600	5,357	1,593	1,584	1,774	1,910	6,861
Purchase accounting adjustments	—	276	112	—	388	—	—	—	—	—
Stock-based compensation	417	472	489	491	1,869	453	534	521	526	2,034
Non-GAAP Gross profit	<u>\$ 44,996</u>	<u>\$ 45,832</u>	<u>\$ 32,807</u>	<u>\$ 35,961</u>	<u>\$ 159,596</u>	<u>\$ 39,594</u>	<u>\$ 59,634</u>	<u>\$ 49,864</u>	<u>\$ 48,658</u>	<u>\$ 197,750</u>
GAAP Gross Margin	50.7%	51.0%	47.3%	47.9%	49.4%	48.9%	56.1%	50.0%	50.5%	51.6%
Adjustments:										
Depreciation	1.2%	1.5%	2.2%	2.3%	1.8%	2.0%	1.6%	1.9%	2.1%	1.9%
Purchase accounting adjustments	0.0%	0.3%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Stock-based compensation	0.5%	0.5%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%
Non-GAAP Gross margin	<u>52.4%</u>	<u>53.3%</u>	<u>50.5%</u>	<u>50.9%</u>	<u>51.9%</u>	<u>51.5%</u>	<u>58.2%</u>	<u>52.4%</u>	<u>53.1%</u>	<u>54.0%</u>
GAAP Research and development	\$ 22,435	\$ 23,403	\$ 21,588	\$ 21,136	\$ 88,562	\$ 22,519	\$ 24,924	\$ 25,492	\$ 25,894	\$ 98,829
Adjustments:										
Depreciation	(580)	(680)	(643)	(728)	(2,631)	(750)	(766)	(814)	(878)	(3,208)
Stock-based compensation	(4,569)	(5,879)	(5,446)	(5,413)	(21,307)	(5,262)	(6,543)	(6,813)	(7,048)	(25,666)
Non-GAAP Research and development	<u>\$ 17,286</u>	<u>\$ 16,844</u>	<u>\$ 15,499</u>	<u>\$ 14,995</u>	<u>\$ 64,624</u>	<u>\$ 16,507</u>	<u>\$ 17,615</u>	<u>\$ 17,865</u>	<u>\$ 17,968</u>	<u>\$ 69,955</u>
GAAP Sales and marketing	\$ 9,973	\$ 10,632	\$ 10,073	\$ 10,445	\$ 41,123	\$ 10,176	\$ 9,827	\$ 9,888	\$ 10,688	\$ 40,579
Adjustments:										
Depreciation	(109)	(114)	(115)	(92)	(430)	(72)	(69)	(69)	(70)	(280)
Stock-based compensation	(2,139)	(2,790)	(2,652)	(2,659)	(10,240)	(2,409)	(2,802)	(2,743)	(2,820)	(10,774)
Non-GAAP Sales and marketing	<u>\$ 7,725</u>	<u>\$ 7,728</u>	<u>\$ 7,306</u>	<u>\$ 7,694</u>	<u>\$ 30,453</u>	<u>\$ 7,695</u>	<u>\$ 6,956</u>	<u>\$ 7,076</u>	<u>\$ 7,798</u>	<u>\$ 29,525</u>
GAAP General and administrative	\$ 15,564	\$ 16,002	\$ 13,532	\$ 15,730	\$ 60,828	\$ 13,365	\$ 13,223	\$ 12,452	\$ 12,762	\$ 51,802
Adjustments:										
Depreciation	(55)	(63)	(63)	(71)	(252)	(85)	(84)	(84)	(84)	(337)
Stock-based compensation	(3,099)	(4,007)	(3,720)	(3,744)	(14,570)	(3,666)	(4,826)	(4,764)	(4,816)	(18,072)
Acquisition related expenses	(1,042)	(630)	(4)	(1,596)	(3,272)	(907)	(79)	—	—	(986)
Non-GAAP General and administrative	<u>\$ 11,368</u>	<u>\$ 11,302</u>	<u>\$ 9,745</u>	<u>\$ 10,319</u>	<u>\$ 42,734</u>	<u>\$ 8,707</u>	<u>\$ 8,234</u>	<u>\$ 7,604</u>	<u>\$ 7,862</u>	<u>\$ 32,407</u>
GAAP Total operating expenses	\$ 47,972	\$ 52,183	\$ 46,602	\$ 48,709	\$ 195,466	\$ 49,281	\$ 48,470	\$ 48,338	\$ 49,835	\$ 195,924
Adjustments:										
Depreciation and amortization	(744)	(3,003)	(2,230)	(2,289)	(8,266)	(2,316)	(1,415)	(1,473)	(1,523)	(6,727)
Stock-based compensation	(9,807)	(12,676)	(11,818)	(11,816)	(46,117)	(11,337)	(14,171)	(14,320)	(14,684)	(54,512)
Restructuring costs	—	—	—	—	—	(1,812)	—	—	—	(1,812)
Acquisition related expenses	(1,042)	(630)	(4)	(1,596)	(3,272)	(907)	(79)	—	—	(986)
Non-GAAP Total operating expenses	<u>\$ 36,379</u>	<u>\$ 35,874</u>	<u>\$ 32,550</u>	<u>\$ 33,008</u>	<u>\$ 137,811</u>	<u>\$ 32,909</u>	<u>\$ 32,805</u>	<u>\$ 32,545</u>	<u>\$ 33,628</u>	<u>\$ 131,887</u>

Certain amounts may be off due to rounding