

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



Westell Technologies, Inc.

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Aurora, IL 60504

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www.westell.com
info@westell.com
SIC Code: 3661

Quarterly Report

For the period ending June 30, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Class A Common Stock was:

8,111,187 as of June 30, 2023 (current reporting period date or more recent date)

7,989,671 as of March 31, 2023 (most recent completed fiscal year end)

The number of shares outstanding of our Class B Common Stock was:

3,484,287 as of June 30, 2023 (current reporting period date or more recent date)

3,484,287 as of March 31, 2023 (most recent completed fiscal year end)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Westell Technologies, Inc. (Formerly known as Electronic Information Technologies, Inc. – Name changed in October 1995 and previously formally known as R-COM, INC. – Name changed in November 1992.)

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Issuer is a Corporation incorporated in the State of Delaware on 10/29/1980. Current standing: Active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None.

The address(es) of the issuer's principal executive office:

750 North Commons Drive, Aurora, IL 60504

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

2) Security Information

Transfer Agent

Name: Broadridge Corporate Issuer Solutions, Inc.
Phone: (855) 449-0975
Email: Shareholder@broadridge.com
Address: 1155 Long Island Avenue, Englewood, NY 11717

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>WSTL</u>
Exact title and class of securities outstanding:	<u>Class A Common Stock</u>
CUSIP:	<u>957541303</u>
Par or stated value:	<u>par value: \$0.01 per share</u>
Total shares authorized:	<u>109,000,000</u> as of date: <u>June 30, 2023</u>
Total shares outstanding:	<u>8,111,187</u> as of date: <u>June 30, 2023</u>
Total number of shareholders of record:	<u>79</u> as of date: <u>June 30, 2023</u>

All additional class(es) of publicly quoted or traded securities (if any):

None:

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of securities outstanding:	<u>Class B Common Stock⁽¹⁾</u>
CUSIP (if applicable):	<u>N/A</u>
Par or stated value:	<u>par value: \$0.01 per share</u>
Total shares authorized:	<u>25,000,000</u> as of date: <u>June 30, 2023</u>
Total shares outstanding (if applicable):	<u>3,484,287</u> as of date: <u>June 30, 2023</u>
Total number of shareholders of record (if applicable):	<u>4</u> as of date: <u>June 30, 2023</u>

- (1) Class A Common Stock is freely transferable. Class B Common Stock is transferable only to certain transferees but is convertible into Class A Common Stock on a share-for-share basis. Holders of Class A Common Stock have one vote per share and holders of Class B Common Stock have four votes per share.

Exact title and class of the security:	<u>Preferred Stock</u>
CUSIP (if applicable):	<u>N/A</u>
Par or stated value:	<u>par value: \$0.01 per share</u>
Total shares authorized:	<u>1,000,000</u> as of date: <u>June 30, 2023</u>
Total shares outstanding (if applicable):	<u>None</u> as of date: <u>June 30, 2023</u>
Total number of shareholders of record (if applicable):	<u>N/A</u> as of date: <u>June 30, 2023</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Class A Common Stock is freely transferable. Class B Common Stock is transferable only to certain permitted transferees (generally tied to the Penny family (the Company's principal stockholders)) but is convertible into Class A Common Stock on a share-for-share basis. Holders of Class A Common Stock have one vote per share and holders of Class B Common Stock have four votes per share. No other dividend or preemptive rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The Board of Directors has the authority to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, without any further vote or action by stockholders.

3. Describe any other material rights of common or preferred stockholders.

The members of the Penny family (principal stockholders) have a Stock Transfer Restriction Agreement that prohibits, with limited exceptions, such members from transferring their Class B Common Stock acquired prior to November 30, 1995, without first offering such stock to the other members of the Penny family. If converted, Class B stock converts on a one-for-one basis into shares of Class A Common Stock upon a transfer.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>03/31/2021</u> Class A Common: <u>7,521,271</u> Class B Common: <u>3,484,287</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>4/1/2021</u>	<u>New issuance</u>	<u>34,013</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Timothy L. Duitsman</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>New issuance</u>	<u>21,666</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>Shares returned to Treasury</u>	<u>(7,496)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>New issuance</u>	<u>15,000</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>Shares returned to Treasury</u>	<u>(5,190)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>New issuance</u>	<u>29,700</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2021</u>	<u>Shares returned to Treasury</u>	<u>(10,341)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>New issuance</u>	<u>3,834</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>Shares returned to Treasury</u>	<u>(1,326)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>New issuance</u>	<u>8,334</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>Shares returned to Treasury</u>	<u>(2,883)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>New issuance</u>	<u>45,007</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/2/2021</u>	<u>Shares returned to Treasury</u>	<u>(15,591)</u>	<u>Class A</u>	<u>\$0.81</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/26/2021</u>	<u>New issuance</u>	<u>5,000</u>	<u>Class A</u>	<u>\$0.76</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>6/26/2021</u>	Shares returned to Treasury	(1,963)	Class A	\$0.76	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
<u>7/30/2021</u>	New issuance	5,000	Class A	\$0.79	No	Employee(s)	Employee Compensation	Unrestricted	(2)
<u>7/30/2021</u>	Shares returned to Treasury	(1,795)	Class A	\$0.79	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
<u>9/1/2021</u>	New issuance	33,333	Class A	\$0.90	No	Timothy L. Duitsman	Employee Compensation	Unrestricted	(2)
<u>9/17/2021</u>	New issuance	5,000	Class A	\$1.05	No	Employee(s)	Employee Compensation	Unrestricted	(2)
<u>9/17/2021</u>	Shares returned to Treasury	(1,482)	Class A	\$1.05	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
<u>10/28/2021</u>	New issuance	4,514	Class A	\$1.11	No	Kirk R. Brannock	Board Compensation	Unrestricted	(2)
<u>10/28/2021</u>	New issuance	4,514	Class A	\$1.11	No	Robert W. Foskett	Board Compensation	Unrestricted	(2)
<u>10/28/2021</u>	New issuance	4,514	Class A	\$1.11	No	Robert C. Penny III	Board Compensation	Unrestricted	(2)
<u>10/28/2021</u>	New issuance	4,514	Class A	\$1.11	No	Cary B. Wood	Board Compensation	Unrestricted	(2)
<u>10/28/2021</u>	New issuance	4,514	Class A	\$1.11	No	Mark A. Zorko	Board Compensation	Unrestricted	(2)
<u>12/19/2021</u>	New issuance	2,334	Class A	\$1.25	No	Employee(s)	Employee Compensation	Unrestricted	(2)
<u>12/19/2021</u>	Shares returned to Treasury	(745)	Class A	\$1.25	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
<u>01/19/2022</u>	New issuance	10,000	Class A	\$1.36	No	Employee(s)	Employee Compensation	Unrestricted	(2)
<u>01/19/2022</u>	Shares returned to Treasury	(3,460)	Class A	\$1.36	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
<u>March 2022</u>	Shares returned to Treasury	(3,964)	Class A	\$1.33	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (4)

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>4/1/2022</u>	<u>New issuance</u>	<u>34,013</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Timothy L. Duitsman</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>New issuance</u>	<u>21,667</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(7,496)</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>New issuance</u>	<u>15,000</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(5,190)</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>New issuance</u>	<u>29,000</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>4/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(10,099)</u>	<u>Class A</u>	<u>\$1.30</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>April 2022</u>	<u>Shares returned to Treasury</u>	<u>(21,324)</u>	<u>Class A</u>	<u>\$1.26</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (5)</u>
<u>May 2022</u>	<u>Shares returned to Treasury</u>	<u>(11,953)</u>	<u>Class A</u>	<u>\$1.24</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (6)</u>
<u>6/1/2022</u>	<u>New issuance</u>	<u>34,364</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Timothy L. Duitsman</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>New issuance</u>	<u>21,477</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(6,835)</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>New issuance</u>	<u>12,886</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(4,458)</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>New issuance</u>	<u>36,681</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2022</u>	<u>Shares returned to Treasury</u>	<u>(12,470)</u>	<u>Class A</u>	<u>\$1.18</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>6/10/2022</u>	<u>New issuance</u>	<u>81,881</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Timothy L. Duitsman</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>New issuance</u>	<u>33,434</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>Shares returned to Treasury</u>	<u>(9,560)</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>New issuance</u>	<u>56,292</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>Shares returned to Treasury</u>	<u>(16,618)</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>New issuance</u>	<u>64,437</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/10/2022</u>	<u>Shares returned to Treasury</u>	<u>(22,386)</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/26/2022</u>	<u>New issuance</u>	<u>5,000</u>	<u>Class A</u>	<u>\$1.12</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/26/2022</u>	<u>Shares returned to Treasury</u>	<u>(1,757)</u>	<u>Class A</u>	<u>\$1.12</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>June 2022</u>	<u>Shares returned to Treasury</u>	<u>(21,553)</u>	<u>Class A</u>	<u>\$1.11</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (7)</u>
<u>July 2022</u>	<u>Shares returned to Treasury</u>	<u>(15,757)</u>	<u>Class A</u>	<u>\$1.13</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (8)</u>
<u>August 2022</u>	<u>Shares returned to Treasury</u>	<u>(2,242)</u>	<u>Class A</u>	<u>\$1.28</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (9)</u>
<u>9/01/2022</u>	<u>New issuance</u>	<u>33,334</u>	<u>Class A</u>	<u>\$1.32</u>	<u>No</u>	<u>Timothy L. Duitsman</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>9/01/2022</u>	<u>New issuance</u>	<u>5,000</u>	<u>Class A</u>	<u>\$1.32</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>9/01/2022</u>	<u>Shares returned to Treasury</u>	<u>(1,172)</u>	<u>Class A</u>	<u>\$1.32</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>9/17/2022</u>	<u>New issuance</u>	<u>5,001</u>	<u>Class A</u>	<u>\$1.29</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>9/17/2022</u>	<u>Shares returned to Treasury</u>	<u>(1,482)</u>	<u>Class A</u>	<u>\$1.29</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>September 2022</u>	<u>Shares returned to Treasury</u>	<u>(7,400)</u>	<u>Class A</u>	<u>\$1.25</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (10)</u>
<u>October 2022</u>	<u>Shares returned to Treasury</u>	<u>(13,757)</u>	<u>Class A</u>	<u>\$1.16</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (11)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>4,166</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Kirk R. Brannock</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>4,166</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Robert W. Foskett</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>4,166</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Robert C. Penny III</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2), (12)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>6,666</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Walter J. Skipper</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>4,166</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Cary B. Wood</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2)</u>
<u>11/08/2022</u>	<u>New issuance</u>	<u>4,166</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Mark A. Zorko</u>	<u>Board Compensation</u>	<u>Restricted</u>	<u>(2)</u>
<u>November 2022</u>	<u>Shares returned to Treasury</u>	<u>(5,088)</u>	<u>Class A</u>	<u>\$1.20</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (13)</u>
<u>December 2022</u>	<u>Shares returned to Treasury</u>	<u>(13,900)</u>	<u>Class A</u>	<u>\$1.22</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (14)</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
January 2023	Shares returned to Treasury	(15,922)	Class A	\$1.26	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (15)
February 2023	Shares returned to Treasury	(2,604)	Class A	\$1.37	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (16)
March 2023	Shares returned to Treasury	(2,095)	Class A	\$1.61	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (17)
4/1/2023	New issuance	64,783	Class A	\$1.65	No	Timothy L. Duitsman	Employee Compensation	Unrestricted	(2)
4/1/2023	Shares returned to Treasury	(19,803)	Class A	\$1.65	No	Timothy L. Duitsman	Repurchase for tax withholdings	Unrestricted	(2)
4/1/2023	New issuance	29,487	Class A	\$1.65	No	Jeniffer L. Jaynes	Employee Compensation	Unrestricted	(2)
4/1/2023	Shares returned to Treasury	(10,201)	Class A	\$1.65	No	Jeniffer L. Jaynes	Repurchase for tax withholdings	Unrestricted	(2)
4/1/2023	New issuance	17,692	Class A	\$1.65	No	Jesse Swartwood	Employee Compensation	Unrestricted	(2)
4/1/2023	Shares returned to Treasury	(6,121)	Class A	\$1.65	No	Jesse Swartwood	Repurchase for tax withholdings	Unrestricted	(2)
4/1/2023	New issuance	19,000	Class A	\$1.65	No	Employee(s)	Employee Compensation	Unrestricted	(2)
4/1/2023	Shares returned to Treasury	(6,612)	Class A	\$1.65	No	Employee(s)	Repurchase for tax withholdings	Unrestricted	(2)
April 2023	Shares returned to Treasury	(5,649)	Class A	\$1.69	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (18)
May 2023	Shares returned to Treasury	(14,722)	Class A	\$1.69	No	Open Market Class A Purchase	Repurchase pursuant to the rule 10b5-1(c) purchase plan	Unrestricted	(3) (19)
6/1/2023	New issuance	34,364	Class A	\$1.70	No	Timothy L. Duitsman	Employee Compensation	Unrestricted	(2)
6/1/2023	Shares returned to Treasury	(10,068)	Class A	\$1.70	No	Timothy L. Duitsman	Repurchase for tax withholdings	Unrestricted	(2)

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance (1)	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>6/1/2023</u>	<u>New issuance</u>	<u>21,478</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2023</u>	<u>Shares returned to Treasury</u>	<u>(6,146)</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Jeniffer L. Jaynes</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2023</u>	<u>New issuance</u>	<u>12,886</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2023</u>	<u>Shares returned to Treasury</u>	<u>(4,015)</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Jesse Swartwood</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2023</u>	<u>New issuance</u>	<u>23,795</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/1/2023</u>	<u>Shares returned to Treasury</u>	<u>(8,012)</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/26/2023</u>	<u>New issuance</u>	<u>5,000</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Employee(s)</u>	<u>Employee Compensation</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>6/26/2023</u>	<u>Shares returned to Treasury</u>	<u>(1,770)</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Employee(s)</u>	<u>Repurchase for tax withholdings</u>	<u>Unrestricted</u>	<u>(2)</u>
<u>June 2023</u>	<u>Shares returned to Treasury</u>	<u>(13,850)</u>	<u>Class A</u>	<u>\$1.70</u>	<u>No</u>	<u>Open Market Class A Purchase</u>	<u>Repurchase pursuant to the rule 10b5-1(c) purchase plan</u>	<u>Unrestricted</u>	<u>(3) (20)</u>
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> <u>Date June 30, 2023</u> Class A Common: <u>8,111,187</u> Class B Common: <u>3,484,287</u> Preferred: <u>0</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2022, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2020 through September 30, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

- (1) Stock price or value at the date of grant was equal to the market price on the grant date. See Notes 7 and 13 in the attached Financial Statements for additional information regarding stock-based compensation and share repurchases, respectively.
- (2) Issued pursuant to an exemption from the registration requirements of the Securities Act, as provided by Rule 701, Regulation D and/or Section 4(a)(2) of the Securities Act, as applicable.
- (3) In May 2017, the Board of Directors authorized a share repurchase program whereby the Company could repurchase up to an additional aggregate of \$2.0 million of its outstanding Class A Common Stock. There was approximately \$0.5 million remaining under the May 2017 authorization as of June 30, 2023. These shares were purchased pursuant to the rule 10b5-1(c) purchase plan.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcm Markets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Westell Technologies, Inc., (the "Company") was incorporated in Delaware in 1980 and is headquartered at 750 North Commons Drive, Aurora, Illinois 60504. The Company is a holding company that primarily conducts business through its wholly owned subsidiary, Westell, Inc. ("Westell"). Westell is a leading provider of high-performance network infrastructure solutions focused on innovation and differentiation at the edge of communication networks where end users connect. Westell's portfolio of products and solutions enable service providers and network operators to improve performance and reduce operating expenses.

B. List any subsidiaries, parent company, or affiliated companies.

Westell Technologies, Inc. (the "Company") is a holding company. Its wholly owned subsidiary, Westell, Inc., ("Westell") designs and distributes high-performance network infrastructure solutions, which are sold primarily to telecommunication companies.

The Company has a 50% equity ownership in AccessTel Kentrox Australia PTY LTD ("AKA"). AKA distributes network management solutions provided by Westell and the other 50% owner to one customer.

C. Describe the issuers' principal products or services.

The Company has three reportable operating segments: In-Building Wireless ("IBW"), Intelligent Site Management ("ISM"), and Communications Network Solutions ("CNS").

IBW Segment

IBW segment solutions enable public safety and cellular coverage in stadiums, arenas, malls, buildings, and other indoor areas not served well by the existing outdoor radio network. For the public safety market, solutions include Class A repeaters, Class B repeaters, VHF/UHF repeaters, Public Safety distributed antenna systems ("DAS"), and battery backup units. IBW also offers passive signal distribution, attenuation solutions, protection products, and antennas for both the public safety and cellular markets.

ISM Segment

ISM segment solutions include a suite of remote units, which provide machine-to-machine (“M2M”) communications that enable operators to remotely monitor, manage, and control physical site infrastructure and support systems. Remote units can be combined with the Company’s Optima management software system. ISM also offers support services (i.e., maintenance agreements) and deployment services (i.e., installation).

CNS Segment

CNS segment solutions include a broad range of hardened network infrastructure offerings suitable for both indoor and outdoor use. The offerings consist of integrated cabinets, power distribution products, copper and fiber network connectivity products, and fiber access products.

5) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company leases the following real property:

Location	Purpose	Square footage	Termination calendar year	Segment
Aurora, IL	Corporate headquarters, office, manufacturing and distribution	83,000	2025	
Dublin, OH	Engineering design center	5,798	2025	ISM
Manchester, NH	IBW engineering test facility	2,287	2024	IBW

During fiscal year ended March 31, 2022, the Company executed a two-year lease extension for approximately 2,300 square feet for our Manchester, New Hampshire IBW engineering test facility. The Manchester lease expires August 31, 2024.

During fiscal year ended March 31, 2021, the Company executed a 62- month lease extension for approximately 83,000 square feet for our Aurora, Illinois headquarters facility. The Aurora lease expires November 30, 2025.

During fiscal year ended March 31, 2020, the Company executed a 63-month lease for approximately 5,800 square feet for the ISM engineering design center in Ohio. The Dublin lease expires on February 28, 2025.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class A Outstanding	Ownership Percentage of Class B Outstanding	Note
Kirk R. Brannock	Chairman of the Board	<u>Bloomfield Hills, MI</u>	<u>213,066</u>	<u>Class A Common Stock</u>	<u>2.6%</u>	—	(1), (2), and (3)
Robert W. Foscett	Director	<u>Boulder, CO</u>	<u>77,346</u>	<u>Class A Common Stock</u>	<u>1.0%</u>	—	(1), (2), and (6)
Robert W. Foscett	Director	<u>Boulder, CO</u>	<u>3,484,287</u>	<u>Class B Common Stock</u>	—	<u>100%</u>	(1), (2), (4), (5), and (6).
Robert C. Penny III	Director	<u>Versailles, MO</u>	<u>68,596</u>	<u>Class A Common Stock</u>	<u>0.8%</u>	—	(1), (2), (6), and (7)
Robert C. Penny III	Director	<u>Versailles, MO</u>	<u>3,237,878</u>	<u>Class B Common Stock</u>	—	<u>92.9%</u>	(1), (2), (5), (6) and (7)
Walter J. Skipper	Director	<u>Elm Grove, WI</u>	<u>6,666</u>	<u>Class A Common Stock</u>	<u>**</u>	—	(1), (2)
Cary B. Wood	Director	<u>Hinsdale, IL</u>	<u>58,596</u>	<u>Class A Common Stock</u>	<u>0.7%</u>	—	(1), (2)
Mark A. Zorko	Director	<u>Raleigh, NC</u>	<u>58,596</u>	<u>Class A Common Stock</u>	<u>0.7%</u>	—	(1), (2)
Timothy L. Duitsman	President, CEO and Director	<u>Naperville, IL</u>	<u>483,733</u>	<u>Class A Common Stock</u>	<u>6.0%</u>	—	(1), (2), (8)
Jeniffer L. Jaynes	CFO, Treasurer and Secretary	<u>Aurora, IL</u>	<u>144,893</u>	<u>Class A Common Stock</u>	<u>1.8%</u>	—	(1), (2)
Jesse Swartwood	SVP, Worldwide Sales	<u>Saint Charles, IL</u>	<u>151,794</u>	<u>Class A Common Stock</u>	<u>1.9%</u>	—	(1), (2)

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class A Outstanding	Ownership Percentage of Class B Outstanding	Note
David C. Hoeft	5% Class A Common Stockholder	<u>San Francisco, CA</u>	<u>509,033</u>	<u>Class A Common Stock</u>	<u>6.3%</u>	—	(1), (2), and (9)

** less than 0.1%

- (1) Percentage of beneficial ownership is based on 8,111,187 shares of Class A Common Stock and 3,484,287 shares of Class B Common Stock outstanding as of June 30, 2023.
- (2) Class A Common Stock is freely transferable and Class B Common Stock is transferable only to certain transferees but is convertible into Class A Common Stock on a share-for-share basis. Holders of Class A Common Stock have one vote per share and holders of Class B Common Stock have four votes per share.
- (3) 179,340 shares are held by Revocable Trust.
- (4) Includes 246,409 shares held in trust for the benefit of Mr. Penny's children for which Mr. Foskett is trustee and has sole voting and dispositive power. Mr. Foskett disclaims beneficial ownership of these shares.
- (5) Includes 3,237,878 shares of Class B Common Stock held in the Voting Trust Agreement dated February 23, 1994, as amended (the "Voting Trust"), among Robert C. Penny III and certain members of the Penny family. Mr. Penny, Mr. Foskett, and Mr. Patrick J. McDonough, Jr. are co-trustees and have joint voting and dispositive power over all shares in the Voting Trust. Messrs. Penny, Foskett and McDonough each disclaim beneficial ownership with respect to all shares held in the Voting Trust in which they do not have a pecuniary interest. For additional information on the Voting Trust, see the Schedule 13D/A filed with the SEC on May 5, 2015. The Voting Trust contains 953,208 shares held for the benefit of Mr. Penny and 120,656 shares held for the benefit of Mr. Foskett. The address for Messrs. Penny, Foskett and McDonough is Robert W. Foskett, 1035 Pearl St. #400, Boulder, Colorado 80302.
- (6) As of June 30, 2023, Robert C. Penny III, Robert W. Foskett and Patrick J. McDonough, Jr., as trustees of the Voting Trust containing common stock held for the benefit of the Penny family, have the exclusive power to vote over 58.7% of the votes entitled to be cast by the holders of the Company's common stock. Certain Penny family members also own, or are beneficiaries of, trusts that own shares outside of the Voting Trust. Messrs. Penny, Foskett and McDonough, as trustees of the Voting Trust and other trusts, control 63.9% of the voting power of the Company's outstanding stock and therefore effectively control the Company.
- (7) Mr. Penny concluded his service as a Director on the Board and forfeited 4,166 shares of restricted Class A Common Stock when he passed away on July 21, 2023 which are included in his Class A Common Stock number of shares owned as of June 30, 2023.
- (8) 35,833 shares are held in a Trust titled "TIMOTHY L. DUTSMAN TRUST DATED AUGUST 1, 2022".
- (9) Based upon the most current information contained in Schedules 13D or 13G filings with the SEC, unless more recent information was obtained.

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

To the knowledge of Westell Technologies, Inc., none of the foregoing officers, directors or control persons has been the subject of any such proceeding in the past 10 years.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

To the knowledge of Westell Technologies, Inc., none of the foregoing officers, directors or control persons has been the subject of any such proceeding in the past 10 years.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

To the knowledge of Westell Technologies, Inc., none of the foregoing officers, directors or control persons has been the subject of any such proceeding in the past 10 years.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

To the knowledge of Westell Technologies, Inc., none of the foregoing officers, directors or control persons has been the subject of any such proceeding in the past 10 years.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

The Company and its subsidiaries are involved in various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that may be incorporated in the Company's products, which are being handled and defended in the ordinary course of business. These matters are in various stages of investigation and litigation. Although the Company does not expect that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations, litigation is inherently unpredictable. Therefore, judgments could be rendered, or settlements entered, that could adversely affect the Company's operating results or cash flows in a particular period. The Company routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and it records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

In January 2022, a former stockholder of the Company filed a complaint on behalf of a putative class of former stockholders against the Company, its directors, a former director, and the Voting Trust concerning the October 1, 2020, Reverse/Forward Stock Split Transaction (the "Transaction"). The complaint asserts that the \$1.48 per share price paid in the Transaction was unfair and seeks, among other things, damages for the class. The complaint also asserts a state law claim for purported insider trading in connection with an officer's purchase of Company shares in August 2020. In April 2022, a second complaint was filed on behalf of two putative classes against the same parties concerning the Transaction. In May 2022, the plaintiffs in the second suit filed a motion to consolidate the two actions. A hearing was held on December 2, 2022, for the Company's motion to partially dismiss the second suit, the motion to consolidate the two suits, and the plaintiffs' selection of lead counsel. In March 2023, the Court granted the Company's motion to partially dismiss the second suit, consolidated the two suits and appointed counsel of the first complaint as the plaintiffs' lead counsel. A trial is currently scheduled for April 2024. The Company and other defendants to the lawsuits intend to vigorously defend the claims and the Company is seeking coverage under an existing Directors and Officers insurance policy. The Company has not set a reserve for these matters as of June 30, 2023.

A significant customer is a defendant in a patent infringement claim and is asserting possible indemnity rights under contracts with the Company. The customer initially won summary judgment for all claims, which was subsequently reversed on appeal. After the reversal, the customer filed another motion for summary judgment for non-infringement on all claims, which was granted by the District Court. Prior to issuance of the most recent summary judgment order, the customer informed the Company that the customer intends to seek to recover from the Company a share of the settlement and defense costs. The timeframe for appeal of denial of the second summary judgment motion has lapsed, and accordingly, the litigation has concluded. The Company has received notice from the customer that they intend to seek \$273,000 as the Company's share of litigation defense costs from June 2019 to the conclusion of litigation. (The Company has a release as to all defense costs incurred prior to June 2019.) The Company is seeking additional information to fully evaluate the merits of the claim in order to determine potential exposure, which will vary from a high of the asked-for amount to some lower figure, which we cannot determine with certainty at this point. The merits of the claim depend on the Company's contribution ratio and the reasonableness of the defense costs allegedly incurred by the customer. This claim relates to a business that was previously sold and therefore any future expense would be presented as discontinued operations in the financial statements.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Ryan P. Morrison
Firm: Quarles & Brady LLP
Address 1: 411 East Wisconsin Avenue, Suite 2400
Address 2: Milwaukee, WI 53202-4428
Phone: (414) 277-5401
Email: ryan.morrison@quarles.com

Accountant or Auditor

Name: Adam Grinde
Firm: Baker Tilly US, LLP
Address 1: 205 North Michigan Avenue, 28th Floor
Address 2: Chicago, IL 60601-5927
Phone: (312) 729-8000
Email: Adam.Grinde@bakertilly.com

Investor Relations

Name: Timothy L. Duitsman
Firm: Westell Technologies, Inc.
Address 1: 750 North Commons Drive
Address 2: Aurora, IL 60504
Phone: (630) 898-2500
Email: tduitsman@westell.com

All other means of Investor Communication:

Twitter: <https://twitter.com/westelltech>
Discord: N/A
LinkedIn: <https://www.linkedin.com/company/westell/>
Facebook: <https://www.facebook.com/WestellTech>
[Other] <https://www.youtube.com/@westelltech>

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE.

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Jeniffer L Jaynes

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Title: **Chief Financial Officer**

Relationship to Issuer: **Officer of the Issuer**

Describe the qualifications of the person or persons who prepared the financial statements: Jeniffer L. Jaynes has served as the Company's Chief Financial Officer, Treasurer and Secretary since November 2020. Prior to assuming the role of the CFO, she served as interim CFO since August 2019 and the Vice President and Corporate Controller since July 2018. She previously served as the Company's Assistant Vice President of Financial Reporting from 2016 until 2018, and as Director of SEC Reporting from 2007 to 2016. Ms. Jaynes initially joined the Company in 1996 and held various accounting positions with the Company through 2000. Prior to rejoining the Company in 2007, Ms. Jaynes served as the Director of SEC Reporting at Infinity Property and Casualty Corporation (Nasdaq: IPCC), and as the Manager of Financial Reporting at Pemco Aviation Group, Inc. (subsequently known as Alabama Aircraft Industries, Inc. (Nasdaq: AAIL)). Ms. Jaynes is a Certified Public Accountant and began her career as an auditor with Arthur Andersen LLP.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Please see Financial Statements after Section 10 of this document.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Timothy L. Duitsman certify that:

1. I have reviewed this Disclosure Statement for Westell Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 11, 2023 [Date]

/s/ Timothy L. Duitsman [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Jeniffer L. Jaynes certify that:

1. I have reviewed this Disclosure Statement for Westell Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 11, 2023 [Date]

/s/ Jeniffer L. Jaynes [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per shares amounts)

	(unaudited)	
	June 30, 2023	March 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,857	\$ 10,314
Short-term investments	—	2,950
Accounts receivable (net of allowance of \$100 at both June 30, 2023 and March 31, 2023)	8,481	6,940
Inventories	11,936	13,139
Prepaid expenses and other current assets	862	904
Total current assets	35,136	34,247
Non-current assets:		
Property and equipment, net	212	233
Right-of-use assets on operating leases, net	1,322	1,459
Other non-current assets	113	86
Total assets	\$ 36,783	\$ 36,025
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,158	\$ 1,685
Accrued expenses	1,977	2,567
Deferred revenue	476	338
Total current liabilities	4,611	4,590
Non-current liabilities:		
Deferred revenue non-current	300	171
Lease liabilities non-current	705	854
Other non-current liabilities	138	135
Total liabilities	5,754	5,750
Commitments and contingencies (see Note 11)		
Stockholders' equity:		
Class A common stock, par \$0.01, Authorized – 109,000,000 shares, Outstanding – 8,111,187 and 7,989,671 shares at June 30, 2023 and March 31, 2023, respectively	81	80
Class B common stock, par \$0.01, Authorized – 25,000,000 shares, Issued and outstanding – 3,484,287 shares at both June 30, 2023 and March 31, 2023	35	35
Preferred stock, par \$0.01, Authorized – 1,000,000 shares, Issued and outstanding – none	—	—
Additional paid-in capital	420,981	420,896
Treasury stock at cost – 10,566,076 and 10,459,107 shares at June 30, 2023 and March 31, 2023, respectively	(45,070)	(44,891)
Accumulated deficit	(344,998)	(345,845)
Total stockholders' equity	31,029	30,275
Total liabilities and stockholders' equity	\$ 36,783	\$ 36,025

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,	
	2023	2022
Revenue	\$ 10,676	\$ 11,090
Cost of revenue	6,700	7,110
Gross profit	3,976	3,980
Operating expenses		
Research and development	918	1,024
Sales and marketing	1,395	1,409
General and administrative	963	948
Intangibles amortization	—	94
Total operating expenses	3,276	3,475
Operating income	700	505
Other income (expense), net	172	1,456
Income before income taxes	872	1,961
Income tax expense	(25)	(53)
Net income⁽¹⁾	<u>\$ 847</u>	<u>\$ 1,908</u>
<i>Basic net income per share</i>	\$ 0.07	\$ 0.17
<i>Diluted net income per share</i>	\$ 0.07	\$ 0.16
Weighted-average number of shares outstanding:		
Basic	11,517	11,249
Effect of dilutive securities: restricted stock, restricted stock units, and stock options ⁽²⁾	229	408
Diluted	<u>11,746</u>	<u>11,657</u>

⁽¹⁾ Net income and comprehensive income are the same for the periods reported.

⁽²⁾ The Company has 0.1 million and 0.4 million shares represented by common stock equivalents for the three months ended June 30, 2023 and 2022, respectively, which were not included in the computation of average dilutive shares outstanding because they were anti-dilutive.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2023	\$ 80	\$ 35	\$ 420,896	\$ (44,891)	\$ (345,845)	\$ 30,275
Net income	—	—	—	—	847	847
Common stock issued	2	—	(2)	—	—	—
Purchase of treasury stock	(1)	—	—	(179)	—	(180)
Stock-based compensation	—	—	87	—	—	87
Balance, June 30, 2023	\$ 81	\$ 35	\$ 420,981	\$ (45,070)	\$ (344,998)	\$ 31,029

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2022	\$ 77	\$ 35	\$ 420,587	\$ (44,608)	\$ (349,661)	\$ 26,430
Net income	—	—	—	—	1,908	1,908
Common stock issued	4	—	(4)	—	—	—
Purchase of treasury stock	(1)	—	—	(184)	—	(185)
Stock-based compensation	—	—	121	—	—	121
Balance, June 30, 2022	\$ 80	\$ 35	\$ 420,704	\$ (44,792)	\$ (347,753)	\$ 28,274

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 847	\$ 1,908
Reconciliation of net income to net cash used in operating activities:		
Depreciation and amortization	37	125
Stock-based compensation	87	121
Non-cash gain reversal of accrued contractual obligation	—	(1,445)
Exchange rate loss (gain)	5	3
Changes in assets and liabilities:		
Accounts receivable	(1,546)	(1,157)
Inventories	1,203	(1,451)
Prepaid expenses and other current assets	42	(156)
Other assets	110	132
Deferred revenue	267	(145)
Accounts payable and accrued expenses	(263)	(1,027)
Net cash provided by (used in) operating activities	<u>789</u>	<u>(3,092)</u>
Cash flows from investing activities:		
Purchases of held-to-maturity short-term debt securities	—	(5,938)
Maturities of held-to-maturity short-term debt securities	2,950	—
Purchases of property and equipment	(16)	(21)
Net cash provided by (used in) investing activities	<u>2,934</u>	<u>(5,959)</u>
Cash flows from financing activities:		
Purchases of treasury stock	(180)	(185)
Net cash provided by (used in) financing activities	<u>(180)</u>	<u>(185)</u>
Net increase (decrease) in cash and cash equivalents	3,543	(9,236)
Cash and cash equivalents, beginning of period ⁽¹⁾	<u>10,314</u>	<u>14,961</u>
Cash and cash equivalents, end of period	<u><u>\$ 13,857</u></u>	<u><u>\$ 5,725</u></u>

⁽¹⁾ As of March 31, 2023, the Company had approximately \$3.0 million of short-term investments in addition to the \$10.3 million of cash and cash equivalents.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

Description of Business

Westell Technologies, Inc. (the “Company”) is a holding company. Its wholly owned subsidiary, Westell, Inc. (“Westell”), designs, manufactures and distributes telecommunications solutions, which are sold primarily to major telephone companies.

Basis of Presentation and Reporting

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. The Condensed Consolidated Financial Statements have been prepared using generally accepted accounting principles (“GAAP”) in the United States for interim financial reporting, and, accordingly, they do not include all of the information and footnotes required in the annual consolidated financial statements and accompanying footnotes. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in the Company’s Annual Report for the year ended March 31, 2023. All intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, the unaudited interim financial statements included herein reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company’s condensed consolidated financial position and the results of operations, comprehensive income and cash flows at June 30, 2023, and for all periods presented. The results of operations for the periods presented are not necessarily indicative of the results that may be expected for fiscal year 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and that affect revenue and expenses during the periods reported. Estimates are used when accounting for the allowance for uncollectible accounts receivable, net realizable value of inventory, product warranty accrued, relative selling prices, stock-based compensation, intangible assets fair value, depreciation, income taxes, right-of-use lease assets and related lease liabilities, and contingencies, among other things. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* (“ASU 2016-13”). ASU 2016-13 replaces the current incurred loss approach with a new expected credit loss impairment model for trade receivables, loans, and other financial instruments. Under the new model, the estimate of expected credit losses will be based on historical experience, current conditions and reasonable and supportable forecasts. For the Company, ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted. Application of the amendments is through a cumulative-effect adjustment to retained earnings as of the effective date. Effective April 1, 2023, the Company adopted ASU 2016-13 with no impact on the Company's Condensed Consolidated Financial Statements.

Subsequent Events

The Company evaluates subsequent events occurring between the most recent balance sheet date and the date that the condensed consolidated financial statements are available to be issued in order to determine whether the subsequent events are to be recorded and/or disclosed in the Company’s financial statements and footnotes. The financial statements are considered to be available to be issued at the time that they are filed with the OTC.

Note 2. Leases

The Company accounts for leases under ASC Topic 842, *Leases*. Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets. The Company also made the accounting policy election to account for each separate lease component and non-lease component associated with that lease component as a single lease component. The Company determines lease terms based on whether or not it is reasonably certain to exercise the lease extensions. The Company determines at inception whether an arrangement is a lease.

Right-of-use (“ROU”) assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the net present value of remaining fixed lease payments over the lease term. Lease terms used to calculate the present value of the lease payments include any options to extend, renew, or terminate the lease, when it is reasonably certain that these options will be exercised. ROU assets also include any advance lease payments made and exclude any lease incentives. As the implicit interest rate for our leases is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Lease expense is recognized on a straight-line basis over the lease term. The Company has lease arrangements with non-lease components that are not in-substance fixed and considered variable, which were not included in the carrying balances of the ROU asset and lease liability. The Company does not have any finance leases. No leases require residual value guarantees.

The Company reviews the impairment ROU assets consistent with the approach applied to other long-lived assets. ROU assets are reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying amount over its fair value.

The Company's operating leases primarily include building leases for the corporate headquarters in Aurora, IL, an engineering and service center in Dublin, OH, and engineering test facility in Manchester, NH.

Future minimum lease payments as of June 30, 2023, consisted of the following (in thousands):

Fiscal Year Ending March 31,	Operating Leases
2024 ⁽¹⁾	\$ 418
2025	615
2026	276
Thereafter	—
Total lease payments	1,309
Less: imputed interest	(68)
Total operating lease liabilities	<u>\$ 1,241</u>

⁽¹⁾ Represents the future minimum operating lease payments expected to be made over the remaining balance of the fiscal year.

As of June 30, 2023, the weighted-average remaining lease term was 2.4 years and the weighted-average discount rate was 4.5%.

Our building leases include variable lease payments that are not included in the lease liability balances as they are based on the expenses which can vary during the term of each lease.

Lease expenses are included in Cost of revenue, Sales and marketing, Research and development, and General and administrative in the Company's Condensed Consolidated Income Statements.

The components of lease expense are as follows:

(in thousands)	Three months ended June 30, 2023		Three months ended June 30, 2022	
Operating lease expense	\$	152	\$	152
Variable lease expense ⁽¹⁾		53		56
Total lease expense ⁽²⁾	\$	205	\$	208

⁽¹⁾ Variable lease expense is related to our leased real estate and primarily includes labor and operational costs as well as taxes and insurance.

⁽²⁾ Short-term lease expense is immaterial.

For each of the three months ended June 30, 2023, and June 30, 2022, cash paid for operating leases included in the measurement of lease liabilities was \$0.2 million. All of these payments are presented in Operating activities cash flows on the Condensed Consolidated Statements of Cash Flows.

The following table summarizes the classification of ROU assets and lease liabilities as of June 30, 2023, and March 31, 2023:

(in thousands)	June 30, 2023		March 31, 2023		Balance Sheet Classification
Assets:					
ROU assets	\$	1,322	\$	1,459	Right-of-use assets on operating leases, net
Liabilities:					
Current operating lease liability		536		525	Accrued expenses
Non-current operating lease liabilities		705		854	Lease liabilities non-current
Total lease liabilities	\$	1,241	\$	1,379	

Note 3. Revenue Recognition and Deferred Revenue

The Company records revenue based on a five-step model in accordance with ASC Topic 606, *Revenue From Contracts With Customers* (“ASC 606”). The Company's revenue is derived from the sale of products, software, and services identified in contracts. A contract exists when both parties have an approved agreement that creates enforceable rights and obligations, identifies performance obligations and payment terms and has commercial substance. The Company records revenue from these contracts when control of the products or services transfer to the customer. The amount of revenue to be recognized is based upon the consideration, including the impact of any variable consideration that the Company expects to be entitled to receive in exchange for these products and services.

Disaggregation of revenue

The following table disaggregates our revenue by major source:

(in thousands)	Three months ended June 30,			
	2023		2022	
Revenue:				
Products	\$	9,697	\$	9,540
Software		37		170
Services		942		1,380
Total revenue	\$	10,676	\$	11,090

The following is the expected future revenue recognition timing of deferred revenue as of June 30, 2023:

(in thousands)	< 1 year	1-2 years	> 2 years
Deferred Revenue	\$ 476	\$ 107	\$ 193

During the three months ended June 30, 2023, and June 30, 2022, the Company recognized \$0.1 million and \$0.4 million of revenue related to contract liabilities at the beginning of the periods, respectively.

The Company allows certain customers to return unused product under specified terms and conditions. The Company estimates product returns based on historical sales and return trends and records a corresponding refund liability. The refund liability, which is presented within Accrued expenses on the accompanying Condensed Consolidated Balance Sheets, was \$0.2 million at both June 30, 2023, and March 31, 2023. The gross product return asset, which is presented within Prepaid and other current assets in the Condensed Consolidated Balance Sheets, was approximately \$0.1 million and \$0.2 million at June 30, 2023, and March 31, 2023, respectively.

Note 4. Revolving Credit Agreement

The Company entered into a credit agreement dated as of December 15, 2022 (the "Credit Agreement") with St. Charles Bank & Trust Company, N.A. The Credit Agreement is a one-year revolving credit facility in an amount up to \$5.0 million, with availability under the line of credit subject to a borrowing base calculated as a percentage of eligible accounts receivable. The line of credit is secured by a blanket lien on all tangible and intangible assets of the Company and its domestic subsidiary. Borrowings under the Credit Agreement will bear interest at SOFR plus 300 basis points. The line of credit is to be repaid in monthly payments of interest only and is renewable at maturity. The Credit Agreement contains certain restrictive covenants customary for transactions of this type. The Credit Agreement contains one financial covenant requiring the Borrower to maintain a minimum fixed charge coverage ratio of 1.2x, measured semi-annually. The Company was in compliance with this covenant on June 30, 2023 and expects to comply with this covenant for the term of the debt. There were no borrowings and \$5.0 million available under this facility at June 30, 2023.

Note 5. Interim Segment Information

Segment information is presented in accordance with a "management approach", which designates the internal reporting used by the chief operating decision-maker ("CODM") for making decisions and assessing performance as the source of the Company's reportable segments. The Company's CODM is the Chief Executive Officer. The CODM continues to define segment profit as gross profit less research and development expenses. The accounting policies of the segments are the same as those for Westell Technologies, Inc. described in the summary of significant accounting policies included in the Company's Annual Report for year ended March 31, 2023, and as updated in this filing.

The Company's three reportable segments are as follows:

In-Building Wireless ("IBW") Segment

IBW segment solutions enable public safety and cellular coverage in stadiums, arenas, malls, buildings, and other indoor areas not served well by the existing outdoor radio network. For the public safety market, solutions include Class A repeaters, Class B repeaters, VHF/UHF repeaters, Public Safety distributed antenna systems ("DAS"), and battery backup units. IBW also offers passive signal distribution, attenuation solutions, protection products, and antennas for both the public safety and cellular markets.

Intelligent Site Management ("ISM") Segment

ISM segment solutions include a suite of remote units, which provide machine-to-machine communications that enable operators to remotely monitor, manage, and control physical site infrastructure and support systems. Remote units can be combined with the Company's Optima management software system. ISM also offers support services (i.e., maintenance agreements) and deployment services (i.e., installation).

Communications Network Solutions ("CNS") Segment

CNS segment solutions include a broad range of hardened network infrastructure offerings suitable for both indoor and outdoor use. The offerings consist of integrated cabinets, power distribution products, copper and fiber network connectivity panels, and fiber access products.

Segment information for the three months ended June 30, 2023, and 2022, is set forth below:

Three months ended June 30, 2023				
(in thousands)	IBW	ISM	CNS	Total
Revenue	\$ 2,519	\$ 4,836	\$ 3,321	\$ 10,676
Cost of revenue	1,732	2,402	2,566	6,700
Gross profit	787	2,434	755	3,976
Gross margin	31.2%	50.3%	22.7%	37.2%
Research and development	305	401	212	918
Segment profit	\$ 482	\$ 2,033	\$ 543	3,058
Operating expenses:				
Sales and marketing				1,395
General and administrative				963
Intangible amortization				—
Operating income				700
Other income (expense), net				172
Income tax benefit (expense)				(25)
Net income				\$ 847

Three months ended June 30, 2022				
(in thousands)	IBW	ISM	CNS	Total
Revenue	\$ 2,132	\$ 5,155	\$ 3,803	\$ 11,090
Cost of revenue	1,494	2,803	2,813	7,110
Gross profit	638	2,352	990	3,980
Gross margin	29.9%	45.6%	26.0%	35.9%
Research and development	289	494	241	1,024
Segment profit	\$ 349	\$ 1,858	\$ 749	2,956
Operating expenses:				
Sales and marketing				1,409
General and administrative				948
Intangible amortization				94
Operating income				505
Other income (expense), net ⁽¹⁾				1,456
Income tax benefit (expense)				(53)
Net income				\$ 1,908

Segment asset information is not reported to or used by the CODM.

⁽¹⁾ During the quarter ended June 30, 2022, the statute of limitation to bring a claim for the accrued contractual obligation expired. As a result, the Company reversed the estimated accrual of \$1.4 million and recorded the non-cash gain in Other income (expense), net on the Condensed Consolidated Income Statements.

Note 6. Inventories

Inventories are stated at the lower of cost, on a first-in, first-out basis, or net realizable value. The components of net inventories are as follows:

(in thousands)	June 30, 2023		March 31, 2023	
Raw materials	\$	3,480	\$	3,970
Finished goods		8,456		9,169
Total inventories	\$	11,936	\$	13,139

The Company records provisions against inventory for excess and obsolete inventory, which are determined based on the Company's best estimates of future demand, product lifecycle status and product development plans. These provisions reduce the inventory cost basis. The Company believes the estimates and assumptions underlying its provisions are reasonable. However, there is risk that additional charges may be necessary if future demand is less than current forecasts due to technological changes, uncertain customer requirements, or other factors.

Note 7. Stock-Based Compensation

The Westell Technologies, Inc. 2019 Omnibus Incentive Compensation Plan (the "2019 Plan") was approved at the annual meeting of stockholders on September 17, 2019. The 2019 Plan replaced the Westell Technologies, Inc. 2015 Omnibus Incentive Compensation Plan (the "2015 Plan"). If any award granted under the 2019 Plan or the 2015 Plan is canceled, terminates, expires, or lapses for any reason, any Shares subject to such award shall again be available for the grant of an award under the 2019 Plan. Shares subject to an award shall not again be made available for issuance under the Plan if such Shares are: (a) delivered to or withheld by the Company to pay the grant or purchase price of an award, or (b) delivered to or withheld by the Company to pay the withholding taxes related to an award. Any awards or portions thereof that are settled in cash and not in Shares shall not be counted against the foregoing Share limit.

The stock options, restricted stock awards, and restricted stock units ("RSUs") awarded under the 2019 Plan generally vest in equal annual installments over 3 years for employees and 1 year for non-employee directors. Certain awards provide for accelerated vesting if there is a change in control (as defined in the 2019 Plan), or when provided within individual employment contracts. The Company accounts for forfeitures as they occur. The Company issues new shares for stock awards under the 2019 Plan.

The following table is a summary of total stock-based compensation expense resulting from stock options, restricted stock, and RSUs during the three months ended June 30, 2023, and 2022:

(in thousands)	Three months ended June 30,	
	2023	2022
Stock-based compensation expense	\$ 87	\$ 121
Income tax benefit	—	—
Total stock-based compensation expense, after taxes	\$ 87	\$ 121

Stock Options

Stock option activity for the three months ended June 30, 2023, is as follows:

	Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value ⁽¹⁾ (in thousands)
Outstanding on March 31, 2023	209,687	\$ 1.71	2.6	\$ 45
Granted	—	—		
Exercised	—	—		
Forfeited	(9,062)	4.64		
Expired	—	—		
Outstanding on June 30, 2023	<u>200,625</u>	\$ 1.58	2.4	\$ 53

⁽¹⁾ The intrinsic value for the stock options is calculated based on the difference between the exercise price of the underlying awards and the Westell Technologies' closing stock price as of the respective reporting date.

Restricted Stock

The following table sets forth restricted stock activity for the three months ended June 30, 2023:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2023	27,496	\$ 1.20
Granted	—	—
Vested	—	—
Forfeited	—	—
Non-vested as of June 30, 2023	<u>27,496</u>	\$ 1.20

RSUs

The following table sets forth the RSU activity for the three months ended June 30, 2023:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2023	555,527	\$ 1.11
Granted	187,877	1.65
Vested	(228,485)	0.90
Forfeited	—	—
Non-vested as of June 30, 2023	<u>514,919</u>	\$ 1.41

Note 8. Product Warranties

The Company's products carry a limited warranty ranging from one to five years for the products within the IBW segment, typically one year for products within the ISM segment, and one to seven years for products within the CNS segment. The specific terms and conditions of those warranties vary depending upon the customer and the products sold. Factors that affect the estimate of the Company's warranty reserve include: the number of units shipped, anticipated rates of warranty claims, and cost per claim. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the reserve as necessary. The current portions of the warranty reserve are \$136,000 and \$128,000 as of June 30, 2023, and March 31, 2023, respectively, and are presented

on the Condensed Consolidated Balance Sheets in Accrued expenses. The non-current portions of the warranty reserves are \$79,000 and \$77,000 as of June 30, 2023, and March 31, 2023, respectively, and are presented on the Condensed Consolidated Balance Sheets in Other non-current liabilities.

The following table presents the changes in the Company's product warranty reserve:

(in thousands)	Three months ended June 30,	
	2023	2022
Total product warranty reserve at the beginning of the period	\$ 205	\$ 185
Warranty expense to cost of revenue	31	21
Utilization	(21)	(21)
Total product warranty reserve at the end of the period	<u>\$ 215</u>	<u>\$ 185</u>

Note 9. Variable Interest Entity and Guarantee

The Company has a 50% equity ownership in AccessTel Kentrox Australia PTY LTD ("AKA"). AKA distributes network management solutions provided by the Company and the owner of the remaining 50% equity to one customer. The Company holds equal voting control with the other owner. All actions of AKA are decided at the board level by majority vote. The Company evaluated ASC Topic 810, *Consolidations*, and concluded that AKA is a variable interest entity ("VIE") and the Company has a variable interest in the VIE. The Company has concluded that it is not the primary beneficiary of AKA and, therefore, consolidation is not required. The carrying amount of the Company's investment in AKA was approximately \$0.1 million as of both June 30, 2023, and March 31, 2023, which is presented on the Condensed Consolidated Balance Sheets within Other non-current assets.

The Company's revenue from sales to AKA for the three months ended June 30, 2023, and June 30, 2022, was \$0.8 million and \$0.4 million, respectively. Accounts receivable from AKA was \$0.7 million and \$0.2 million as of June 30, 2023, and March 31, 2023, respectively. AKA deferred revenue, which primarily relates to maintenance contracts, was \$0.2 million as of both June 30, 2023, and March 31, 2023. The Company also has provided an unlimited guarantee for the performance of the other owner in AKA, which primarily provides support and engineering services to the customer. This guarantee was put in place at the request of the AKA customer. The guarantee, which is estimated to have a maximum potential future payment of \$0.7 million, will stay in place as long as the contract between AKA and the customer is in place. The Company would have recourse against the other owner in AKA in the event the guarantee is triggered. The Company determined that it could perform on the obligation it guaranteed at a positive rate of return and, therefore, did not assign value to the guarantee. The Company's exposure to loss as a result of its involvement with AKA, exclusive of lost profits, is limited to the items noted above.

Note 10. Income Taxes

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year and uses that rate to provide for income taxes on a current year-to-date basis before discrete items. If a reliable estimate cannot be made, the Company may make a reasonable estimate of the annual effective tax rate, including use of the actual effective rate for the year-to-date. The impact of discrete items is recorded in the quarter in which they occur. The Company utilizes the liability method of accounting for income taxes and deferred taxes, which are determined based on the differences between the financial statements and tax basis of assets and liabilities given the enacted tax laws. The Company evaluates the need for valuation allowances on the net deferred tax assets under the rules of ASC Topic 740, *Income Taxes*. In assessing the realizability of the Company's deferred tax assets, the Company considers whether it is more likely than not that some or all of the deferred tax assets will be realized through the generation of future taxable income. In making this determination, the Company assessed all of the evidence available at the time, including recent earnings, forecasted income projections and historical performance. The Company determined that the negative evidence outweighed the objectively verifiable positive evidence and previously recorded a full valuation allowance against deferred tax assets. The Company will continue to reassess realizability going forward.

As of June 30, 2023, the Company had net deferred tax assets of approximately \$30.0 million before a valuation allowance of \$30.0 million.

The Company recorded \$25,000 of income tax expense from continuing operations in the three months ended June 30, 2023, using an effective rate of 2.6% plus discrete items. The Company recorded \$53,000 of income tax expense from continuing operations in the three months ended June 30, 2022, using an effective rate of 2.6% plus discrete items. The effective income tax rate in both periods is impacted by the intraperiod allocation as a result of income from continuing operations, and states which base tax on gross margin and not pretax income.

Note 11. Commitments and Contingencies

Litigation and Contingency Reserves

The Company and its subsidiaries are involved in various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that may be incorporated in the Company's products, which are being handled and defended in the ordinary course of business. These matters are in various stages of investigation and litigation. Although the Company does not expect that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations, litigation is inherently unpredictable. Therefore, judgments could be rendered, or settlements entered, that could adversely affect the Company's operating results or cash flows in a particular period. The Company routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and it records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

In January 2022, a former stockholder of the Company filed a complaint on behalf of a putative class of former stockholders against the Company, its directors, a former director, and the Voting Trust concerning the October 1, 2020, Reverse/Forward Stock Split Transaction (the "Transaction"). The complaint asserts that the \$1.48 per share price paid in the Transaction was unfair and seeks, among other things, damages for the class. The complaint also asserts a state law claim for purported insider trading in connection with an officer's purchase of Company shares in August 2020. In April 2022, a second complaint was filed on behalf of two putative classes against the same parties concerning the Transaction. In May 2022, the plaintiffs in the second suit filed a motion to consolidate the two actions. A hearing was held on December 2, 2022, for the Company's motion to partially dismiss the second suit, the motion to consolidate the two suits, and the plaintiffs' selection of lead counsel. In March 2023, the Court granted the Company's motion to partially dismiss the second suit, consolidated the two suits and appointed counsel of the first complaint as the plaintiffs' lead counsel. A trial is currently scheduled for April 2024. The Company and other defendants to the lawsuits intend to vigorously defend the claims and the Company is seeking coverage under an existing Directors and Officers insurance policy. The Company has not set a reserve for these matters as of June 30, 2023.

In the ordinary course of operations, the Company receives claims where the Company believes an unfavorable outcome is possible or probable but no estimate of possible losses can currently be made. A significant customer is a defendant in a patent infringement claim and is asserting possible indemnity rights under contracts with the Company. The customer initially won summary judgment for all claims, which was subsequently reversed on appeal. After the reversal, the customer filed another motion for summary judgment for non-infringement on all claims, which was granted by the District Court. Prior to issuance of the most recent summary judgment order, the customer informed the Company that the customer intends to seek to recover from the Company a share of the settlement and defense costs. The timeframe for appeal of denial of the second summary judgement motion has lapsed, and accordingly, the litigation has concluded. The Company has received notice from the customer that they intend to seek \$273,000 as the Company's share of litigation defense costs from June 2019 to the conclusion of litigation. (The Company has a release as to all defense costs incurred prior to June 2019.) The Company is seeking additional information to fully evaluate the merits of the claim in order to determine potential exposure, which will vary from a high of the asked-for amount to some lower figure, which we cannot determine with certainty at this point. The merits of the claim depend on the Company's contribution ratio and the reasonableness of the defense costs allegedly incurred by the customer. This claim relates to a business that was previously sold and therefore any future expense would be presented as discontinued operations in the financial statements.

As of June 30, 2023, and March 31, 2023, the Company has not recorded any contingent liability attributable to existing litigation.

Lease Obligations

The Company currently occupies office space under operating leases, with various expiration dates through November 2025. The Company's office leases provide for rental payments on a graduated scale. Lease expense is recognized on a straight-line basis over the lease term. For further details, refer to Note 2. *Leases*.

Note 12. Fair Value Measurements

Fair value is defined by ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company's money market funds are measured using Level 1 inputs. The following table presents available-for-sale securities measured at fair value on a recurring basis as of June 30, 2023:

(in thousands)	Total Fair Value of Asset or Liability	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets:					
Money market funds	\$ 735	\$ 735	—	—	Cash and cash equivalents

The following table presents available-for-sale securities measured at fair value on a recurring basis as of March 31, 2023:

(in thousands)	Total Fair Value of Asset or Liability	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets:					
Money market funds	\$ 2,333	\$ 2,333	—	—	Cash and cash equivalents

The fair value of the money market funds approximates their carrying amounts due to the short-term nature of these financial instruments.

Additionally, the Company invests in debt instruments consisting of U.S. treasury bonds. The treasury bonds are classified as held-to-maturity and are carried at amortized cost. Investments with an original maturity up to three months are carried at cost and reported as Cash and cash equivalents on the Condensed Consolidated Balance Sheets. The Company had \$9.6 million and \$2.0 million of U.S. treasury bonds presented in Cash and cash equivalents as for June 30, 2023 and March 31, 2023, respectively. Investments with an original maturity greater than three months, but less than one year are carried at cost and reported as Short-term investments on the Condensed Consolidated Balance Sheets. Short-term investments were \$3.0 million as of March 31, 2023. The fair value of short-term investments approximates their carrying amounts due to the short-term nature of these financial assets and therefore there are no

unrecognized gains or losses. The Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost basis.

Note 13. Share Repurchases

Share Repurchase Programs

In May 2017, the Board of Directors authorized a share repurchase program whereby the Company may repurchase up to an aggregate of \$2.0 million of its outstanding Class A Common Stock (the “2017 authorization”). The 2017 authorization is in addition to the \$0.1 million that was remaining from the August 2011 \$20.0 million authorization (the “2011 authorization”). The Company repurchased 34,221 shares under the 2017 authorization under a 10b5-1(c) purchase plan during the three months ended June 30, 2023, at a weighted-average purchase price of \$1.69 per share. The Company repurchased 54,830 shares under the 2017 authorization under a 10b5-1(c) purchase plan during the three months ended June 30, 2022, at a weighted-average purchase price of \$1.20 per share. As of June 30, 2023, there was approximately \$0.5 million remaining for additional share repurchases under the 2017 authorization.

Additionally, in the three months ended June 30, 2023, and June 30, 2022, the Company repurchased 72,748 and 96,869 shares of Class A Common Stock, respectively, from certain employees that were surrendered to satisfy the minimum statutory tax withholding obligations on the vesting of restricted stock, RSUs. These repurchases were not included in the authorized share repurchase programs and had a weighted-average purchase price of \$1.67 and \$1.23 per share, respectively.

Note 14. Accrued Expenses

The components of accrued expenses are as follows:

(in thousands)	June 30, 2023	March 31, 2023
Accrued compensation	\$ 615	\$ 1,195
Current operating lease liability	536	525
Other accrued expenses	826	847
Total accrued expenses	<u>\$ 1,977</u>	<u>\$ 2,567</u>

Note 15. Property and Equipment, net

Long-lived assets consist of property and equipment. Long-lived assets that are held and used should be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived assets might not be recoverable. There was no long-lived asset impairment during the three months ended June 30, 2023, or June 30, 2022.

The components of Property and equipment are as follows:

(in thousands)	June 30, 2023	March 31, 2023
Machinery and equipment	\$ 1,502	\$ 1,494
Office, computer and research equipment	4,689	4,689
Leasehold improvements	801	793
Property and equipment, gross	6,992	6,976
Less accumulated depreciation and amortization	(6,780)	(6,743)
Property and equipment, net	<u>\$ 212</u>	<u>\$ 233</u>