

Non-GAAP Financial Measures

We provide non-GAAP gross margin, non-GAAP net income (loss), and non-GAAP earnings per share to eliminate the impact of items that we do not consider indicative of our overall operating performance. To arrive at our non-GAAP gross margin, we exclude stock-based compensation expense, expenses associated with discontinued products, and non-recurring (income) expenses, if any, from our GAAP gross margin. To arrive at our non-GAAP net income (loss), we exclude all amortization of intangible assets, stock-based compensation expense, non-recurring expenses, unrealized foreign exchange loss (gain), losses from the disposal of idle assets, if any, non-GAAP tax benefit (expenses), and losses from the disposal of idle assets, if any, from our GAAP net income (loss). Included in our non-recurring expenses in Q1 2023 and Q1 2024 are certain non-recurring expenses related to employee severance expenses (if any). Also included in our non-recurring expenses in Q1 2024, but not in Q1 2023, are certain non-recurring legal expenses associated with litigation and certain legal and advisory expenses associated with patent protection. In computing our non-GAAP income tax benefit (expense), we have applied an estimate of our annual effective income tax rate and applied it to our net income before income taxes. Our adjusted EBITDA is calculated by excluding depreciation expense, non-GAAP tax benefit (expense), and interest (income) expense, as well as the items excluded from non-GAAP net income (loss), from our GAAP net loss. Our non-GAAP diluted net loss per share is calculated by dividing our non-GAAP net loss by the fully diluted share count (for periods in which non-GAAP net income is positive) or basic share count (for periods in which our non-GAAP net income is negative).

We believe that our non-GAAP measures are useful to investors in evaluating our operating performance for the following reasons:

- We believe that elimination of items such as amortization of intangible assets, stock-based compensation expense, non-recurring revenue and expenses, losses from the disposal of idle assets, unrealized foreign exchange gain or loss, and depreciation on certain equipment undergoing reconfiguration is appropriate because treatment of these items may vary for reasons unrelated to our overall operating performance;
- We believe that elimination of expenses associated with discontinued products, including depreciation and inventory obsolescence is appropriate because these expenses are not indicative of our ongoing operations;
- We believe that estimating non-GAAP income taxes allows comparison with prior periods and provides additional information regarding the generation of potential future deferred tax assets;
- We believe that non-GAAP measures provide better comparability with our past financial performance, period-to-period results and with our peer companies, many of which also use similar non-GAAP financial measures; and
- We anticipate that investors and securities analysts will utilize non-GAAP measures as a supplement to GAAP measures to evaluate our overall operating performance.

Applied Optoelectronics, Inc.
Consolidated Balance Sheet

(In thousands)

Preliminary Unaudited

	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	31,980	33,667	26,268	24,685	16,103	21,578	21,940	45,366	8,433
Restricted Cash	8,128	6,983	8,307	10,902	10,845	7,034	9,301	9,731	8,972
Total Cash, Cash Equivalents and Short Term Investments	40,108	40,650	34,575	35,587	26,948	28,612	31,241	55,097	17,405
Accounts Receivable, Net	54,218	49,139	52,823	61,175	56,799	42,598	60,751	48,071	57,476
Notes Receivable	1,195	212	9	339	1,079	782	0	219	352
Inventories	92,007	98,181	94,261	79,679	70,186	66,321	67,533	63,866	54,322
Prepaid Income Tax	-	-	-	-	-	2	2	3	2
Prepaid Expenses and Other Current Assets	5,711	6,235	6,132	6,384	6,517	6,231	4,871	5,349	4,078
Total Current Assets	193,239	194,417	187,800	183,164	161,529	144,546	164,398	172,605	133,635
Property, Plant And Equipment, Net	236,774	224,349	211,586	210,184	207,171	197,879	193,828	200,317	199,941
Land Use Rights, Net	5,848	5,500	5,168	5,238	5,278	4,990	4,992	5,030	4,991
Right of use asset	6,672	6,206	5,634	5,592	5,399	5,306	4,995	5,026	4,552
Intangible Assets, Net	3,792	3,763	3,740	3,699	3,655	3,625	3,626	3,628	3,610
Deferred Income Tax Assets	-	-	-	-	-	-	-	-	-
Other Assets	428	520	415	386	519	531	1,953	2,580	4,187
TOTAL ASSETS	446,753	434,755	414,343	408,263	383,551	356,877	373,792	389,186	350,916
LIABILITIES AND STOCKHOLDERS' EQUITY									
CURRENT LIABILITIES									
Accounts Payable	40,044	52,496	52,311	47,845	38,419	35,111	34,854	32,892	23,639
Bank Acceptance Payable	9,955	10,273	13,760	12,337	19,196	8,637	14,383	15,482	10,712
Accrued Expenses	13,237	12,440	12,444	17,222	13,505	14,702	16,383	18,549	13,345
Accrued Income Taxes	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	3,000	2,763	10,720	10,073	1,803	1,689
Current Lease Liability	1,065	1,042	1,017	1,104	1,093	1,108	1,108	1,149	1,095
Current Portion of Notes Payable and Long Term Debt	52,233	53,565	51,357	57,074	50,921	37,276	31,323	23,197	24,129
Current - convertible notes payable	-	-	-	-	79,710	79,916	80,124	286	-
Total Current Liabilities	116,534	129,815	130,889	138,582	205,607	187,470	188,248	93,358	74,609
Deferred Revenue, net of current portion	-	-	-	-	-	1,000	2,424	-	-
Notes Payable and Long Term Debt	5,000	-	-	-	-	-	-	-	-
Convertible Senior Notes	78,884	79,090	79,298	79,506	-	-	-	76,233	76,331
Other Long-Term Liabilities	6,758	6,255	5,618	5,505	5,307	5,148	4,767	4,726	4,250
TOTAL LIABILITIES	207,176	215,161	215,805	223,593	210,914	193,618	195,439	174,317	155,190
STOCKHOLDERS' EQUITY									
Common Stock	27	28	28	29	29	32	34	38	39
Additional Paid-in Capital	383,474	385,531	388,316	391,526	394,147	407,003	431,766	478,972	484,663
Cumulative Translation Adjustment	14,809	7,226	(988)	2,183	3,823	(1,470)	(2,188)	975	(688)
Retained Earnings (Accumulated Deficit)	(158,733)	(173,191)	(188,818)	(209,068)	(225,362)	(242,306)	(251,259)	(265,116)	(288,288)
TOTAL STOCKHOLDERS' EQUITY	239,577	219,594	198,538	184,670	172,637	163,259	178,353	214,869	195,726
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	446,753	434,755	414,343	408,263	383,551	356,877	373,792	389,186	350,916

Applied Optoelectronics, Inc.
Consolidated Statement of Operations

(In thousands, except percentages and per share data)

	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23	4Q23	CY2023	1Q24
Revenue											
CATV	24,980	23,713	31,260	38,216	118,169	27,779	9,343	10,268	12,551	59,941	8,736
Datacenter	21,415	21,497	17,697	16,485	77,094	20,353	27,571	48,807	44,481	141,213	28,986
Telecom	5,265	6,276	6,821	6,365	24,727	3,707	4,231	3,074	2,818	13,831	2,269
FTTH	98	27	-	4	129	2	55	0		57	0
Other	484	786	915	514	2,699	1,189	415	398	603	2,604	682
Total Revenues	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547	60,453	217,646	40,673
YOY Growth %	5.1%	-3.5%	6.4%	13.2%	5.3%	1.5%	-20.4%	10.3%	-1.8%	-2.3%	-23.3%
Cost of Goods Sold	43,217	43,671	46,944	55,359	189,191	43,786	33,717	42,373	38,849	158,725	33,082
COGS % of Revenue	82.7%	83.5%	82.8%	89.9%	84.9%	82.6%	81.0%	67.7%	64.3%	72.9%	81.3%
Gross Profit	9,025	8,628	9,749	6,225	33,627	9,244	7,898	20,174	21,604	58,921	7,591
Gross Margin	17.3%	16.5%	17.2%	10.1%	15.1%	17.4%	19.0%	32.3%	35.7%	27.1%	18.7%
Operating Expenses:											
Research and Development	9,486	8,328	9,206	9,224	36,244	8,536	8,640	9,457	9,341	35,975	11,712
R&D % of Revenue	18.2%	15.9%	16.2%	15.0%	16.3%	16.1%	20.8%	15.1%	15.5%	16.5%	28.8%
Sales and Marketing	2,558	2,164	2,385	2,616	9,723	2,327	2,269	3,035	3,438	11,069	3,798
S&M % of Revenue	4.9%	4.1%	4.2%	4.2%	4.4%	4.4%	5.5%	4.9%	5.7%	5.1%	9.3%
General and Administrative	11,220	11,035	11,654	12,749	46,658	12,548	12,954	14,368	13,356	53,225	13,727
G&A % of Revenue	21.5%	21.1%	20.6%	20.7%	20.9%	23.7%	31.1%	23.0%	22.1%	24.5%	33.7%
Total Operating Expenses	23,264	21,527	23,245	24,589	92,625	23,411	23,863	26,860	26,135	100,269	29,237
Operating Expenses % of Revenue	44.5%	41.2%	41.0%	39.9%	41.6%	44.1%	57.3%	42.9%	43.2%	46.1%	71.8%
Operating Income (Loss)	(14,239)	(12,899)	(13,496)	(18,364)	(58,998)	(14,167)	(15,965)	(6,686)	(4,531)	(41,348)	(21,646)
Operating Margin	-27.3%	-24.7%	-23.8%	-29.8%	-26.5%	-26.7%	-38.4%	-10.7%	-7.5%	-19.0%	-53.2%
Other Income (Expense):											
Interest Income	28	31	31	36	126	33	37	65	475	609	260
Interest Expense	(1,401)	(1,408)	(1,621)	(1,888)	(6,319)	(2,137)	(2,175)	(1,989)	(3,127)	(9,428)	(1,676)
Other Income (Expense)	(450)	(180)	(541)	(34)	(1,205)	(21)	1,167	(343)	(6,674)	(5,872)	(108)
Total Other Income (Expense):	(1,823)	(1,557)	(2,131)	(1,886)	(7,398)	(2,125)	(971)	(2,267)	(9,326)	(14,691)	(1,524)
Other Income % of Revenue	-3.5%	-3.0%	-3.8%	-3.1%	-3.3%	-4.0%	-2.3%	-3.6%	-15.4%	-6.7%	-3.7%
Net Income (Loss) before Income Taxes	(16,062)	(14,456)	(15,627)	(20,250)	(66,396)	(16,292)	(16,936)	(8,953)	(13,857)	(56,039)	(23,170)
Net Margin	-30.7%	-27.6%	-27.6%	-32.9%	-29.8%	-30.7%	-40.7%	-14.3%	-22.9%	-25.7%	-57.0%
Income Tax Benefit (Expense)	-	-	-	(1)	(1)	-	(8)	-	(1)	(9)	-
Net Income (Loss)	(16,062)	(14,456)	(15,627)	(20,251)	(66,397)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)
Net Margin after Taxes	-30.7%	-27.6%	-27.6%	-32.9%	-29.8%	-30.7%	-40.7%	-14.3%	-22.9%	-25.8%	-57.0%
Earnings per share (Basic)	\$ (0.58)	\$ (0.52)	\$ (0.56)	\$ (0.71)	\$ (2.38)	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.38)	\$ (1.75)	\$ (0.60)
Earnings per share (Diluted)	\$ (0.58)	\$ (0.52)	\$ (0.56)	\$ (0.71)	\$ (2.38)	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.38)	\$ (1.75)	\$ (0.60)
Shares used to compute GAAP basic earnings per share	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774	36,549	31,944	38,362
Shares used to compute GAAP diluted earnings per share	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774	36,549	31,944	38,362

Applied Optoelectronics, Inc.
Consolidated Statement of Operations

NON GAAP
(In thousands, except percentages and per share data)
Preliminary Unaudited

	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23	4Q23	CY2023	1Q24
Revenue											
CATV	24,980	23,713	31,260	38,216	118,169	27,779	9,343	10,268	12,551	59,941	8,736
Datacenter	21,415	21,497	17,697	16,485	77,094	20,353	27,571	48,807	44,481	141,213	28,986
Telecom	5,265	6,276	6,821	6,365	24,727	3,707	4,231	3,074	2,818	13,831	2,269
FTTH	98	27	-	4	129	2	55	-	-	57	-
Other	484	786	915	514	2,699	1,189	415	398	603	2,604	682
Total Revenues	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547	60,453	217,646	40,673
YOY Growth %	5.1%	-3.5%	6.4%	13.2%	5.3%	1.4%	-20.4%	10.3%	-1.8%	-2.3%	-23.3%
Cost of Goods Sold	43,081	43,557	46,511	48,434	181,583	40,710	31,307	42,220	38,443	152,681	32,974
COGS % of Revenue	82.5%	83.3%	82.0%	78.6%	81.5%	76.8%	75.2%	67.5%	63.6%	70.2%	81.1%
Gross Profit	9,161	8,742	10,182	13,150	41,235	12,320	10,308	20,327	22,010	64,965	7,699
Gross Margin	17.5%	16.7%	18.0%	21.4%	18.5%	23.2%	24.8%	32.5%	36.4%	29.8%	18.9%
Operating Expenses:											
Research and Development	9,115	8,017	8,861	8,907	34,900	8,238	8,160	9,099	8,985	34,483	11,429
R&D % of Revenue	17.4%	15.3%	15.6%	14.5%	15.7%	15.5%	19.6%	14.5%	14.9%	15.8%	28.1%
Sales and Marketing	2,328	1,978	2,152	2,400	8,858	2,132	1,977	2,735	3,114	9,959	3,512
S&M % of Revenue	4.5%	3.8%	3.8%	3.9%	4.0%	4.0%	4.8%	4.4%	5.2%	4.6%	8.6%
General and Administrative	8,145	8,238	8,434	9,730	34,547	9,185	8,908	9,539	9,487	37,118	9,885
G&A % of Revenue	15.6%	15.7%	14.9%	15.8%	15.5%	17.3%	21.4%	15.3%	15.7%	17.1%	24.3%
Total Operating Expenses	19,588	18,233	19,447	21,037	78,305	19,555	19,045	21,373	21,586	81,560	24,826
Operating Expenses % of Revenue	37.5%	34.9%	34.3%	34.2%	35.1%	36.9%	45.8%	34.2%	35.7%	37.5%	61.0%
Operating Income (Loss)	(10,427)	(9,491)	(9,265)	(7,887)	(37,070)	(7,235)	(8,737)	(1,046)	424	(16,595)	(17,127)
Operating Margin	-20.0%	-18.1%	-16.3%	-12.8%	-16.6%	-13.6%	-21.0%	-1.7%	0.7%	-7.6%	-42.1%
Other Income (Expense):											
Interest Income	28	31	31	36	126	33	37	65	475	609	261
Interest Expense	(1,401)	(1,408)	(1,621)	(1,887)	(6,317)	(2,137)	(2,175)	(1,989)	(1,681)	(7,982)	(1,676)
Other Income (Expense)	534	118	423	(469)	606	(1,131)	1,101	81	451	502	274
Total Other Income (Expense):	(839)	(1,259)	(1,167)	(2,320)	(5,585)	(3,235)	(1,037)	(1,843)	(755)	(6,871)	(1,141)
Other Income % of Revenue	-1.6%	-2.4%	-2.1%	-3.8%	-2.5%	-6.1%	-2.5%	-2.9%	-1.2%	-3.2%	-2.8%
Net Income (Loss) before Income Taxes	(11,266)	(10,750)	(10,432)	(10,207)	(42,655)	(10,470)	(9,774)	(2,890)	(331)	(23,466)	(18,268)
Net Margin	-21.6%	-20.6%	-18.4%	-16.6%	-19.1%	-19.7%	-23.5%	-4.6%	-0.5%	-10.8%	-44.9%
Income Tax Benefit (Expense)	3,394	3,151	3,302	4,793	14,640	3,327	3,702	1,200	1,909	10,137	6,236
Net Income (Loss)	(7,872)	(7,599)	(7,130)	(5,414)	(28,015)	(7,143)	(6,072)	(1,690)	1,578	(13,329)	(12,032)
Net Margin after Income Tax	-15.1%	-14.5%	-12.7%	-9.6%	-12.8%	-13.5%	-14.6%	-2.7%	2.6%	-6.1%	-29.6%
Interest Income (Expense)	(1,373)	(1,377)	(1,590)	(1,852)	(6,192)	(2,104)	(2,138)	(1,924)	(1,206)	(7,373)	(1,416)
Depreciation and Amortization	4,790	4,631	4,339	4,200	17,960	4,007	3,882	3,946	3,893	15,729	3,837
Adjusted EBITDA	(5,103)	(4,742)	(4,503)	(4,155)	(18,503)	(4,359)	(3,754)	2,980	4,768	(364)	(13,015)
EBITDA Margin	-9.8%	-9.1%	-7.9%	-6.7%	-8.3%	-8.2%	-9.0%	4.8%	7.9%	-0.2%	-32.0%
Earnings per share (Basic)	\$ (0.29)	\$ (0.28)	\$ (0.26)	\$ (0.19)	\$ (1.01)	\$ (0.25)	\$ (0.21)	\$ (0.05)	\$ 0.04	\$ (0.42)	\$ (0.31)
Earnings per share (Diluted)	\$ (0.29)	\$ (0.28)	\$ (0.26)	\$ (0.19)	\$ (1.01)	\$ (0.25)	\$ (0.21)	\$ (0.05)	\$ 0.04	\$ (0.42)	\$ (0.31)
Shares used to compute Non-GAAP basic earnings per share	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774	36,549	31,944	38,362
Shares used to compute Non-GAAP diluted earnings per share	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774	44,778	31,944	38,362

Applied Optoelectronics, Inc.
GAAP to Non-GAAP Reconciliation
(In thousands)

Preliminary Unaudited	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23	4Q23	CY2023	1Q 2024
GAAP revenue	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547	60,453	217,646	40,673
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP revenue	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547	60,453	217,646	40,673
GAAP total gross profit	9,025	8,628	9,749	6,225	33,627	9,244	7,898	20,174	21,604	58,921	7,591
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	136	114	121	118	489	114	156	124	131	524	102
Non-recurring expense	-	-	164	5	169	-	-	-	-	-	6
Non-cash expenses associated with discontinued products	-	-	92	-	92	-	-	-	-	-	-
Expenses associated with discontinued products	-	-	56	6,802	6,858	2,962	2,254	29	275	5,520	-
Non-GAAP income from gross profit	9,161	8,742	10,182	13,150	41,235	12,320	10,308	20,327	22,010	64,965	7,699
GAAP research and development expense	9,486	8,328	9,206	9,224	36,244	8,536	8,640	9,457	9,341	35,975	11,712
Share-based compensation expense	365	310	343	313	1,331	297	480	358	356	1,492	280
Non-recurring expense	6	1	2	4	13	-	-	-	-	-	3
Non-cash expenses associated with discontinued products	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP research and development expense	9,115	8,017	8,861	8,907	34,900	8,239	8,160	9,099	8,985	34,483	11,429
GAAP sales and marketing expense	2,558	2,164	2,385	2,616	9,723	2,327	2,269	3,035	3,438	11,069	3,798
Share-based compensation expense	226	186	230	214	856	195	291	300	324	1,110	286
Non-recurring expense	4	-	3	2	9	-	-	-	-	-	-
Non-GAAP sales and marketing expense	2,328	1,978	2,152	2,400	8,858	2,132	1,978	2,735	3,114	9,959	3,512
GAAP general and administrative expense	11,220	11,035	11,654	12,749	46,658	12,548	12,954	14,368	13,356	53,226	13,727
Share-based compensation expense	1,745	1,534	1,933	1,712	6,924	1,684	2,135	2,454	2,486	8,759	2,173
Amortization expense	152	153	154	157	616	159	162	167	171	659	129
Non-recurring expense	12	7	16	3	38	357	602	1,344	396	2,699	513
Non-cash expenses associated with discontinued products	1,166	1,103	1,117	1,147	4,533	1,162	1,148	864	816	3,991	1,028
Non-GAAP general and administrative expense	8,145	8,238	8,434	9,730	34,547	9,186	8,907	9,539	9,487	37,118	9,884
GAAP total operating expense	23,264	21,527	23,245	24,589	92,625	23,411	23,863	26,860	26,135	100,269	29,237
Share-based compensation expense	2,336	2,030	2,506	2,239	9,111	2,176	2,906	3,112	3,166	11,360	2,738
Amortization expense	152	153	154	157	616	159	162	167	171	659	129
Non-recurring expense	22	8	21	9	60	357	602	1,344	396	2,699	516
Non-cash expenses associated with discontinued products	1,166	1,103	1,117	1,147	4,533	1,162	1,148	864	816	3,991	1,028
Non-GAAP total operating expense	19,588	18,233	19,447	21,037	78,305	19,557	19,045	21,373	21,586	81,560	24,826
GAAP operating income (loss)	(14,239)	(12,899)	(13,496)	(18,364)	(58,998)	(14,167)	(15,965)	(6,686)	(4,531)	(41,348)	(21,646)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	2,472	2,145	2,626	2,357	9,600	2,290	3,062	3,236	3,297	11,885	2,840
Amortization expense	152	152	154	157	615	159	162	167	171	659	129
Non-recurring expense	22	8	185	14	229	357	602	1,344	396	2,699	522
Expenses associated with discontinued products	-	-	57	6,802	6,859	2,962	2,254	29	275	5,520	-
Non-cash expenses associated with discontinued products	1,166	1,103	1,209	1,147	4,625	1,162	1,148	864	816	3,990	1,028
Non-GAAP operating income (loss)	(10,427)	(9,491)	(9,265)	(7,887)	(37,070)	(7,237)	(8,737)	(1,046)	424	(16,595)	(17,127)

GAAP other income (loss)	(1,823)	(1,557)	(2,131)	(1,886)	(7,398)	(2,125)	(971)	(2,267)	(9,326)	(14,691)	(1,524)
Loss (gain) from disposal of idle assets				-							
Unrealized exchange loss (gain)	982	298	964	(434)	1,810	(1,109)	(66)	423	(635)	(1,386)	383
Non-recurring expense (income)	3	-	-	-	3	0	0	0	9,206	9,206	
Non-GAAP other income (loss)	<u>(838)</u>	<u>(1,259)</u>	<u>(1,167)</u>	<u>(2,320)</u>	<u>(5,585)</u>	<u>(3,234)</u>	<u>(1,037)</u>	<u>(1,844)</u>	<u>(755)</u>	<u>(6,871)</u>	<u>(1,141)</u>
GAAP net income (loss)	(16,062)	(14,456)	(15,627)	(20,251)	(66,397)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)
Share-based compensation expense	2,473	2,143	2,628	2,357	9,601	2,290	3,062	3,236	3,297	11,885	2,840
Expenses associated with discontinued products	-	-	57	6,802	6,859	2,962	2,254	29	274	5,519	-
Non-cash expenses associated with discontinued products	1,166	1,102	1,209	1,147	4,624	1,162	1,148	864	816	3,990	1,028
Amortization of intangible assets	152	153	154	157	616	159	162	167	171	659	129
Non-recurring expense (income)	25	8	185	15	233	358	602	1,344	9,603	11,907	522
Unrealized exchange loss (gain)	981	298	964	(434)	1,809	(1,109)	(66)	423	(635)	(1,387)	383
Non-GAAP Tax Benefit	3,394	3,151	3,302	4,793	14,640	3,327	3,710	1,200	1,909	10,146	6,236
Non-GAAP net income (loss)	<u>(7,871)</u>	<u>(7,601)</u>	<u>(7,128)</u>	<u>(5,414)</u>	<u>(28,015)</u>	<u>(7,143)</u>	<u>(6,072)</u>	<u>(1,690)</u>	<u>1,577</u>	<u>(13,329)</u>	<u>(12,032)</u>
GAAP net income (loss)	(16,062)	(14,456)	(15,627)	(20,251)	(66,397)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	2,472	2,144	2,629	2,358	9,603	2,290	3,062	3,236	3,297	11,885	2,840
Expenses associated with discontinued products	-	-	57	6,802	6,859	2,962	2,254	29	274	5,519	-
Non-cash expenses associated with discontinued products	1,166	1,103	1,209	1,147	4,625	1,162	1,148	864	816	3,990	1,028
Amortization of intangible assets	152	153	154	158	617	159	162	167	171	659	129
Non-recurring expense (income)	25	8	185	14	232	358	602	1,344	9,603	11,907	522
Unrealized exchange loss (gain)	981	298	962	(434)	1,807	(1,109)	(66)	423	(635)	(1,387)	383
Tax (benefit) expense related to the above	-	-	-	(1)	(1)		8	-		8	-
Depreciation expense	4,790	4,631	4,339	4,200	17,960	4,008	3,882	3,946	3,894	15,730	3,837
Loss (gain) from disposal of idle assets	-	-	-	-	0	-	-	-	-	-	-
Interest (income) expense, net	1,373	1,377	1,590	1,852	6,192	2,104	2,138	1,924	1,206	7,373	1,416
Adjusted EBITDA	<u>(5,103)</u>	<u>(4,742)</u>	<u>(4,502)</u>	<u>(4,155)</u>	<u>(18,503)</u>	<u>(4,358)</u>	<u>(3,754)</u>	<u>2,980</u>	<u>4,768</u>	<u>(364)</u>	<u>(13,015)</u>
GAAP diluted net income (loss) per share	\$ (0.58)	\$ (0.52)	\$ (0.56)	\$ (0.71)	\$ (2.38)	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.31)	\$ (1.75)	\$ (0.60)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	0.09	0.08	0.09	0.08	0.34	0.08	0.10	0.10	0.07	0.37	0.07
Expenses associated with discontinued products	-	-	-	0.24	0.24	0.01	0.08	0.00	0.01	0.17	0.00
Non-cash expenses associated with discontinued products	0.04	0.04	0.04	0.04	0.17	0.01	0.04	0.03	0.02	0.12	0.03
Amortization of intangible assets	0.01	0.01	0.01	0.01	0.02	0.10	0.01	0.01	0.00	0.02	0.01
Non-recurring expense (income)	-	-	0.01	-	0.01	0.04	0.02	0.04	0.21	0.37	0.01
Unrealized exchange loss (gain)	0.04	0.01	0.03	(0.02)	0.07	(0.04)	(0.01)	0.01	(0.01)	(0.04)	0.01
Non-GAAP Tax Benefit	0.12	0.11	0.12	0.17	0.52	0.12	0.12	0.03	0.04	0.32	0.16
Non-GAAP diluted net income (loss) per share	<u>\$ (0.29)</u>	<u>\$ (0.28)</u>	<u>\$ (0.25)</u>	<u>\$ (0.19)</u>	<u>\$ (1.01)</u>	<u>\$ (0.25)</u>	<u>\$ (0.21)</u>	<u>\$ (0.05)</u>	<u>\$ 0.04</u>	<u>\$ (0.42)</u>	<u>\$ (0.31)</u>
Shares used to compute diluted earnings per share	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774	44,778	31,944	38,362