

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 and related expenses, 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 and related expenses, 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 Q2 2025 and Q2 2024 are employee severance expenses (if any), legal expenses associated with litigation and certain legal and advisory expenses associated with purchase termination or patent protection (if any). Also included in our non-recurring expenses in Q2 2024, but not in Q2 2025, is management's adjustment for unrealized loss on certain aged accounts receivable. In computing our non-GAAP income tax benefit (expense), we have applied an annual effective tax rate for the year to date 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 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

	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	16,103	21,578	21,940	45,366	8,433	10,653	34,124	67,428	51,144	64,699
Restricted Cash	10,845	7,034	9,301	9,731	8,972	5,465	7,243	11,705	15,667	22,496
Total Cash, Cash Equivalents and Shc	26,948	28,612	31,241	55,097	17,405	16,118	41,367	79,133	66,811	87,195
Accounts Receivable, Net	56,799	42,598	60,751	48,071	57,476	57,661	75,154	116,801	171,101	211,452
Notes Receivable	1,079	782	-	219	352	435	47	-	-	-
Inventories	70,186	66,321	67,533	63,866	54,322	54,322	64,382	88,135	102,313	138,867
Prepaid Income Tax	-	2	2	3	2	4	4	4	4	8
Prepaid Expenses and Other Current /	6,517	6,231	4,871	5,349	4,078	4,429	7,409	17,195	18,613	20,816
Total Current Assets	161,529	144,546	164,398	172,605	133,635	132,969	188,363	301,268	358,842	458,338
Property, Plant And Equipment, Net	207,171	197,879	193,828	200,317	199,941	197,781	205,303	219,235	241,453	269,386
Land Use Rights, Net	5,278	4,990	4,992	5,030	4,991	4,939	4,993	4,837	4,814	4,798
Right of use asset	5,399	5,306	4,995	5,026	4,552	4,249	4,102	9,646	9,216	22,106
Intangible Assets, Net	3,655	3,625	3,626	3,628	3,610	3,616	3,663	3,680	3,634	3,639
Other Assets	519	531	1,953	2,580	4,187	4,486	3,548	8,366	26,709	38,583
TOTAL ASSETS	383,551	356,877	373,792	389,186	350,916	348,040	409,972	547,032	644,668	796,850
LIABILITIES AND STOCKHOLDERS' EQUITY										
CURRENT LIABILITIES										
Accounts Payable	38,419	35,111	34,854	32,892	23,639	33,518	55,991	104,969	124,866	132,962
Bank Acceptance Payable	19,196	8,637	14,383	15,482	10,712	5,048	9,934	19,259	23,992	32,107
Accrued Expenses	13,505	14,702	16,383	18,549	13,345	17,210	19,140	22,091	20,488	27,686
Deferred Revenue	2,763	10,720	10,073	1,803	1,689	1,570	1,439	-	-	-
Current Lease Liability	1,093	1,108	1,108	1,149	1,095	1,087	1,115	1,380	1,349	1,905
Current Portion of Notes Payable	50,921	37,276	31,323	23,197	24,129	22,506	29,483	22,370	20,312	22,183
Current - convertible notes payabl	79,710	79,916	80,124	286	-	-	-	-	-	-
Total Current Liabilities	205,607	187,470	188,248	93,358	74,609	80,939	117,102	170,069	191,007	216,843
Convertible Senior Notes	-	-	-	76,233	76,331	76,690	77,053	134,497	134,229	133,936
Other Long-Term Liabilities	5,307	5,148	4,767	4,726	4,250	3,917	3,731	13,354	10,419	21,090
TOTAL LIABILITIES	210,914	193,618	195,439	174,317	155,190	161,546	197,886	317,920	335,655	371,869
STOCKHOLDERS' EQUITY										
Common Stock	29	32	34	38	39	41	45	49	53	62
Additional Paid-in Capital	394,147	407,003	431,766	478,972	484,663	502,387	543,492	683,462	772,738	893,927
Cumulative Translation Adjustment	3,823	(1,470)	(2,188)	975	(688)	(1,531)	709	(2,548)	(2,755)	1,113
Retained Earnings (Accumulated Deficit)	(225,362)	(242,306)	(251,259)	(265,116)	(288,288)	(314,403)	(332,160)	(451,851)	(461,023)	(470,121)
TOTAL STOCKHOLDERS' EQUITY	172,637	163,259	178,353	214,869	195,726	186,494	212,086	229,112	309,013	424,981
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	383,551	356,877	373,792	389,186	350,916	348,040	409,972	547,032	644,668	796,850

Applied Optoelectronics, Inc.
Consolidated Statement of Operations

(In thousands, except percentages and per share data)

	1Q23	2Q23	3Q23	4Q23	CY2023	1Q24	2Q24	3Q24	4Q24	CY2024	1Q25	2Q25
Revenue												
CATV	27,779	9,343	10,268	12,551	59,941	8,736	5,818	20,947	52,212	87,713	64,501	56,019
Datacenter	20,353	27,571	48,807	44,481	141,213	28,986	34,352	40,945	44,242	148,525	32,049	44,791
Telecom	3,707	4,231	3,074	2,818	13,831	2,269	2,379	2,798	3,535	10,981	2,937	1,940
Other	1,189	415	398	603	2,604	682	721	461	279	2,143	372	202
Total Revenues	53,030	41,615	62,547	60,453	217,646	40,673	43,270	65,151	100,271	249,365	99,859	102,952
YOY Growth %	1.5%	-20.4%	10.3%	-1.8%	-2.3%	-23.3%	4.0%	4.2%	65.9%	14.6%	145.5%	137.9%
Cost of Goods Sold	43,786	33,717	42,373	38,849	158,725	33,082	33,708	49,234	71,542	187,565	69,315	71,790
COGS % of Revenue	82.6%	81.0%	67.7%	64.3%	72.9%	81.3%	77.9%	75.6%	71.3%	75.2%	69.4%	69.7%
Gross Profit	9,244	7,898	20,174	21,604	58,921	7,591	9,562	15,917	28,729	61,800	30,544	31,162
Gross Margin	17.4%	19.0%	32.3%	35.7%	27.1%	18.7%	22.1%	24.4%	28.7%	24.8%	30.6%	30.3%
Operating Expenses:												
Research and Development	8,536	8,640	9,457	9,341	35,975	11,712	13,078	13,428	16,737	54,954	17,810	20,612
R&D % of Revenue	16.1%	20.8%	15.1%	15.5%	16.5%	28.8%	30.2%	20.6%	16.7%	22.0%	17.8%	20.0%
Sales and Marketing	2,327	2,269	3,035	3,438	11,069	3,798	5,910	4,796	3,652	18,154	5,357	8,135
S&M % of Revenue	4.4%	5.5%	4.9%	5.7%	5.1%	9.3%	13.7%	7.4%	3.6%	7.3%	5.4%	7.9%
General and Administrative	12,548	12,954	14,368	13,356	53,225	13,727	16,818	14,240	14,813	59,600	16,314	18,391
G&A % of Revenue	23.7%	31.1%	23.0%	22.1%	24.5%	33.7%	38.9%	21.8%	14.8%	23.9%	16.3%	17.9%
Total Operating Expenses	23,411	23,863	26,860	26,135	100,269	29,237	35,806	32,464	35,202	132,708	39,481	47,138
Operating Expenses % of Revenue	44.1%	57.3%	42.9%	43.2%	46.1%	71.8%	82.8%	49.8%	35.1%	53.2%	71.8%	45.8%
Operating Income (Loss)	(14,167)	(15,965)	(6,686)	(4,531)	(41,348)	(21,646)	(26,244)	(16,547)	(6,473)	(70,908)	(8,937)	(15,976)
Operating Margin	-26.7%	-38.4%	-10.7%	-7.5%	-19.0%	-53.2%	-60.7%	-25.4%	-6.5%	-28.4%	-8.9%	-15.5%
Other Income (Expense):												
Interest Income	33	37	65	475	609	260	93	156	365	873	224	286
Interest Expense	(2,137)	(2,175)	(1,989)	(3,127)	(9,428)	(1,676)	(1,693)	(1,702)	(1,754)	(6,825)	(934)	(818)
Other Income (Expense)	(21)	1,167	(343)	(6,674)	(5,872)	(108)	1,729	336	(111,828)	(109,871)	475	7,410
Total Other Income (Expense):	(2,125)	(971)	(2,267)	(9,326)	(14,691)	(1,524)	129	(1,210)	(113,217)	(115,823)	(235)	6,878
Other Income % of Revenue	-4.0%	-2.3%	-3.6%	-15.4%	-6.7%	-3.7%	0.3%	-1.9%	-112.9%	-46.4%	-0.2%	6.7%
Net Income (Loss) before Income Taxes	(16,292)	(16,936)	(8,953)	(13,857)	(56,039)	(23,170)	(26,115)	(17,757)	(119,690)	(186,731)	(9,172)	(9,098)
Net Margin	-30.7%	-40.7%	-14.3%	-22.9%	-25.7%	-57.0%	-60.4%	-27.3%	-119.4%	-74.9%	-9.2%	-8.8%
Income Tax Benefit (Expense)	-	(8)	-	(1)	(9)	-	-	-	(2)	(2)	-	-
Net Income (Loss)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)	(26,115)	(17,757)	(119,692)	(186,733)	(9,172)	(9,098)
Net Margin after Taxes	-30.7%	-40.7%	-14.3%	-22.9%	-25.8%	-57.0%	-60.4%	-27.3%	-119.4%	-74.9%	-9.2%	-8.8%
Earnings per share (Basic)	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.38)	\$ (1.75)	\$ (0.60)	\$ (0.66)	\$ (0.42)	\$ (2.60)	\$ (4.50)	\$ (0.18)	\$ (0.16)
Earnings per share (Diluted)	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.38)	\$ (1.75)	\$ (0.60)	\$ (0.66)	\$ (0.42)	\$ (2.60)	\$ (4.50)	\$ (0.18)	\$ (0.16)
Shares used to compute GAAP basic earnings per share	28,872	29,489	32,774	36,549	31,944	38,362	38,864	42,312	46,057	41,539	50,041	56,772
Shares used to compute GAAP diluted earnings per share	28,872	29,489	32,774	36,549	31,944	38,362	38,864	42,312	46,057	41,539	50,041	56,772

Applied Optoelectronics, Inc.
Consolidated Statement of Operations

NON GAAP

(In thousands, except percentages and per share data)

Preliminary Unaudited

	1Q23	2Q23	3Q23	4Q23	CY2023	1Q24	2Q24	3Q24	4Q24	CY2024	1Q25	2Q25
Revenue												
CATV	27,779	9,343	10,268	12,551	59,941	8,736	5,818	20,947	52,212	87,713	64,501	56,019
Datacenter	20,353	27,571	48,807	44,481	141,213	28,986	34,352	40,945	44,242	148,525	32,049	44,791
Telecom	3,707	4,231	3,074	2,818	13,831	2,269	2,379	2,798	3,535	10,981	2,937	1,940
Other	1,189	415	398	603	2,604	682	721	461	279	2,143	372	202
Total Revenues	53,030	41,615	62,547	60,453	217,646	40,673	43,270	65,151	100,271	249,365	99,859	102,952
YOY Growth %	1.4%	-20.4%	10.3%	-1.8%	-2.3%	-23.3%	4.0%	4.2%	65.9%	14.6%	145.5%	137.9%
Cost of Goods Sold	40,710	31,307	42,220	38,443	152,681	32,974	33,539	48,887	71,310	186,710	69,232	71,655
COGS % of Revenue	76.8%	75.2%	67.5%	63.6%	70.2%	81.1%	77.5%	75.0%	71.1%	74.9%	69.3%	69.6%
Gross Profit	12,320	10,308	20,327	22,010	64,965	7,699	9,731	16,264	28,961	62,655	30,627	31,297
Gross Margin	23.2%	24.8%	32.5%	36.4%	29.8%	18.9%	22.5%	25.0%	28.9%	25.1%	30.7%	30.4%
Operating Expenses:												
Research and Development	8,238	8,160	9,099	8,985	34,483	11,429	12,516	13,072	16,366	53,383	17,535	20,167
R&D % of Revenue	15.5%	19.6%	14.5%	14.9%	15.8%	28.1%	28.9%	20.1%	16.3%	21.4%	17.6%	19.6%
Sales and Marketing	2,132	1,977	2,735	3,114	9,959	3,512	3,527	4,441	4,325	15,805	5,034	7,561
S&M % of Revenue	4.0%	4.8%	4.4%	5.2%	4.6%	8.6%	8.2%	6.8%	4.3%	6.3%	5.0%	7.3%
General and Administrative	9,185	8,908	9,539	9,487	37,118	9,885	9,937	10,429	10,789	41,037	12,888	14,336
G&A % of Revenue	17.3%	21.4%	15.3%	15.7%	17.1%	24.3%	23.0%	16.0%	10.8%	16.5%	12.9%	13.9%
Total Operating Expenses	19,555	19,045	21,373	21,586	81,560	24,826	25,980	27,942	31,480	110,225	35,457	42,064
Operating Expenses % of Revenue	36.9%	45.8%	34.2%	35.7%	37.5%	61.0%	60.0%	42.9%	31.4%	44.2%	35.5%	40.9%
Operating Income (Loss)	(7,235)	(8,737)	(1,046)	424	(16,595)	(17,127)	(16,249)	(11,678)	(2,519)	(47,570)	(4,830)	(10,767)
Operating Margin	-13.6%	-21.0%	-1.7%	0.7%	-7.6%	-42.1%	-37.6%	-17.9%	-2.5%	-19.1%	-4.8%	-10.5%
Other Income (Expense):												
Interest Income	33	37	65	475	609	261	93	156	365	874	224	286
Interest Expense	(2,137)	(2,175)	(1,989)	(1,681)	(7,982)	(1,676)	(1,693)	(1,702)	(1,754)	(6,825)	(933)	(818)
Other Income (Expense)	(1,131)	1,101	81	451	502	274	422	(63)	710	1,343	692	2,132
Total Other Income (Expense):	(3,235)	(1,037)	(1,843)	(755)	(6,871)	(1,141)	(1,178)	(1,609)	(679)	(4,608)	(17)	1,600
Other Income % of Revenue	-6.1%	-2.5%	-2.9%	-1.2%	-3.2%	-2.8%	-2.7%	-2.5%	-0.7%	-1.8%	0.0%	1.6%
Net Income (Loss) before Income Taxes	(10,470)	(9,774)	(2,890)	(331)	(23,466)	(18,268)	(17,427)	(13,287)	(3,197)	(52,178)	(4,847)	(9,167)
Net Margin	-19.7%	-23.5%	-4.6%	-0.5%	-10.8%	-44.9%	-40.3%	-20.4%	-3.2%	-20.9%	-4.9%	-8.9%
Income Tax Benefit (Expense)	3,327	3,702	1,200	1,909	10,137	6,236	6,571	4,505	2,150	19,462	3,988	337
Net Income (Loss)	(7,143)	(6,072)	(1,690)	1,578	(13,329)	(12,032)	(10,856)	(8,782)	(1,047)	(32,716)	(859)	(8,830)
Net Margin after Income Tax	-13.5%	-14.6%	-2.7%	2.6%	-6.1%	-29.6%	-25.1%	-13.5%	-1.0%	-13.1%	-0.9%	-8.6%
Interest Income (Expense)	(2,104)	(2,138)	(1,924)	(1,206)	(7,373)	(1,416)	(1,600)	(1,547)	(1,389)	(5,952)	(709)	(532)
Depreciation and Amortization	4,007	3,882	3,946	3,893	15,729	3,837	3,907	4,055	4,212	16,010	4,573	5,217
Adjusted EBITDA	(4,359)	(3,754)	2,980	4,768	(364)	(13,015)	(11,920)	(7,685)	2,404	(30,216)	435	(3,418)
EBITDA Margin	-8.2%	-9.0%	4.8%	7.9%	-0.2%	-32.0%	-27.5%	-11.8%	2.4%	-12.1%	0.4%	-3.3%
Earnings per share (Basic)	\$ (0.25)	\$ (0.21)	\$ (0.05)	\$ 0.04	\$ (0.42)	\$ (0.31)	\$ (0.28)	\$ (0.21)	\$ (0.02)	\$ (0.79)	\$ (0.02)	\$ (0.16)
Earnings per share (Diluted)	\$ (0.25)	\$ (0.21)	\$ (0.05)	\$ 0.04	\$ (0.42)	\$ (0.31)	\$ (0.28)	\$ (0.21)	\$ (0.02)	\$ (0.79)	\$ (0.02)	\$ (0.16)
Shares used to compute Non-GAAP basic earnings per share	28,872	29,489	32,774	36,549	31,944	38,362	39,365	42,312	46,057	41,539	50,041	56,772
Shares used to compute Non-GAAP diluted earnings per share	28,872	29,489	32,774	44,778	31,944	38,362	39,365	42,312	46,057	41,539	50,041	56,772

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

Preliminary Unaudited	1Q23	2Q23	3Q23	4Q23	CY2023	1Q 2024	2Q 2024	3Q 2024	4Q2024	CY2024	1Q 2025	2Q 2025
GAAP revenue	53,030	41,615	62,547	60,453	217,646	40,673	43,270	65,151	100,271	249,365	99,859	102,952
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP revenue	53,030	41,615	62,547	60,453	217,646	40,673	43,270	65,151	100,271	249,365	99,859	102,952
GAAP total gross profit	9,244	7,898	20,174	21,604	58,921	7,591	9,562	15,918	28,729	61,800	30,544	31,162
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	114	156	124	131	524	102	137	116	118	473	83	94
Non-recurring expense	-	-	-	-	-	6	32	29	15	82	0	41
Expenses associated with discontinued products	2,962	2,254	29	275	5,520	-	-	202	98	-	-	-
Non-GAAP income from gross profit	12,320	10,308	20,327	22,010	64,965	7,699	9,731	16,265	28,960	62,655	30,627	31,297
GAAP research and development expense	8,536	8,640	9,457	9,341	35,975	11,712	13,078	13,428	16,737	54,955	17,810	20,612
Share-based compensation expense	297	480	358	356	1,492	280	478	356	341	1,455	275	331
Non-recurring expense	-	-	-	-	-	3	84	-	30	117	-	114
Non-GAAP research and development expense	8,239	8,160	9,099	8,985	34,483	11,429	12,516	13,072	16,366	53,383	17,535	20,167
GAAP sales and marketing expense	2,327	2,269	3,035	3,438	11,069	3,798	5,910	4,796	3,652	18,156	5,357	8,135
Share-based compensation expense	195	291	300	324	1,110	286	541	335	352	1,514	323	499
Non-recurring expense	-	-	-	-	-	-	1,842	20	(1,025)	837	-	75
Non-GAAP sales and marketing expense	2,132	1,978	2,735	3,114	9,959	3,512	3,527	4,441	4,325	15,805	5,034	7,561
GAAP general and administrative expense	12,548	12,954	14,368	13,356	53,226	13,727	16,818	14,240	14,813	59,598	16,314	18,391
Share-based compensation expense	1,684	2,135	2,454	2,486	8,759	2,173	4,902	2,137	2,137	11,349	1,880	2,240
Amortization expense	159	162	167	171	659	129	100	103	106	438	108	110
Non-recurring expense	357	602	1,344	396	2,699	513	818	498	743	2,572	393	632
Non-cash expenses associated with discontinued products	1,162	1,148	864	816	3,991	1,028	1,061	1,074	1,038	4,201	1,045	1,073
Non-GAAP general and administrative expense	9,186	8,907	9,539	9,487	37,118	9,884	9,937	10,428	10,789	41,037	12,888	14,336
GAAP total operating expense	23,411	23,863	26,860	26,135	100,269	29,237	35,806	32,464	35,202	132,709	39,481	47,138
Share-based compensation expense	2,176	2,906	3,112	3,166	11,360	2,738	5,921	2,828	2,830	14,317	2,478	3,070
Amortization expense	159	162	167	171	659	129	100	103	106	438	108	110
Non-recurring expense	357	602	1,344	396	2,699	516	2,744	518	(252)	3,526	393	821
Non-cash expenses associated with discontinued products	1,162	1,148	864	816	3,991	1,028	1,061	1,074	1,039	4,202	1,045	1,073
Non-GAAP total operating expense	19,557	19,045	21,373	21,586	81,560	24,826	25,980	27,941	31,479	110,225	35,457	42,064
GAAP operating income (loss)	(14,167)	(15,965)	(6,686)	(4,531)	(41,348)	(21,646)	(26,244)	(16,547)	(6,473)	(70,910)	(8,937)	(15,976)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	2,290	3,062	3,236	3,297	11,885	2,840	6,058	2,944	2,949	14,791	2,561	3,164
Amortization expense	159	162	167	171	659	129	100	103	106	438	108	110
Non-recurring expense	357	602	1,344	396	2,699	522	2,776	547	(237)	3,608	393	862
Expenses associated with discontinued products	2,962	2,254	29	275	5,520	-	-	202	98	300	-	-
Non-cash expenses associated with discontinued products	1,162	1,148	864	816	3,990	1,028	1,061	1,074	1,039	4,202	1,045	1,073
Non-GAAP operating income (loss)	(7,237)	(8,737)	(1,046)	424	(16,595)	(17,127)	(16,249)	(11,677)	(2,518)	(47,570)	(4,830)	(10,767)
GAAP other income (loss)	(2,125)	(971)	(2,267)	(9,326)	(14,691)	(1,524)	129	(1,210)	(113,217)	(115,822)	(235)	6,878
Unrealized exchange loss (gain)	(1,109)	(66)	423	(635)	(1,386)	383	-107	-260	576	592	218	(5,278)
Non-recurring expense (income)	-	-	-	9,206	9,206	-	(1,200)	(139)	111,962	110,623	-	-
Non-GAAP other income (loss)	(3,234)	(1,037)	(1,844)	(755)	(6,871)	(1,141)	(1,178)	(1,609)	(679)	(4,608)	(17)	1,600

GAAP net income (loss)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)	(26,115)	(17,757)	(119,692)	(186,734)	(9,172)	(9,098)
Share-based compensation expense	2,290	3,062	3,236	3,297	11,885	2,840	6,058	2,944	2,949	14,791	2,561	3,164
Expenses associated with discontinued products	2,962	2,254	29	274	5,519	-	-	202	98	300	-	-
Non-cash expenses associated with discontinued products	1,162	1,148	864	816	3,990	1,028	1,061	1,074	1,039	4,202	1,045	1,073
Amortization of intangible assets	159	162	167	171	659	129	100	103	106	438	108	110
Non-recurring expense (income)	358	602	1,344	9,603	11,907	522	1,576	408	111,725	114,231	393	862
Unrealized exchange loss (gain)	(1,109)	(66)	423	(635)	(1,387)	383	(107)	(260)	576	592	218	(5,278)
Non-GAAP Tax Benefit	3,327	3,710	1,200	1,909	10,146	6,236	6,571	4,504	2,152	19,463	3,988	337
Non-GAAP net income (loss)	<u>(7,143)</u>	<u>(6,072)</u>	<u>(1,690)</u>	<u>1,577</u>	<u>(13,329)</u>	<u>(12,032)</u>	<u>(10,856)</u>	<u>(8,782)</u>	<u>(1,047)</u>	<u>(32,717)</u>	<u>(859)</u>	<u>(8,830)</u>
GAAP net income (loss)	(16,292)	(16,944)	(8,953)	(13,858)	(56,048)	(23,170)	(26,115)	(17,757)	(119,692)	(186,734)	(9,172)	(9,098)
Non-recurring customer credit	-	-	-	-	-	-	-	-	0	0	-	-
Share-based compensation expense	2,290	3,062	3,236	3,297	11,885	2,840	6,058	-	2,949	11,847	2,561	3,164
Expenses associated with discontinued products	2,962	2,254	29	274	5,519	-	-	202	98	300	-	-
Non-cash expenses associated with discontinued products	1,162	1,148	864	816	3,990	1,028	1,061	1,074	1,039	4,202	1,045	1,073
Amortization of intangible assets	159	162	167	171	659	129	100	103	106	438	108	110
Non-recurring expense (income)	358	602	1,344	9,603	11,907	522	1,576	408	111,725	114,231	393	862
Unrealized exchange loss (gain)	(1,109)	(66)	423	(635)	(1,387)	383	(107)	(260)	576	592	218	-5278
Tax (benefit) expense related to the above	-	8	-	-	8	-	-	-	-	-	-	-
Depreciation expense	4,008	3,882	3,946	3,894	15,730	3,837	3,907	4,055	4,213	16,012	4,573	5,217
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	0	-	-
Interest (income) expense, net	2,104	2,138	1,924	1,206	7,373	1,416	1,600	1,546	1,390	5,952	709	532
Adjusted EBITDA	<u>(4,358)</u>	<u>(3,754)</u>	<u>2,980</u>	<u>4,768</u>	<u>(364)</u>	<u>(13,015)</u>	<u>(11,920)</u>	<u>(10,629)</u>	<u>2,404</u>	<u>(33,160)</u>	<u>435</u>	<u>(3,418)</u>
GAAP diluted net income (loss) per share	\$ (0.56)	\$ (0.57)	\$ (0.27)	\$ (0.31)	\$ (1.75)	\$ (0.60)	\$ (0.66)	\$ (0.42)	\$ (2.60)	\$ (4.50)	\$ (0.18)	\$ (0.16)
Share-based compensation expense	0.08	0.10	0.10	0.07	0.4	0.07	0.15	0.07	0.06	0.36	0.05	0.06
Expenses associated with discontinued products	0.01	0.08	0.00	0.01	0.2	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Non-cash expenses associated with discontinued products	0.01	0.04	0.03	0.02	0.12	0.03	0.02	0.03	0.02	0.10	0.02	0.02
Amortization of intangible assets	0.10	0.01	0.01	0.00	0.02	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Non-recurring expense (income)	0.04	0.02	0.04	0.21	0.37	0.01	0.04	0.01	2.43	2.75	0.01	0.01
Unrealized exchange loss (gain)	(0.04)	(0.01)	0.01	(0.01)	(0.04)	0.01	0.00	(0.01)	0.01	0.01	0	(0.10)
Non-GAAP Tax Benefit	0.12	0.12	0.03	0.04	0.32	0.16	0.17	0.11	0.06	0.47	0.08	0.01
Non-GAAP diluted net income (loss) per share	<u>\$ (0.25)</u>	<u>\$ (0.21)</u>	<u>\$ (0.05)</u>	<u>\$ 0.04</u>	<u>\$ (0.42)</u>	<u>\$ (0.31)</u>	<u>\$ (0.28)</u>	<u>\$ (0.21)</u>	<u>\$ (0.02)</u>	<u>\$ (0.79)</u>	<u>\$ (0.02)</u>	<u>\$ (0.16)</u>
Shares used to compute diluted earnings per share	28,872	29,489	32,774	44,778	31,944	38,362	39,365	42,312	46,057	41,539	50,041	56,772