



INVESTOR PRESENTATION

THIRD QUARTER 2023

Nasdaq: AAOI

Forward Looking Statements & Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "could," "would," "target," "seek," "aim," "predicts," "think," "objectives," "optimistic," "new," "goal," "strategy," "potential," "is likely," "will," "expect," "plan" "project," "permit" or by other similar expressions that convey uncertainty of future events or outcomes. These statements include management's beliefs and expectations related to our outlook for the fourth quarter of 2023. Such forward-looking statements reflect the views of management at the time such statements are made. These forward-looking statements involve risks and uncertainties, as well as assumptions and current expectations, which could cause the company's actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include but are not limited to: the impact of the COVID-19 pandemic on our business and financial results; reduction in the size or quantity of customer orders; change in demand for the company's products due to industry conditions; changes in manufacturing operations; volatility in manufacturing costs; delays in shipments of products; disruptions in the supply chain; change in the rate of design wins or the rate of customer acceptance of new products; the company's reliance on a small number of customers for a substantial portion of its revenues; potential pricing pressure; a decline in demand for our customers' products or their rate of deployment of their products; general conditions in the internet datacenter, cable television (CATV) broadband, telecom, or fiber-to-the-home (FTTH) markets; changes in the world economy (particularly in the United States and China); changes in the regulation and taxation of international trade, including the imposition of tariffs; changes in currency exchange rates; the negative effects of seasonality; and other risks and uncertainties described more fully in the company's documents filed with or furnished to the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023. More information about these and other risks that may impact the company's business are set forth in the "Risk Factors" section of the company's quarterly and annual reports on file with the Securities and Exchange Commission. You should not rely on forward-looking statements as predictions of future events. All forward-looking statements in this press release are based upon information available to us as of the date hereof, and qualified in their entirety by this cautionary statement. Except as required by law, we assume no obligation to update forward-looking statements for any reason after the date of this press release to conform these statements to actual results or to changes in the company's expectations.

In addition, this presentation includes non-GAAP gross margin, non-GAAP net income (loss), adjusted EBITDA, and non-GAAP earnings per share, which eliminate the impact of items that we do not consider indicative of our overall operating performance. Non-GAAP financial measures are not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation between our GAAP and non-GAAP measures, as well as a discussion of why we present non-GAAP financial measures are included in our earnings press release that is available on our website and the appendix of this presentation.

Industry and Market Data

The information contained herein includes information provided by third-parties, such as market research firms. None of the Company, its affiliates or any third-parties that provided information to the Company (i) guarantee the accuracy, completeness, timeliness or availability of any information nor are they (ii) responsible for any error or omission (negligent or otherwise), regardless of the cause or the result obtained from the use of such content nor do they (iii) give any express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use, and they expressly disclaim any responsibility or liability for direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including lost income or profits and opportunity costs) in connection with the use of the information herein.

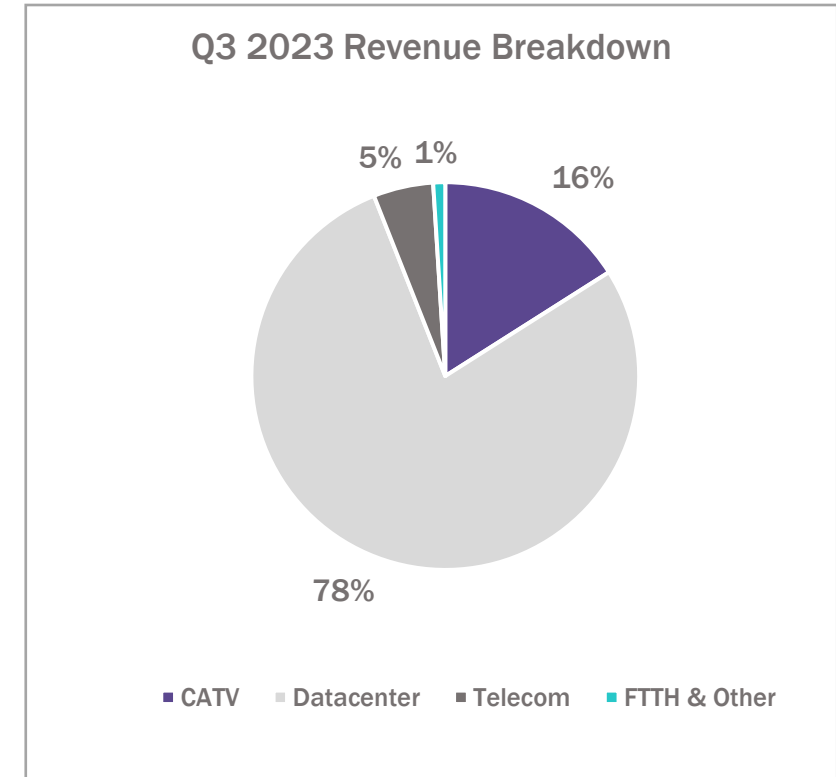
INVESTMENT HIGHLIGHTS

- | A Leader in Advanced Optics
- | Dynamic Markets
- | Marquee Customers
- | Proprietary Manufacturing
- | Diversifying Customer Base

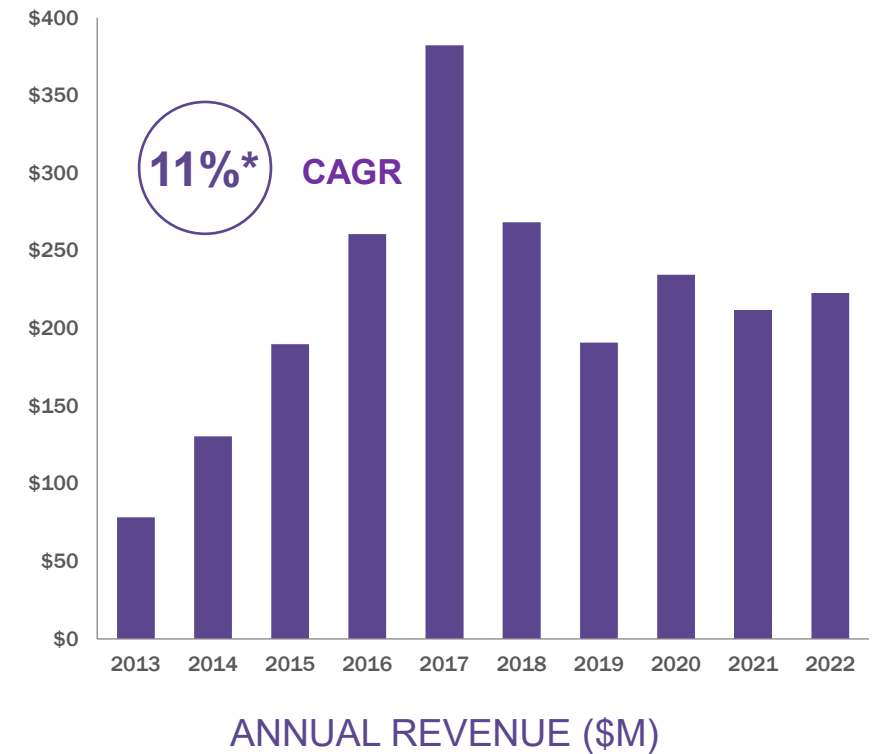
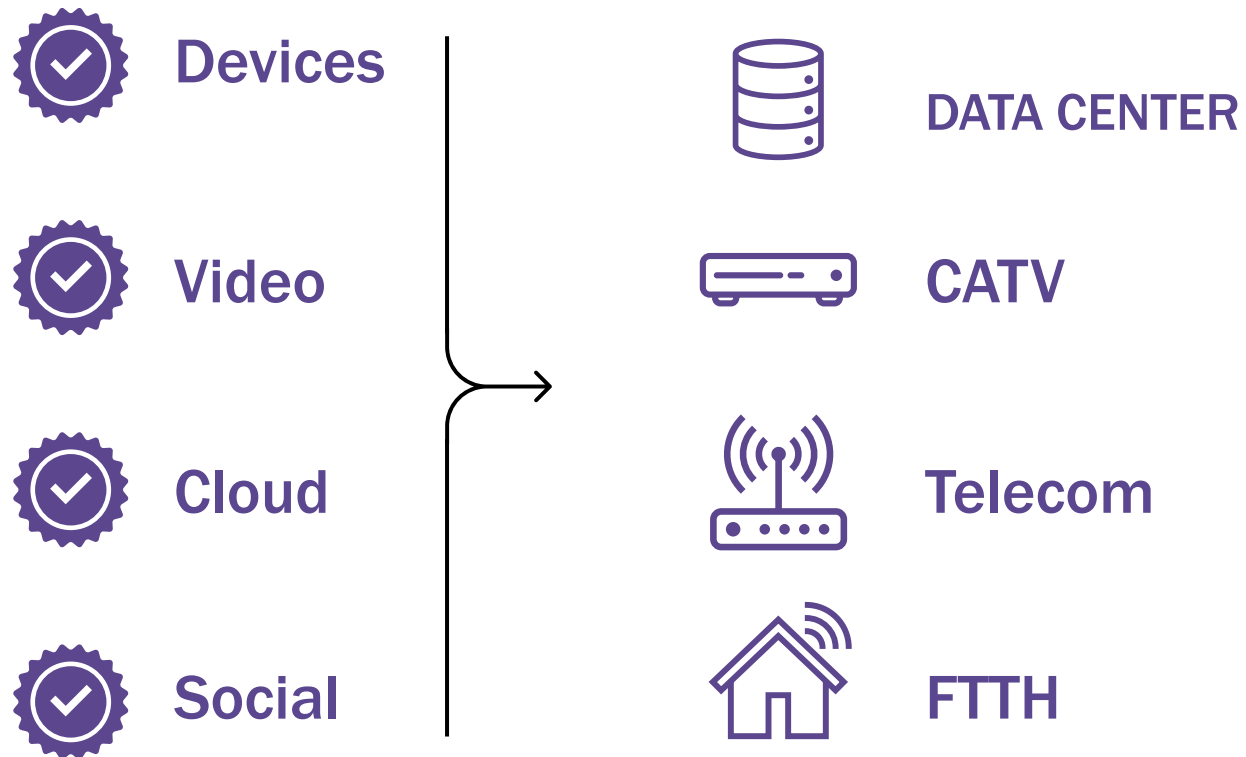
**A leading provider of optical
access products that enable the
gigabit age**

Q3 2023 Highlights and Q4 2023 Outlook

- Revenue of \$62.5 million, in-line with guidance range
 - Increase in revenue was largely driven by growth in 100G and 400G datacenter business
 - Revenue from 100G products nearly tripled year-over-year, while revenue for 400G products increased more than 10x in the same period
- Non-GAAP Gross Margin of 32.5% vs. 18.0% in Q3 2022, above guidance range
 - Increase in gross margin was driven mainly by favorable product mix and contribution from revenue recognized as part of the non-recurring revenue from Microsoft
- Fourth Quarter 2023 Guidance
 - Revenue in the range of \$63 million to \$67 million
 - Non-GAAP gross margin in the range of 34.5% to 36%
 - Non-GAAP net profit in the range of a loss of \$0.9 million to profit of \$1.2 million, and non-GAAP earnings per share in the range of a loss of \$0.02 to earnings of \$0.04 using approximately 35.1 million shares



Bandwidth Demand Drives Revenue



* CAGR calculated from 2013 through 2022.

Four End-Markets With Strong Demand Drivers

Cable Television

- DOCSIS 3.1 & 4.0 upgrade cycle
- International market opportunities
- Continued outsourcing of design and production

Datacenter

- Increasing size of datacenters
- Higher-speed interconnect - 1G to (10G/40G/100G/200G/400G/800G)
- Continuous need to expand, refresh and replenish

Telecommunications

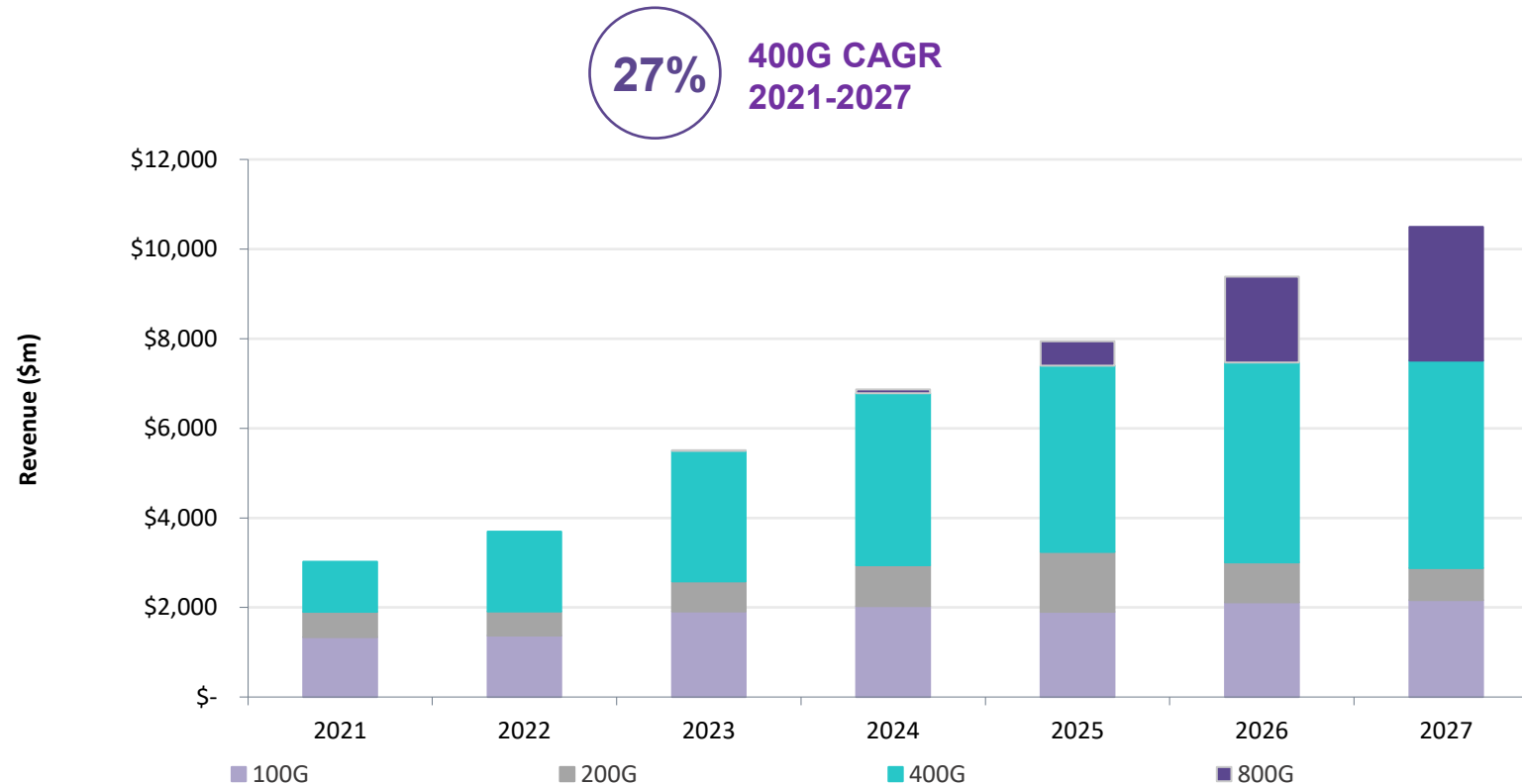
- 5G LTE deployment
- Backbone network for datacenter interconnect
- Aging access networks in need of rebuild

Fiber-to-the-Home

- 10/25 Gbps FTTH networks to replace 2.5Gbps
- Telecom carriers need to fiberize to compete with CATV, new entrants
- Greenfield economics favor fiber deployment

Growth Expected in Datacenter Market

Total High-Speed (100G or greater) Market to Exceed \$10 Billion in 2027



Source: Omdia

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- Source: High-speed (from 100G to 800G) optical modules by data rate Forecast Report, 2021 - 2027 – Omdia | 2022
- Historical and future data is estimated, based upon a methodology developed by Omdia research

DATACENTER MARKET CHARACTERISTICS DIFFER FROM CHARACTERISTICS OF TELECOM OPTICAL COMPONENT MARKET

Vertical Integration & In-house Manufacturing

DATACENTER MARKET

- ✔ Rapid product development cycles favor controlling a substantial part of the manufacturing process
- ✔ Large production volume/relatively low diversity enables rapid ROI on factory equipment
- ✔ Integration of manufacturing process enhances efficiency

TELECOM MARKET

- ✔ Telecom applications have much longer production cycles
- ✔ Small volume/high diversity favors outsourcing
- ✔ Initial costs of integration are high, and only economical with high production volume

Growth Expected in Datacenter Market

	100G Technology	Lasers	# Fibers	Transceiver Cost*	Fiber Cost/m*	Optimal Distance (d)	100G Technology
Intra-Datacenter	Short-Reach (SR) AOC	4xVCSEL	8	\$	\$\$	<150m	Short-Reach (SR) AOC
	Long-Reach, PSM-4	4x1310-nm DFB (AOI) OR 1x1310-nm high power + modulators (SiPh)	8	\$\$	\$\$\$\$\$	150m<d<500m	Long-Reach, PSM-4
	Long-Reach, CWDM (CWDM-4, CLR-4)	4xCWDM DFB	2	\$\$\$	\$\$\$	500m<d<2km	Long-Reach, CWDM (CWDM-4, CLR-4)
Intra-Datacenter	Extended Reach, 4WDM-10	4xCWDM	2	\$\$\$\$	\$\$\$	2km<d<10km	Extended Reach, 4WDM-10
	100G-BASE-LR4	4xWDM (cooled)	2	\$\$\$\$\$\$	\$\$\$	2km<d<10km	100G-BASE-LR4
	Coherent (DP-QPSK)	1x1550 (tunable, narrow linewidth)	2	\$\$\$\$\$\$\$\$\$\$	\$\$\$	>80km	Coherent (DP-QPSK)

* Symbols represent relative costs and are based on Company estimates

Current 400G Transceiver Form-factors

Considerations for Designers:

- Backward Compatibility
- Connector Termination
- Latch Mechanism
- Mating Process
- Protruding area safety
- Electrical/optical breakout
- Thermal dissipation
- Common management interface specification

Reach Distance	Data Center Unique Spec	IEEE Standards	100G single Lambda MSA
70m for OM3, 100m for OM4	-	400G SR8*	-
	-	400G SR4.2	-
500m	-	100G DR*	-
	-	400G DR4*	-
2km	-	-	100G FR*
	-	-	400G FR4*
10km	400G DR4+*	-	-

* In development by AOI for customer sampling

5G Requirements for Front/Mid-Haul Optics

Small-Cell Proliferation and C-RAN Evolution Is Expected to Create Need for New Optical Solutions

25 Gbps/50 Gbps/100 Gbps transceivers needed

Front-Haul:

- Link remote radio head (RRH) to base station
- Distances typically several km
- 25 Gbps in SFP-28 form factor
- Outdoor RRH may require high-temperature optics

Mid-Haul:

- Longer distances typical in C-RAN (Cloud-Radio Access Network)
- 50 Gbps/100Gbps over 10+ km
- Typically standard commercial temperature range

VERTICAL INTEGRATION

A KEY
DIFFERENTIATOR

| Faster time to market

| Cost advantages

| High yield manufacturing

| Flexible capacity support

| Rapid response to customer & market demand

A Closer Look...

<p>CRYSTAL GROWTH (Epitaxy)</p>	<p>AUTOMATION</p>	<p>LIGHT ENGINE ASSEMBLY</p>
<p>AOI's Differentiation:</p> <p>Combination of proprietary MBE and MOCVD processes</p>	<p>AOI's Differentiation:</p> <p>Custom-designed and proprietary production machinery</p>	<p>AOI's Differentiation:</p> <p>Robust silicon optical bench platform technology leveraged across 40G, 100G, 200G and 400G products</p>
<ul style="list-style-type: none"> • Improved high-temp and high-speed performance • Improved laser yield (low cost) • DFB performance adequate for many applications where competitors use EMLs • EMLs for long-distance inter-DC/telecom 	<ul style="list-style-type: none"> • Decreased per-chip testing cost • Lower scrap rate = higher yield • Scalable 	<ul style="list-style-type: none"> • Flexible manufacturing line between 40G /100G/200G/400G products • More efficient R&D spend • Decreased scrap rate • Lower equipment depreciation

A Closer Look...

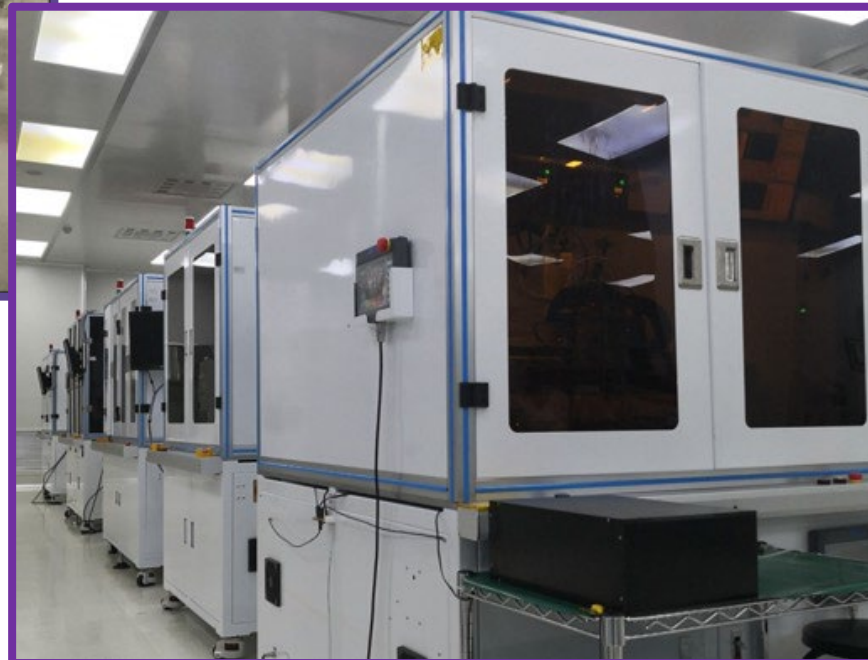


Automated Robotic Test Stations Increase Throughput, Decrease Human Error in Handling

Automated Receiver Sub-Assembly Decreased Labor by 58% and Improved Quality Control

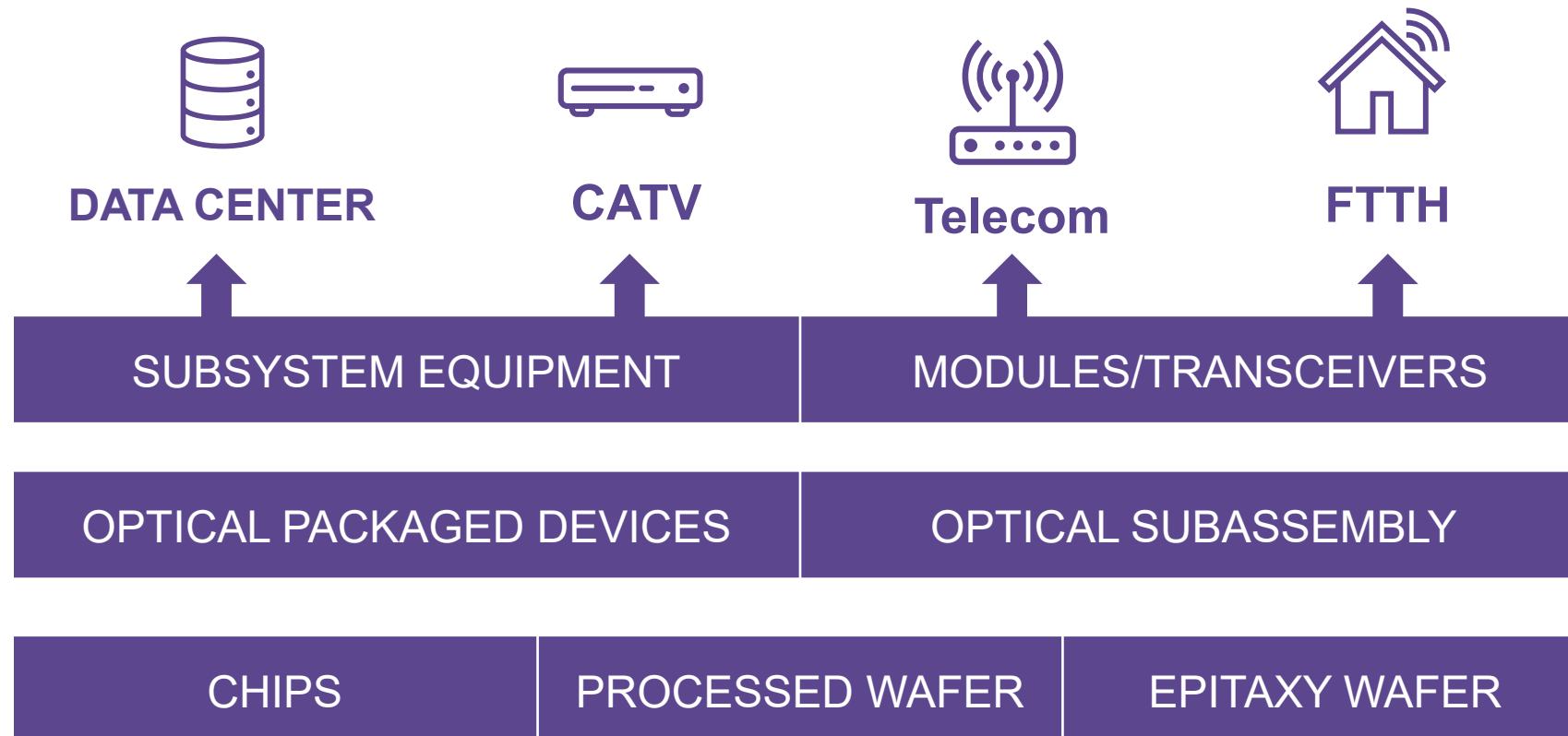


Automated Light Engine Final Assembly Decreased Labor by 85% and Improved Process Control and Quality



Vertical Integration replicated across markets

In-house production and development of advanced laser diodes and light engines speeds time to market





RESEARCH & DEVELOPMENT

- Excellent laser technology
- Proprietary Silicon Photonics Technology
- Strong R&D teams in all 3 sites from lasers, transceivers to equipment
- Customer NRE reimbursements

MANUFACTURING & OPERATIONS

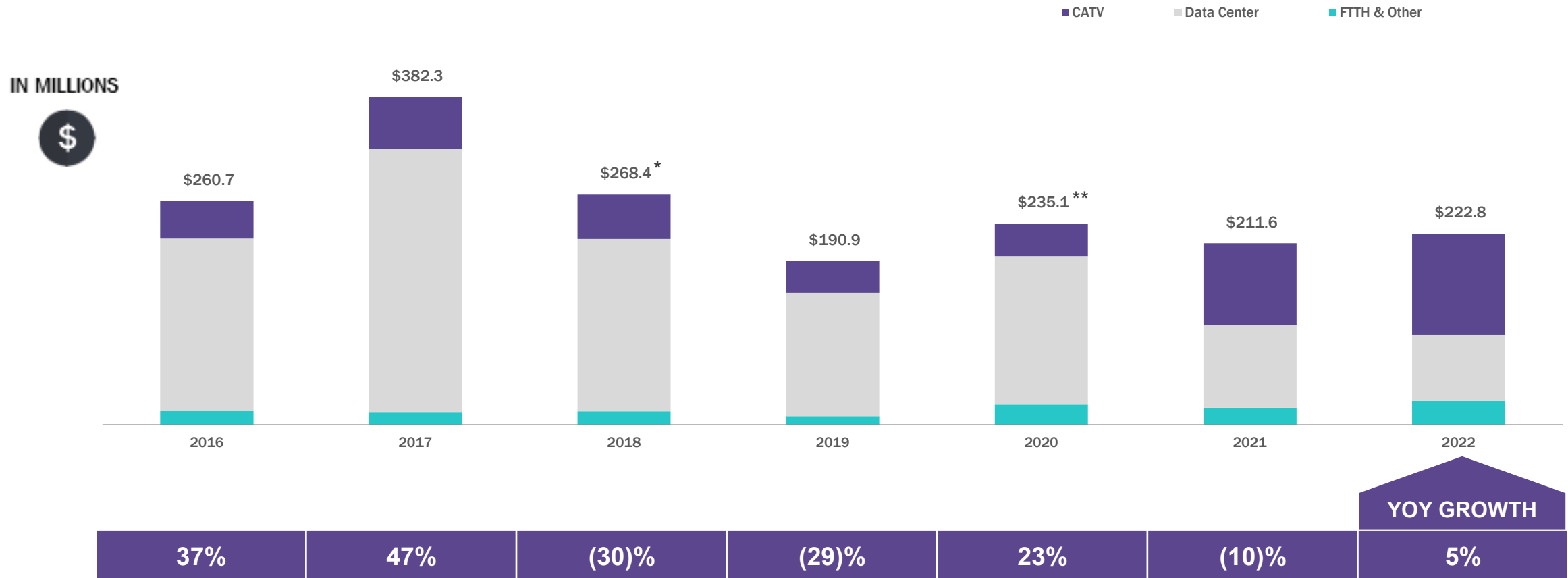
- Experienced in high-volume manufacture
- Efficient supply chain
- Vertical integration from laser chips to transceivers to equipment with cost advantages

* As of 9/30/2023

Financial Review

Financial Performance

ANNUAL REVENUE BY END MARKET

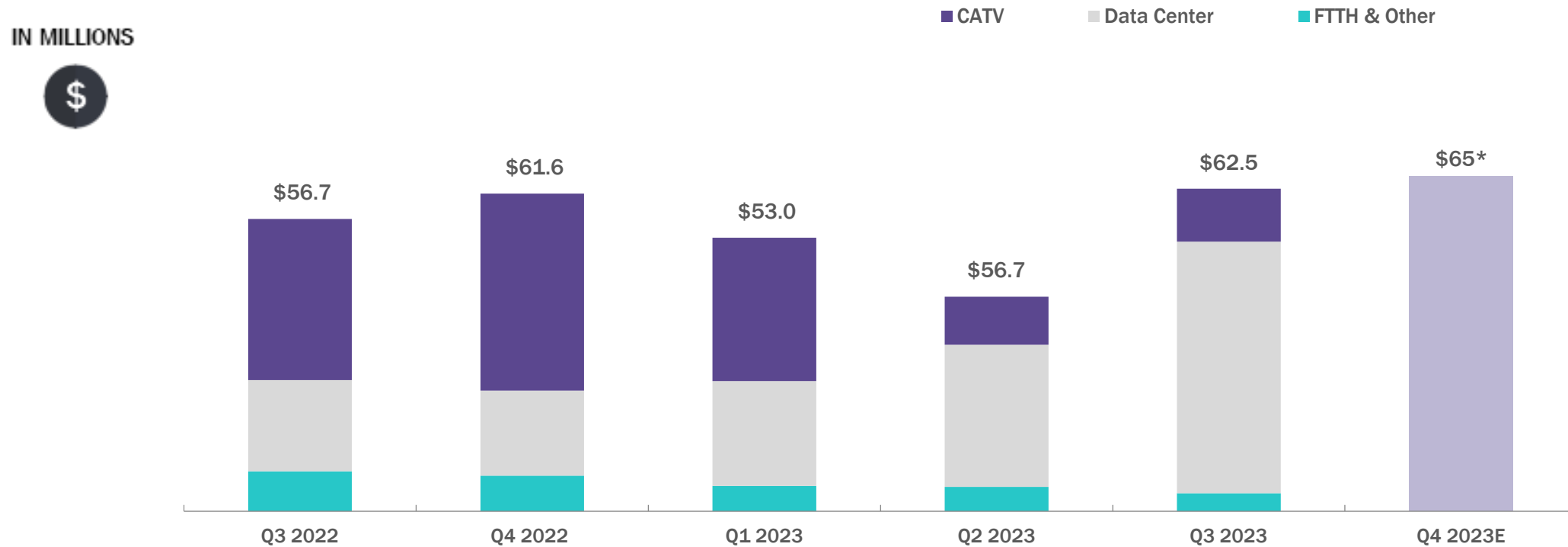


* Reflects a \$900 thousand credit issued to a customer, which is adjusted out of our non-GAAP revenue in Q4/2018. All other revenue is on a GAAP basis.

** Reflects a \$449 thousand credit issued to a customer, which is adjusted out of our non-GAAP revenue in Q4/2020. All other revenue is on a GAAP basis.

Recent Financial Performance

QUARTERLY REVENUE BY END MARKET



* Reflects midpoint of Q4 2023 guidance of \$63 million to \$67 million provided in Q3 2023 earnings press release on 11/9/23



Q3/23 Results

NON-GAAP*

\$ IN MILLIONS EXCEPT %	Q3/23
TOTAL REVENUE	\$ 62.5
CATV	\$ 10.3
DATACENTER	\$ 48.8
TELECOM	\$ 3.1
GROSS MARGIN	32.5%
OPERATING LOSS	\$ 1.0
NET LOSS	\$ 1.7
CASH**	\$ 31.2

*Please refer to the Safe Harbor statement on the use of Non-GAAP metrics, as well as the attached GAAP-non-GAAP reconciliation.

** Cash: Cash, cash equivalents, short-term investments, and restricted cash.

Balance Sheet Highlights

IN MILLIONS	9/30/2021	9/30/2022	9/30/2023
CASH ⁽¹⁾	\$49	\$35	\$31
WORKING CAPITAL ⁽²⁾	\$107	\$57	\$(24)
PROPERTY, PLANT & EQUIPMENT, NET	\$242	\$212	\$194
TOTAL ASSETS	\$463	\$414	\$374
TOTAL DEBT ⁽³⁾	\$67	\$65	\$46
STOCKHOLDERS' EQUITY	\$264	\$199	\$178

(1) Cash: Cash, cash equivalents, short-term investments, and restricted cash.

(2) Working Capital: Total current assets less total current liabilities.

(3) Total Debt: Short-term loans, notes and bank acceptances payable and total long-term debt. Convertible notes outstanding are expected to be settled in common stock, not cash, so are excluded from total debt.

INVESTMENT SUMMARY

A leader In Advanced Optics

Focus on fast growing markets including hyperscale datacenters

Marquee global customers

Extensive internally developed technology

Manufacturing expertise creates differentiation & sustains margin

Operating model provides significant leverage

QUESTIONS

APPENDIX

MANAGEMENT TEAM



Dr. Thompson Lin
FOUNDER, PRESIDENT & CEO

27+ YEARS



Dr. Stefan Murry
CFO & CSO

27+ YEARS



Dr. Fred Chang
COMPONENT BU HEAD

22+ YEARS



Dr. Alex Anselm
SEMICONDUCTOR PRODUCTS
DIVISION HEAD

24+ YEARS



David Kuo
GENERAL COUNSEL & CHIEF
COMPLIANCE OFFICER

15+ YEARS



Joshua Yeh
ASIA GM

18+ YEARS

NON-GAAP FINANCIAL MEASURES

We provide non-GAAP gross margin, non-GAAP net income (loss), adjusted EBITDA, 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 expenses associated with discontinued products, from our GAAP net income (loss). Included in our non-recurring expenses in Q3 2023, Q3 2022 and Q2 2023 are certain non-recurring expenses related to extreme weather and pandemic events, non-recurring tax expenses or benefits (if any), and employee severance expenses (if any). Also included in our non-recurring expenses in Q3 2023, but not in Q3 2022 or Q2 2023 are certain non-recurring legal expenses associated with litigation and certain legal and advisory expenses associated with the termination of the purchase agreement with Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. 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 from our non-GAAP net income (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.

NON-GAAP FINANCIAL MEASURES

A reconciliation of our GAAP net income (loss) and GAAP earnings (loss) per share for Q3 2023 to our non-GAAP net income (loss) and earnings (loss) per share is provided in our Q3 2023 earnings press release and below, together with corresponding reconciliations for Q3 2022. A reconciliation of our GAAP net income (loss) and GAAP earnings (loss) per share for Q2 2023 to our non-GAAP net income (loss) and earnings (loss) per share was provided in our Q2 2023 earnings release.

Non-GAAP measures should not be considered as an alternative to net income (loss), earnings (loss) per share, or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such other non-GAAP measures in the same manner. We have not reconciled the non-GAAP measures included in our guidance to the appropriate GAAP financial measures because the GAAP measures are not readily determinable on a forward-looking basis. GAAP measures that impact our non-GAAP financial measures may include stock-based compensation expense, non-recurring expenses, amortization of intangible assets, unrealized exchange loss (gain), asset impairment charges, and loss (gain) from disposal of idle assets. These GAAP measures cannot be reasonably predicted and may directly impact our non-GAAP gross margin, our non-GAAP net income and our non-GAAP fully-diluted earnings per share, although changes with respect to certain of these measures may offset other changes. In addition, certain of these measures are out of our control. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort.

NON-GAAP RECONCILIATION

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

Preliminary Unaudited	3Q21	4Q21	CY2021	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23
GAAP revenue	53,267	54,408	211,565	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP revenue	53,267	54,408	211,565	52,242	52,299	56,693	61,584	222,818	53,030	41,615	62,547
GAAP total gross profit	8,124	8,094	37,715	9,025	8,628	9,749	6,225	33,627	9,244	7,898	20,174
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	222	196	886	136	114	121	118	489	114	156	124
Non-recurring expense	52	32	118	-	-	164	5	169	-	-	-
Non-cash expenses associated with discontinued products	-	-	-	-	-	92	-	92	-	-	-
Expenses associated with discontinued products	2,220	1,242	7,212	-	-	56	6,802	6,858	2,962	2,254	29
Non-GAAP income from gross profit	10,618	9,564	45,931	9,161	8,742	10,182	13,150	41,235	12,320	10,308	20,327
GAAP research and development expense	10,149	9,229	41,220	9,486	8,328	9,206	9,224	36,244	8,536	8,640	9,457
Share-based compensation expense	490	491	2,174	365	310	343	313	1,331	297	480	358
Non-recurring expense	-	427	480	6	1	2	4	13	-	-	-
Non-cash expenses associated with discontinued products	-	-	15	-	-	-	-	-	-	-	-
Non-GAAP research and development expense	9,659	8,311	38,551	9,115	8,017	8,861	8,907	34,900	8,239	8,160	9,099
GAAP sales and marketing expense	2,783	2,324	10,899	2,558	2,164	2,385	2,616	9,723	2,327	2,269	3,035
Share-based compensation expense	272	295	1,115	226	186	230	214	856	195	291	300
Non-recurring expense	-	-	73	4	-	3	2	9	-	-	-
Non-GAAP sales and marketing expense	2,511	2,029	9,711	2,328	1,978	2,152	2,400	8,858	2,132	1,978	2,735
GAAP general and administrative expense	10,645	10,167	42,362	11,220	11,035	11,654	12,749	46,658	12,548	12,954	14,368
Share-based compensation expense	2,147	2,217	7,948	1,745	1,534	1,933	1,712	6,924	1,684	2,135	2,454
Amortization expense	146	151	600	152	153	154	157	616	159	162	167
Non-recurring expense	(13)	72	454	12	7	16	3	38	357	602	1,344
Non-cash expenses associated with discontinued products	1,211	1,173	4,796	1,166	1,103	1,117	1,147	4,533	1,162	1,148	864
Non-GAAP general and administrative expense	7,154	6,554	28,564	8,145	8,238	8,434	9,730	34,547	9,186	8,907	9,539
GAAP total operating expense	23,577	21,720	94,481	23,264	21,527	23,245	24,589	92,625	23,411	23,863	26,860
Share-based compensation expense	2,909	3,003	11,237	2,336	2,030	2,506	2,239	9,111	2,176	2,906	3,112
Amortization expense	146	151	600	152	153	154	157	616	159	162	167
Non-recurring expense	(13)	499	1,007	22	8	21	9	60	357	602	1,344
Non-cash expenses associated with discontinued products	1,211	1,173	4,811	1,166	1,103	1,117	1,147	4,533	1,162	1,148	864
Non-GAAP total operating expense	19,324	16,894	76,826	19,588	18,233	19,447	21,037	78,305	19,557	19,045	21,373

NON-GAAP RECONCILIATION

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

	3Q21	4Q21	CY2021	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23
GAAP operating income (loss)	(15,453)	(13,626)	(56,766)	(14,239)	(12,899)	(13,496)	(18,364)	(58,998)	(14,167)	(15,965)	(6,686)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	3,131	3,199	12,123	2,472	2,145	2,626	2,357	9,600	2,290	3,062	3,236
Amortization expense	146	151	600	152	152	154	157	615	159	162	167
Non-recurring expense	39	531	1,125	22	8	185	14	229	357	602	1,344
Expenses associated with discontinued products	2,220	1,242	7,212	-	-	57	6,802	6,859	2,962	2,254	29
Non-cash expenses associated with discontinued products	1,211	1,173	4,811	1,166	1,103	1,209	1,147	4,625	1,162	1,148	864
Non-GAAP operating income (loss)	(8,706)	(7,330)	(30,895)	(10,427)	(9,491)	(9,265)	(7,887)	(37,070)	(7,237)	(8,737)	(1,046)
GAAP other income (loss)	(344)	(912)	2,606	(1,823)	(1,557)	(2,131)	(1,886)	(7,398)	(2,125)	(971)	(2,267)
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	-	-	-	-
Unrealized exchange loss (gain)	332	(339)	703	982	298	964	(434)	1,810	1,109	66	423
Non-recurring expense (income)	-	-	(6,299)	3	-	-	-	3	0	0	0
Non-GAAP other income (loss)	(12)	(1,251)	(2,990)	(838)	(1,259)	(1,167)	(2,320)	(5,585)	(1,016)	(905)	(1,844)
GAAP net income (loss)	(15,797)	(14,540)	(54,162)	(16,062)	(14,456)	(15,627)	(20,251)	(66,397)	(16,292)	(16,944)	(8,953)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	3,131	3,199	12,123	2,473	2,143	2,628	2,357	9,601	2,290	3,062	3,236
Expenses associated with discontinued products	2,220	1,242	7,212	-	-	57	6,802	6,859	2,962	2,254	29
Non-cash expenses associated with discontinued products	1,211	1,173	4,811	1,166	1,102	1,209	1,147	4,624	1,162	1,148	864
Amortization of intangible assets	146	151	600	152	153	154	157	616	159	162	167
Non-recurring expense (income)	39	531	(5,174)	25	8	185	15	233	358	602	1,344
Unrealized exchange loss (gain)	332	(339)	703	981	298	964	(434)	1,809	(1,109)	(66)	423
Non-GAAP Tax Benefit	3,427	3,101	13,489	3,394	3,151	3,302	4,793	14,640	3,327	3,710	1,200
Non-GAAP net income (loss)	(5,291)	(5,482)	(20,398)	(7,871)	(7,601)	(7,128)	(5,414)	(28,015)	(7,143)	(6,072)	(1,690)
GAAP net income (loss)	(15,797)	(14,540)	(54,162)	(16,062)	(14,456)	(15,627)	(20,251)	(66,397)	(16,292)	(16,944)	(8,953)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	3,131	3,199	12,123	2,472	2,144	2,629	2,358	9,603	2,290	3,062	3,236
Expenses associated with discontinued products	2,220	1,242	7,212	-	-	57	6,802	6,859	2,962	2,254	29
Non-cash expenses associated with discontinued products	1,211	1,173	4,811	1,166	1,103	1,209	1,147	4,625	1,162	1,148	864
Amortization of intangible assets	146	151	600	152	153	154	158	617	159	162	167
Non-recurring expense (income)	39	531	(5,174)	25	8	185	14	232	358	602	1,344
Unrealized exchange loss (gain)	332	(339)	703	981	298	962	(434)	1,807	(1,109)	(66)	423
Tax (benefit) expense related to the above	-	2	2	-	-	-	(1)	(1)	-	8	-
Depreciation expense	4,936	4,846	19,922	4,790	4,631	4,339	4,200	17,960	4,007	3,882	3,946
Loss (gain) from disposal of idle assets	-	-	-	-	-	-	-	0	-	-	-
Interest (income) expense, net	1,342	1,441	5,549	1,373	1,377	1,590	1,852	6,192	2,104	2,138	1,924
Adjusted EBITDA	(2,440)	(2,294)	(8,414)	(5,103)	(4,742)	(4,502)	(4,155)	(18,503)	(4,359)	(3,754)	2,980
GAAP diluted net income (loss) per share	\$ (0.58)	\$ (0.54)	\$ (2.01)	\$ (0.58)	\$ (0.52)	\$ (0.56)	\$ (0.71)	\$ (2.38)	\$ (0.56)	\$ (0.57)	\$ (0.27)
Non-recurring customer credit	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation expense	0.12	0.12	0.45	0.09	0.08	0.09	0.08	0.34	0.08	0.10	0.10
Expenses associated with discontinued products	0.08	0.05	0.27	-	-	-	0.24	0.24	0.01	0.08	0.00
Non-cash expenses associated with discontinued products	0.04	0.04	0.18	0.04	0.04	0.04	0.04	0.17	0.01	0.04	0.03
Amortization of intangible assets	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01
Non-recurring expense (income)	-	0.02	(0.19)	-	-	0.01	-	0.01	0.04	0.02	0.04
Unrealized exchange loss (gain)	0.01	(0.01)	0.03	0.04	0.01	0.03	(0.02)	0.07	(0.04)	(0.01)	0.01
Non-GAAP Tax Benefit	0.13	0.11	0.50	0.12	0.11	0.12	0.17	0.52	0.12	0.12	0.04
Non-GAAP diluted net income (loss) per share	\$ (0.20)	\$ (0.20)	\$ (0.76)	\$ (0.29)	\$ (0.28)	\$ (0.25)	\$ (0.19)	\$ (1.01)	\$ (0.25)	\$ (0.21)	\$ 0.05
Shares used to compute diluted earnings per share	27,097	27,173	26,912	27,463	27,612	27,839	28,460	27,846	28,872	29,489	32,774