## **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 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 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.

### (In thousands)

STOCKHOLDERS' EQUITY

446,753

434,755

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 Ter	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 Asset	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	0,702	0,700	0,140	0,000	0,000	0,020	0,020	0,020	0,010
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' EQUIT	Y								
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	40,044 9,955	10,273	13,760	47,845	19,196	8,637	34,854 14,383	32,892 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	13,237	12,440	12,444	17,222	13,505	14,702	10,303	10,549	15,545
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	1,089
Current Portion of Notes Payable and L	52,233	53,565	51,357	57,074	50,921	37,276	31,323	23,197	24,129
Current - convertible notes payable	52,255	55,505	51,557	57,074	79,710	79,916	80,124	286	24,123
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					1,000	2,424		
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									
	07	28	20	20	29	20	24	20	20
Common Stock	27		28	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 Retained Earnings (Accumulated	14,809	7,226	(988)	2,183	3,823	(1,470)	(2,188)	975	(688)
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									

408,263

383,551

356,877

373,792

389,186

350,916

414,343

## (In thousands, except percentages and per share data)

Revenue	1Q22	2Q22	3Q22	4Q22	CY2022	1Q23	2Q23	3Q23	4Q23	CY2023	1Q24
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%
Gloss margin	17.5%	10.5 /6	17.2/0	10.170	13.170	17.470	13.0 /8	JZ.J /0	55.7 /6	27.170	10.7 /0
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)	-
				(1)	(')		(0)		(.)	(0)	
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	07 / 00	07.015				oo o=-	00.455	00 <b>7</b> 5 i	00515		
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	07 460	07 640	27.020	20.460	07.046	00.070	20,480	20.774	26 540	21.044	20.262
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

Dispansion   21,415   21,415   21,415   21,415   21,415   21,415   21,415   21,415   21,217   20,808     FTH   56,255   6,276   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,821   6,835   2,771   4,845   1,89   4,1615   6,244   7,804	Revenue CATV	<b>1Q22</b> 24,980	<b>2Q22</b> 23,713	<b>3Q22</b> 31,260	<b>4Q22</b> 38,216	CY2022 118,169	<b>1Q23</b> 27,779	<b>2Q23</b> 9,343	<b>3Q23</b> 10,268	<b>4Q23</b> 12,551	<b>CY2023</b> 59.941	<b>1Q24</b> 8,736
Tencom   5.265   6.276   6.827   6.365   24.727   3.707   4.231   3.074   2.818   13.831   2.269     Other   444   776   915   514   2.269   1.19   415   398   60.32   2.604   6627     Total Revenues   VOV Growth %   5.1%   3.5%   66.893   61.564   22.814   53.301   41.165   62.574   63.38%   2.234   23.38     Cost of Goods Sold COGS % of Revenue   40.814   43.557   46.511   44.441   161.58%   47.70   31.307   42.234   34.43   125.58%   70.2%   67.5%   63.6%   70.2%   67.5%   63.6%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   67.5%   70.2%   82.5%   70.2%   82.5%   70.2%   70.2%   70.2%   70.2%   70.2%   70.2%   70.2%   70.2%   70.2%   70.2%<												
FTH   96   27   1   4   129   12   55    57    682     Total Revenues   VOY Growth %   5.1%   2.528   915   514   2.299   1.199   4115   328   6.033   2.204   692     Cots of Goods Sold COGS % of Revenue   43.081   43.557   46.511   44.544   191.563   40.710   31.307   42.220   38.443   152.681   32.374   61.75%   63.36%   70.2%   61.75%   63.36%   70.2%   61.75%   63.36%   70.2%   61.75%   63.86%   70.2%   61.75%   63.86%   70.2%   61.5%   72.86%   61.5%   72.86%   61.5%   72.240   64.995   75.2%   61.5%   63.86%   70.2%   61.5%   72.87%   61.5%   72.86%   61.5%   72.87%   72.86%   63.96%   70.2%   61.5%   72.87%   72.85%   63.66%   70.2%   61.5%   72.87%   72.85%   72.85%   72.85%   72.85%   72.85%   72.85%<									- ,			
Other   444   786   915   514   2.699   1.189   4165   32.84   60.3   2.604   60.673     Total Revenues   YOY Growth %   5.1%   5.5%   6.683   61.584   22.2818   53.030   41.615   62.24%   60.403   2.3%   -2.4%   -2.3%   -2.4%   -2.3%   -2.4%   -2.3%   -2.3%   -2.3%   -2.3%   -2.3%   -2.3%   -2.3%   -2.3%				0,021					5,074	2,010		2,205
Total Revenues   S2,242   52,249   56,843   61,584   222,818   63,030   41,615   62,647   60,453   217,646   40,673     Cost of Goods Sold COGS % of Revenue   5,1%   3,5%   65,814   13,2%   53,3%   61,854   14,%   20,4%   11,8%   22,3%   23,3%   22,0%   36,4%   31,07   42,220   38,443   16,5%   16,5%   16,3%   16,5%   16,5%   16,3%   17,2%   16,3%   14,5%   14,5%   14,5%   14,5%   14,5%   14,5%   14,5%   14,5%   16,5%   16,7%   16,5%   16,7%   16,5%   16,7%   16,7%   16,7%   16,5%   16,7%   16,5%   16,7%   16,7%   16,5%   16,7%   16,7%				915					308	603		682
V/Y 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 COGS % of Revenue   43.081   43.557   46.511   46.434   181.683   46.0710   31.307   42.220   38.443   192.881   32.974     Gross Profit Gross Margin   -0.161   5.7%   15.7%   70.87%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   70.27%   67.5%   63.5%   64.483   11.429     Operating Expenses   9.115   8.017   8.661   8.907   34.565   9.058   9.069   3.512   21.148   9.669   3.512   21.148   9.669   3.	-						,					
Cest of Goods Sold COGS % of Revenue   43,687   46,511   48,434   181,583   40,710   31,307   42,220   38,443   152,681   32,974     Gross Profit Gross Profit   9,161   8,742   10,162   13,150   41,235   76,8%   75,2%   67,5%   63,86%   70,2%   81,1%     Gross Profit Gross Profit   9,161   8,742   10,162   13,150   41,235   12,320   10,308   20,327   22,010   64,965   70,2%   81,1%     Operating Expenses: Research and Development Rabes and Administrative General and Administrative General and Administrative General and Administrative Bases and Administrative General and Administrative Gen												
COGS % of Revenue   82.5%   83.3%   82.0%   76.8%   75.2%   75.3%   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     Operating Expenses:   9,161   8,742   10,182   14.5%   22,324   23,55%   36,44%   22,84%   36,46%   22,94%   88,95%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   14.5%   15.5%   14.5%   14.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   14.5%   15.5%   15.5%   14.5%   15.5%   15.5%   15.5%   14.5%   15.5%   15.5%   15.5%   14.5%   15.5%   15.5	YOY Growth %	5.1%	-3.5%	6.4%	13.2%	5.3%	1.4%	-20.4%	10.3%	-1.8%	-2.3%	-23.3%
Gross Profit Gross Margin   9,161   6,742   10,182   13,150   41,235   12,320   10,308   20,327   22,010   64,965   7,699     Operating Expenses: Research and Development Research and Development Research and Development States and Market States and Market Sta												
Gross Margin   17.5%   16.7%   18.0%   21.4%   18.5%   23.2%   24.8%   32.5%   36.4%   29.8%   18.5%     Operating Expenses: Research and Development ARD % of Revenue   9.115   8.017   8.861   8.907   34.900   8.238   8.160   9.099   8.985   34.483   11.429     Sales and Marketing Sales and Marketing General and Admitted (Expenses)   2.328   13.78   2.152   2.470   8.858   2.122   11.47%   16.3%   11.429     General and Admitted (Expenses)   4.55   3.88   3.86   3.90   4.0%   4.856   5.27   4.16%   8.685     Operating Expenses   66%   15.6%   19.447   21.037   75.355   19.045   21.373   21.586   81.660   24.826     Operating Income (Loss)   (16.427)   (16.427)   (16.427)   (17.87)   12.8%   -16.6%   -21.0%   -1.7%   21.07%   21.666   24.826     Other Income (Loss)   (16.427)   (14.91)   (12.62)   (17.87)   (22.177)   <	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 Margin   17.5%   16.7%   18.0%   21.4%   18.5%   23.2%   24.8%   32.5%   36.4%   29.8%   18.5%     Operating Expenses: Research and Development ARD % of Revenue   9.115   8.017   8.861   8.907   34.900   8.238   8.160   9.099   8.985   34.483   11.429     Sales and Marketing Sales and Marketing General and Admitted (Expenses)   2.328   13.78   2.152   2.470   8.858   2.122   11.47%   16.3%   11.429     General and Admitted (Expenses)   4.55   3.88   3.86   3.90   4.0%   4.856   5.27   4.16%   8.685     Operating Expenses   66%   15.6%   19.447   21.037   75.355   19.045   21.373   21.586   81.660   24.826     Operating Income (Loss)   (16.427)   (16.427)   (16.427)   (17.87)   12.8%   -16.6%   -21.0%   -1.7%   21.07%   21.666   24.826     Other Income (Loss)   (16.427)   (14.91)   (12.62)   (17.87)   (22.177)   <	Gross Profit	9.161	8.742	10.182	13.150	41.235	12.320	10.308	20.327	22.010	64.965	7.699
Operating Expenses: Research and Development R&D \$\$ of Revenue Sales and Marketing   9,115   8,017   8,861   8,907   34,900   8,238   8,160   9,099   8,985   34,483   11,429     Sales and Marketing   2,328   1,978   2,152   2,400   8,856   2,132   1,977   2,735   3,114   9,999   3,512     General and Administrative General and Administrative   8,145   8,238   8,434   9,700   34,547   9,155   8,908   9,539   9,447   37,118   9,886   24,485     Operating Expenses   19,568   19,245   13,73   21,366   61,560   24,826     Operating Expenses   19,568   19,245   13,73   21,666   61,660   24,826     Operating Expenses   10,60%   10,27   (9,491)   (9,285)   76,887)   32,070   (7,235)   (8,737)   (1,046)   424   (16,595)   (17,127)     Other Income (Loss)   (10,427)   (9,491)   (1,817)   (1,230)   (1,617)   (2,137)   (2,177)   (2,176)												
Research and Development RRD % of Revenue   9,115   8,017   8,861   8,900   8,238   8,160   9,099   8,985   3,4483   11,429     Sales and Markeling Sales and Markeling General and Administrative GAA % of Revenue   7,4%   15,3%   15,6%   14,5%   3,88%   3,8%   3,9%   4,00%   4,4%   5,2%   4,6%   8,6%   3,1%   3,6%   3,4%   3,42%   3,42%   3,42%   3,42%   3,42%   3,27%   3,1%   3,6%   4,6%   4,6%   4,6%   1,7%   3,7%   6,1,0%   1,7,2%   1,72%   1,6%   1,2,2%   3,37   6,5												
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Operating Expenses:											
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     General and Administrative   4,5%   3,8%   3,8%   3,9%   4,0%   4,8%   4,4%   5,2%   4,6%   6,6%     GeA4 % of Revenue   15,5%   11,49%   15,8%   15,5%   11,3%   17,7%   21,3%   21,4%   15,3%   17,7%   21,43%     Operating Expenses   19,588   18,233   19,447   21,037   78,305   19,565   19,046   21,373   21,586   81,560   24,826     Operating Income [Loss)   (10,427)   (9,491)   62,651   (7,887)   (37,070)   (7,235)   (8,737)   (1,046)   424   (16,585)   (17,127)     Interest Expense   (1,041)   (1,408)   (1,621)   (1,887)   (2,107)   (2,137)   (2,173)   (1,641)   (1,676)   (1,676)     Interest Expense   (1,401)   (1,402)   (1,621)   (1,887)   (2,177)   (1,399)	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
SkM % of Revenue General and Administrative GAA % of Revenue   4.145 8.145   8.238 8.238   8.343 8.434   9.70 9.70   34.547 9.185   9.185 9.08   9.539 9.539   9.467 9.1373   37.118 2.1373   9.885 9.539   9.467 15.7%   17.18 15.7%   17.18 12.43%   9.885 15.6%     Total Operating Expenses Operating Expenses   19.568   11.57%   14.9%   13.8%   19.658   13.75%   14.9%   13.8%   14.2%   15.6%   15.7%   17.1%   24.3%     Operating Expenses   of Revenue   19.568   14.6%   19.656   14.6%   4.8%   4.4%   5.7%   17.1%   24.3%     Operating Income (Loss) Operating Margin   (10.427)   (9.491)   (9.265)   (7.827)   (37.070)   (7.235)   (8.737)   (1.046)   4.4%   4.2%   35.7%   37.5%   42.1%     Other Income (Expense): Interest Income   11.041   (14.021)   (14.081)   (7.187)   (6.317)   (1.463)   (7.892)   (1.676)     Other Income (Expense): Interest Income (Expense):   28   31   31   36   22.5%   4.5% </td <td>R&amp;D % of Revenue</td> <td>17.4%</td> <td>15.3%</td> <td>15.6%</td> <td>14.5%</td> <td>15.7%</td> <td>15.5%</td> <td>19.6%</td> <td>14.5%</td> <td>14.9%</td> <td>15.8%</td> <td>28.1%</td>	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%
General and Administrative (G& % of Revenue   8,145   8,238   8,434   9,730   34,547   9,185   8,008   9,539   9,487   37,118   9,885     Total Operating Expenses Operating Expenses   15,6%   115,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,8%   15,7%   31,8%   34,2%   35,1%   36,9%   45,8%   34,2%   35,7%   31,8%   21,4%   45,8%   34,2%   35,7%   31,7%   61,0%   11,866   11,727)   11,045   11,680   11,727)   11,045   11,680   11,727)   11,046   14,780   11,727)   11,045   11,8   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
G&A % of Revenue Total Operating Expenses   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 % of Revenue Operating Expenses % of Revenue   19.648   21.037   78.306   19.558   19.042   21.037   78.306   19.558   19.042   24.826   35.7%   37.5%   34.9%   34.3%   21.037   78.306   19.568   24.326   35.7%   37.5%   61.0%     Operating Income (Loss) Operating Margin   (10.427)   (9.491)   (9.265)   (7.887)   (37.070)   (7.235)   (8.737)   (1.046)   424   (16.595)   (17.127)     Other Income (Expense): Interest Expense)   2   3   37   65   47.5   609   261     Other Income (Expense): Other Income (Repense)   (10.421)   (1.487)   (1.839)   (1.681)   (7.982)   (1.676)     Other Income (Repense)   (13.41)   (10.207)   (2.42.655)   (10.470)   (3.774)   2.28%   -12.8%   -2.6%   -4.6%   -0.5%   <	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%
Total Operating Expenses Operating Expenses % of Revenue   19,588   18,233   19,447   21,037   21,536   81,560   24,826     Operating Expenses % of Revenue   37,5%   34,9%   34,2%   36,1%   36,9%   45,8%   31,5%   31,560   24,826   61,070   (7,235)   (8,737)   (1,046)   42.4   (15,959)   (71,127)     Other Income (Expense): Interest Income (Expense):   (14,427)   (14,401)   (1,403)   (1,521)   (1,887)   (6,317)   (2,175)   (1,989)   (1,681)   (7,982)   (1,676)     Other Income (Expense): Interest Income (Expense):   28   31   31   36   126   33   37   65   475   609   261     Other Income (Expense):   (1,401)   (1,403)   (1,521)   (2,187)   (2,175)   (1,989)   (1,681)   (7,982)   (1,676)     Other Income (Expense):   (1,250)   (1,675)   (1,877)   (2,2320)   (5,585)   (3,232)   (1,037)   (1,443)   (755)   (6,871)   (1,144)     Other Income (Loss	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
Operating Expenses % of Revenue   37.5%   34.3%   34.2%   35.1%   36.8%   45.8%   34.2%   35.7%   37.5%   61.0%     Operating Income (Loss) Operating Margin   (10.427)   (9.491)   (9.265)   (7.887)   (37.070)   (7.238)   (8.737)   (10.46)   424   (16.595)   (17.127)     Other Income (Expense): Interest Income   28   31   36   126   33   37   65   47.5   609   261     Other Income (Expense): Interest Expense   (14.01)   (1.408)   (16.21)   (1.887)   (6.317)   (2.137)   (2.175)   (1.989)   (1.681)   (7.982)   (1.676)     Other Income (Expense): Other Income (Expense):   (839)   (1.259)   (11.167)   (2.232)   (5.585)   (3.238)   (1.037)   (1.843)   (755)   (6.871)   (1.414)     Other Income (Expense): Net Margin   1.6%   -2.1%   -3.2%   -2.5%   -6.1%   -2.2%   -1.2%   -3.2%   -2.8%   -2.2%   -1.2%   -2.2%   -2.2%   -1.2%   -2.8%	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%
Operating Income (Loss) Operating Margin   (10,427)   (9,491)   (9,265)   (7,887)   (37,070)   (7,235)   (8,737)   (1,046)   424   (16,595)   (17,127)     Other Income (Expense): Interest Expense): Interest Expense)   1   31   36   126   33   37   65   475   609   261     Other Income (Expense): Interest Expense):   (1,401)   (1,401)   (1,401)   (1,401)   (1,401)   (1,611)   (7,982)   (1,676)     Other Income (Expense):   (1,401)   (1,401)   (1,402)   (1,555)   (6,317)   (2,137)   (2,175)   (1,989)   (1,681)   (7,982)   (1,676)     Other Income (Expense):   (1,21)   (1,102)   (1,403)   (1,555)   (6,317)   (2,137)   (1,143)   (1,555)   (6,11,11)   1,101   81   451   502   274     Other Income (Expense):   (1,126)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (8,774)   (2,890)   (331)   (23,466)   (18,268)     Net Income (Loss)	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 Margin   -20.0%   -18.1%   -16.6%   -13.6%   -21.0%   -1.7%   0.7%   -7.6%   -42.1%     Other Income (Expense): Interest Expense Other Income (Expense):   1.401   1.408   (1.621)   (1.887)   (6.317)   (2.137)   (2.175)   (1.999)   (1.681)   (7.982)   (1.676)     Other Income (Expense):   534   118   423   (469)   606   (1.131)   1.101   81   451   502   274     Other Income (Expense):   (1.401)   (1.408)   (1.621)   (1.887)   (6.317)   (1.131)   1.101   81   451   502   274     Other Income (Expense):   (1.401)   (1.4259)   (1.167)   (2.320)   (5.585)   (10.470)   (9.774)   (2.890)   (331)   (23.466)   (18.268)     Net Income (Loss) before Income Taxe:   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 Taxe Benefit (Expense)   3.394   3	<b>Operating Expenses % of Revenue</b>	37.5%	34.9%	34.3%	34.2%	35.1%	36.9%	45.8%	34.2%	35.7%	37.5%	61.0%
Operating Margin   -20.0%   -18.1%   -16.6%   -13.6%   -21.0%   -1.7%   0.7%   -7.6%   -42.1%     Other Income (Expense): Interest Expense Other Income (Expense): Other Income % of Revenue   28   31   31   36   126   33   37   65   475   609   261     Interest Income (Expense): Other Income (Expense): Other Income % of Revenue   (1,401)   (1,408)   (1,621)   (1,887)   (6,317)   (2,175)   (1,989)   (1,681)   (7,982)   (1,176)     Other Income (Expense): Other Income % of Revenue   -1.6%   -2.4%   -2.1%   -3.8%   -2.5%   -6.1%   -2.9%   -1.2%   -3.2%   -2.8%     Net Income (Loss) before Income Taxet Net Margin after Income Taxet   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Income Taxet Net Income (Loss)   (1,373)   -16,47	Operating Income (Loss)	(10 427)	(9 4 9 1 )	(9.265)	(7.887)	(37 070)	(7 235)	(8 737)	(1 046)	424	(16 595)	(17 127)
Other Income (Expense): Interest Income Interest Expense)   28   31   31   36   126   33   37   65   475   609   261     Other Income (Expense)   (1,401)   (1,408)   (1,621)   (1,887)   (6,317)   (2,175)   (1,989)   (1,681)   (7,982)   (1,676)     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 (Loss) before Income Taxe:   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,28)     Income (Loss) before Income Taxe:   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,28)     Income (Loss)   Net Margin   -16.5%   -10.8%   -18.9%   -13.9%   -12.8%   -13.9%   -12.8%   -2.5%   -4.6%   -0.5%   -12.8%   -12.8%   -12.8% <td></td>												
Interest Expense Interest Expense   28   31   31   36   126   33   37   65   475   609   261     Interest Expense   (1,401)   (1,621)   (1,887)   (6,317)   (2,137)   (2,175)   (1,989)   (1,676)   (1,676)     Total Other Income (Expense):   (839)   (1,259)   (1,1671)   (2,220)   (5,585)   (3,235)   (1,037)   (1,843)   (755)   (6,871)   (1,141)     Other Income (Expense):   (1,266)   (10,750)   (10,422)   (10,207)   (2,2655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Net Income (Loss) before Income Taxe:   (11,266)   (10,750)   (10,422)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Income (Loss)   Margin after Income Tax   .3,94   3,151   3,302   4,793   14,640   3,327   3,702   1,200   1,999   10,137   6,236     Net Income (Expense)   (1,373)   (1,377) </td <td>oporaning margin</td> <td>_0.070</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td> /0</td> <td>• /0</td> <td></td> <td></td>	oporaning margin	_0.070							/0	• /0		
Interest Expense Interest Expense   28   31   31   36   126   33   37   65   475   609   261     Interest Expense   (1,401)   (1,621)   (1,887)   (6,317)   (2,137)   (2,175)   (1,989)   (1,676)   (1,676)     Total Other Income (Expense):   (839)   (1,259)   (1,1671)   (2,220)   (5,585)   (3,235)   (1,037)   (1,843)   (755)   (6,871)   (1,141)     Other Income (Expense):   (1,266)   (10,750)   (10,422)   (10,207)   (2,2655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Net Income (Loss) before Income Taxe:   (11,266)   (10,750)   (10,422)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Income (Loss)   Margin after Income Tax   .3,94   3,151   3,302   4,793   14,640   3,327   3,702   1,200   1,999   10,137   6,236     Net Income (Expense)   (1,373)   (1,377) </td <td>Other Income (Expense):</td> <td></td>	Other Income (Expense):											
Other Income (Expense)   534   118   423   (469)   606   (1,131)   1,101   81   451   502   274     Total Other Income (Expense):   (139)   (1,259)   (1,125)   (1,125)   (1,131)   1,101   81   451   502   274     Net Income (Expense):   (139)   (1,259)   (1,175)   (2,320)   (5,585)   (3,235)   (1,037)   (1,843)   (755)   (6,671)   (1,141)     Net Income (Loss) before Income Taxe:   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Income Loss) before Income Taxe:   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     Income Loss)		28	31	31	36	126	33	37	65	475	609	261
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 Taxe:   (11,266)   (10,750)   (10,432)   (10,207)   (42,655)   (10,470)   (9,774)   (2,890)   (331)   (23,466)   (18,268)     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)     Interest income (Expense)   (1,373)   (	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 % of Revenue $1.6\%$ $2.4\%$ $2.1\%$ $3.8\%$ $2.5\%$ $4.6\%$ $2.5\%$ $2.9\%$ $1.2\%$ $3.2\%$ $2.8\%$ Net Income (Loss) before Income Taxe: Net Margin $(11,266)$ $(10,750)$ $(10,432)$ $(10,207)$ $(42,655)$ $(10,470)$ $(9,774)$ $(2,890)$ $(331)$ $(23,466)$ $(18,268)$ Income (Loss) Net Margin $3.394$ $3.151$ $3.302$ $4.793$ $14,640$ $3.327$ $3.702$ $1.200$ $1.909$ $10,137$ $6.236$ Net Income (Loss) Net Margin after Income Tax $(7,872)$ $(7,599)$ $(7,130)$ $(5,414)$ $(28,015)$ $(7,143)$ $(6,072)$ $(1,690)$ $1.578$ $(13,329)$ $(12,032)$ Net Income (Loss) Net Margin after Income Tax $(1,373)$ $(1,377)$ $(1,590)$ $(1,852)$ $(6,192)$ $(2,104)$ $(2,138)$ $(1.924)$ $(1.206)$ $(7,373)$ $(1,416)$ Depreciation and Amortization Adjusted EBITDA $4.730$ $4.731$ $4.503$ $(4.155)$ $(18,503)$ $(4.359)$ $(3,754)$ $2.980$ $4.768$ $(364)$ $(13,015)$ Earnings per share (Basic) Earnings per share\$ $(0.29)$ \$ $(0.28)$ \$ $(0.26)$ \$ $(0.19)$ \$ $(1.01)$ \$ $(0.25)$ \$ $(0.21)$ \$ $(0.05)$ \$ $0.04$ \$ $(0.42)$ \$ $(0.31)$ Shares used to compute Non-GAAP $27,463$ $27,612$ $27,839$ $28,460$ $27,846$ $28,872$ $29,489$ $32,774$ $36,549$ $31,944$ $38,362$	Other Income (Expense)	534	118									
Other Income % of Revenue-1.6%-2.4%-2.1%-3.8%-2.5%-6.1%-2.5%-2.9%-1.2%-3.2%-3.2%-2.8%Net Income Iaxe:(11,266)(10,750)(10,432)(10,207)(42,655)(10,470)(9,774)(2,890)(331)(23,466)(18,268)Income (Loss) <i>Net Margin</i> -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)3,3943,1513,3024,79314,6403,3273,7021,2001,90910,1376,236Net 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(1,373)(1,377)(1,590)(1,852)(6,192)(2,104)(2,138)(1,924)(1,206)(7,373)(1,416)Depreciation and Amortization4.7304.6334.20017,9604.0073.8823,9463.89315,7293.837Adjusted EBITDA(5,103)(4.742)(4.503)(4.155)(18,503)(4.359)(3.754)2.9804.768(364)(13,015)Earnings per share (Basic)\$(0.29) \$(0.28) \$(0.26) \$(0.11) \$(0.25) \$(0.21) \$(0.05) \$0.04 \$(0.42) \$(0.31)Shares used to compute Non-GAAP27,46327,61227,83928,46027,846 <th< td=""><td>Total Other Income (Expense):</td><td>(839)</td><td>(1,259)</td><td>(1,167)</td><td>(2,320)</td><td>(5,585)</td><td>(3,235)</td><td>(1,037)</td><td>(1,843)</td><td>(755)</td><td>(6,871)</td><td>(1,141)</td></th<>	Total Other Income (Expense):	(839)	(1,259)	(1,167)	(2,320)	(5,585)	(3,235)	(1,037)	(1,843)	(755)	(6,871)	(1,141)
Net Margin $-21.6\%$ $-20.6\%$ $-18.4\%$ $-16.6\%$ $-19.7\%$ $-23.5\%$ $-4.6\%$ $-0.5\%$ $-10.8\%$ $-44.9\%$ 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 $(1,373)$ $(1,377)$ $(1,590)$ $(1,852)$ $(6,192)$ $(2,104)$ $(2,138)$ $(1,924)$ $(1,206)$ $(7,373)$ $(1,416)$ 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 EBITDAEBITDA Margin $(1,373)$ $(1,377)$ $(1,590)$ $(1,852)$ $(6,192)$ $(2,104)$ $(2,138)$ $(1,924)$ $(1,206)$ $(7,373)$ $(1,416)$ Earnings per share (Basic) $(0,29)$ $(0.28)$ $(0.26)$ $(0.19)$ $(1.01)$ $(0.25)$ $(0.21)$ $(0.05)$ $0.04$ $(0.42)$ $(0.42)$ $(0.31)$ Shares used to compute Non-GAAP $27,463$ $27,612$ $27,839$ $28,460$ $27,846$ $28,872$ $29,489$ $32,774$ $36,549$ $31,944$ $38,362$	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 Margin $-21.6\%$ $-20.6\%$ $-18.4\%$ $-16.6\%$ $-19.7\%$ $-23.5\%$ $-4.6\%$ $-0.5\%$ $-10.8\%$ $-44.9\%$ 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 $(1,373)$ $(1,377)$ $(1,590)$ $(1,852)$ $(6,192)$ $(2,104)$ $(2,138)$ $(1,924)$ $(1,206)$ $(7,373)$ $(1,416)$ 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 EBITDAEBITDA Margin $(1,373)$ $(1,377)$ $(1,590)$ $(1,852)$ $(6,192)$ $(2,104)$ $(2,138)$ $(1,924)$ $(1,206)$ $(7,373)$ $(1,416)$ Earnings per share (Basic) $(0,29)$ $(0.28)$ $(0.26)$ $(0.19)$ $(1.01)$ $(0.25)$ $(0.21)$ $(0.05)$ $0.04$ $(0.42)$ $(0.42)$ $(0.31)$ Shares used to compute Non-GAAP $27,463$ $27,612$ $27,839$ $28,460$ $27,846$ $28,872$ $29,489$ $32,774$ $36,549$ $31,944$ $38,362$												
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) Net Margin after Income Tax (7,872) (7,599) (7,130) (5,414) (28,015) (7,143) (6,072) (1,690) 1,578 (13,329) (12,032)   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 4,059 (3,754) 2,980 4,768 (364) (13,015)   Adjusted EBITDA (5,103) (4,742) (4,603) (4,155) (18,503) (4,359) (3,754) 2,980 4,768 (364) (13,015)   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)   Shares used to compute Non-GAAP 27,463 27,612 27,839 28,460 <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>												
Net Income (Loss) Net Margin after Income Tax (7,872) (7,599) (7,130) (5,414) (28,015) (7,143) (6,072) (1,690) 1,578 (13,329) (12,032)   Interest Income (Expense) Depreciation and Amortization Adjusted EBITDA (1,373) (1,377) (1,590) (1,852) (6,192) (2,104) (2,138) (1,924) (1,206) (7,373) (1,416)   Adjusted EBITDA 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) Earnings per share \$ (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	Net Margin	-21.6%	-20.6%	-18.4%	-16.6%	-19.1%	-19.7%	-23.5%	-4.6%	-0.5%	-10.8%	-44.9%
Net Income (Loss) Net Margin after Income Tax (7,872) (7,599) (7,130) (5,414) (28,015) (7,143) (6,072) (1,690) 1,578 (13,329) (12,032)   Interest Income (Expense) Depreciation and Amortization Adjusted EBITDA (1,373) (1,377) (1,590) (1,852) (6,192) (2,104) (2,138) (1,924) (1,206) (7,373) (1,416)   Adjusted EBITDA 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) Earnings per share \$ (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												
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)     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)     Shares used to compute Non-GAAP basic   27,463   27,612   27,839   28,460   27,846   28,872   29,489   32,774   36,549   31,944   38,362	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
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 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)   Shares used to compute Non-GAAP basic 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	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)
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 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)   Shares used to compute Non-GAAP basic 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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	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%
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 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)   Shares used to compute Non-GAAP basic 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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	Interest Income (Expense)	(1 372)	(1 377)	(1 500)	(1.852)	(6 102)	(2 104)	(2 138)	(1 024)	(1 206)	(7 373)	(1.416)
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)   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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362												
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   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   sused to compute Non-GAAP   sused to compute Non-GAAP   31,944   38,362   31,944   38,362		,		,	,				,	,		
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) \$ (0.28) \$ (0.26) \$ (0.19) \$ (1.01) \$ (0.25) \$ (0.21) \$ (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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	-											
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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	EBIIDA 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 (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 27,463 27,612 27,839 28,460 27,846 28,872 29,489 32,774 36,549 31,944 38,362	Formingo por oboro (Popio)	¢ (0.20) (	¢ (0.00) ¢	(0.06) ¢	(0.10) @	(1 01) @	(0.2E) ¢	(0.01) @	(0.05) ¢	0.04 @	(0.42) ¢	(0.21)
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   Shares used to compute Non-GAAP   27,463   27,612   27,839   28,460   27,846   28,872   29,489   32,774   36,549   31,944   38,362												
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	Earnings per snare (Diluteu)	φ (0.29) 3		(0.20) \$	(U.19) Þ	(1.01) \$	(0.25) \$	(U.∠I) ⊅	(0.05) \$	0.04 \$	(0.42) \$	(0.31)
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	Shares used to compute Non-GAAP basic											
Shares used to compute Non-GAAP	•	27 462	27 612	27 920	28 460	27 946	28 072	20 / 00	32 774	36 540	31 044	38 363
		21,403	21,012	21,009	20,400	21,040	20,012	29,409	32,114	30,349	51,944	30,302
$\frac{21,403}{21,403} = 21,012 = 21,033 = 20,400 = 21,040 = 20,012 = 29,403 = 32,114 = 44,118 = 31,944 = 36,302$		27 462	27 612	27 920	28 460	27 946	28 072	20 / 00	32 774	11 770	31 044	38 363
		21,400	21,012	21,009	20,400	21,040	20,072	23,403	32,114	<del>,11</del> 0	51,544	30,302

# Applied Optoelectronics, Inc. GAAP to Non-GAAP Reconciliation

(In thousands)

(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 Non-recurring customer credit	9,025	8,628	9,749	6,225	33,627	9,244	7,898	20,174	21,604	58,921	7,591
Share-based compensation expense Non-recurring expense	136 -	114 -	121 164	118 5	489 169	114	156 -	124	131 -	524 -	102 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 Non-cash expenses associated with discontinued	6	1	2	4	13	-	-	-	-	-	3
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 Non-cash expenses associated with discontinued	12	7	16	3	38	357	602	1,344	396	2,699	513
products	1,166	1,103	1,117	1,147	4,533	1,162	1,148	864	816	3,991	1028
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 Non-cash expenses associated with discontinued	22	8	21	9	60	357	602	1,344	396	2,699	516
products Non-GAAP total operating expense	<u>1,166</u> 19,588	<u>1,103</u> 18,233	<u>1,117</u> 19,447	<u>1,147</u> 21,037	<u>4,533</u> 78,305	<u>1,162</u> 19,557	<u>1,148</u> 19,045	<u>864</u> 21,373	<u>816</u> 21,586	<u>3,991</u> 81,560	<u>1,028</u> 24,826
· · · · ·	(( ( 000)	(10,000)	(10,100)	(10.00.0)	(=======)	( , , , , , , , , , , , , , , , , , , ,	(	(2, 2, 2, 2)	(1 = 0 1)	( ( , , , , , , )	(24.242)
GAAP operating income (loss) Non-recurring customer credit	(14,239) -	(12,899) -	(13,496) -	(18,364) -	(58,998)	(14,167) -	(15,965)	(6,686)	(4,531) -	(41,348) -	(21,646)
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 Non-cash expenses associated with discontinued	-	-	57	6,802	6,859	2,962	2,254	29	275	5,520	-
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)
	(10,721)	(0,01)	(0,200)	(1,007)	(01,010)	(1,201)	(0,101)	(1,040)	747	(10,000)	(17,127)

GAAP other income (loss) Loss (gain) from disposal of idle assets		(1,823)	(1,557)	(2,131)	(1,886)	(7,398)	(2,125)	(971)	(2,267)	(9,326)	(14,691)	(1,524)
Unrealized exchange loss (gain) Non-recurring expense (income)		982 3	298	964	(434)	1,810 3	(1,109) 0	(66) 0	423 0	(635) 9,206	(1,386) 9,206	383
Non-GAAP other income (loss)		(838)	(1,259)	(1,167)	(2,320)	(5,585)	(3,234)	(1,037)	(1,844)	(755)	(6,871)	(1,141)
GAAP net income (loss) Share-based compensation expense	(1	16,062) 2,473	(14,456) 2,143	(15,627) 2,628	(20,251) 2,357	(66,397) 9,601	(16,292) 2,290	(16,944) 3,062	(8,953) 3,236	(13,858) 3,297	(56,048) 11,885	(23,170) 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)		(7,871)	(7,601)	(7,128)	(5,414)	(28,015)	(7,143)	(6,072)	(1,690)	1,577	(13,329)	(12,032)
GAAP net income (loss) Non-recurring customer credit	(1	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		- 2,472	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		(5,103)	(4,742)	(4,502)	(4,155)	(18,503)	(4,358)	(3,754)	2,980	4,768	(364)	(13,015)
GAAP diluted net income (loss) per share Non-recurring customer credit	\$	(0.58) \$	(0.52) \$	(0.56) \$	(0.71) \$	(2.38) \$	(0.56) \$	(0.57) \$	(0.27) \$	(0.31) \$	(1.75) \$	(0.60)
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	\$	(0.29) \$	(0.28) \$	(0.25) \$	(0.19) \$	(1.01) \$	(0.25) \$	(0.21) \$	(0.05) \$	0.04 \$	(0.42) \$	(0.31)
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