UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 5, 2020

AIRGAIN, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-37851	95-4523882
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3611 Valley Centre Drive, Suite 150 **San Diego, CA**	**92130**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (760) 579-0200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	AIRG	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 5, 2020, Airgain, Inc. issued a press release announcing its financial results for the third quarter ended September 30, 2020. A copy of this press release is attached hereto as Exhibit 99.1.

In accordance with General Instructions B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated November 5, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AIRGAIN, INC.

Date: November 5, 2020

/s/ David B. Lyle
David B. Lyle
Chief Financial Officer and Secretary

Company Contact
David B. Lyle
Chief Financial Officer
investors@airgain.com

Airgain Reports Third Quarter 2020 Financial Results

San Diego, CA, November 5, 2020 – Airgain, Inc. (Nasdaq: AIRG), a leading provider of advanced antenna technologies used to enable high performance wireless networking across a broad range of devices and markets, including consumer, enterprise, and automotive, today announced GAAP net loss of $0.3 million and GAAP EPS of $(0.03) for the three months ended September 30, 2020 (Q3-20). The Q3-20 GAAP net loss decreased $0.4 million from net loss of $0.7 million for the three months ended June 30, 2020 (Q2-20). Q3-20 non-GAAP net income totaled $0.6 million or $0.06 per diluted share compared to non-GAAP net income of $0.2 million or $0.02 per diluted share in Q2-20. Adjusted EBITDA increased to $0.7 million in Q3-20 compared to Adjusted EBITDA of $0.3 million in Q2-20 (see note regarding "Use of Non-GAAP Financial Measures" below for further discussion of this non-GAAP measure).

"I am pleased we executed to our previous financial guidance for the third quarter and equally excited about the prospects for growth across our markets in 2021," said Airgain's Chief Executive Officer and President, Jacob Suen. "We are seeing very positive responses from prospective customers for our new product platform, AirgainConnect, which is expected to drive material growth in 2021."

Third Quarter 2020 Financial Highlights

- Sales of $13.0 million
- Gross margin of 46.3%
- Net loss of $0.3 million
- GAAP earnings per share of $(0.03)
- Non-GAAP earnings per diluted share of $0.06
- Adjusted EBITDA of $0.7 million

Third Quarter 2020 Financial Results

Sales increased 13.7% to $13.0 million in Q3-20 compared to $11.4 million in Q2-20. This increase was primarily due to partial recovery from COVID-19 related revenue declines from carriers in Q2-20. Our Q3-20 sales decrease of $0.1 million from $13.1 million in the three months ended September 30, 2019 (Q3-19) was due to a significantly larger order of an automotive product in Q3-19, as offset by an increase in revenue from several large volume embedded antenna products in Q3-20.

Gross profit increased 11.8% in Q3-20 to $6.0 million from $5.4 million in Q2-20. Gross margin was 46.3% in Q3-20, which decreased from 47.1% in Q2-20 largely due to unfavorable product sales mix. Q3-20 gross margin increased 0.1% from 46.2% in Q3-19.

Total operating expenses of $6.2 million for Q3-20 increased 4.0% compared to $6.0 million in Q2-20 primarily due to an increase in personnel-related expenses. Q3-20 operating expenses decreased 0.8% from $6.3 million in Q3-19. The decrease was primarily due to lower travel expenses. Q3-20 non-GAAP operating expenses totaled $5.5 million compared to non-GAAP operating expenses of $5.2 million in Q2-20. Non-GAAP operating expenses for Q3-19 were $5.6 million (see note regarding "Use of Non-GAAP Financial Measures," below for further discussion of this non-GAAP measure).

Net loss totaled $0.3 million or $(0.03) per share (based on 9.7 million shares) in Q3-20, compared to a net loss of $0.7 million or $(0.08) per share (based on 9.7 million shares) in Q2-20. The Q3-20 net loss increased $0.1 million as compared to the Q3-19 net loss of $0.1 million or $(0.01) per share (based on 9.7 million shares). Q3-20 non-GAAP net income totaled $0.6 million or $0.06 per share (based on 10.1 million diluted shares), compared to non-GAAP net income of $0.2 million or $0.02 per share (based on 9.9 million diluted shares) in Q2-20. Non-GAAP net income in Q3-19 was $0.5 million or $0.05 per share (based on 10.0 million diluted shares) (see note regarding "Use of Non-GAAP Financial Measures" below for further discussion of this non-GAAP measure).

Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and stock-based compensation) increased to $0.7 million in Q3-20 compared to Adjusted EBITDA of $0.3 million in Q2-20. The Q3-19 Adjusted EBITDA was $0.6 million (see note regarding "Use of Non-GAAP Financial Measures" below for further discussion of this non-GAAP measure).

First Nine Months 2020 Financial Highlights

- Sales of $35.7 million
- Gross margin of 46.9%
- Net loss of $2.2 million
- GAAP earnings per share of $(0.23)
- Non-GAAP earnings per diluted share of $0.03
- Adjusted EBITDA of $0.7 million

First Nine Months 2020 Financial Results

Sales decreased 16.5% to $35.7 million in the first nine months of 2020 compared to $42.7 million in the same nine month period a year ago. The lower sales were primarily driven by impacts from COVID-19 and a product cycle transition for several large volume embedded antenna products.

Gross profit decreased 14.3% in the first nine months of 2020 to $16.7 million from $19.5 million in the same nine month period a year ago. Gross margin was 46.9% in the first nine months of 2020, which increased from 45.8% in the same nine month period a year ago and is primarily due to product cost reductions.

Total operating expenses of $18.9 million for the first nine months of 2020 decreased 1.2% compared to $19.1 million in the same nine month period a year ago. The decrease was primarily due to lower travel expenses and tradeshow cancellations, but partially offset by an increase in engineering product development costs and personnel-related expenses. Non-GAAP operating expenses totaled $16.5 million in the first nine months of 2020 compared to non-GAAP operating expenses of $17.1 million in the same nine month period a year ago (see note regarding "Use of Non-GAAP Financial Measures" below for further discussion of this non-GAAP measure).

In the first nine months of 2020 net loss totaled $2.2 million or $(0.23) per share (based on 9.7 million shares), compared to net income of $0.9 million or $0.09 per share (based on 10.1 million diluted shares) in the same nine month period a year ago. For the first nine months of 2020 non-GAAP net income totaled $0.3 million or $0.03 per share (based on 9.9 million diluted shares), compared to non-GAAP net income of $2.6 million or $0.25 per share (based on 10.1 million diluted shares) in the same nine month period a year ago (see note regarding "Use of Non-GAAP Financial Measures," below for further discussion of this non-GAAP measure).

Adjusted EBITDA decreased to $0.7 million in the first nine months of 2020 compared to Adjusted EBITDA of $2.9 million in the same nine month period a year ago (see note regarding "Use of Non-GAAP Financial Measures," below for further discussion of this non-GAAP measure).

Fourth Quarter 2020 Financial Outlook

- Total sales are expected to be in the range of $12.25 million to $13.25 million
- Gross margin is expected to be in the range of 45.5% to 46.5%
- Non-GAAP operating expense is expected to be $5.60 million, plus or minus $0.10 million
- Non-GAAP earnings per diluted share is expected to be $0.03 at midpoint
- Adjusted EBITDA is expected to be $0.41 million at midpoint

Our financial outlook for the three months ending December 31, 2020 (Q4-20), including reconciliations of GAAP net loss to non-GAAP net income, operating expense, and EPS and to adjusted EBITDA can be found at the end of this press release.

Conference Call

Airgain management will hold a conference call today Thursday, November 5, 2020, at 4:30 p.m. Eastern (1:30 p.m. Pacific) to discuss financial results for the third quarter ended September 30, 2020, and to provide an update on business conditions.

Airgain management will host the presentation, followed by a question and answer period.

Date: Thursday, November 5, 2020
Time: 4:30 p.m. Eastern (1:30 p.m. Pacific)

Please follow the below web address to register for the Third Quarter 2020 Conference Call. Upon registering, you will be provided call details with a unique ID. There will be a reminder email sent out to all registered participants.

Registration: http://www.directeventreg.com/registration/event/5654866

The conference call will be broadcast simultaneously and available for replay via the investor relations section of the company's website.

A replay of the call is available after 7:30 p.m. Eastern on the same day through December 5, 2020.

U.S. replay dial-in: 855-859-2056 or 404-537-3406
Replay ID: 5654866

About Airgain, Inc.

Airgain is a leading provider of advanced antenna technologies used to enable high performance wireless networking across a broad range of devices and markets, including consumer, enterprise, and automotive. Combining design-led thinking with testing and development, Airgain works in partnership with the entire ecosystem, including carriers, chipset suppliers, OEMs, and ODMs. Airgain's antennas are deployed in carrier, fleet, enterprise, residential, private, government, and public safety wireless networks and systems, including set-top boxes, access points, routers, modems, gateways, media adapters, portables, digital televisions, sensors, and fleet and asset tracking devices. Airgain is headquartered in San Diego, California, and maintains design and test centers in the U.S., U.K., and China. For more information, visit airgain.com, or follow us on LinkedIn and Twitter.

Airgain and the Airgain logo are registered trademarks of Airgain, Inc.

Forward-Looking Statements

Airgain cautions you that statements in this press release that are not a description of historical facts are forward-looking statements. These statements are based on the company's current beliefs and expectations. These forward-looking statements include statements regarding the timing of launch of the first product from our AirgainConnect platform, and our Q4-20 financial outlook and prospects for growth across our markets in 2021, including AirgainConnect. The inclusion of forward-looking statements should not be regarded as a representation by Airgain that any of our plans will be achieved. Actual results may differ from those set forth in this press release due to the risk and uncertainties inherent in our business, including, without limitation: the market for our antenna products is developing and may not develop as we expect; risks related to the timing of the launch of AT&T's FirstNet network upon which our AirgainConnect products will operate; our operating results may fluctuate significantly, including based on seasonal factors, which makes future operating results difficult to predict and could cause our operating results to fall below expectations or guidance; the COVID-19 pandemic may continue to disrupt and otherwise adversely affect our operations and those of our suppliers, partners, distributors and ultimate end customers, and the overall supply chain that our antennas are used in, as well as adversely affecting the general U.S. and global economic conditions and financial markets, and, ultimately, our sales and operating results; our products are subject to intense competition, including competition from the customers to whom we sell and competitive pressures from existing and new companies may harm our business, sales, growth rates, and market share; risks associated with the performance of our products including risks associated with introducing AirgainConnect into the newly licensed Band 14 frequencies; our future success depends on our ability to develop and successfully introduce new and enhanced products for the wireless market that meet the needs of our customers, including our ability to transition to provide a more diverse solutions capability; our ability to identify and consummate strategic acquisitions and partnerships; we sell to customers who are extremely price conscious, and a few customers represent a significant portion of our sales, and if we lose any of these customers, our sales could decrease significantly; we rely on a few contract manufacturers to produce and ship all of our products, a single or limited number of suppliers for some components of our products and channel partners to sell and support our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products; risks associated with ramping up and relying on a new third-party manufacturer; if we cannot protect our intellectual property rights, our competitive position could be harmed or we could incur significant expenses to enforce our rights; and other risks described in our prior press releases and in our filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in our Annual Report on Form 10-K and any subsequent filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and we undertake no obligation to revise or update this press release to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Note Regarding Use of Non-GAAP Financial Measures
To supplement our condensed financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), this earnings release and the accompanying tables and the related earnings conference call contain certain non-GAAP financial measures, including adjusted earnings before interest, taxes, depreciation, amortization (Adjusted EBITDA), non-GAAP net income (loss) attributable to common stockholders (non-GAAP net income (loss)), non-GAAP earnings per (basic or diluted) share (non-GAAP EPS), and non-GAAP operating expenses. We believe these financial measures provide useful information to investors with which to analyze our operating trends and performance.

In computing Adjusted EBITDA, non-GAAP net income (loss), and non-GAAP EPS, we exclude stock-based compensation expense, which represents non-cash charges for the fair value of stock awards; other income, which includes loss on disposals and/or interest income offset by interest expense; depreciation and/or amortization; and provision for income taxes. In computing non-

GAAP operating expenses we exclude stock-based compensation expense and amortization. Because of varying available valuation methodologies, subjective assumptions, and the variety of equity instruments that can impact a company's non-cash operating expenses; we believe that providing non-GAAP financial measures that exclude non-cash expense allows for meaningful comparisons between our core business operating results and those of other companies, as well as providing us with an important tool for financial and operational decision making and for evaluating our own core business operating results over different periods of time. Management considers these types of expenses and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of our control and are not necessarily reflective of operational performance during a period.

Our Adjusted EBITDA, non-GAAP net income (loss), non-GAAP EPS, and non-GAAP operating expenses measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. Our Adjusted EBITDA, non-GAAP net income (loss), non-GAAP EPS, and non-GAAP operating expenses are not measurements of financial performance under GAAP and should not be considered as an alternative to operating or net income or as an indication of operating performance or any other measure of performance derived in accordance with GAAP. We do not consider these non-GAAP measures to be a substitute for, or superior to, the information provided by GAAP financial results. Reconciliations with specific adjustments to GAAP results and outlooks are provided at the end of this release.

Airgain, Inc.
Unaudited Condensed Balance Sheets
(in thousands, except per share data)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 35,795	$ 13,197
Short-term investments	2,184	21,686
Trade accounts receivable	4,182	7,656
Inventory	1,077	1,193
Prepaid expenses and other current assets	1,469	1,361
Total current assets	44,707	45,093
Property and equipment, net	2,323	2,126
Goodwill	3,700	3,700
Customer relationships, net	2,748	3,110
Intangible assets, net	574	687
Other assets	197	10
Total assets	$ 54,249	$ 54,726
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,078	$ 3,838
Accrued bonus	1,220	1,385
Accrued liabilities and other	1,653	1,536
Total current liabilities	5,951	6,759
Deferred tax liability	44	52
Deferred rent obligation under operating lease	190	11
Total liabilities	6,185	6,822
Stockholders' equity:		
Common stock and additional paid-in capital, par value $0.0001, 200,000 shares authorized; 10,302 shares issued and 9,768 shares outstanding at September 30, 2020; and 10,146 shares issued and 9,681 shares outstanding at December 31, 2019	99,597	96,623
Treasury stock, at cost: 534 shares and 465 shares at September 30, 2020, and December 31, 2019, respectively	(5,267)	(4,659)
Accumulated other comprehensive income	1	8
Accumulated deficit	(46,267)	(44,068)
Total stockholders' equity	48,064	47,904
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 54,249	$ 54,726

Airgain, Inc.
Unaudited Condensed Statements of Operations
(in thousands, except per share data)

	Three months ended			Nine months ended	
	September 30, 2020	June 30,	September 30, 2019	September 30, 2020	September 30, 2019
Sales	$ 13,010	$ 11,446	$ 13,142	$ 35,672	$ 42,713
Cost of goods sold	6,981	6,052	7,067	18,924	23,167
Gross profit	6,029	5,394	6,075	16,748	19,546
Operating expenses:					
Research and development	2,231	2,224	2,403	6,873	6,944
Sales and marketing	1,559	1,379	1,461	4,477	5,964
General and administrative	2,439	2,389	2,416	7,506	6,168
Total operating expenses	6,229	5,992	6,280	18,856	19,076
Income (loss) from operations	(200)	(598)	(205)	(2,108)	470
Other expense (income):					
Interest income, net	(23)	(47)	(183)	(194)	(558)
Other expense	—	11	—	11	—
Total other income	(23)	(36)	(183)	(183)	(558)
Income (loss) before income taxes	(177)	(562)	(22)	(1,925)	1,028
Provision for income taxes	84	174	113	274	165
Net income (loss)	$ (261)	$ (736)	$ (135)	$ (2,199)	$ 863
Net income (loss) per share:					
Basic	$ (0.03)	$ (0.08)	$ (0.01)	$ (0.23)	$ 0.09
Diluted	$ (0.03)	$ (0.08)	$ (0.01)	$ (0.23)	$ 0.09
Weighted average shares used in calculating income (loss) per share:					
Basic	9,710	9,683	9,711	9,694	9,678
Diluted	9,710	9,683	9,711	9,694	10,083

Airgain, Inc.
Unaudited Condensed Statements of Cash Flows
(in thousands)

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Cash flows from operating activities:		
Net income (loss)	$ (2,199)	$ 863
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	348	373
Loss on disposal of property and equipment	11	—
Amortization	475	491
Amortization of premium (discounts) on investments, net	49	(248)
Stock-based compensation	1,956	1,605
Deferred tax liability	(8)	—
Changes in operating assets and liabilities:		
Trade accounts receivable	3,474	(1,551)
Inventory	116	86
Prepaid expenses and other assets	(120)	(500)
Accounts payable	(756)	305
Accrued bonus	(165)	(674)
Accrued liabilities and other	296	125
Net cash provided by operating activities	3,477	875
Cash flows from investing activities:		
Purchases of available-for-sale securities	(753)	(30,080)
Maturities of available-for-sale securities	20,199	29,520
Purchases of property and equipment	(560)	(1,045)
Net cash provided by (used in) investing activities	18,886	(1,605)
Cash flows from financing activities:		
Repurchases of common stock	(608)	(799)
Proceeds from issuance of common stock, net	1,018	779
Net cash provided by (used in) financing activities	410	(20)
Net increase (decrease) in cash, cash equivalents and restricted cash	22,773	(750)
Cash, cash equivalents, and restricted cash; beginning of period	13,197	13,621
Cash, cash equivalents, and restricted cash; end of period	$ 35,970	$ 12,871
Supplemental disclosure of cash flow information:		
Taxes paid	$ 137	$ 54
Supplemental disclosure of non-cash investing and financing activities:		
Accrual of property and equipment	$ —	$ 4
Cash and cash equivalents	$ 35,795	$ 12,871
Restricted cash included in other assets	175	—
Total cash, cash equivalents, and restricted cash	$ 35,970	$ 12,871

Airgain, Inc.

(in thousands, except per share data)

Unaudited Reconciliation of GAAP to non-GAAP Net Income (Loss)

	Three months ended			Nine months ended	
	September 30,	June 30,	September 30,	September 30,	
	2020		2019	2020	2019
Net income (loss)	$ (261)	$ (736)	$ (135)	$ (2,199)	$ 863
Stock-based compensation expense	634	654	549	1,956	1,605
Amortization	153	158	163	475	491
Other income	(23)	(36)	(183)	(183)	(558)
Provision for income taxes	84	174	113	274	165
Non-GAAP net income attributable to common stockholders	$ 587	$ 214	$ 507	$ 323	$ 2,566
Non-GAAP net income per share:					
Basic	$ 0.06	$ 0.02	$ 0.05	$ 0.03	$ 0.27
Diluted	$ 0.06	$ 0.02	$ 0.05	$ 0.03	$ 0.25
Weighted average shares used in calculating non-GAAP income per share:					
Basic	9,710	9,683	9,711	9,694	9,678
Diluted	10,069	9,857	10,041	9,929	10,083

Unaudited Reconciliation of GAAP to non-GAAP Operating Expenses

	Three months ended			Nine months ended	
	September 30,	June 30,	September 30,	September 30,	
	2020		2019	2020	2019
Operating expenses	$ 6,229	$ 5,992	$ 6,280	$ 18,856	$ 19,076
Stock-based compensation expense	(634)	(654)	(549)	(1,956)	(1,605)
Amortization	(121)	(124)	(130)	(376)	(392)
Non-GAAP operating expenses	$ 5,474	$ 5,214	$ 5,601	$ 16,524	$ 17,079

Unaudited Reconciliation of Net Income (Loss) to Adjusted EBITDA

	Three months ended			Nine months ended	
	September 30,	June 30,	September 30,	September 30,	
	2020		2019	2020	2019
Net income (loss)	$ (261)	$ (736)	$ (135)	$ (2,199)	$ 863
Stock-based compensation expense	634	654	549	1,956	1,605
Depreciation and amortization	259	278	268	823	864
Interest income, net	(23)	(47)	(183)	(194)	(558)
Provision for income taxes	84	174	113	274	165
Adjusted EBITDA	$ 693	$ 323	$ 612	$ 660	$ 2,939

Q4 Projections

Reconciliations of GAAP Net Loss to Non-GAAP Net Income, Operating Expense, and EPS and to Adjusted EBITDA

For the Three Months Ended December 31, 2020

(in millions, except per share data)

Net Loss Reconciliation		
GAAP net loss	$	(0.49)
Stock-based compensation		0.63
Amortization		0.15
Interest income, net		(0.02)
Provision for income taxes		0.03
Non-GAAP net income	$	0.30

Adjusted EBITDA Reconciliation		
GAAP net loss	$	(0.49)
Stock-based compensation		0.63
Depreciation and amortization		0.26
Interest income, net		(0.02)
Provision for income taxes		0.03
Adjusted EBITDA	$	0.41

Operating Expense Reconciliation:		
GAAP operating expenses	$	6.35
Stock-based compensation		(0.63)
Amortization		(0.12)
Non-GAAP operating expenses	$	5.60

EPS Reconciliation[(1)]:		
GAAP EPS	$	(0.05)
Stock-based compensation		0.06
Amortization		0.02
Interest income, net		—
Provision for income taxes		—
Non-GAAP EPS	$	0.03

(1) Amounts are based on 9.8 million basic and 10.1 million diluted shares outstanding.