

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES

**Condensed Consolidated Statements of Earnings
(Unaudited)**

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	In millions, except per share amounts		
Net revenue	\$ 7,351	\$ 7,002	\$ 7,871
Costs and Expenses:			
Cost of sales	4,792	4,492	5,278
Research and development	578	578	515
Selling, general and administrative	1,332	1,302	1,262
Amortization of intangible assets	72	72	73
Impairment of goodwill ⁽¹⁾	—	—	905
Transformation costs	56	65	184
Disaster (recovery) charges	(4)	1	(1)
Acquisition, disposition and other related charges	18	21	(6)
Total costs and expenses	<u>6,844</u>	<u>6,531</u>	<u>8,210</u>
Earnings (loss) from operations	507	471	(339)
Interest and other, net	(27)	(50)	(109)
Tax indemnification and other adjustments	5	45	(20)
Non-service net periodic benefit (cost) credit	(1)	(3)	28
Earnings from equity interests	65	73	83
Earnings (loss) before provision for taxes	549	536	(357)
(Provision) benefit for taxes	93	(72)	53
Net earnings (loss)	<u>\$ 642</u>	<u>\$ 464</u>	<u>\$ (304)</u>
Net Earnings (Loss) Per Share:			
Basic	\$ 0.50	\$ 0.36	\$ (0.23)
Diluted	\$ 0.49	\$ 0.35	\$ (0.23)
Cash dividends declared per share	\$ 0.12	\$ 0.12	\$ 0.12
Weighted-average Shares Used to Compute Net Earnings (Loss) Per Share:			
Basic	1,295	1,299	1,296
Diluted	1,315	1,316	1,296

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES

**Condensed Consolidated Statements of Earnings
(Unaudited)**

	Year Ended	
	October 31, 2023	October 31, 2022
Net revenue	\$ 29,135	\$ 28,496
Costs and Expenses:		
Cost of sales	18,896	18,990
Research and development	2,349	2,045
Selling, general and administrative	5,160	4,941
Amortization of intangible assets	288	293
Impairment of goodwill ⁽¹⁾	—	905
Transformation costs	283	473
Disaster charges	1	48
Acquisition, disposition and other related charges	69	19
Total costs and expenses	<u>27,046</u>	<u>27,714</u>
Earnings from operations	2,089	782
Interest and other, net	(156)	(188)
Tax indemnification and other adjustments	55	(67)
Non-service net periodic benefit (cost) credit	(3)	134
Earnings from equity interests	245	215
Earnings before provision for taxes	2,230	876
Provision for taxes	(205)	(8)
Net earnings	<u>\$ 2,025</u>	<u>\$ 868</u>
Net Earnings Per Share:		
Basic	\$ 1.56	\$ 0.67
Diluted	\$ 1.54	\$ 0.66
Cash dividends declared per share	\$ 0.48	\$ 0.48
Weighted-average Shares Used to Compute Net Earnings Per Share:		
Basic	1,299	1,303
Diluted	1,316	1,322

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP measures
(Unaudited)

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	Dollars in millions		
GAAP net revenue	\$ 7,351	\$ 7,002	\$ 7,871
GAAP cost of sales	4,792	4,492	5,278
GAAP gross profit	2,559	2,510	2,593
Non-GAAP Adjustments			
Amortization of initial direct costs	—	—	1
Stock-based compensation expense	9	9	8
Disaster recovery	(10)	(3)	—
Non-GAAP gross profit	\$ 2,558	\$ 2,516	\$ 2,602
GAAP gross profit margin	34.8 %	35.8 %	32.9 %
Non-GAAP adjustments	— %	0.1 %	0.2 %
Non-GAAP gross profit margin	34.8 %	35.9 %	33.1 %

	Year Ended	
	October 31, 2023	October 31, 2022
	Dollars in millions	
GAAP net revenue	\$ 29,135	\$ 28,496
GAAP cost of sales	18,896	18,990
GAAP gross profit	\$ 10,239	\$ 9,506
Non-GAAP Adjustments		
Amortization of initial direct costs	\$ —	\$ 4
Stock-based compensation expense	47	46
Disaster (recovery) charges	(13)	111
Non-GAAP gross profit	\$ 10,273	\$ 9,667
GAAP gross profit margin	35.1 %	33.4 %
Non-GAAP adjustments	0.2 %	0.5 %
Non-GAAP gross profit margin	35.3 %	33.9 %

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP measures
(Unaudited)

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	Dollars in millions		
GAAP earnings (loss) from operations	\$ 507	\$ 471	\$ (339)
Non-GAAP Adjustments			
Amortization of initial direct costs	—	—	1
Amortization of intangible assets	72	72	73
Impairment of goodwill ⁽¹⁾	—	—	905
Transformation costs	56	65	184
Disaster recovery	(14)	(2)	(1)
Stock-based compensation expense	71	91	85
Acquisition, disposition and other related charges	18	21	(6)
Non-GAAP earnings from operations	<u>\$ 710</u>	<u>\$ 718</u>	<u>\$ 902</u>
GAAP operating profit margin	6.9 %	6.7%	(4.3)%
Non-GAAP adjustments	2.8 %	3.6 %	15.8 %
Non-GAAP operating profit margin	<u>9.7 %</u>	<u>10.3 %</u>	<u>11.5 %</u>

	Year Ended	
	October 31, 2023	October 31, 2022
	Dollars in millions	
GAAP earnings from operations	\$ 2,089	\$ 782
Non-GAAP Adjustments		
Amortization of initial direct costs	—	4
Amortization of intangible assets	288	293
Impairment of goodwill ⁽¹⁾	—	905
Transformation costs	283	473
Disaster (recovery) charges	(12)	159
Stock-based compensation expense	428	391
Acquisition, disposition and other related charges	69	19
Non-GAAP earnings from operations	<u>\$ 3,145</u>	<u>\$ 3,026</u>
GAAP operating profit margin	7.2 %	2.7 %
Non-GAAP adjustments	3.6 %	7.9 %
Non-GAAP operating profit margin	<u>10.8 %</u>	<u>10.6 %</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP measures
(Unaudited)

	For the three months ended					
	October 31, 2023	Diluted net earnings per share	July 31, 2023	Diluted net earnings per share	October 31, 2022	Diluted net earnings per share
	Dollars in millions, except per share amounts					
GAAP net earnings (loss)	\$ 642	\$ 0.49	\$ 464	\$ 0.35	\$ (304)	\$ (0.23)
Non-GAAP Adjustments:						
Amortization of initial direct costs	—	—	—	—	1	—
Amortization of intangible assets	72	0.05	72	0.05	73	0.06
Impairment of goodwill ⁽¹⁾	—	—	—	—	905	0.68
Transformation costs	56	0.05	65	0.05	184	0.14
Disaster recovery	(14)	(0.01)	(2)	—	(1)	—
Stock-based compensation expense	71	0.05	91	0.07	85	0.07
Acquisition, disposition and other related charges	18	0.01	21	0.02	(6)	—
Tax indemnification and other adjustments	(5)	—	(45)	(0.03)	20	0.02
Non-service net periodic benefit cost (credit)	1	—	3	—	(28)	(0.02)
Earnings from equity interests	2	—	2	—	3	—
Impairment of investment	40	0.03	—	—	—	—
Adjustments for taxes	(203)	(0.15)	(32)	(0.02)	(177)	(0.15)
Non-GAAP net earnings	<u>\$ 680</u>	<u>\$ 0.52</u>	<u>\$ 639</u>	<u>\$ 0.49</u>	<u>\$ 755</u>	<u>\$ 0.57</u>

	Year Ended			
	October 31, 2023	Diluted net earnings per share	October 31, 2022	Diluted net earnings per share
	Dollars in millions, except per share amounts			
GAAP net earnings	\$ 2,025	\$ 1.54	\$ 868	\$ 0.66
Non-GAAP Adjustments:				
Amortization of initial direct costs	—	—	4	—
Amortization of intangible assets	288	0.22	293	0.22
Impairment of goodwill ⁽¹⁾	—	—	905	0.69
Transformation costs	283	0.22	473	0.36
Disaster (recovery) charges	(12)	(0.01)	159	0.12
Stock-based compensation expense	428	0.33	391	0.30
Acquisition, disposition and other related charges	69	0.05	19	0.01
Tax indemnification and other adjustments	(55)	(0.04)	67	0.05
Non-service net periodic benefit cost (credit)	3	—	(134)	(0.10)
Earnings from equity interests ⁽²⁾	18	0.01	45	0.03
Impairment of investment	40	0.03	—	—
Adjustments for taxes	(255)	(0.20)	(426)	(0.32)
Non-GAAP net earnings	<u>\$ 2,832</u>	<u>\$ 2.15</u>	<u>\$ 2,664</u>	<u>\$ 2.02</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP measures
(Unaudited)

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	In millions		
Net cash provided by operating activities	\$ 2,843	\$ 1,525	\$ 3,036
Investment in property, plant and equipment	(675)	(671)	(1,000)
Proceeds from sale of property, plant and equipment	255	102	238
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(102)	(1)	(279)
Free cash flow	<u>\$ 2,321</u>	<u>\$ 955</u>	<u>\$ 1,995</u>

	Year Ended	
	October 31, 2023	October 31, 2022
	In millions	
Net cash provided by operating activities	\$ 4,428	\$ 4,593
Investment in property, plant and equipment	(2,828)	(3,122)
Proceeds from sale of property, plant and equipment	602	602
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	36	(279)
Free cash flow	<u>\$ 2,238</u>	<u>\$ 1,794</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	As of	
	October 31, 2023	October 31, 2022
	(Unaudited)	(Audited)
	In millions, except par value	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,270	\$ 4,163
Accounts receivable, net of allowances	3,481	4,101
Financing receivables, net of allowances	3,543	3,522
Inventory	4,607	5,161
Other current assets	3,047	3,559
Total current assets	18,948	20,506
Property, plant and equipment	5,989	5,784
Long-term financing receivables and other assets	11,377	10,537
Investments in equity interests	2,197	2,160
Goodwill and intangible assets	18,642	18,136
Total assets	\$ 57,153	\$ 57,123
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and short-term borrowings	\$ 4,868	\$ 4,612
Accounts payable	7,136	8,717
Employee compensation and benefits	1,724	1,401
Taxes on earnings	155	176
Deferred revenue	3,658	3,451
Accrued restructuring	180	192
Other accrued liabilities	4,161	4,625
Total current liabilities	21,882	23,174
Long-term debt	7,487	7,853
Other non-current liabilities	6,546	6,187
Stockholders' Equity		
Common stock, \$0.01 par value (9,600 shares authorized; 1,283 and 1,281 shares issued and outstanding as of October 31, 2023 and October 31, 2022, respectively)	13	13
Additional paid-in capital	28,199	28,299
Accumulated deficit	(3,946)	(5,350)
Accumulated other comprehensive loss	(3,084)	(3,098)
Total HPE stockholders' equity	21,182	19,864
Non-controlling interests	56	45
Total stockholders' equity	21,238	19,909
Total liabilities and stockholders' equity	\$ 57,153	\$ 57,123

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Year Ended	
	October 31, 2023	October 31, 2022
In millions		
Cash Flows from Operating Activities:		
Net earnings	\$ 2,025	\$ 868
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation and amortization	2,616	2,480
Impairment of goodwill	—	905
Stock-based compensation expense	428	391
Provision for inventory and credit losses	230	262
Restructuring charges	242	214
Deferred taxes on earnings	(67)	(249)
Earnings from equity interests ⁽²⁾	(245)	(215)
Dividends received from equity investees	200	197
Other, net	31	310
Changes in Operating Assets and Liabilities, Net of Acquisitions:		
Accounts receivable	577	(186)
Financing receivables	(607)	694
Inventory	400	(713)
Accounts payable	(1,655)	1,707
Taxes on earnings	(34)	150
Restructuring	(275)	(334)
Other assets and liabilities	562	(1,888)
Net cash provided by operating activities	<u>4,428</u>	<u>4,593</u>
Cash Flows from Investing Activities:		
Investment in property, plant and equipment	(2,828)	(3,122)
Proceeds from sale of property, plant and equipment	602	602
Purchases of investments	(15)	(55)
Proceeds from maturities and sales of investments	9	262
Financial collateral posted	(1,443)	(148)
Financial collateral received	1,152	374
Payments made in connection with business acquisitions, net of cash acquired	(761)	—
Net cash used in investing activities	<u>(3,284)</u>	<u>(2,087)</u>
Cash Flows from Financing Activities:		
Short-term borrowings with original maturities less than 90 days, net	(47)	100
Proceeds from debt, net of issuance costs	4,725	3,296
Payment of debt	(4,887)	(3,992)
Cash settlement for derivative hedging debt	(7)	(8)
Net payments related to stock-based award activities	(106)	(53)
Repurchase of common stock	(421)	(512)
Cash dividends paid to non-controlling interests, net of contributions	—	(6)
Cash dividends paid to shareholders	(619)	(621)
Net cash used in financing activities	<u>(1,362)</u>	<u>(1,796)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	36	(279)
(Decrease) increase in cash, cash equivalents and restricted cash	(182)	431
Cash, cash equivalents and restricted cash at beginning of period	4,763	4,332
Cash, cash equivalents and restricted cash at end of period	<u>\$ 4,581</u>	<u>\$ 4,763</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	In millions		
Net Revenue:			
Compute ⁽³⁾	\$ 2,595	\$ 2,624	\$ 3,768
High Performance Computing & Artificial Intelligence	1,181	836	862
Storage ⁽³⁾	1,111	1,074	1,274
Intelligent Edge	1,358	1,415	965
Financial Services	876	873	857
Corporate Investments and other	343	318	303
Total segment net revenue	<u>7,464</u>	<u>7,140</u>	<u>8,029</u>
Elimination of intersegment net revenue	(113)	(138)	(158)
Total consolidated net revenue	<u>\$ 7,351</u>	<u>\$ 7,002</u>	<u>\$ 7,871</u>
Earnings Before Taxes:			
Compute ⁽³⁾	\$ 255	\$ 285	\$ 560
High Performance Computing & Artificial Intelligence	55	(7)	30
Storage ⁽³⁾	90	115	196
Intelligent Edge	401	420	128
Financial Services	78	73	95
Corporate Investments and other	(32)	(38)	(26)
Total segment earnings from operations	<u>847</u>	<u>848</u>	<u>983</u>
Unallocated corporate costs and eliminations	(137)	(130)	(81)
Stock-based compensation expense	(71)	(91)	(85)
Amortization of initial direct costs	—	—	(1)
Amortization of intangible assets	(72)	(72)	(73)
Impairment of goodwill	—	—	(905)
Transformation costs	(56)	(65)	(184)
Disaster recovery	14	2	1
Acquisition, disposition and other related charges	(18)	(21)	6
Interest and other, net	(27)	(50)	(109)
Tax indemnification and other adjustments	5	45	(20)
Non-service net periodic benefit (cost) credit	(1)	(3)	28
Earnings from equity interests	65	73	83
Total pretax earnings (loss)	<u>\$ 549</u>	<u>\$ 536</u>	<u>\$ (357)</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	Year Ended	
	October 31, 2023	October 31, 2022
In millions		
Net Revenue:		
Compute ⁽³⁾	\$ 11,436	\$ 12,850
High Performance Computing & Artificial Intelligence	3,913	3,192
Storage ⁽³⁾	4,415	4,603
Intelligent Edge	5,204	3,674
Financial Services	3,480	3,339
Corporate Investments and other	1,250	1,255
Total segment net revenue	29,698	28,913
Elimination of intersegment net revenue	(563)	(417)
Total consolidated net revenue	<u>\$ 29,135</u>	<u>\$ 28,496</u>
Earnings Before Taxes:		
Compute ⁽³⁾	\$ 1,569	\$ 1,821
High Performance Computing & Artificial Intelligence	47	11
Storage ⁽³⁾	429	641
Intelligent Edge	1,419	549
Financial Services	317	399
Corporate Investments and other	(172)	(92)
Total segment earnings from operations	3,609	3,329
Unallocated corporate costs and eliminations	(464)	(303)
Stock-based compensation expense	(428)	(391)
Amortization of initial direct costs	—	(4)
Amortization of intangible assets	(288)	(293)
Impairment of goodwill ⁽¹⁾	—	(905)
Transformation costs	(283)	(473)
Disaster recovery (charges)	12	(159)
Acquisition, disposition and other related charges	(69)	(19)
Interest and other, net	(156)	(188)
Tax indemnification and other adjustments	55	(67)
Non-service net periodic benefit (cost) credit	(3)	134
Earnings from equity interests ⁽²⁾	245	215
Total consolidated earnings before taxes	<u>\$ 2,230</u>	<u>\$ 876</u>

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Information
(Unaudited)

	For the three months ended			Change (%)	
	October 31, 2023	July 31, 2023	October 31, 2022	Q/Q	Y/Y
	Dollars in millions				
Net Revenue:					
Compute ⁽³⁾	\$ 2,595	\$ 2,624	\$ 3,768	(1%)	(31%)
High Performance Computing & Artificial Intelligence	1,181	836	862	41	37
Storage ⁽³⁾	1,111	1,074	1,274	3	(13)
Intelligent Edge	1,358	1,415	965	(4)	41
Financial Services	876	873	857	—	2
Corporate Investments and other	343	318	303	8	13
Total segment net revenue	7,464	7,140	8,029	5	(7)
Elimination of intersegment net revenue	(113)	(138)	(158)	(18)	(29)
Total consolidated net revenue	<u>\$ 7,351</u>	<u>\$ 7,002</u>	<u>\$ 7,871</u>	5%	(7%)

	Year Ended		
	October 31, 2023	October 31, 2022	Y/Y
	Dollars in millions		
Net Revenue:			
Compute ⁽³⁾	\$ 11,436	\$ 12,850	(11%)
High Performance Computing & Artificial Intelligence	3,913	3,192	23
Storage ⁽³⁾	4,415	4,603	(4)
Intelligent Edge	5,204	3,674	42
Financial Services	3,480	3,339	4
Corporate Investments and other	1,250	1,255	—
Total segment net revenue	29,698	28,913	3
Elimination of intersegment net revenue	(563)	(417)	35
Total consolidated net revenue	<u>\$ 29,135</u>	<u>\$ 28,496</u>	2%

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Segment Operating Margin Summary Data
(Unaudited)

	For the three months ended			Change in operating profit margin (pts)	
	October 31, 2023	July 31, 2023	October 31, 2022	Q/Q	Y/Y
Segment Operating Profit Margin:					
Compute ⁽³⁾	9.8 %	10.9 %	14.9 %	(1.1)	(5.1)
High Performance Computing & Artificial Intelligence	4.7 %	(0.8)%	3.5%	5.5	1.2
Storage ⁽³⁾	8.1 %	10.7 %	15.4 %	(2.6)	(7.3)
Intelligent Edge	29.5 %	29.7 %	13.3 %	(0.2)	16.2
Financial Services	8.9 %	8.4 %	11.1 %	0.5	(2.2)
Corporate Investments and other	(9.3%)	(11.9%)	(8.6%)	2.6	(0.7)
Total segment operating profit margin	11.3 %	11.9 %	12.2 %	(0.6)	(0.9)

	Year Ended		Change in operating profit margin (pts)
	October 31, 2023	October 31, 2022	Y/Y
Segment Operating Profit Margin:			
Compute ⁽³⁾	13.7 %	14.2 %	(0.5)
High Performance Computing & Artificial Intelligence	1.2 %	0.3 %	0.9
Storage ⁽³⁾	9.7 %	13.9 %	(4.2)
Intelligent Edge	27.3 %	14.9 %	12.4
Financial Services	9.1%	11.9%	(2.8)
Corporate Investments and other	(13.8 %)	(7.3 %)	(6.5)
Total segment operating profit margin	12.2 %	11.5 %	0.7

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
Calculation of Diluted Net Earnings Per Share
(Unaudited)

	For the three months ended		
	October 31, 2023	July 31, 2023	October 31, 2022
	In millions, except per share amounts		
Numerator:			
GAAP net earnings (loss)	\$ 642	\$ 464	\$ (304)
Non-GAAP net earnings	\$ 680	\$ 639	\$ 755
Denominator:			
Weighted-average shares used to compute basic net earnings per share	1,295	1,299	1,296
Dilutive effect of employee stock plans ⁽⁴⁾	20	17	18
Weighted-average shares used to compute diluted net earnings per share	<u>1,315</u>	<u>1,316</u>	<u>1,314</u>
GAAP Net Earnings (loss) Per Share			
Basic	\$ 0.50	\$ 0.36	\$ (0.23)
Diluted ⁽⁴⁾	\$ 0.49	\$ 0.35	\$ (0.23)
Non-GAAP Net Earnings Per Share			
Basic	\$ 0.53	\$ 0.49	\$ 0.58
Diluted	\$ 0.52	\$ 0.49	\$ 0.57

	Year Ended	
	October 31, 2023	October 31, 2022
	In millions, except per share amounts	
Numerator:		
GAAP net earnings	\$ 2,025	\$ 868
Non-GAAP net earnings	\$ 2,832	\$ 2,664
Denominator:		
Weighted-average shares used to compute basic net earnings per share	1,299	1,303
Dilutive effect of employee stock plans	17	19
Weighted-average shares used to compute diluted net earnings per share	<u>1,316</u>	<u>1,322</u>
GAAP Net Earnings Per Share		
Basic	\$ 1.56	\$ 0.67
Diluted	\$ 1.54	\$ 0.66
Non-GAAP Net Earnings Per Share		
Basic	\$ 2.18	\$ 2.04
Diluted	\$ 2.15	\$ 2.02

-
- (1) The Company recorded a goodwill impairment charge of \$905 million in the fourth quarter of fiscal 2022 as it was determined that the fair value of the HPC & AI and Software reporting units was below the carrying value of their net assets. Software is under the Corporate Investments and Other reportable segment.
 - (2) Represents the amortization of basis difference adjustments related to H3C. The twelve months ended October 31, 2023 also included the Company's portion of intangible asset impairment charges from H3C of \$8 million.
 - (3) Effective at the beginning of the first quarter of fiscal 2023, the Company implemented certain organizational changes to align its segment financial reporting more closely with its current business structure. This resulted in the transfer of certain storage networking products, previously reported within the Storage reportable segment, to the Compute reportable segment. The Company reflected these changes to its segment information retrospectively to the earliest period presented, which primarily resulted in the transfer of net revenue and operating profit for each of the businesses as described above. These changes had no impact on the Company's previously reported consolidated results.
 - (4) Diluted net earnings per share reflects any dilutive effect of restricted stock awards, stock options and performance based awards, but the effect is excluded when calculating GAAP diluted net loss per share because it would be anti-dilutive.