A10 NETWORKS, INC.

Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec 31, 2018	Mar 31, 2019	Dec. 31, 2017	Dec. 31, 2018
Revenue:											
Products	$ 43,698	$ 32,828	$ 40,404	$ 32,973	$ 28,149	$ 39,224	$ 38,265	$ 39,044	$ 28,230	$ 149,903	$ 144,682
Services	20,236	21,145	21,601	22,544	21,034	21,489	22,237	22,781	22,060	85,526	87,541
Total revenue	63,934	53,973	62,005	55,517	49,183	60,713	60,502	61,825	50,290	235,429	232,223
Cost of revenue:											
Products	10,502	8,265	9,357	8,145	7,109	9,080	8,790	9,087	7,516	36,269	34,066
Services	4,241	4,535	4,510	3,763	4,775	4,107	4,224	4,724	4,734	17,049	17,830
Total cost of revenue	14,743	12,800	13,867	11,908	11,884	13,187	13,014	13,811	12,250	53,318	51,896
Gross profit	49,191	41,173	48,138	43,609	37,299	47,526	47,488	48,014	38,040	182,111	180,327
Gross margin	76.9%	76.3%	77.6%	78.6%	75.8%	78.3%	78.5%	77.7%	75.6%	77.4%	77.7%
Operating expenses:											
Sales & marketing	26,263	25,561	26,930	22,606	26,904	25,788	24,539	25,983	24,483	101,360	103,214
Research & development	17,042	16,490	15,997	13,462	18,797	15,572	15,505	15,283	16,166	62,991	65,157
General & administrative	7,647	6,852	6,945	6,688	11,594	9,858	9,012	9,171	8,358	28,132	39,635
Total operating expenses	50,952	48,903	49,872	42,756	57,295	51,218	49,056	50,437	49,007	192,483	208,006
Income (loss) from operations	(1,761)	(7,730)	(1,734)	853	(19,996)	(3,692)	(1,568)	(2,423)	(10,967)	(10,372)	(27,679)
Non-operating income (expense):											
Interest expense	(44)	(64)	(20)	(34)	(33)	(32)	(34)	(30)	(155)	(162)	(129)
Interest and other income (expense), net	842	(26)	(37)	210	566	(429)	(131)	1,267	(633)	989	1,273
Total non-operating income (expense), net	798	(90)	(57)	176	533	(461)	(165)	1,237	(788)	827	1,144
Income (loss) before income taxes	(963)	(7,820)	(1,791)	1,029	(19,463)	(4,153)	(1,733)	(1,186)	(11,755)	(9,545)	(26,535)
Provision for income taxes	374	135	454	243	207	379	74	422	517	1,206	1,082
Net income (loss)	$ (1,337)	$ (7,955)	$ (2,245)	$ 786	$ (19,670)	$ (4,532)	$ (1,807)	$ (1,608)	$ (12,272)	$ (10,751)	$ (27,617)
Net income (loss) per share, basic and diluted	$ (0.02)	$ (0.11)	$ (0.03)	$ 0.01	$ (0.27)	$ (0.06)	$ (0.02)	$ (0.02)	$ (0.16)	$ (0.15)	$ (0.38)
Weighted-average shares used in computing net income (loss) per share:											
Basic	68,571	69,770	70,705	71,145	72,232	72,707	72,707	73,865	74,809	70,053	72,882
Diluted	68,571	69,770	70,705	74,559	72,232	72,707	72,707	73,865	74,809	70,053	72,882

A10 NETWORKS, INC.

Condensed Consolidated Statements of Operations (Continued)

(unaudited, in thousands)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Dec. 31, 2017	Dec. 31, 2018
EBITDA & Adjusted EBITDA (Non-GAAP)											
GAAP net income (loss)	$ (1,337)	$ (7,955)	$ (2,245)	$ 786	$ (19,670)	$ (4,532)	$ (1,807)	$ (1,608)	$ (12,272)	$ (10,751)	$ (27,617)
Exclude: Interest expense	44	64	20	34	33	32	34	30	155	162	129
Exclude: Interest income and other (income) expense, net	(842)	26	37	(210)	(566)	429	131	(1,267)	633	(989)	(1,273)
Exclude: Depreciation & amortization expense	2,202	2,130	1,890	2,289	2,134	1,969	1,917	1,860	2,447	8,511	7,880
Exclude: Provision for income taxes	374	135	454	243	207	379	74	422	517	1,206	1,082
EBITDA	441	(5,600)	156	3,142	(17,862)	(1,723)	349	(563)	(8,520)	(1,861)	(19,799)
Exclude: Stock-based compensation	4,316	4,963	4,545	3,379	8,151	2,571	2,333	3,983	3,896	17,203	17,038
Exclude: Litigation settlement and investigation expense	—	—	—	—	4,218	3,282	1,531	1,465	876	—	10,496
Adjusted EBITDA	$ 4,757	$ (637)	$ 4,701	$ 6,521	$ (5,493)	$ 4,130	$ 4,213	$ 4,885	$ (3,748)	$ 15,342	$ 7,735

A10 NETWORKS, INC.

Reconciliation of Selected GAAP to Non-GAAP Financial Measures

(unaudited, in thousands, except per share data)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Dec. 31, 2017	Dec. 31, 2018
GAAP cost of revenue - products	$ 10,502	$ 8,265	$ 9,357	$ 8,145	$ 7,109	$ 9,080	$ 8,790	$ 9,087	$ 7,516	$ 36,269	$ 34,066
Stock-based compensation	(27)	(41)	(44)	(22)	(131)	(7)	(13)	(27)	(34)	(134)	(178)
Non-GAAP cost of revenue - products	$ 10,475	$ 8,224	$ 9,313	$ 8,123	$ 6,978	$ 9,073	$ 8,777	$ 9,060	$ 7,482	$ 36,135	$ 33,888
GAAP cost of revenue - services	$ 4,241	$ 4,535	$ 4,510	$ 3,763	$ 4,775	$ 4,107	$ 4,224	$ 4,724	$ 4,734	$ 17,049	$ 17,830
Stock-based compensation	(256)	(341)	(359)	(272)	(762)	(190)	(174)	(298)	(290)	(1,228)	(1,424)
Non-GAAP cost of revenue - services	$ 3,985	$ 4,194	$ 4,151	$ 3,491	$ 4,013	$ 3,917	$ 4,050	$ 4,426	$ 4,444	$ 15,821	$ 16,406
GAAP total cost of revenue	$ 14,743	$ 12,800	$ 13,867	$ 11,908	$ 11,884	$ 13,187	$ 13,014	$ 13,811	$ 12,250	$ 53,318	$ 51,896
Stock-based compensation	(283)	(382)	(403)	(294)	(893)	(197)	(187)	(325)	(324)	(1,362)	(1,602)
Non-GAAP total cost of revenue	$ 14,460	$ 12,418	$ 13,464	$ 11,614	$ 10,991	$ 12,990	$ 12,827	$ 13,486	$ 11,926	$ 51,956	$ 50,294
GAAP gross profit	$ 49,191	$ 41,173	$ 48,138	$ 43,609	$ 37,299	$ 47,526	$ 47,488	$ 48,014	$ 38,040	$ 182,111	$ 180,327
Stock-based compensation	283	382	403	294	893	197	187	325	324	1,362	1,602
Non-GAAP gross profit	$ 49,474	$ 41,555	$ 48,541	$ 43,903	$ 38,192	$ 47,723	$ 47,675	$ 48,339	$ 38,364	$ 183,473	$ 181,929
GAAP sales & marketing expense	$ 26,263	$ 25,561	$ 26,930	$ 22,606	$ 26,904	$ 25,788	$ 24,539	$ 25,983	$ 24,483	$ 101,360	$ 103,214
Stock-based compensation	(1,536)	(1,888)	(1,696)	(955)	(2,765)	(701)	(619)	(1,582)	(1,321)	(6,075)	(5,667)
Non-GAAP sales & marketing expense	$ 24,727	$ 23,673	$ 25,234	$ 21,651	$ 24,139	$ 25,087	$ 23,920	$ 24,401	$ 23,162	$ 95,285	$ 97,547
GAAP research & development	$ 17,042	$ 16,490	$ 15,997	$ 13,462	$ 18,797	$ 15,572	$ 15,505	$ 15,283	$ 16,166	$ 62,991	$ 65,157
Stock-based compensation	(1,664)	(1,823)	(1,537)	(1,319)	(3,382)	(1,003)	(960)	(1,286)	(1,331)	(6,343)	(6,631)
Amortization expense related to acquisition	(252)	(253)	(253)	(252)	(252)	(253)	(253)	(252)	(253)	(1,010)	(1,010)
Non-GAAP research & development	$ 15,126	$ 14,414	$ 14,207	$ 11,891	$ 15,163	$ 14,316	$ 14,292	$ 13,745	$ 14,582	$ 55,638	$ 57,516
GAAP general & administrative expense	$ 7,647	$ 6,852	$ 6,945	$ 6,688	$ 11,594	$ 9,858	$ 9,012	$ 9,171	$ 8,358	$ 28,132	$ 39,635
Stock-based compensation	(833)	(870)	(909)	(811)	(1,111)	(670)	(567)	(790)	(920)	(3,423)	(3,138)
Litigation settlement and investigation expense	—	—	—	—	(4,218)	(3,282)	(1,531)	(1,465)	(876)	—	(10,496)
Non-GAAP general & administrative expense	$ 6,814	$ 5,982	$ 6,036	$ 5,877	$ 6,265	$ 5,906	$ 6,914	$ 6,916	$ 6,562	$ 24,709	$ 26,001

A10 NETWORKS, INC.

Reconciliation of Selected GAAP to Non-GAAP Financial Measures (Continued)

(unaudited, in thousands, except per share data)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Dec. 31, 2017	Dec. 31, 2018
GAAP total operating expenses	$ 50,952	$ 48,903	$ 49,872	$ 42,756	$ 57,295	$ 51,218	$ 49,056	$ 50,437	$ 49,007	$ 192,483	$ 208,006
Stock-based compensation	(4,033)	(4,581)	(4,142)	(3,085)	(7,258)	(2,374)	(2,146)	(3,658)	(3,572)	(15,841)	(15,436)
Amortization expense related to acquisition	(252)	(253)	(253)	(252)	(252)	(253)	(253)	(252)	(253)	(1,010)	(1,010)
Litigation settlement and investigation expense	—	—	—	—	(4,218)	(3,282)	(1,531)	(1,465)	(876)	—	(10,496)
Non-GAAP total operating expenses	$ 46,667	$ 44,069	$ 45,477	$ 39,419	$ 45,567	$ 45,309	$ 45,126	$ 45,062	$ 44,306	$ 175,632	$ 181,064
GAAP income (loss) from operations	$ (1,761)	$ (7,730)	$ (1,734)	$ 853	$ (19,996)	$ (3,692)	$ (1,568)	$ (2,423)	$ (10,967)	$ (10,372)	$ (27,679)
Stock-based compensation	4,316	4,963	4,545	3,379	8,151	2,571	2,333	3,983	3,896	17,203	17,038
Amortization expense related to acquisition	252	253	253	252	252	253	253	252	253	1,010	1,010
Litigation settlement and investigation expense	—	—	—	—	4,218	3,282	1,531	1,465	876	—	10,496
Non-GAAP income (loss) from operations	$ 2,807	$ (2,514)	$ 3,064	$ 4,484	$ (7,375)	$ 2,414	$ 2,549	$ 3,277	$ (5,942)	$ 7,841	$ 865
GAAP net income (loss)	$ (1,337)	$ (7,955)	$ (2,245)	$ 786	$ (19,670)	$ (4,532)	$ (1,807)	$ (1,608)	$ (12,272)	$ (10,751)	$ (27,617)
Stock-based compensation	4,316	4,963	4,545	3,379	8,151	2,571	2,333	3,983	3,896	17,203	17,038
Amortization expense related to acquisition	252	253	253	252	252	253	253	252	253	1,010	1,010
Litigation settlement and investigation expense	—	—	—	—	4,218	3,282	1,531	1,465	876	—	10,496
Non-GAAP net income (loss)	$ 3,231	$ (2,739)	$ 2,553	$ 4,417	$ (7,049)	$ 1,574	$ 2,310	$ 4,092	$ (7,247)	$ 7,462	$ 927
Non-GAAP net income (loss) per share:											
Basic	$ 0.05	$ (0.04)	$ 0.04	$ 0.06	$ (0.10)	$ 0.02	$ 0.03	$ 0.06	$ (0.10)	$ 0.11	$ 0.01
Diluted	$ 0.04	$ (0.04)	$ 0.03	$ 0.06	$ (0.10)	$ 0.02	$ 0.03	$ 0.05	$ (0.10)	$ 0.10	$ 0.01
Weighted-average shares used in computing Non-GAAP net income (loss) per share:											
Basic	68,571	69,770	70,705	71,145	72,232	72,707	72,707	73,865	74,809	70,053	72,882
Diluted	74,312	69,770	73,572	74,559	72,232	74,634	72,707	75,737	74,809	74,270	75,222

A10 NETWORKS, INC.

Non-GAAP Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Dec. 31, 2017	Dec. 31, 2018
Revenue:											
Products	$ 43,698	$ 32,828	$ 40,404	$ 32,973	$ 28,149	$ 39,224	$ 38,265	$ 39,044	$ 28,230	$ 149,903	$ 144,682
Services	20,236	21,145	21,601	22,544	21,034	21,489	22,237	22,781	22,060	85,526	87,541
Total revenue	63,934	53,973	62,005	55,517	49,183	60,713	60,502	61,825	50,290	235,429	232,223
Cost of revenue:											
Products	10,475	8,224	9,313	8,123	6,978	9,073	8,777	9,060	7,482	36,135	33,888
Services	3,985	4,194	4,151	3,491	4,013	3,917	4,050	4,426	4,444	15,821	16,406
Total cost of revenue	14,460	12,418	13,464	11,614	10,991	12,990	12,827	13,486	11,926	51,956	50,294
Gross profit	49,474	41,555	48,541	43,903	38,192	47,723	47,675	48,339	38,364	183,473	181,929
Gross margin	77.4%	77.0 %	78.3%	79.1%	77.7 %	78.6%	78.8%	78.2%	76.3%	77.9 %	78.3%
Operating expenses:											
Sales & marketing	24,727	23,673	25,234	21,651	24,139	25,087	23,920	24,401	23,162	95,285	97,547
Research & development	15,126	14,414	14,207	11,891	15,163	14,316	14,292	13,745	14,582	55,638	57,516
General & administrative	6,814	5,982	6,036	5,877	6,265	5,906	$ 6,914	$ 6,916	$ 6,562	24,709	26,001
Total operating expenses	46,667	44,069	45,477	39,419	45,567	45,309	45,126	45,062	44,306	175,632	181,064
Income (loss) from operations	2,807	(2,514)	3,064	4,484	(7,375)	2,414	2,549	3,277	(5,942)	7,841	865
Non-operating income (expense):											
Interest expense	(44)	(64)	(20)	(34)	(33)	(32)	(34)	(30)	(155)	(162)	(129)
Interest income and other income (expense), net	842	(26)	(37)	210	566	(429)	(131)	1,267	(633)	989	1,273
Total non-operating income (expense), net	798	(90)	(57)	176	533	(461)	(165)	1,237	(788)	827	1,144
Income (loss) before provision for income taxes	3,605	(2,604)	3,007	4,660	(6,842)	1,953	2,384	4,514	(6,730)	8,668	2,009
Provision for income taxes	374	135	454	243	207	379	74	422	517	1,206	1,082
Non-GAAP net income (loss)	$ 3,231	$ (2,739)	$ 2,553	$ 4,417	$ (7,049)	$ 1,574	$ 2,310	$ 4,092	$ (7,247)	$ 7,462	$ 927
Non-GAAP net income (loss) per share:											
Basic	$ 0.05	$ (0.04)	$ 0.04	$ 0.06	$ (0.10)	$ 0.02	$ 0.03	$ 0.06	$ (0.10)	$ 0.11	$ 0.01
Diluted	$ 0.04	$ (0.04)	$ 0.03	$ 0.06	$ (0.10)	$ 0.02	$ 0.03	$ 0.05	$ (0.10)	$ 0.10	$ 0.01
Weighted-average shares used in computing Non-GAAP net income (loss) per share:											
Basic	68,571	69,770	70,705	71,145	72,232	72,707	72,707	73,865	74,809	70,053	72,882
Diluted	74,312	69,770	73,572	74,559	72,232	74,634	72,707	75,737	74,809	74,720	75,222

A10 NETWORKS, INC.

Revenue by Product Type, Geography and Vertical

(unaudited, in thousands)

	Three Months Ended									Years Ended	
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Dec. 31, 2017	Dec. 31, 2018
Revenue by type:											
Product	$ 43,698	$ 32,828	$ 40,404	$ 32,973	$ 28,149	$ 39,224	$ 38,265	$ 39,044	$ 28,230	$ 149,903	$ 144,682
Service	20,236	21,145	21,601	22,544	21,034	21,489	22,237	22,781	22,060	85,526	87,541
Total revenue	$ 63,934	$ 53,973	$ 62,005	$ 55,517	$ 49,183	$ 60,713	$ 60,502	$ 61,825	$ 50,290	$ 235,429	$ 232,223
Revenue by geography:											
North America	$ 34,274	$ 28,915	$ 28,951	$ 23,396	$ 20,678	$ 30,443	$ 27,003	$ 25,667	$ 18,100	$ 115,536	$ 103,791
Japan	13,079	8,406	16,634	13,369	13,080	11,868	14,023	16,234	13,152	51,488	55,205
APAC excluding Japan	9,862	8,561	7,171	7,595	7,438	10,667	9,331	9,461	8,776	33,189	36,897
EMEA	5,632	6,786	6,117	9,324	6,499	5,420	8,119	7,577	7,229	27,859	27,615
Other	1,087	1,305	3,132	1,833	1,488	2,315	2,026	2,886	3,033	7,357	8,715
Total revenue	$ 63,934	$ 53,973	$ 62,005	$ 55,517	$ 49,183	$ 60,713	$ 60,502	$ 61,825	$ 50,290	$ 235,429	$ 232,223
Revenue by vertical:											
Enterprise	$ 19,095	$ 21,605	$ 23,687	$ 27,028	$ 21,307	$ 22,106	$ 23,553	$ 24,122	$ 22,863	$ 91,415	$ 91,088
Service Provider	28,708	25,184	35,151	21,889	20,962	25,168	25,319	28,067	23,771	110,932	99,516
Web Giant	16,131	7,184	3,167	6,600	6,914	13,439	11,630	9,636	3,656	33,082	41,619
Total revenue	$ 63,934	$ 53,973	$ 62,005	$ 55,517	$ 49,183	$ 60,713	$ 60,502	$ 61,825	$ 50,290	$ 235,429	$ 232,223

A10 NETWORKS, INC.

Condensed Consolidated Balance Sheets

(unaudited, in thousands)

	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019
ASSETS									
CURRENT ASSETS:									
Cash and cash equivalents	$ 30,580	$ 46,385	$ 39,919	$ 46,567	$ 46,964	$ 40,567	$ 36,162	$ 40,621	$ 33,967
Marketable securities	85,595	85,773	83,973	84,567	83,738	86,820	87,391	87,754	88,784
Accounts receivable, net of allowances	59,830	39,989	49,148	48,266	47,755	50,370	51,084	53,972	44,802
Inventory, net	16,688	15,542	15,994	17,577	16,189	14,965	15,102	17,930	20,952
Prepaid expenses and other current assets	6,295	7,336	7,045	6,825	14,352	12,977	13,266	14,662	17,113
Total current assets	198,988	195,025	196,079	203,802	208,998	205,699	203,005	214,939	205,618
Property and equipment, net	8,131	8,266	9,531	9,913	9,634	8,676	7,994	7,262	7,676
Goodwill	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307
Intangible assets	6,272	5,911	5,551	5,190	4,829	4,469	4,108	3,748	3,387
Other non-current assets	4,569	4,930	4,837	4,646	7,229	8,555	8,380	8,620	13,989
TOTAL ASSETS	$ 219,267	$ 215,439	$ 217,305	$ 224,858	$ 231,997	$ 228,706	$ 224,794	$ 235,876	$ 231,977
LIABILITIES AND STOCKHOLDERS' EQUITY									
CURRENT LIABILITIES:									
Accounts payable	$ 8,522	$ 8,318	$ 8,509	$ 9,033	$ 7,632	$ 6,234	$ 9,630	$ 8,202	$ 8,136
Accrued liabilities	29,887	25,396	27,604	21,835	25,491	25,154	20,602	25,291	25,436
Deferred revenue	57,785	61,055	58,664	61,858	65,735	64,907	60,653	63,874	62,528
Total current liabilities	96,194	94,769	94,777	92,726	98,858	96,295	90,885	97,367	96,100
Deferred revenue, non-current	34,325	30,671	31,710	32,779	31,895	33,176	34,202	34,092	36,041
Other non-current liabilities	912	794	1,073	967	884	760	642	534	3,062
TOTAL LIABILITIES	131,431	126,234	127,560	126,472	131,637	130,231	125,729	131,993	135,203
STOCKHOLDERS' EQUITY:									
Common stock and additional paid-in-capital	335,494	344,818	347,574	355,534	364,954	367,526	369,859	376,273	381,196
Accumulated other comprehensive income (loss)	(46)	(46)	(17)	(123)	(296)	(221)	(157)	(144)	96
Accumulated deficit	(247,612)	(255,567)	(257,812)	(257,025)	(264,298)	(268,830)	(270,637)	(272,246)	(284,518)
Total stockholders' equity	87,836	89,205	89,745	98,386	100,360	98,475	99,065	103,883	96,774
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 219,267	$ 215,439	$ 217,305	$ 224,858	$ 231,997	$ 228,706	$ 224,794	$ 235,876	$ 231,977