A10 NETWORKS, INC.

Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share data, on a US GAAP basis)

	Three Months Ended Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Year Ended Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Revenue:														
Products	$ 30,736	$ 29,214	$ 32,188	$ 37,738	$ 30,540	$ 34,363	$ 39,815	$ 43,680	$ 37,045	$ 41,475	$ 144,682	$ 121,920	$ 129,876	$ 148,398
Services	23,028	23,286	24,420	24,917	24,303	24,805	25,545	26,991	25,627	26,498	87,541	90,708	95,651	101,644
Total revenue	53,764	52,500	56,608	62,655	54,843	59,168	65,360	70,671	62,672	67,973	232,223	212,628	225,527	250,042
Cost of revenue:														
Products	6,941	6,544	7,610	8,014	7,086	8,215	7,859	9,460	8,633	9,518	34,066	29,816	29,109	32,620
Services	5,201	4,878	5,513	5,447	5,413	5,415	5,335	4,722	4,206	3,967	17,830	19,065	21,039	20,885
Total cost of revenue	12,142	11,422	13,123	13,461	12,499	13,630	13,194	14,182	12,839	13,485	51,896	48,881	50,148	53,505
Gross profit	41,622	41,078	43,485	49,194	42,344	45,538	52,166	56,489	49,833	54,488	180,327	163,747	175,379	196,537
Gross margin	77.4 %	78.2 %	76.8 %	78.5 %	77.2 %	77.0 %	79.8 %	79.9 %	79.5 %	80.2 %	77.7 %	77.0 %	77.8 %	78.6 %
Operating expenses:														
Sales & marketing	20,621	18,476	18,556	20,079	19,092	19,749	21,354	25,456	22,782	21,773	103,214	92,783	77,732	85,651
Research & development	15,315	13,450	13,694	15,604	13,981	13,491	13,578	13,027	12,887	14,235	65,157	61,824	58,063	54,077
General & administrative	5,895	5,237	4,994	5,725	5,247	5,082	6,931	6,161	6,162	5,337	39,635	23,704	21,851	23,421
Restructuring expense	—	—	—	—	—	—	—	—	—	—	—	2,530	—	—
Total operating expenses	41,831	37,163	37,244	41,408	38,320	38,322	41,863	44,644	41,831	41,345	208,006	180,841	157,646	163,149
Income (loss) from operations	(209)	3,915	6,241	7,786	4,024	7,216	10,303	11,845	8,002	13,143	(27,679)	(17,094)	17,733	33,388
	-0.4%	7.5%	11.0%	12.4%	7.3%	12.2%	15.8%	16.8%	12.8%	19.3%		-8.0%	7.9%	13.4%
Non-operating income (expense):														
Interest expense	—	(1)	—	—	—	—	—	—	—	—	(129)	(237)	(1)	—
Interest and other income (expense), net	231	228	479	469	(1,183)	(112)	(198)	(253)	(513)	485	1,273	919	1,407	(1,746)
Total non-operating income (expense), net	231	227	479	469	(1,183)	(112)	(198)	(253)	(513)	485	1,144	682	1,406	(1,746)
Income (loss) before income taxes	22	4,142	6,720	8,255	2,841	7,104	10,105	11,592	7,489	13,628	(26,535)	(16,412)	19,139	31,642
Provision for income taxes	319	334	256	414	184	488	(64,781)	864	1,140	3,212	1,082	1,407	1,323	(63,245)
Net income (loss)	$ (297)	$ 3,808	$ 6,464	$ 7,841	$ 2,657	$ 6,616	$ 74,886	$ 10,728	$ 6,349	$ 10,416	$ (27,617)	$ (17,819)	$ 17,816	$ 94,887
Net income (loss) per share:														
Basic	$ (0.00)	$ 0.05	$ 0.08	$ 0.10	$ 0.03	$ 0.09	$ 0.97	$ 0.14	$ 0.08	$ 0.14	$ (0.38)	$ (0.23)	$ 0.23	$ 1.23
Diluted	$ (0.00)	$ 0.05	$ 0.08	$ 0.10	$ 0.03	$ 0.08	$ 0.94	$ 0.13	$ 0.08	$ 0.13	$ (0.38)	$ (0.23)	$ 0.22	$ 1.19
Weighted-average shares used in computing net income (loss) per share:														
Basic	78,061	78,178	78,235	76,638	76,704	76,774	77,149	77,548	76,795	75,893	72,882	76,080	77,776	77,046
Diluted	78,061	79,982	80,424	78,775	79,636	79,316	79,927	80,316	79,285	78,306	72,882	76,080	80,019	80,037

A10 NETWORKS, INC.

Non-GAAP Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended										Year Ended			
	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Revenue:														
Products	$ 30,736	$ 29,214	$ 32,188	$ 37,738	$ 30,540	$ 34,363	$ 39,815	$ 43,680	$ 37,045	$ 41,475	$ 144,682	$ 121,920	$ 129,876	$ 148,398
Services	23,028	23,286	24,420	24,917	24,303	24,805	25,545	26,991	25,627	26,498	87,541	90,708	95,651	101,644
Total revenue	53,764	52,500	56,608	62,655	54,843	59,168	65,360	70,671	62,672	67,973	232,223	212,628	225,527	250,042
Cost of revenue:														
Products	6,868	6,520	7,565	7,970	7,015	8,174	7,796	9,392	8,560	9,447	33,888	29,658	28,923	32,377
Services	4,774	4,605	5,099	4,799	4,570	4,901	4,994	4,275	3,851	3,707	16,406	17,631	19,277	18,740
Total cost of revenue	11,642	11,125	12,664	12,769	11,585	13,075	12,790	13,667	12,411	13,154	50,294	47,289	48,200	51,117
Gross profit	42,122	41,375	43,944	49,886	43,258	46,093	52,570	57,004	50,261	54,819	181,929	165,339	177,327	198,925
Gross margin	78.3 %	78.8 %	77.6 %	79.6 %	78.9 %	77.9 %	80.4 %	80.7 %	80.2 %	80.6 %	78.3 %	77.8 %	78.6 %	79.6 %
Operating expenses:														
Sales & marketing	19,570	17,797	17,558	19,364	17,714	18,922	20,154	23,615	21,590	20,698	97,547	86,745	74,289	80,405
Research & development	13,513	12,159	12,156	12,639	10,549	11,856	12,585	11,656	12,021	13,375	57,516	54,423	50,467	46,646
General & administrative	4,929	4,176	4,182	4,014	4,187	4,199	5,328	4,173	4,967	4,659	26,001	21,576	17,301	17,887
Total operating expenses	38,012	34,132	33,896	36,017	32,450	34,977	38,067	39,444	38,578	38,732	181,064	162,743	142,057	144,938
Income (loss) from operations	4,110	7,243	10,048	13,869	10,808	11,116	14,503	17,560	11,683	16,087	865	2,596	35,270	53,987
	7.6 %	13.8 %	17.8 %	22.1 %	19.7 %	18.8 %	22.2 %	24.8 %	18.6 %	23.7 %		1.2 %	15.6 %	21.6 %
Non-operating income (expense):														
Interest expense	—	(1)	—	—	—	—	—	—	—	—	(129)	(237)	(1)	—
Interest income and other income (expense), net	231	228	479	469	(1,183)	(112)	(198)	(253)	(513)	485	1,273	919	1,407	(1,746)
Total non-operating income (expense), net	231	227	479	469	(1,183)	(112)	(198)	(253)	(513)	485	1,144	682	1,406	(1,746)
Income (loss) before provision for income taxes	4,341	7,470	10,527	14,338	9,625	11,004	14,305	17,307	11,170	16,572	2,009	3,278	36,676	52,241
Provision for income taxes	319	334	256	414	184	488	636	864	1,140	3,212	1,082	1,261	1,323	2,172
Non-GAAP net income (loss)	$ 4,022	$ 7,136	$ 10,271	$ 13,924	$ 9,441	$ 10,516	$ 13,669	$ 16,443	$ 10,030	$ 13,360	$ 927	$ 2,018	$ 35,353	$ 50,069
Non-GAAP net income (loss) per share:														
Basic	$ 0.05	$ 0.09	$ 0.13	$ 0.18	$ 0.12	$ 0.14	$ 0.18	$ 0.21	$ 0.13	$ 0.18	$ 0.01	$ 0.03	$ 0.45	$ 0.65
Diluted	$ 0.05	$ 0.09	$ 0.13	$ 0.18	$ 0.12	$ 0.13	$ 0.17	$ 0.20	$ 0.13	$ 0.17	$ 0.01	$ 0.03	$ 0.44	$ 0.63
Weighted-average shares used in computing Non-GAAP net income (loss) per share:														
Basic	78,061	78,178	78,235	76,638	76,704	76,774	77,149	77,548	76,795	75,893	72,882	76,080	77,776	77,046
Diluted	79,747	79,982	80,424	78,775	79,636	79,316	79,927	80,316	79,285	78,306	75,222	78,487	80,019	80,037

A10 NETWORKS, INC.

Reconciliation of GAAP net income (loss) to EBITDA and Adjusted EBITDA

(unaudited, in thousands)

	Three Months Ended										Year Ended			
	Mar. 31, 2020	**Jun. 30, 2020**	**Sep. 30, 2020**	**Dec. 31, 2020**	**Mar. 31, 2021**	**Jun. 30, 2021**	**Sep. 30, 2021**	**Dec. 31, 2021**	**Mar. 31, 2022**	**Jun. 30, 2022**	**Dec. 31, 2018**	**Dec. 31, 2019**	**Dec. 31, 2020**	**Dec. 31, 2021**
EBITDA & Adjusted EBITDA (Non-GAAP)														
GAAP net income (loss)	$ (297)	$ 3,808	$ 6,464	$ 7,841	$ 2,657	$ 6,616	$ 74,886	$ 10,728	$ 6,349	$ 10,416	$ (27,617)	$ (17,819)	$ 17,816	$ 94,887
Exclude: Interest expense	—	1	—	—	—	—	—	—	—	—	129	237	1	—
Exclude: Interest income and other (income) expense, net	(231)	(228)	(479)	(469)	1,183	112	198	253	513	(485)	(1,273)	(919)	(1,407)	1,746
Exclude: Depreciation & amortization expense	3,311	2,785	2,676	2,531	2,413	2,340	2,291	1,863	1,844	1,868	7,880	10,028	11,303	8,907
Exclude: Provision for income taxes	319	334	256	414	184	488	(64,781)	864	1,140	3,212	1,082	1,407	1,323	(63,245)
EBITDA	3,102	6,700	8,917	10,317	6,437	9,556	12,594	13,708	9,846	15,011	(19,799)	(7,066)	29,036	42,295
Exclude: Stock-based compensation	3,241	3,075	3,554	2,947	4,620	2,612	4,201	3,598	3,681	2,944	17,038	16,790	12,817	15,031
Exclude: Litigation settlement and investigation expense	30	—	—	—	—	—	—	—	—	—	10,496	(1,066)	30	—
Exclude: Restructuring expense	—	—	—	—	—	—	—	—	—	—	—	2,530	—	—
Exclude: Global Portfolion Transition expense	—	—	—	2,884	1,911	1,036	(1)	2,117	—	—	—	—	2,884	5,063
Exclude: Non-recurring facilities costs	795	—	—	—	—	—	—	—	—	—	—	425	795	—
Adjusted EBITDA	$ 7,168	$ 9,775	$ 12,471	$ 16,148	$ 12,968	$ 13,204	$ 16,794	$ 19,423	$ 13,527	$ 17,955	$ 7,735	$ 11,613	$ 45,562	$ 62,389

A10 NETWORKS, INC.

Condensed Consolidated Balance Sheets

(unaudited, in thousands)

	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	$ 65,633	$ 65,846	$ 83,069	$ 83,281	$ 75,696	$ 67,949	$ 85,637	$ 78,925	$ 67,758	$ 84,242
Marketable securities	77,273	77,544	76,041	74,851	85,261	98,860	101,820	106,117	96,945	82,551
Accounts receivable, net of allowances	42,862	45,895	42,803	51,051	51,449	50,219	46,784	61,795	49,282	67,908
Inventory, net	20,764	22,159	22,600	20,730	19,547	19,084	19,169	22,462	20,832	21,926
Prepaid expenses and other current assets	12,518	11,342	10,809	12,390	13,022	14,523	13,910	14,720	17,415	15,038
Total current assets	219,050	222,786	235,322	242,303	244,975	250,635	267,320	284,019	252,232	271,665
Property and equipment, net	7,462	7,033	7,297	7,888	8,223	9,148	9,555	10,692	13,460	15,046
Goodwill	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307
Intangible assets	1,944	1,584	1,223	862	502	141	33	—	—	—
Other non-current assets	40,294	39,898	38,948	38,451	36,573	34,907	96,230	97,067	94,748	96,547
TOTAL ASSETS	$ 270,057	$ 272,608	$ 284,097	$ 290,811	$ 291,580	$ 296,138	$ 374,445	$ 393,085	$ 361,747	$ 384,565
LIABILITIES AND STOCKHOLDERS' EQUITY										
CURRENT LIABILITIES:										
Accounts payable	$ 3,937	$ 6,850	$ 7,289	$ 4,851	$ 4,521	$ 5,661	$ 3,755	$ 6,852	$ 4,994	$ 5,567
Accrued liabilities	24,243	23,493	27,602	36,930	26,198	27,763	28,968	36,101	30,213	36,870
Deferred revenue	62,718	65,915	61,886	65,999	68,299	69,918	70,501	73,132	74,125	80,022
Total current liabilities	90,898	96,258	96,777	107,780	99,018	103,342	103,224	116,085	109,332	122,459
Deferred revenue, non-current	38,560	39,083	40,140	42,700	44,920	46,409	46,616	48,499	47,224	47,848
Other non-current liabilities	27,347	26,407	25,479	24,357	22,983	21,882	21,010	19,613	19,214	19,499
TOTAL LIABILITIES	156,805	161,748	162,396	174,837	166,921	171,633	170,850	184,197	175,770	189,806
STOCKHOLDERS' EQUITY:										
Common & treasury stock, additional paid-in-capital	403,651	396,941	401,533	388,125	394,241	387,490	391,683	390,359	365,744	368,105
Dividends paid	—	—	—	—	—	—	—	(3,880)	(7,749)	(11,543)
Accumulated other comprehensive income (loss)	(37)	473	258	98	10	(9)	2	(229)	(1,005)	(1,206)
Accumulated deficit	(290,362)	(286,554)	(280,090)	(272,249)	(269,592)	(262,976)	(188,090)	(177,362)	(171,013)	(160,597)
Total stockholders' equity	113,252	110,860	121,701	115,974	124,659	124,505	203,595	208,888	185,977	194,759
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 270,057	$ 272,608	$ 284,097	$ 290,811	$ 291,580	$ 296,138	$ 374,445	$ 393,085	$ 361,747	$ 384,565

A10 NETWORKS, INC.

Revenue by Product Type, Geography and Vertical

(unaudited, in thousands, on a US GAAP basis)

	Three Months Ended										Year Ended			
	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Revenue by type:														
Product	$ 30,736	$ 29,214	$ 32,188	$ 37,738	$ 30,540	$ 34,363	$ 39,815	$ 43,680	$ 37,045	$ 41,475	$ 144,682	$ 121,920	$ 129,876	$ 148,398
Service	23,028	23,286	24,420	24,917	24,303	24,805	25,545	26,991	25,627	26,498	87,541	90,708	95,651	101,644
Total revenue	$ 53,764	$ 52,500	$ 56,608	$ 62,655	$ 54,843	$ 59,168	$ 65,360	$ 70,671	$ 62,672	$ 67,973	$ 232,223	$ 212,628	$ 225,527	$ 250,042
Revenue by geography:														
Americas	$ 25,438	$ 23,962	$ 21,985	$ 26,764	$ 26,270	$ 28,836	$ 32,261	$ 33,802	$ 32,958	$ 38,553	$ 112,506	$ 89,944	$ 98,149	$ 121,169
APJ	22,523	20,858	26,716	26,713	19,954	23,267	22,111	25,042	17,789	21,614	92,102	95,143	96,810	90,374
EMEA	5,803	7,679	7,907	9,178	8,619	7,065	10,988	11,827	11,925	7,806	27,615	27,541	30,567	38,499
Total revenue	$ 53,764	$ 52,500	$ 56,608	$ 62,655	$ 54,843	$ 59,168	$ 65,360	$ 70,671	$ 62,672	$ 67,973	$ 232,223	$ 212,628	$ 225,527	$ 250,042
Revenue by vertical:														
Enterprise	$ 18,766	$ 22,127	$ 22,914	$ 25,045	$ 20,864	$ 23,145	$ 23,074	$ 25,937	$ 21,905	$ 23,725	$ 99,213	$ 88,291	$ 88,852	$ 93,020
Service Provider	34,998	30,373	33,694	37,610	33,979	36,023	42,286	44,734	40,767	44,248	133,010	124,337	136,675	157,022
Total revenue	$ 53,764	$ 52,500	$ 56,608	$ 62,655	$ 54,843	$ 59,168	$ 65,360	$ 70,671	$ 62,672	$ 67,973	$ 232,223	$ 212,628	$ 225,527	$ 250,042

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, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
GAAP cost of revenue - products	$ 6,941	$ 6,544	$ 7,610	$ 8,014	$ 7,086	$ 8,215	$ 7,859	$ 9,460	$ 8,633	$ 9,518	$ 29,816	$ 29,109	$ 32,620
Stock-based compensation	(74)	(24)	(45)	(44)	(71)	(41)	(63)	(68)	(73)	(71)	(158)	(187)	(243)
Non-GAAP cost of revenue - products	$ 6,867	$ 6,520	$ 7,565	$ 7,970	$ 7,015	$ 8,174	$ 7,796	$ 9,392	$ 8,560	$ 9,447	$ 29,658	$ 28,922	$ 32,377
GAAP cost of revenue - services	$ 5,201	$ 4,878	$ 5,513	$ 5,447	$ 5,413	$ 5,415	$ 5,335	$ 4,722	$ 4,206	$ 3,967	$ 19,065	$ 21,039	$ 20,885
Stock-based compensation	(427)	(273)	(414)	(341)	(570)	(262)	(328)	(330)	(355)	(260)	(1,434)	(1,454)	(1,490)
Global distribution center transition expense	—	—	—	(307)	(273)	(252)	(13)	(117)	—	—	—	(307)	(655)
Non-GAAP cost of revenue - services	$ 4,774	$ 4,605	$ 5,099	$ 4,799	$ 4,570	$ 4,901	$ 4,994	$ 4,275	$ 3,851	$ 3,707	$ 17,631	$ 19,278	$ 18,740
GAAP total cost of revenue	$ 12,142	$ 11,422	$ 13,123	$ 13,461	$ 12,499	$ 13,630	$ 13,194	$ 14,182	$ 12,839	$ 13,485	$ 48,881	$ 50,148	$ 53,505
Stock-based compensation	(501)	(297)	(459)	(385)	(641)	(303)	(391)	(398)	(428)	(331)	(1,592)	(1,641)	(1,733)
Global distribution center transition expense	—	—	—	(307)	(273)	(252)	(13)	(117)	—	—	—	(307)	(655)
Non-GAAP total cost of revenue	$ 11,641	$ 11,125	$ 12,664	$ 12,769	$ 11,585	$ 13,075	$ 12,790	$ 13,667	$ 12,411	$ 13,154	$ 47,289	$ 48,200	$ 51,117
GAAP gross profit	$ 41,622	$ 41,078	$ 43,485	$ 49,194	$ 42,344	$ 45,538	$ 52,166	$ 56,489	$ 49,833	$ 54,488	$ 163,747	$ 175,379	$ 196,537
Stock-based compensation	501	297	459	385	641	303	391	398	428	331	1,592	1,641	1,733
Global distribution center transition expense	—	—	—	307	273	252	13	117	—	—	—	307	655
Non-GAAP gross profit	$ 42,123	$ 41,375	$ 43,944	$ 49,886	$ 43,258	$ 46,093	$ 52,570	$ 57,004	$ 50,261	$ 54,819	$ 165,339	$ 177,327	$ 198,925
GAAP sales & marketing expense	$ 20,621	$ 18,476	$ 18,556	$ 20,079	$ 19,092	$ 19,749	$ 21,354	$ 25,456	$ 22,782	$ 21,773	$ 92,783	$ 77,732	$ 85,651
Stock-based compensation	(1,051)	(679)	(998)	(715)	(1,378)	(827)	(1,199)	(1,150)	(1,192)	(1,075)	(5,915)	(3,444)	(4,554)
Global distribution center transition expense	—	—	—	—	—	—	(1)	(691)	—	—	—	—	(692)
Litigation settlement and investigation expense	—	—	—	—	—	—	—	—	—	—	(123)	—	—
Non-GAAP sales & marketing expense	$ 19,570	$ 17,797	$ 17,558	$ 19,364	$ 17,714	$ 18,922	$ 20,154	$ 23,615	$ 21,590	$ 20,698	$ 86,745	$ 74,288	$ 80,405
GAAP research & development	$ 15,315	$ 13,450	$ 13,694	$ 15,604	$ 13,981	$ 13,491	$ 13,578	$ 13,027	$ 12,887	$ 14,235	$ 61,824	$ 58,063	$ 54,077
Stock-based compensation	(1,548)	(1,038)	(1,285)	(1,198)	(1,607)	(668)	(993)	(1,013)	(866)	(860)	(6,390)	(5,069)	(4,281)
Global distribution center transition expense	—	—	—	(1,515)	(1,572)	(715)	—	(358)	—	—	—	(1,515)	(2,645)
Amortization expense related to acquisition	(253)	(253)	(253)	(252)	(253)	(252)	—	-	—	—	(1,012)	(1,011)	(1)
Non-GAAP research & development	$ 13,514	$ 12,159	$ 12,156	$ 12,639	$ 10,549	$ 11,856	$ 12,585	$ 11,656	$ 12,021	$ 13,375	$ 54,423	$ 50,468	$ 46,646
GAAP general & administrative expense	$ 5,895	$ 5,237	$ 4,994	$ 5,725	$ 5,247	$ 5,082	$ 6,931	$ 6,161	$ 6,162	$ 5,337	$ 23,704	$ 21,851	$ 23,421
Stock-based compensation	(141)	(1,061)	(812)	(649)	(994)	(814)	(1,618)	(1,037)	(1,195)	(678)	(2,891)	(2,663)	(4,463)
Litigation settlement and investigation expense	(30)	—	—	—	—	—	—	—	—	—	1,188	(30)	—
Global distribution center transition expense	—	—	—	(1,062)	(66)	(69)	15	(951)	—	—	—	(1,062)	(1,071)
Transition facilities expense	(795)	—	—	—	—	—	—	—	—	—	(425)	(795)	—
Non-GAAP general & administrative expense	$ 4,929	$ 4,176	$ 4,182	$ 4,014	$ 4,187	$ 4,199	$ 5,328	$ 4,173	$ 4,967	$ 4,659	$ 21,576	$ 17,301	$ 17,887
GAAP restructuring expense	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,530	$ —	$ —
Restructuring expense	—	—	—	—	—	—	—	—	—	—	(2,530)	—	—
Non-GAAP restructuring expense	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

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, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
GAAP total operating expenses	$ 41,831	$ 37,163	$ 37,244	$ 41,408	$ 38,320	$ 38,322	$ 41,863	$ 44,644	$ 41,831	$ 41,345	$ 180,841	$ 157,646	$ 163,149
Stock-based compensation	(2,740)	(2,778)	(3,095)	(2,562)	(3,979)	(2,309)	(3,810)	(3,200)	(3,253)	(2,613)	(15,197)	(11,176)	(13,298)
Amortization expense related to acquisition	(253)	(253)	(253)	(252)	(253)	(252)	—	—	—	—	(1,012)	(1,011)	(505)
Litigation settlement and investigation expense	(30)	—	—	—	—	—	—	—	—	—	1,066	(30)	—
Transition facilities expense	(795)	—	—	—	—	—	—	—	—	—	(425)	(795)	—
Global distribution center transition expense	—	—	—	(2,577)	(1,638)	(784)	14	(2,000)	—	—	—	(2,577)	(4,408)
Restructuring expense	—	—	—	—	—	—	—	—	—	—	(2,530)	—	-
Non-GAAP total operating expenses	$ 38,013	$ 34,132	$ 33,896	$ 36,017	$ 32,450	$ 34,977	$ 38,067	$ 39,444	$ 38,578	$ 38,732	$ 162,743	$ 142,057	$ 144,938
GAAP income (loss) from operations	$ (209)	$ 3,915	$ 6,241	$ 7,786	$ 4,024	$ 7,216	$ 10,303	$ 11,845	$ 8,002	$ 13,143	$ (17,094)	$ 17,733	$ 33,388
Stock-based compensation	3,241	3,075	3,554	2,947	4,620	2,612	4,201	3,598	3,681	2,944	16,790	12,817	15,031
Amortization expense related to acquisition	253	253	253	252	253	252	—	—	—	—	1,012	1,011	505
Litigation settlement and investigation expense	30	—	—	—	—	—	—	—	—	—	(1,066)	30	—
Global distribution center transition expense	—	—	—	2,884	1,911	1,036	(1)	2,117	—	—	—	2,884	5,063
Restructuring expense	—	—	—	—	—	—	—	—	—	—	2,530	—	—
Transition facilities expense	795	—	—	—	—	—	—	—	—	—	425	795	—
Non-GAAP income (loss) from operations	4,110	7,243	10,048	13,869	10,808	11,116	14,503	17,560	11,683	16,087	$ 2,597	$ 35,270	$ 53,987
GAAP Provision for income taxes	$ 319	$ 334	$ 256	$ 414	$ 184	$ 488	$ (64,781)	$ 864	$ 1,140	$ 3,212	$ 1,407	$ 1,323	$ (63,245)
Tax from restructuring expense	—	—	—	—	—	—	—	—	—	—	(146)	—	—
Release of DTA valuation allowance	—	—	—	—	—	—	65,417	—	—	—	—	—	65,417
Non-GAAP provision for income Taxes	$ 319	$ 334	$ 256	$ 414	$ 184	$ 488	$ 636	$ 864	$ 1,140	$ 3,212	$ 1,261	$ 1,323	$ 2,172
GAAP net income (loss)	$ (297)	$ 3,808	$ 6,464	$ 7,841	$ 2,657	$ 6,616	$ 74,886	$ 10,728	$ 6,349	$ 10,416	$ (17,819)	$ 17,816	$ 94,887
Stock-based compensation	3,241	3,075	3,554	2,947	4,620	2,612	4,201	3,598	3,681	2,944	16,790	12,817	15,031
Amortization expense related to acquisition	253	253	253	252	253	252	—	—	—	—	1,012	1,011	505
Litigation settlement and investigation expense	30	—	—	—	—	—	—	—	—	—	(1,066)	30	—
Global distribution center transition expense	—	—	—	2,884	1,911	1,036	(1)	2,117	—	—	—	2,884	5,063
Restructuring expense, and related tax	—	—	—	—	—	—	—	—	—	—	2,676	—	—
Transition facilities expense	795	—	—	—	—	—	—	—	—	—	425	795	—
Release of DTA valuation allowance	—	—	—	—	—	—	(65,417)	—	—	—	—	—	(65,417)
Non-GAAP net income (loss)	$ 4,022	$ 7,136	$ 10,271	$ 13,924	$ 9,441	$ 10,516	$ 13,669	$ 16,443	$ 10,030	$ 13,360	$ 2,018	$ 35,353	$ 50,069
Non-GAAP net income (loss) per share:													
Basic	$ 0.05	$ 0.09	$ 0.13	$ 0.18	$ 0.12	$ 0.14	$ 0.18	$ 0.21	$ 0.13	$ 0.18	$ 0.03	$ 0.45	$ 0.65
Diluted	$ 0.05	$ 0.09	$ 0.13	$ 0.18	$ 0.12	$ 0.13	$ 0.17	$ 0.20	$ 0.13	$ 0.17	$ 0.03	$ 0.44	$ 0.63
Weighted-average shares used in computing Non-GAAP net income (loss) per share:													
Basic	78,061	78,178	78,235	76,638	76,704	76,774	77,149	77,548	76,795	75,893	76,080	77,776	77,046
Diluted	79,747	79,982	80,424	78,775	79,636	79,316	79,927	80,316	79,285	78,306	78,487	80,019	80,037