A10 NETWORKS, INC.

Non-GAAP Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share data)

	Three Months Ended					Year Ended
	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Revenue:						
Products	$ 37,045	$ 41,475	$ 45,104	$ 49,577	$ 31,182	$ 173,201
Services	25,627	26,498	26,955	28,057	26,509	107,137
Total revenue	62,672	67,973	72,059	77,634	57,691	280,338
Cost of revenue:						
Products	8,560	9,447	10,049	11,690	5,963	39,746
Services	3,851	3,707	4,227	3,639	3,764	15,424
Total cost of revenue	12,411	13,154	14,276	15,329	9,727	55,170
Gross profit	50,261	54,819	57,783	62,305	47,964	225,168
Gross margin	80.2 %	80.6 %	80.2 %	80.3 %	83.1 %	80.3 %
Operating expenses:						
Sales & marketing	21,590	20,698	20,319	21,098	19,607	83,705
Research & development	12,021	13,375	13,408	15,989	10,411	54,793
General & administrative	4,967	4,659	4,590	5,406	4,595	19,622
Total operating expenses	38,578	38,732	38,317	42,493	34,613	158,120
Income from operations	11,683	16,087	19,466	19,812	13,351	67,048
	18.6 %	23.7 %	27.0 %	25.5 %	23.1 %	23.9 %
Non-operating income (expense):						
Interest expense	—	—	—	—	—	—
Interest income and other income (expense), net	(513)	485	(439)	1,104	(1,245)	637
Total non-operating income (expense), net	(513)	485	(439)	1,104	(1,245)	637
Income before provision for income taxes	11,170	16,572	19,027	20,916	12,106	67,685
Provision for income taxes *	1,140	3,212	3,116	2,516	2,179	9,984
Non-GAAP net income	$ 10,030	$ 13,360	$ 15,911	$ 18,400	$ 9,927	$ 57,701
Non-GAAP net income per share:						
Basic	$ 0.13	$ 0.18	$ 0.21	$ 0.25	$ 0.13	$ 0.76
Diluted	$ 0.13	$ 0.17	$ 0.20	$ 0.24	$ 0.13	$ 0.74
Weighted-average shares used in computing Non-GAAP net income per share:						
Basic	76,795	75,893	75,881	73,560	74,001	75,528
Diluted	79,285	78,306	77,679	75,392	75,541	77,751

* In Q1-23, the Company began pressenting tax-effect non-GAAP net income for the tax effect of excluding non-GAAP items.

A10 NETWORKS, INC.

Condensed Consolidated Statements of Operations

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

	Three Months Ended					Year Ended
	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Revenue:						
Products	$ 37,045	$ 41,475	$ 45,104	$ 49,577	$ 31,182	$ 173,201
Services	25,627	26,498	26,955	28,057	26,509	107,137
Total revenue	62,672	67,973	72,059	77,634	57,691	280,338
Cost of revenue:						
Products	8,633	9,518	10,191	11,793	6,083	40,135
Services	4,206	3,967	4,574	3,950	4,133	16,697
Total cost of revenue	12,839	13,485	14,765	15,743	10,216	56,832
Gross profit	49,833	54,488	57,294	61,891	47,475	223,506
Gross margin	79.5 %	80.2 %	79.5 %	79.7 %	82.3 %	79.7 %
Operating expenses:						
Sales & marketing	22,782	21,773	21,605	22,351	22,334	88,511
Research & development	12,887	14,235	14,360	16,916	11,665	58,398
General & administrative	6,162	5,337	5,661	6,358	7,309	23,518
Total operating expenses	41,831	41,345	41,626	45,625	41,308	170,427
Income from operations	8,002	13,143	15,668	16,266	6,167	53,079
	12.8%	19.3%	21.7%	21.0%	10.7%	18.9%
Non-operating income (expense):						
Interest and other income (expense), net	(513)	485	(439)	104	(1,245)	(363)
Total non-operating income (expense), net	(513)	485	(439)	104	(1,245)	(363)
Income before income taxes	7,489	13,628	15,229	16,370	4,922	52,716
Provision for (benefit from) income taxes	1,140	3,212	3,116	(1,660)	964	5,808
Net income	$ 6,349	$ 10,416	$ 12,113	$ 18,030	$ 3,958	$ 46,908
Net income per share:						
Basic	$ 0.08	$ 0.14	$ 0.16	$ 0.25	$ 0.05	$ 0.62
Diluted	$ 0.08	$ 0.13	$ 0.16	$ 0.24	$ 0.05	$ 0.60
Weighted-average shares used in computing net income per share:						
Basic	76,795	75,893	75,881	73,560	74,001	75,528
Diluted	79,285	78,306	77,679	75,392	75,541	77,751

A10 NETWORKS, INC.

Reconciliation of GAAP net income to EBITDA and Adjusted EBITDA

(unaudited, in thousands)

	Three Months Ended					Year Ended
	Mar. 31, 2022	**Jun. 30, 2022**	**Sep. 30, 2022**	**Dec. 31, 2022**	**Mar. 31, 2023**	**Dec. 31, 2022**
EBITDA & Adjusted EBITDA (Non-GAAP)						
GAAP net income	$ 6,349	$ 10,416	$ 12,113	$ 18,030	$ 3,958	$ 46,908
GAAP net income margin	10.1%	15.3%	16.8%	23.2%	6.9%	16.7%
Exclude: Interest income and other (income) expense, net	513	(485)	439	(104)	1,245	363
Exclude: Depreciation & amortization expense	1,844	1,868	1,827	2,473	2,106	8,012
Exclude: Provision for income taxes	1,140	3,212	3,116	(1,660)	964	5,808
EBITDA	9,846	15,011	17,495	18,739	8,273	61,091
Exclude: Stock-based compensation	3,681	2,944	3,798	3,546	3,970	13,969
Exclude: Restructuring expense	—	—	—	—	1,861	—
Exclude: Cyber incident remediation expense	—	—	—	—	1,353	—
Adjusted EBITDA	$ 13,527	$ 17,955	$ 21,293	$ 22,285	$ 15,457	$ 75,060
Adjusted EBITDA margin	21.6%	26.4%	29.5%	28.7%	26.8%	26.8%

A10 NETWORKS, INC.

Condensed Consolidated Balance Sheets

(unaudited, in thousands)

	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 67,758	$ 84,242	$ 32,131	$ 67,971	$ 68,519
Marketable securities	96,945	82,551	95,642	83,018	76,022
Accounts receivable, net of allowances	49,282	67,908	73,500	72,928	67,007
Inventory, net	20,832	21,926	21,289	19,693	20,391
Prepaid expenses and other current assets	17,415	15,038	15,023	13,381	13,054
Total current assets	252,232	271,665	237,585	256,991	244,993
Property and equipment, net	13,460	15,046	17,958	19,743	22,305
Goodwill	1,307	1,307	1,307	1,307	1,307
Other non-current assets	94,748	96,547	95,811	91,064	88,680
TOTAL ASSETS	$ 361,747	$ 384,565	$ 352,661	$ 369,105	$ 357,285
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	$ 4,994	$ 5,567	$ 6,045	$ 6,725	$ 5,906
Accrued and other liabilities	30,213	36,870	41,472	37,183	21,410
Deferred revenue	74,125	80,022	74,762	74,340	75,729
Total current liabilities	109,332	122,459	122,279	118,248	103,045
Deferred revenue, non-current	47,224	47,848	51,405	52,652	52,769
Other non-current liabilities	19,214	19,499	18,243	17,193	15,970
TOTAL LIABILITIES	175,770	189,806	191,927	188,093	171,784
STOCKHOLDERS' EQUITY:					
Common & treasaury stock, additional paid-in-capital	365,744	368,105	325,951	331,994	336,408
Dividends paid	(7,749)	(11,543)	(15,392)	(19,802)	(24,248)
Accumulated other comprehensive income (loss)	(1,005)	(1,206)	(1,341)	(726)	(163)
Accumulated deficit	(171,013)	(160,597)	(148,484)	(130,454)	(126,496)
Total stockholders' equity	185,977	194,759	160,734	181,012	185,501
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 361,747	$ 384,565	$ 352,661	$ 369,105	$ 357,285

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, 2022	**Jun. 30, 2022**	**Sep. 30, 2022**	**Dec. 31, 2022**	**Mar. 31, 2023**	**Dec. 31, 2022**
Revenue by type:						
Product	$ 37,045	$ 41,475	$ 45,104	$ 49,577	$ 31,182	$ 173,201
Service	25,627	26,498	26,955	28,057	26,509	107,137
Total revenue	$ 62,672	$ 67,973	$ 72,059	$ 77,634	$ 57,691	$ 280,338
Revenue by geography:						
Americas	**$ 32,958**	**$ 38,553**	**$ 35,995**	**$ 41,167**	**$ 29,956**	**$ 148,673**
United States	*29,174*	*33,756*	*29,219*	*37,248*	*24,121*	*129,397*
Americas-other	*3,784*	*4,797*	*6,776*	*3,919*	*5,835*	*19,276*
APJ	**17,789**	**21,614**	**24,860**	**25,439**	**15,760**	**89,702**
APAC	*6,249*	*7,964*	*9,487*	*9,286*	*5,431*	*32,986*
Japan	*11,540*	*13,650*	*15,373*	*16,153*	*10,329*	*56,716*
EMEA	**11,925**	**7,806**	**11,204**	**11,028**	**11,975**	**41,963**
Total revenue	$ 62,672	$ 67,973	$ 72,059	$ 77,634	$ 57,691	$ 280,338
Revenue by vertical:						
Enterprise	$ 21,905	$ 23,725	$ 27,103	$ 23,898	$ 25,125	$ 96,631
Service Provider	40,767	44,248	44,956	53,736	32,566	183,707
Total revenue	$ 62,672	$ 67,973	$ 72,059	$ 77,634	$ 57,691	$ 280,338

A10 NETWORKS, INC.

Reconciliation of Selected GAAP to Non-GAAP Financial Measures

(unaudited, in thousands, except per share data)

	Three Months Ended					Year Ended
	Mar. 31, 2022	**Jun. 30, 2022**	**Sep. 30, 2022**	**Dec. 31, 2022**	**Mar. 31, 2023**	**Dec. 31, 2022**
GAAP cost of revenue - products	$ 8,633	$ 9,518	$ 10,191	$ 11,793	$ 6,083	$ 40,135
Stock-based compensation	(73)	(71)	(142)	(103)	(120)	(389)
Non-GAAP cost of revenue - products	$ 8,560	$ 9,447	$ 10,049	$ 11,690	$ 5,963	$ 39,746
GAAP cost of revenue - services	$ 4,206	$ 3,967	$ 4,574	$ 3,950	$ 4,133	$ 16,697
Restructuring expense	—	—	—	—	(42)	—
Cyber incident remediation expense	—	—	—	—	(3)	—
Stock-based compensation	(355)	(260)	(347)	(311)	(324)	(1,273)
Non-GAAP cost of revenue - services	$ 3,851	$ 3,707	$ 4,227	$ 3,639	$ 3,764	$ 15,424
GAAP total cost of revenue	$ 12,839	$ 13,485	$ 14,765	$ 15,743	$ 10,216	$ 56,832
Restructuring expense	—	—	—	—	(42)	—
Cyber incident remediation expense	—	—	—	—	(3)	—
Stock-based compensation	(428)	(331)	(489)	(414)	(444)	(1,662)
Non-GAAP total cost of revenue	$ 12,411	$ 13,154	$ 14,276	$ 15,329	$ 9,727	$ 55,170
GAAP gross profit	$ 49,833	$ 54,488	$ 57,294	$ 61,891	$ 47,475	$ 223,506
Restructuring expense	—	—	—	—	42	—
Cyber incident remediation expense	—	—	—	—	3	—
Stock-based compensation	428	331	489	414	444	1,662
Non-GAAP gross profit	$ 50,261	$ 54,819	$ 57,783	$ 62,305	$ 47,964	$ 225,168
GAAP sales & marketing expense	$ 22,782	$ 21,773	$ 21,605	$ 22,351	$ 22,334	$ 88,511
Restructuring expense	—	—	—	—	(1,472)	—
Stock-based compensation	(1,192)	(1,075)	(1,286)	(1,253)	(1,255)	(4,806)
Non-GAAP sales & marketing expense	$ 21,590	$ 20,698	$ 20,319	$ 21,098	$ 19,607	$ 83,705
GAAP research & development	$ 12,887	$ 14,235	$ 14,360	$ 16,916	$ 11,665	$ 58,398
Restructuring expense	—	—	—	—	(347)	—
Stock-based compensation	(866)	(860)	(952)	(927)	(904)	(3,605)
Non-GAAP research & development	$ 12,021	$ 13,375	$ 13,408	$ 15,989	$ 10,414	$ 54,793
GAAP general & administrative expense	$ 6,162	$ 5,337	$ 5,661	$ 6,358	$ 7,309	$ 23,518
Cyber incident remediation expense	—	—	—	—	(1,350)	—
Stock-based compensation	(1,195)	(678)	(1,071)	(952)	(1,367)	(3,896)
Non-GAAP general & administrative expense	$ 4,967	$ 4,659	$ 4,590	$ 5,406	$ 4,592	$ 19,622

A10 NETWORKS, INC.

Reconciliation of Selected GAAP to Non-GAAP Financial Measures

(unaudited, in thousands, except per share data)

	Three Months Ended					Year Ended
	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
GAAP total operating expenses	$ 41,831	$ 41,345	$ 41,626	$ 45,625	$ 41,308	$ 170,427
Restructuring expense	—	—	—	—	(1,819)	—
Cyber incident remediation expense	—	—	—	—	(1,350)	—
Stock-based compensation	(3,253)	(2,613)	(3,309)	(3,132)	(3,526)	(12,307)
Non-GAAP total operating expenses	$ 38,578	$ 38,732	$ 38,317	$ 42,493	$ 34,613	$ 158,120
GAAP income from operations	$ 8,002	$ 13,143	$ 15,668	$ 16,266	$ 6,167	$ 53,079
Restructuring expense	—	—	—	—	1,861	—
Cyber incident remediation expense	—	—	—	—	1,353	—
Stock-based compensation	3,681	2,944	3,798	3,546	3,970	13,969
Non-GAAP income from operations	11,683	16,087	19,466	19,812	13,351	$ 67,048
GAAP Provision for income taxes	$ 1,140	$ 3,212	$ 3,116	$ (1,660)	$ 964	$ 5,808
Tax benefit from amended returns	—	—	—	4,176	—	4,176
Tax-effected non-GAAP results (starting Q1'23)	—	—	—	—	1,215	—
Non-GAAP provision for income Taxes	$ 1,140	$ 3,212	$ 3,116	$ 2,516	$ 2,179	$ 9,984
GAAP net income	$ 6,349	$ 10,416	$ 12,113	$ 18,030	$ 3,958	$ 46,908
Stock-based compensation	3,681	2,944	3,798	3,546	3,970	13,969
Impairment of investment	—	—	—	1,000	—	1,000
Restructuring expense	—	—	—	—	1,861	—
Cyber incident remediation expense	—	—	—	—	1,353	—
Tax benefit from amended returns	—	—	—	(4,176)	—	(4,176)
Tax-effected non-GAAP results (starting Q1'23)	—	—	—	—	(1,215)	—
Non-GAAP net income	$ 10,030	$ 13,360	$ 15,911	$ 18,400	$ 9,927	$ 57,701
Non-GAAP net income per share:						
Basic	$ 0.13	$ 0.18	$ 0.21	$ 0.25	$ 0.13	$ 0.76
Diluted	$ 0.13	$ 0.17	$ 0.20	$ 0.24	$ 0.13	$ 0.74
Weighted-average shares used in computing Non-GAAP net income per share:						
Basic	76,795	75,893	75,881	73,560	74,001	75,528
Diluted	79,285	78,306	77,649	75,392	75,541	77,751