



November 2021: GAAP to Non-GAAP Reconciliation



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q3'21 and Q3'20

| | <u>Three months ended September 30,</u> | | <u>Nine months ended September 30,</u> | |
|---|---|------------------|--|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| GAAP net income (loss) | \$ 2,077 | \$ 4,161 | \$ (7,838) | \$ (9,777) |
| Add back: | | | | |
| Stock compensation expense | 8,603 | 6,679 | 22,588 | 18,886 |
| Acquisition related expenses | 833 | 855 | 3,895 | 855 |
| Other expense, net (a) | 212 | 8 | 973 | 8 |
| Release of deferred tax valuation allowance | — | (2,056) | — | (2,056) |
| Interest income | (224) | (638) | (855) | (2,655) |
| Interest expense | 812 | 2,368 | 2,383 | 6,950 |
| Depreciation and amortization expense | 2,845 | 1,669 | 7,432 | 4,470 |
| Provision for income taxes (b) | 178 | 452 | 512 | 533 |
| Non-GAAP adjusted EBITDA | <u>\$ 15,336</u> | <u>\$ 13,498</u> | <u>\$ 29,090</u> | <u>\$ 17,214</u> |

- (a) This adjustment reflects the accounting impact of the quarterly valuation reassessment of contingent consideration resulting from the 2020 acquisition of \$0.2 million and \$(1.1) million for the three and nine months ended September 30, 2021, respectively and the induced conversion expense from repurchasing our 2023 Notes of \$2.1 million for the nine months ended September 30, 2021.
- (b) Starting April 1, 2021, the Company changed the calculation of its non-GAAP provision for income taxes in accordance with the SEC guidance of non-GAAP financial measures. The Company's current and deferred income tax expense is commensurate with the non-GAAP measure of profitability using a non-GAAP tax rate of 20% for the three and nine months ended September 30, 2021 and 2020. The Company uses annual projected tax rate in its computation of the non-GAAP income tax provision, and excludes the direct impact of stock-based compensation, intangible amortization expenses and acquisition related expenses.



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q2'21 and Q2'20

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-----------------|---------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| GAAP net loss | \$ (2,282) | \$ (3,468) | \$ (9,915) | \$ (13,938) |
| Add back: | | | | |
| Stock compensation expense | 7,123 | 6,366 | 13,985 | 12,207 |
| Acquisition related expenses | 2,216 | — | 3,062 | — |
| Other (income) expense, net (a) | (1,672) | — | 761 | — |
| Interest income | (290) | (904) | (631) | (2,017) |
| Interest expense | 794 | 2,308 | 1,571 | 4,582 |
| Depreciation and amortization expense | 2,581 | 1,468 | 4,587 | 2,801 |
| Provision for (benefit from) income taxes | 88 | (44) | 334 | 81 |
| Non-GAAP adjusted EBITDA | <u>\$ 8,558</u> | <u>\$ 5,726</u> | <u>\$ 13,754</u> | <u>\$ 3,716</u> |

- (a) This adjustment reflects the accounting impact of the quarterly valuation reassessment of contingent consideration resulting from the 2020 acquisition of \$(1.7) million and \$(1.3) million for the three and six months ended June 30, 2021, respectively and the induced conversion expense from repurchasing our 2023 Notes of \$2.1 million for the six months ended June 30, 2021.



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q1 '21 and Q1 '20

| | <u>Three months ended March 31,</u> | |
|---------------------------------------|-------------------------------------|-------------------|
| | <u>2021</u> | <u>2020</u> |
| GAAP net loss | \$ (7,633) | \$ (10,470) |
| Add back: | | |
| Stock compensation expense | 6,862 | 5,841 |
| Acquisition related expenses | 846 | — |
| Other expense, net (a) | 2,433 | — |
| Interest income | (341) | (1,113) |
| Interest expense | 777 | 2,274 |
| Depreciation and amortization expense | 2,006 | 1,333 |
| Provision for income taxes | 246 | 125 |
| Non-GAAP adjusted EBITDA | <u>\$ 5,196</u> | <u>\$ (2,010)</u> |

- (a) This adjustment reflects the accounting impact of the quarterly valuation reassessment of contingent consideration resulting from the 2020 acquisition of \$373k and the induced conversion expense from repurchasing our 2023 Notes of \$2,059k.



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q4'20 and Q4'19

| | <u>Three months ended December 31,</u> | | <u>Year ended December 31,</u> | |
|---|--|-----------------|--------------------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| GAAP net income (loss) | \$ 121 | \$ (1,686) | \$ (9,656) | \$ (17,980) |
| Add back: | | | | |
| Stock compensation expense | 6,839 | 6,043 | 25,725 | 23,865 |
| Restructuring expense | 405 | — | 405 | — |
| Acquisition related expenses | 812 | — | 1,667 | — |
| Other expense, net (a) | 789 | — | 797 | — |
| Benefit for income taxes (b) | — | — | (2,056) | — |
| Interest income (c) | (485) | (1,191) | (3,140) | (5,065) |
| Interest expense | 2,404 | 2,265 | 9,354 | 8,789 |
| Depreciation and amortization expense | 1,917 | 1,581 | 6,387 | 7,289 |
| Provision for (benefit from) income taxes | 275 | (86) | 808 | 20 |
| Non-GAAP adjusted EBITDA | <u>\$ 13,077</u> | <u>\$ 6,926</u> | <u>\$ 30,291</u> | <u>\$ 16,918</u> |

Notes:

(a) This adjustment reflects the accounting impact of the quarterly valuation reassessment resulting from the 2020 acquisition

(b) This adjustment reflects a non-cash tax benefit from the 2020 acquisition

(c) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q3'20 and Q3'19

| | <u>Three months ended September 30,</u> | | <u>Nine months ended September 30,</u> | |
|---------------------------------------|---|-----------------|--|-----------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| GAAP net income (loss) | \$ 4,161 | \$ 298 | \$ (9,777) | \$ (16,294) |
| Add back: | | | | |
| Stock compensation expense | 6,679 | 6,169 | 18,886 | 17,822 |
| Acquisition related expenses | 855 | — | 855 | — |
| Other expense, net (a) | 8 | — | 8 | — |
| Benefit for income taxes (b) | (2,056) | — | (2,056) | — |
| Interest income (c) | (638) | (1,288) | (2,655) | (3,874) |
| Interest expense | 2,368 | 2,233 | 6,950 | 6,524 |
| Depreciation and amortization expense | 1,669 | 1,911 | 4,470 | 5,708 |
| Provision for income taxes | 452 | 222 | 533 | 106 |
| Non-GAAP adjusted EBITDA | <u>\$ 13,498</u> | <u>\$ 9,545</u> | <u>\$ 17,214</u> | <u>\$ 9,992</u> |

Notes:

(a) This adjustment reflects the accounting impact of the quarterly valuation reassessment resulting from the 2020 acquisition

(b) This adjustment reflects a non-cash tax benefit from the 2020 acquisition

(c) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q2'20 and Q2'19

| | <u>Three months ended June 30,</u> | | <u>Six months ended June 30,</u> | |
|---|------------------------------------|-----------------|----------------------------------|---------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| GAAP net loss | \$ (3,468) | \$ (4,857) | \$ (13,938) | \$ (16,592) |
| Add back: | | | | |
| Stock compensation expense | 6,366 | 6,109 | 12,207 | 11,653 |
| Interest income (a) | (904) | (1,320) | (2,017) | (2,586) |
| Interest expense | 2,308 | 2,170 | 4,582 | 4,291 |
| Depreciation and amortization expense | 1,468 | 1,907 | 2,801 | 3,797 |
| Provision for (benefit from) income taxes | (44) | (80) | 81 | (116) |
| Non-GAAP adjusted EBITDA | <u>\$ 5,726</u> | <u>\$ 3,929</u> | <u>\$ 3,716</u> | <u>\$ 447</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q1 '20 and Q1 '19

| | Three months ended March 31, | |
|---|-------------------------------------|-------------------|
| | 2020 | 2019 |
| GAAP net loss | \$ (10,470) | \$ (11,735) |
| Add back: | | |
| Stock compensation expense | 5,841 | 5,544 |
| Interest income (a) | (1,113) | (1,266) |
| Interest expense | 2,274 | 2,121 |
| Depreciation and amortization expense | 1,333 | 1,890 |
| Provision for (benefit from) income taxes | 125 | (36) |
| Non-GAAP adjusted EBITDA | <u>\$ (2,010)</u> | <u>\$ (3,482)</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q4'19 and Q4'18

| | <u>Three months ended December 31,</u> | | <u>Year ended December 31,</u> | |
|---|--|-----------------|--------------------------------|------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| GAAP net loss | \$ (1,686) | \$ (1,101) | \$ (17,980) | \$ (9,674) |
| Add back: | | | | |
| Stock compensation expense | 6,043 | 5,487 | 23,865 | 20,964 |
| Acquisition related expenses | — | 40 | — | 310 |
| Interest income (a) | (1,191) | (1,174) | (5,065) | (2,971) |
| Interest expense | 2,265 | 2,138 | 8,789 | 5,241 |
| Depreciation and amortization expense | 1,581 | 1,994 | 7,289 | 7,662 |
| Provision for (benefit from) income taxes | (86) | 144 | 20 | (351) |
| Non-GAAP adjusted EBITDA | <u>\$ 6,926</u> | <u>\$ 7,528</u> | <u>\$ 16,918</u> | <u>\$ 21,181</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q3'19 and Q3'18

| | <u>Three months ended September 30,</u> | | <u>Nine months ended September 30,</u> | |
|---|---|-----------------|--|------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| GAAP net income (loss) | \$ 298 | \$ (249) | \$ (16,294) | \$ (8,573) |
| Add back: | | | | |
| Stock compensation expense | 6,169 | 5,494 | 17,822 | 15,477 |
| Acquisition related expenses | — | 120 | — | 270 |
| Interest income (a) | (1,288) | (1,094) | (3,874) | (1,797) |
| Interest expense | 2,233 | 2,106 | 6,524 | 3,103 |
| Depreciation and amortization expense | 1,911 | 1,892 | 5,708 | 5,668 |
| Provision for (benefit from) income taxes | 222 | 148 | 106 | (495) |
| Non-GAAP adjusted EBITDA | <u>\$ 9,545</u> | <u>\$ 8,417</u> | <u>\$ 9,992</u> | <u>\$ 13,653</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q2'19 and Q2'18

| | <u>Three months ended June 30,</u> | | <u>Six months ended June 30,</u> | |
|---------------------------------------|------------------------------------|-----------------|----------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| GAAP net loss | \$ (4,857) | \$ (3,554) | \$ (16,592) | \$ (8,324) |
| Add back: | | | | |
| Stock compensation expense | 6,109 | 5,396 | 11,653 | 9,983 |
| Acquisition related expenses | — | (106) | — | 150 |
| Interest income (a) | (1,320) | (514) | (2,586) | (703) |
| Interest expense | 2,170 | 997 | 4,291 | 997 |
| Depreciation and amortization expense | 1,907 | 1,809 | 3,797 | 3,776 |
| Benefit from income taxes | (80) | (555) | (116) | (643) |
| Non-GAAP adjusted EBITDA | <u>\$ 3,929</u> | <u>\$ 3,473</u> | <u>\$ 447</u> | <u>\$ 5,236</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q1'19 and Q1'18

| | Three months ended March 31, | |
|---|-------------------------------------|-------------|
| | 2019 | 2018 |
| GAAP net income (loss) | \$ (11,735) | \$ (4,770) |
| Add back: | | |
| Stock compensation expense | 5,544 | 4,587 |
| Acquisition related expenses | — | 256 |
| Interest income (a) | (1,266) | (189) |
| Interest expense | 2,121 | — |
| Depreciation and amortization expense | 1,890 | 1,967 |
| Provision for (benefit from) income taxes | (36) | (88) |
| Non-GAAP adjusted EBITDA | \$ (3,482) | \$ 1,763 |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q4'18 and Q4'17

| | <u>Three months ended December 31,</u> | | <u>Year ended December 31,</u> | |
|---|--|-----------------|--------------------------------|------------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| GAAP net income (loss) | \$ (1,101) | \$ 374 | \$ (9,674) | \$ (10,897) |
| Add back: | | | | |
| Stock compensation expense | 5,487 | 4,992 | 20,964 | 18,196 |
| Acquisition related expenses | 40 | 260 | 310 | 1,269 |
| Interest income (a) | (1,174) | (178) | (2,971) | (549) |
| Interest expense | 2,138 | — | 5,241 | — |
| Depreciation and amortization expense | 1,994 | 1,888 | 7,662 | 7,643 |
| Provision for (benefit from) income taxes | 144 | (291) | (351) | 759 |
| Non-GAAP adjusted EBITDA | <u>\$ 7,528</u> | <u>\$ 7,045</u> | <u>\$ 21,181</u> | <u>\$ 16,421</u> |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q3'18 and Q3'17

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|----------------------------------|----------|---------------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| GAAP net income (loss) | \$ (249) | \$ 1,391 | \$ (8,573) | \$ (11,271) |
| Add back: | | | | |
| Stock compensation expense | 5,494 | 4,718 | 15,477 | 13,204 |
| Acquisition related expenses | 120 | 287 | 270 | 1,009 |
| Interest income (a) | (1,094) | (162) | (1,797) | (371) |
| Interest expense | 2,106 | — | 3,103 | — |
| Depreciation and amortization expense | 1,892 | 1,964 | 5,668 | 5,755 |
| Provision for (benefit from) income taxes | 148 | 309 | (495) | 1,050 |
| Non-GAAP adjusted EBITDA | \$ 8,417 | \$ 8,507 | \$ 13,653 | \$ 9,376 |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q2'18 and Q2'17

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|------------|---------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| GAAP net income (loss) | \$ (3,554) | \$ (6,012) | \$ (8,324) | \$ (12,662) |
| Add back: | | | | |
| Stock compensation expense | 5,396 | 4,903 | 9,983 | 8,486 |
| Acquisition related expenses | (106) | 312 | 150 | 722 |
| Interest income | (514) | (117) | (703) | (209) |
| Interest expense | 997 | — | 997 | — |
| Depreciation and amortization expense | 1,809 | 1,987 | 3,776 | 3,791 |
| Provision for (benefit from) income taxes | (555) | 361 | (643) | 741 |
| Non-GAAP adjusted EBITDA | \$ 3,473 | \$ 1,434 | \$ 5,236 | \$ 869 |



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA Q1 '18 and Q1 '17

| | Three months ended March 31, | |
|---|------------------------------|------------|
| | 2018 | 2017 |
| GAAP net income (loss) | \$ (4,770) | \$ (6,650) |
| Add back: | | |
| Stock compensation expense | 4,587 | 3,583 |
| Acquisition related expenses | 256 | 410 |
| Interest income (a) | (189) | (92) |
| Depreciation and amortization expense | 1,967 | 1,804 |
| Benefit from (provision for) income taxes | (88) | 380 |
| Non-GAAP adjusted EBITDA | \$ 1,763 | \$ (565) |

Note:

(a) Adjusted from GAAP interest income to exclude certain non-cash interest items



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA 2014-2017

| | Year Ended December 31, 2017 | | | Year Ended December 31, 2016 | | |
|--|------------------------------|-------------|--------|------------------------------|-------------|--------|
| | As Adjusted | As Reported | Change | As Adjusted | As Reported | Change |
| GAAP net income (loss) | (10,897) | (14,217) | 3,320 | (11,400) | (17,267) | 5,867 |
| Add back: | | | | | | |
| Stock compensation expense | 18,196 | 18,196 | - | 12,035 | 12,035 | - |
| Acquisition related expenses | 1,269 | 1,269 | - | 5,822 | 5,822 | - |
| Interest income (a) | (549) | (549) | - | (627) | (627) | - |
| Depreciation and amortization expense | 7,643 | 7,643 | - | 3,770 | 3,770 | - |
| Provision for income taxes | 759 | 759 | - | 529 | 529 | - |
| Non-GAAP adjusted EBITDA | 16,421 | 13,101 | 3,320 | 10,129 | 4,262 | 5,867 |
| As Adjusted: financials recast in accordance with the Company's adoption of ASC 606. | | | | | | |
| As Reported: financials as initially reported and does not include adjustments related to the adoption of ASC 606. | | | | | | |

| | Twelve months ended December 31, | |
|---------------------------------------|----------------------------------|-------------|
| | 2015 | 2014 |
| GAAP net loss | \$ (17,106) | \$ (28,297) |
| Add back: | | |
| Stock compensation expense | 11,005 | 11,084 |
| Acquisition expense | - | 899 |
| Litigation expense | 9 | 630 |
| Restructuring expense | - | 654 |
| Interest income (a) | (446) | (267) |
| Depreciation and amortization expense | 3,271 | 3,000 |
| Provision for income taxes | 473 | 324 |
| Non-GAAP adjusted EBITDA | \$ (2,794) | \$ (11,973) |



GAAP to Non-GAAP Reconciliations of Net Income to Adjusted EBITDA 2014-2017

| (In thousands) | Year ended December 31, 2017 | | | | | |
|---|------------------------------|--------------------------------|-----------------------------|---------------------------------|-------------------|---------------|
| | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 91,585 | \$ — | \$ — | \$ — | \$ — | \$ 91,585 |
| Service | 74,404 | — | — | — | — | 74,404 |
| Total revenue | 165,989 | — | — | — | — | 165,989 |
| Cost of revenue | | | | | | |
| Product | 27,244 | 413 | 2,873 | — | 3,286 | 23,958 |
| Service | 37,683 | 2,458 | — | 289 | 2,747 | 34,936 |
| Total cost of revenue | 64,927 | 2,871 | 2,873 | 289 | 6,033 | 58,894 |
| Gross profit | \$ 101,062 | \$ 2,871 | \$ 2,873 | \$ 289 | \$ 6,033 | \$ 107,095 |

| (In thousands) | Year ended December 31, 2017 | | | | | |
|---|------------------------------|--------------------------------|-----------------------------|---------------------------------|-------------------|---------------|
| | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
| Research and development | \$ 27,685 | \$ 2,122 | \$ — | \$ 47 | \$ 2,169 | \$ 25,516 |
| Sales and marketing | 60,107 | 6,563 | 1,539 | 15 | 8,117 | 51,990 |
| General and administrative | 23,970 | 6,640 | 221 | 918 | 7,779 | 16,191 |
| Total operating expenses | \$ 111,762 | \$ 15,325 | \$ 1,760 | \$ 980 | \$ 18,065 | \$ 93,697 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.

| (In thousands) | Year ended December 31, 2016 | | | | | |
|---|------------------------------|--------------------------------|-----------------------------|---------------------------------|-------------------|---------------|
| | GAAP 2016 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2016 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 74,235 | \$ — | \$ — | \$ — | \$ — | \$ 74,235 |
| Service | 57,791 | — | — | — | — | 57,791 |
| Total revenue | 132,026 | — | — | — | — | 132,026 |
| Cost of revenue | | | | | | |
| Product | 22,788 | 235 | 672 | — | 907 | 21,881 |
| Service | 26,287 | 1,153 | — | 274 | 1,427 | 24,860 |
| Total cost of revenue | 49,075 | 1,388 | 672 | 274 | 2,334 | 46,741 |
| Gross profit | \$ 82,951 | \$ 1,388 | \$ 672 | \$ 274 | \$ 2,334 | \$ 85,285 |

| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
|---|-----------|-----------|--------|----------|-----------|-----------|
| Research and development | \$ 18,266 | \$ 1,158 | \$ — | \$ 23 | \$ 1,181 | \$ 17,085 |
| Sales and marketing | 51,274 | 4,625 | 415 | 399 | 5,439 | 45,835 |
| General and administrative | 24,499 | 4,864 | 288 | 5,126 | 10,278 | 14,221 |
| Total operating expenses | \$ 94,039 | \$ 10,647 | \$ 703 | \$ 5,548 | \$ 16,898 | \$ 77,141 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.



GAAP to Non-GAAP GM & Opex Reconciliation 2017 & 2016 under ASC 606

| Year ended December 31, 2017 | | | | | | |
|---|------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|-------------------|
| (In thousands) | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 88,865 | \$ — | \$ — | \$ — | \$ — | \$ 88,865 |
| Service | 73,683 | — | — | — | — | 73,683 |
| Total revenue | 162,548 | — | — | — | — | 162,548 |
| Cost of revenue | | | | | | |
| Product | 27,244 | 413 | 2,873 | — | 3,286 | 23,958 |
| Service | 37,683 | 2,458 | — | 289 | 2,747 | 34,936 |
| Total cost of revenue | 64,927 | 2,871 | 2,873 | 289 | 6,033 | 58,894 |
| Gross profit | \$ 97,621 | \$ 2,871 | \$ 2,873 | \$ 289 | \$ 6,033 | \$ 103,654 |

| (In thousands) | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
|---|-------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|------------------|
| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
| Research and development | \$ 27,685 | \$ 2,122 | \$ — | \$ 47 | \$ 2,169 | \$ 25,516 |
| Sales and marketing | 59,986 | 6,563 | 1,539 | 15 | 8,117 | 51,869 |
| General and administrative | 23,970 | 6,640 | 221 | 918 | 7,779 | 16,191 |
| Total operating expenses | \$ 111,641 | \$ 15,325 | \$ 1,760 | \$ 980 | \$ 18,065 | \$ 93,576 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.

| Year ended December 31, 2016 | | | | | | |
|---|------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|------------------|
| (In thousands) | GAAP 2016 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2016 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 70,667 | \$ — | \$ — | \$ — | \$ — | \$ 70,667 |
| Service | 57,029 | — | — | — | — | 57,029 |
| Total revenue | 127,696 | — | — | — | — | 127,696 |
| Cost of revenue | | | | | | |
| Product | 22,788 | 235 | 672 | — | 907 | 21,881 |
| Service | 26,287 | 1,153 | — | 274 | 1,427 | 24,860 |
| Total cost of revenue | 49,075 | 1,388 | 672 | 274 | 2,334 | 46,741 |
| Gross profit | \$ 78,621 | \$ 1,388 | \$ 672 | \$ 274 | \$ 2,334 | \$ 80,955 |

| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
|---|------------------|------------------|---------------|-----------------|------------------|------------------|
| Research and development | \$ 18,266 | \$ 1,158 | \$ — | \$ 23 | \$ 1,181 | \$ 17,085 |
| Sales and marketing | 52,811 | 4,625 | 415 | 399 | 5,439 | 47,372 |
| General and administrative | 24,499 | 4,864 | 288 | 5,126 | 10,278 | 14,221 |
| Total operating expenses | \$ 95,576 | \$ 10,647 | \$ 703 | \$ 5,548 | \$ 16,898 | \$ 78,678 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.



GAAP to Non-GAAP GM & Opex Reconciliation 2017 & 2016 under ASC 605

| (In thousands) | Year ended December 31, 2017 | | | | | |
|---|------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|-------------------|
| | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 88,865 | \$ — | \$ — | \$ — | \$ — | \$ 88,865 |
| Service | 73,683 | — | — | — | — | 73,683 |
| Total revenue | 162,548 | — | — | — | — | 162,548 |
| Cost of revenue | | | | | | |
| Product | 27,244 | 413 | 2,873 | — | 3,286 | 23,958 |
| Service | 37,683 | 2,458 | — | 289 | 2,747 | 34,936 |
| Total cost of revenue | 64,927 | 2,871 | 2,873 | 289 | 6,033 | 58,894 |
| Gross profit | \$ 97,621 | \$ 2,871 | \$ 2,873 | \$ 289 | \$ 6,033 | \$ 103,654 |

| (In thousands) | Year ended December 31, 2017 | | | | | |
|---|------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|------------------|
| | GAAP 2017 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2017 |
| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
| Research and development | | | | | | |
| Research and development | \$ 27,685 | \$ 2,122 | \$ — | \$ 47 | \$ 2,169 | \$ 25,516 |
| Sales and marketing | | | | | | |
| Sales and marketing | 59,986 | 6,563 | 1,539 | 15 | 8,117 | 51,869 |
| General and administrative | | | | | | |
| General and administrative | 23,970 | 6,640 | 221 | 918 | 7,779 | 16,191 |
| Total operating expenses | \$ 111,641 | \$ 15,325 | \$ 1,760 | \$ 980 | \$ 18,065 | \$ 93,576 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.

| (In thousands) | Year ended December 31, 2016 | | | | | |
|---|------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|------------------|
| | GAAP 2016 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition related expense (c) | Total adjustments | Non-GAAP 2016 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 70,667 | \$ — | \$ — | \$ — | \$ — | \$ 70,667 |
| Service | 57,029 | — | — | — | — | 57,029 |
| Total revenue | 127,696 | — | — | — | — | 127,696 |
| Cost of revenue | | | | | | |
| Product | 22,788 | 235 | 672 | — | 907 | 21,881 |
| Service | 26,287 | 1,153 | — | 274 | 1,427 | 24,860 |
| Total cost of revenue | 49,075 | 1,388 | 672 | 274 | 2,334 | 46,741 |
| Gross profit | \$ 78,621 | \$ 1,388 | \$ 672 | \$ 274 | \$ 2,334 | \$ 80,955 |

| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
|---|------------------|------------------|---------------|-----------------|------------------|------------------|
| Research and development | \$ 18,266 | \$ 1,158 | \$ — | \$ 23 | \$ 1,181 | \$ 17,085 |
| Sales and marketing | 52,811 | 4,625 | 415 | 399 | 5,439 | 47,372 |
| General and administrative | 24,499 | 4,864 | 288 | 5,126 | 10,278 | 14,221 |
| Total operating expenses | \$ 95,576 | \$ 10,647 | \$ 703 | \$ 5,548 | \$ 16,898 | \$ 78,678 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010, 2014 and 2016 in non-cash expense.
 (c) This adjustment reflects the costs associated with the acquisition in 2016.



GAAP to Non-GAAP Reconciliation 2015

| (In thousands) | Year ended December 31, 2015 | | | | | Non-GAAP 2015 |
|---|------------------------------|--------------------------------|-----------------------------|------------------------|-------------------|---------------|
| | GAAP 2015 | Stock compensation expense (a) | Intangible amortization (b) | Litigation expense (c) | Total adjustments | |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | |
| Revenue | | | | | | |
| Product | \$ 55,716 | | | | \$ — | \$ 55,716 |
| Service | 48,370 | | | | — | 48,370 |
| Total revenue | 104,086 | — | — | — | — | 104,086 |
| Cost of revenue | | | | | | |
| Product | 19,666 | 232 | 323 | | 555 | 19,111 |
| Service | 19,844 | 1,036 | — | | 1,036 | 18,808 |
| Total cost of revenue | 39,510 | 1,268 | 323 | — | 1,591 | 37,919 |
| Gross profit | 64,576 | (1,268) | (323) | — | (1,591) | 66,167 |
| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | |
| Research and development | 16,990 | 1,072 | — | | 1,072 | 15,918 |
| Sales and marketing | 47,647 | 4,486 | 229 | | 4,715 | 42,932 |
| General and administrative | 16,734 | 4,179 | 243 | 9 | 4,431 | 12,303 |
| Total operating expenses | 81,371 | 9,737 | 472 | 9 | 10,218 | 71,153 |

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
 (b) This adjustment reflects the accounting impact of acquisitions in 2010 and 2014 in non-cash expense.
 (c) This operating expense adjustment reflects class action litigation expenses from the August 2013 lawsuit.



GAAP to Non-GAAP GM & Opex Reconciliation 2014

| (In thousands) | Year ended December 31, 2014 | | | | | | | |
|---|------------------------------|--------------------------------|-----------------------------|-------------------------|------------------------|---------------------------|-------------------|---------------|
| | GAAP 2014 | Stock compensation expense (a) | Intangible amortization (b) | Acquisition expense (c) | Litigation expense (d) | Restructuring expense (e) | Total Adjustments | Non-GAAP 2014 |
| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (Unaudited) | | | | | | | | |
| Revenue | | | | | | | | |
| Product | \$ 51,095 | | | | | | \$ - | \$ 51,095 |
| Services | 44,326 | | | | | | - | 44,326 |
| Total Revenue | 95,421 | - | - | - | - | - | - | 95,421 |
| Cost of Revenue | | | | | | | | |
| Product | 18,766 | 254 | 429 | | | 72 | 755 | 18,011 |
| Services | 18,470 | 924 | | | | 26 | 950 | 17,520 |
| Total cost of revenue | 37,236 | 1,178 | 429 | - | - | 98 | 1,705 | 35,531 |
| Gross profit | 58,185 | (1,178) | (429) | - | - | (98) | (1,705) | 59,890 |
| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (Unaudited) | | | | | | | | |
| Research and development | 18,089 | 1,056 | | 11 | | 54 | 1,121 | 16,968 |
| Sales and marketing | 49,694 | 4,111 | 291 | | | 83 | 4,485 | 45,209 |
| General and administrative | 18,481 | 4,739 | 93 | 888 | 630 | 419 | 6,769 | 11,712 |
| Total operating expenses | 86,264 | 9,906 | 384 | 899 | 630 | 556 | 12,375 | 73,889 |

(a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.

(b) This adjustment reflects the accounting impact of acquisitions in 2010 and 2014 in non-cash expense.

(c) This operating expense adjustment reflects the accounting impact of acquisitions, including for Q4 2014 \$800K of consideration deemed to be compensation.

(d) This operating expense adjustment reflects class action litigation expenses from the August 2013 lawsuit.

(e) This operating expense adjustment reflects impact of restructuring expense.