

**DELL TECHNOLOGIES INC.**  
**Condensed Consolidated Statements of Income (Loss) and Related Financial Highlights**  
(in millions, except percentages; unaudited)

|   | <b>Three Months Ended</b>   |                             |               | <b>Fiscal Year Ended</b>    |                             |               |
|---|-----------------------------|-----------------------------|---------------|-----------------------------|-----------------------------|---------------|
|   | <b>February 1,<br/>2019</b> | <b>February 2,<br/>2018</b> | <b>Change</b> | <b>February 1,<br/>2019</b> | <b>February 2,<br/>2018</b> | <b>Change</b> |
| Net revenue:  |                             |                             |               |                             |                             |               |
| Products  | \$ 18,842                   | \$ 17,395                   | 8 %           | \$ 71,287                   | \$ 61,251                   | 16 %          |
| Services  | 4,999                       | 4,568                       | 9 %           | 19,334                      | 17,789                      | 9 %           |
| Total net revenue   | <u>23,841</u>               | <u>21,963</u>               | 9 %           | <u>90,621</u>               | <u>79,040</u>               | 15 %          |
| Cost of net revenue:  |                             |                             |               |                             |                             |               |
| Products  | 14,775                      | 14,262                      | 4 %           | 57,889                      | 51,433                      | 13 %          |
| Services  | 1,957                       | 1,809                       | 8 %           | 7,679                       | 7,070                       | 9 %           |
| Total cost of net revenue   | <u>16,732</u>               | <u>16,071</u>               | 4 %           | <u>65,568</u>               | <u>58,503</u>               | 12 %          |
| Gross margin  | 7,109                       | 5,892                       | 21 %          | 25,053                      | 20,537                      | 22 %          |
| Operating expenses:   |                             |                             |               |                             |                             |               |
| Selling, general, and administrative                              | 5,576                       | 4,874                       | 14 %          | 20,640                      | 18,569                      | 11 %          |
| Research and development  | 1,202                       | 1,087                       | 11 %          | 4,604                       | 4,384                       | 5 %           |
| Total operating expenses  | <u>6,778</u>                | <u>5,961</u>                | 14 %          | <u>25,244</u>               | <u>22,953</u>               | 10 %          |
| Operating income (loss)   | 331                         | (69)                        | 580 %         | (191)                       | (2,416)                     | 92 %          |
| Interest and other, net   | (606)                       | (554)                       | (9)%          | (2,170)                     | (2,353)                     | 8 %           |
| Loss before income taxes  | (275)                       | (623)                       | 56 %          | (2,361)                     | (4,769)                     | 50 %          |
| Income tax provision (benefit)                                    | 12                          | (490)                       | 102 %         | (180)                       | (1,843)                     | 90 %          |
| Net loss  | (287)                       | (133)                       | (116)%        | (2,181)                     | (2,926)                     | 25 %          |
| Less: Net income (loss) attributable to non-controlling interests | 12                          | (33)                        | (136)%        | 129                         | (77)                        | (268)%        |
| Net loss attributable to Dell Technologies Inc.                   | <u>\$ (299)</u>             | <u>\$ (100)</u>             | (199)%        | <u>\$ (2,310)</u>           | <u>\$ (2,849)</u>           | 19 %          |

**Percentage of Total Net Revenue:**

|                                      |        |        |       |        |
|--------------------------------------|--------|--------|-------|--------|
| Gross margin                         | 30 %   | 27 %   | 28 %  | 26 %   |
| Selling, general, and administrative | 23 %   | 22 %   | 23 %  | 23 %   |
| Research and development             | 5 %    | 5 %    | 5 %   | 6 %    |
| Operating expenses                   | 28 %   | 27 %   | 28 %  | 29 %   |
| Operating income (loss)              | 1 %    | (0)%   | (0)%  | (3)%   |
| Loss before income taxes             | (1)%   | (3)%   | (3)%  | (6)%   |
| Net loss                             | (1)%   | (1)%   | (2)%  | (4)%   |
| Income tax rate                      | (4.4)% | 78.7 % | 7.6 % | 38.6 % |

**DELL TECHNOLOGIES INC.**  
**Consolidated Statements of Financial Position**  
(in millions; unaudited)

|   | <b>February 1, 2019</b> | <b>February 2, 2018</b> |
|---|-------------------------|-------------------------|
| <b>ASSETS</b>   |                         |                         |
| Current assets:   |                         |                         |
| Cash and cash equivalents   | \$ 9,676                | \$ 13,942               |
| Short-term investments  | —                       | 2,187                   |
| Accounts receivable, net  | 12,371                  | 11,721                  |
| Short-term financing receivables, net                                     | 4,398                   | 3,919                   |
| Inventories, net  | 3,649                   | 2,678                   |
| Other current assets  | 6,044                   | 5,881                   |
| Total current assets  | 36,138                  | 40,328                  |
| Property, plant, and equipment, net                                       | 5,259                   | 5,390                   |
| Long-term investments   | 1,005                   | 4,163                   |
| Long-term financing receivables, net                                      | 4,224                   | 3,724                   |
| Goodwill  | 40,089                  | 39,920                  |
| Intangible assets, net  | 22,270                  | 28,265                  |
| Other non-current assets  | 2,835                   | 2,403                   |
| Total assets  | \$ 111,820              | \$ 124,193              |
| <b>LIABILITIES, REDEEMABLE SHARES, AND STOCKHOLDERS' EQUITY (DEFICIT)</b> |                         |                         |
| Current liabilities:  |                         |                         |
| Short-term debt   | \$ 8,062                | \$ 7,873                |
| Accounts payable  | 19,213                  | 18,334                  |
| Accrued and other   | 8,495                   | 8,026                   |
| Short-term deferred revenue   | 12,944                  | 11,606                  |
| Total current liabilities   | 48,714                  | 45,839                  |
| Long-term debt  | 45,459                  | 43,998                  |
| Long-term deferred revenue  | 11,066                  | 9,210                   |
| Other non-current liabilities   | 6,327                   | 7,277                   |
| Total liabilities   | 111,566                 | 106,324                 |
| Redeemable shares   | 1,196                   | 384                     |
| Stockholders' equity (deficit):   |                         |                         |
| Total Dell Technologies Inc. stockholders' equity (deficit)               | (5,765)                 | 11,719                  |
| Non-controlling interests   | 4,823                   | 5,766                   |
| Total stockholders' equity (deficit)                                      | (942)                   | 17,485                  |
| Total liabilities, redeemable shares, and stockholders' equity (deficit)  | \$ 111,820              | \$ 124,193              |

**DELL TECHNOLOGIES INC.**  
**Condensed Consolidated Statements of Cash Flows**  
(in millions; unaudited)

|  | <b>Three Months Ended</b>   |                             | <b>Fiscal Year Ended</b>    |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>February 1,<br/>2019</b> | <b>February 2,<br/>2018</b> | <b>February 1,<br/>2019</b> | <b>February 2,<br/>2018</b> |
| Cash flows from operating activities:  |                             |                             |                             |                             |
| Net loss   | \$ (287)                    | \$ (133)                    | \$ (2,181)                  | \$ (2,926)                  |
| Adjustments to reconcile net loss to net cash provided by operating activities | 2,653                       | 3,232                       | 9,172                       | 9,769                       |
| Change in cash from operating activities                                       | <u>2,366</u>                | <u>3,099</u>                | <u>6,991</u>                | <u>6,843</u>                |
| Cash flows from investing activities:  |                             |                             |                             |                             |
| Investments:   |                             |                             |                             |                             |
| Purchases  | (13)                        | (935)                       | (925)                       | (4,389)                     |
| Maturities and sales   | 4,427                       | 885                         | 6,612                       | 3,878                       |
| Capital expenditures   | (297)                       | (310)                       | (1,158)                     | (1,212)                     |
| Proceeds from sale of facilities, land, and other assets                       | —                           | —                           | 10                          | —                           |
| Capitalized software development costs   | (93)                        | (88)                        | (339)                       | (369)                       |
| Collections on purchased financing receivables                                 | 5                           | 5                           | 30                          | 30                          |
| Acquisition of businesses, net   | (419)                       | (435)                       | (912)                       | (658)                       |
| Divestitures of businesses, net  | —                           | —                           | 142                         | —                           |
| Asset acquisitions, net  | —                           | (1)                         | (59)                        | (96)                        |
| Asset dispositions, net  | —                           | (6)                         | (12)                        | (59)                        |
| Change in cash from investing activities                                       | <u>3,610</u>                | <u>(885)</u>                | <u>3,389</u>                | <u>(2,875)</u>              |
| Cash flows from financing activities:  |                             |                             |                             |                             |
| Payment of dissenting shares obligation  | —                           | —                           | (76)                        | —                           |
| Share repurchases for tax withholdings of equity awards                        | (136)                       | (86)                        | (387)                       | (385)                       |
| Dividends paid by subsidiaries   | (2,134)                     | —                           | (2,134)                     | —                           |
| Proceeds from the issuance of common stock of subsidiaries                     | 36                          | 21                          | 803                         | 131                         |
| Repurchases of DHI Group Common Stock  | —                           | —                           | (47)                        | (6)                         |
| Repurchases of Class V Common Stock  | (14,000)                    | (1)                         | (14,000)                    | (723)                       |
| Repurchases of common stock of subsidiaries                                    | (55)                        | (169)                       | (56)                        | (724)                       |
| Payments for debt issuance costs   | (17)                        | (4)                         | (28)                        | (48)                        |
| Proceeds from debt   | 6,602                       | 1,247                       | 13,045                      | 14,415                      |
| Repayments of debt   | (1,782)                     | (1,130)                     | (11,451)                    | (12,258)                    |
| Other  | 1                           | —                           | 2                           | 1                           |
| Change in cash from financing activities                                       | <u>(11,485)</u>             | <u>(122)</u>                | <u>(14,329)</u>             | <u>403</u>                  |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | <u>73</u>                   | <u>128</u>                  | <u>(189)</u>                | <u>175</u>                  |
| Change in cash, cash equivalents, and restricted cash                          | (5,436)                     | 2,220                       | (4,138)                     | 4,546                       |
| Cash, cash equivalents, and restricted cash at beginning of the period         | 15,676                      | 12,158                      | 14,378                      | 9,832                       |
| Cash, cash equivalents, and restricted cash at end of the period               | <u>\$ 10,240</u>            | <u>\$ 14,378</u>            | <u>\$ 10,240</u>            | <u>\$ 14,378</u>            |

**DELL TECHNOLOGIES INC.**  
**Segment Information**  
(in millions, except percentages; unaudited)

|   | Three Months Ended  |                     |        | Fiscal Year Ended   |                     |        |
|---|---------------------|---------------------|--------|---------------------|---------------------|--------|
|   | February 1,<br>2019 | February 2,<br>2018 | Change | February 1,<br>2019 | February 2,<br>2018 | Change |
| <b><u>Infrastructure Solutions Group (ISG):</u></b>                   |                     |                     |        |                     |                     |        |
| Net Revenue:  |                     |                     |        |                     |                     |        |
| Servers and networking  | \$ 5,253            | \$ 4,625            | 14 %   | \$ 19,953           | \$ 15,533           | 28 %   |
| Storage   | 4,636               | 4,329               | 7 %    | 16,767              | 15,384              | 9 %    |
| Total ISG net revenue   | \$ 9,889            | \$ 8,954            | 10 %   | \$ 36,720           | \$ 30,917           | 19 %   |
| Operating Income:   |                     |                     |        |                     |                     |        |
| ISG operating income  | \$ 1,265            | \$ 1,045            | 21 %   | \$ 4,151            | \$ 3,068            | 35 %   |
| % of ISG net revenue  | 13 %                | 12 %                |        | 11 %                | 10 %                |        |
| % of total reportable segment operating income                        | 47 %                | 43 %                |        | 46 %                | 39 %                |        |
| <b><u>Client Solutions Group (CSG):</u></b>                           |                     |                     |        |                     |                     |        |
| Net Revenue:  |                     |                     |        |                     |                     |        |
| Commercial  | \$ 7,808            | \$ 7,180            | 9 %    | \$ 30,893           | \$ 27,507           | 12 %   |
| Consumer  | 3,084               | 3,295               | (6)%   | 12,303              | 11,711              | 5 %    |
| Total CSG net revenue   | \$ 10,892           | \$ 10,475           | 4 %    | \$ 43,196           | \$ 39,218           | 10 %   |
| Operating Income:   |                     |                     |        |                     |                     |        |
| CSG operating income  | \$ 555              | \$ 561              | (1)%   | \$ 1,960            | \$ 2,044            | (4)%   |
| % of CSG net revenue  | 5 %                 | 5 %                 |        | 5 %                 | 5 %                 |        |
| % of total reportable segment operating income                        | 21 %                | 23 %                |        | 21 %                | 26 %                |        |
| <b><u>VMware:</u></b>   |                     |                     |        |                     |                     |        |
| Net Revenue:  |                     |                     |        |                     |                     |        |
| Total VMware net revenue  | \$ 2,637            | \$ 2,259            | 17 %   | \$ 9,088            | \$ 7,994            | 14 %   |
| Operating Income:   |                     |                     |        |                     |                     |        |
| VMware operating income   | \$ 872              | \$ 836              | 4 %    | \$ 2,989            | \$ 2,809            | 6 %    |
| % of VMware net revenue   | 33 %                | 37 %                |        | 33 %                | 35 %                |        |
| % of total reportable segment operating income                        | 32 %                | 34 %                |        | 33 %                | 35 %                |        |
| <b><u>Reconciliation to consolidated net revenue:</u></b>             |                     |                     |        |                     |                     |        |
| Reportable segment net revenue  | \$ 23,418           | \$ 21,688           |        | \$ 89,004           | \$ 78,129           |        |
| Other businesses (a)  | 593                 | 566                 |        | 2,329               | 2,195               |        |
| Unallocated transactions (b)  | (3)                 | (7)                 |        | (9)                 | (15)                |        |
| Impact of purchase accounting (c)                                     | (167)               | (284)               |        | (703)               | (1,269)             |        |
| Total consolidated net revenue  | \$ 23,841           | \$ 21,963           |        | \$ 90,621           | \$ 79,040           |        |
| <b><u>Reconciliation to consolidated operating income (loss):</u></b> |                     |                     |        |                     |                     |        |
| Reportable segment operating income                                   | \$ 2,692            | \$ 2,442            |        | \$ 9,100            | \$ 7,921            |        |
| Other businesses (a)  | (35)                | (54)                |        | (174)               | (125)               |        |
| Unallocated transactions (b)  | (1)                 | (16)                |        | (72)                | (24)                |        |
| Impact of purchase accounting (c)                                     | (190)               | (351)               |        | (820)               | (1,546)             |        |
| Amortization of intangibles   | (1,544)             | (1,730)             |        | (6,138)             | (6,980)             |        |
| Transaction-related expenses (d)                                      | (313)               | (87)                |        | (750)               | (502)               |        |
| Other corporate expenses (e)  | (278)               | (273)               |        | (1,337)             | (1,160)             |        |
| Total consolidated operating income (loss)                            | \$ 331              | \$ (69)             |        | \$ (191)            | \$ (2,416)          |        |

(a) Pivotal, SecureWorks, RSA Security, Virtustream, and Boomi constitute "Other businesses" and do not meet the requirements for a reportable segment, either individually or collectively. The results of Other businesses are not material to the Company's overall results.

(b) Unallocated transactions includes long-term incentives, certain short-term incentive compensation expenses, and other corporate items that are not allocated to Dell Technologies' reportable segments.

(c) Impact of purchase accounting includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction.

(d) Transaction-related expenses includes acquisition, integration, and divestiture related costs, as well as the costs incurred in the Class V transaction.

(e) Other corporate expenses includes goodwill impairment charges, severance, facility action costs, and stock-based compensation expense.

## SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES

Dell Technologies uses non-GAAP financial measures to supplement financial information presented on a GAAP basis, and believes that excluding certain items from its GAAP results allows management to better understand the Company's consolidated financial performance from period to period and better project its future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, Dell Technologies believes these non-GAAP financial measures provide its stakeholders with useful information to help them evaluate the Company's operating results by facilitating an enhanced understanding of its operating performance and enabling them to make more meaningful period to period comparisons.

There are limitations to the use of the non-GAAP financial measures presented. The Company's non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in Dell Technologies' industry, may calculate non-GAAP financial measures differently, limiting the usefulness of those measures for comparative purposes.

As the non-GAAP items excluded have a material impact on Dell Technologies' financial results, the Company's management compensates for this limitation by relying primarily on its GAAP results and using non-GAAP financial measures supplementally or for projections when comparable GAAP financial measures are not available. The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net revenue, gross margin, operating expenses, operating income, or net income prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis.

Reconciliations of each non-GAAP financial measure to its most directly comparable GAAP financial measure are presented below. The Company encourages you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future fiscal periods, the Company may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, the exclusion of these items and other similar items in the Company's non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent, or unusual.

As described below, Dell Technologies' non-GAAP net income now excludes, among other items, fair value adjustments on equity investments as well as discrete tax items. These items were not excluded in the prior presentation of the Company's non-GAAP net income. Upon its return to the public markets in December 2018, the Company reevaluated the presentation of non-GAAP net income and made these changes to facilitate an evaluation of its current operating performance and the comparability of its current operating performance to its past operating performance. Non-GAAP net income for prior periods has been recast to reflect the current presentation.

The following is a summary of the items excluded from the most comparable GAAP financial measures to calculate Dell Technologies' non-GAAP financial measures:

- Amortization of Intangible Assets — Amortization of intangible assets primarily consists of amortization of customer relationships, developed technology, and trade names. For the periods presented, amortization of intangible assets primarily represents amortization associated with intangible assets recognized in connection with the EMC merger transaction and the going-private transaction. Amortization charges for purchased intangible assets are significantly impacted by the timing and magnitude of our acquisitions, and these charges may vary in amount from period to period.
- Impact of Purchase Accounting — The impact of purchase accounting includes purchase accounting adjustments related to the EMC merger transaction and, to a lesser extent, the going-private transaction. The assets and liabilities acquired were recognized at fair value as of the respective transaction dates, and the fair value adjustments are being amortized over the estimated useful lives in the periods following the transactions.
- Transaction-related Expenses — Transaction-related expenses consist of acquisition, integration, and divestiture related costs, as well as the costs incurred in the Class V transaction, and are expensed as incurred. These expenses primarily represent costs for legal, banking, consulting, and advisory services, as well as certain compensatory retention awards directly related to the EMC merger transaction.
- Other Corporate Expenses — Other corporate expenses consist of goodwill impairment charges, severance, facility action costs, and stock-based compensation expense associated with equity awards. Other corporate expenses vary from period to period and are significantly impacted by the timing and nature of these events.

- *Fair Value Adjustments on Equity Investments* — Fair value adjustments on equity investments primarily consists of the gain (loss) on strategic investments, which includes the recurring fair value adjustments of investments in publicly-traded companies, as well as those in privately-held companies, which are adjusted for observable price changes, and to a lesser extent any potential impairments. Given the volatility in the ongoing adjustments to the valuation of these strategic investments, the Company believes that excluding these charges for purposes of calculating non-GAAP net income presented facilitates a more meaningful evaluation of its current operating performance and comparisons to its past operating performance.
- *Aggregate Adjustment for Income Taxes* — The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments described above, tax benefits resulting from the impact of adopting the new ASC 606 revenue standard in the first quarter of Fiscal 2019, as well as an adjustment for discrete tax items. Due to the variability in recognition of discrete tax items from period to period, the Company believes that excluding these benefits or charges for purposes of calculating non-GAAP net income facilitates a more meaningful evaluation of its current operating performance and comparisons to its past operating performance. The tax effects are determined based on the tax jurisdictions where the above items were incurred.

The Company also uses EBITDA and adjusted EBITDA to provide additional information for evaluation of its operating performance. Adjusted EBITDA excludes purchase accounting adjustments related to the EMC merger transaction and the going-private transaction, acquisition, integration, and divestiture related costs, goodwill impairment charges, severance and facility action costs, and stock-based compensation expense. The Company believes that, due to the non-operational nature of the purchase accounting entries, it is appropriate to exclude these adjustments.

As is the case with the other non-GAAP measures presented, users should consider the limitations of using EBITDA and adjusted EBITDA, including the fact that those measures do not provide a complete measure of our operating performance. EBITDA and adjusted EBITDA do not purport to be alternatives to net income (loss) as measures of operating performance or to cash flows from operating activities as a measure of liquidity. In particular, EBITDA and adjusted EBITDA are not intended to be a measure of free cash flow available for management's discretionary use, as these measures do not consider certain cash requirements, such as working capital needs, capital expenditures, contractual commitments, interest payments, tax payments, and other debt service requirements.

**DELL TECHNOLOGIES INC.**  
**Selected Non-GAAP Financial Measures**  
(in millions, except percentages; unaudited)

|                                  | Three Months Ended  |                     |        | Fiscal Year Ended   |                     |        |
|----------------------------------|---------------------|---------------------|--------|---------------------|---------------------|--------|
|                                  | February 1,<br>2019 | February 2,<br>2018 | Change | February 1,<br>2019 | February 2,<br>2018 | Change |
| Non-GAAP net revenue             | \$ 24,008           | \$ 22,247           | 8 %    | \$ 91,324           | \$ 80,309           | 14 %   |
| Non-GAAP gross margin            | \$ 8,037            | \$ 7,134            | 13 %   | \$ 29,022           | \$ 25,668           | 13 %   |
| <i>% of non-GAAP net revenue</i> | 33 %                | 32 %                |        | 32 %                | 32 %                |        |
| Non-GAAP operating expenses      | \$ 5,381            | \$ 4,762            | 13 %   | \$ 20,168           | \$ 17,896           | 13 %   |
| <i>% of non-GAAP net revenue</i> | 22 %                | 21 %                |        | 22 %                | 22 %                |        |
| Non-GAAP operating income        | \$ 2,656            | \$ 2,372            | 12 %   | \$ 8,854            | \$ 7,772            | 14 %   |
| <i>% of non-GAAP net revenue</i> | 11 %                | 11 %                |        | 10 %                | 10 %                |        |
| Non-GAAP net income (a)          | \$ 1,592            | \$ 1,268            | 26 %   | \$ 5,227            | \$ 4,355            | 20 %   |
| <i>% of non-GAAP net revenue</i> | 7 %                 | 6 %                 |        | 6 %                 | 5 %                 |        |
| Adjusted EBITDA                  | \$ 3,028            | \$ 2,718            | 11 %   | \$ 10,296           | \$ 9,134            | 13 %   |
| <i>% of non-GAAP net revenue</i> | 13 %                | 12 %                |        | 11 %                | 11 %                |        |

(a) Non-GAAP net income has been recast to exclude fair value adjustments on equity investments, the corresponding tax effects of those adjustments, and discrete tax items.

**DELL TECHNOLOGIES INC.**  
**Reconciliation of Selected Non-GAAP Financial Measures**  
(in millions, except percentages; unaudited)

|  | Three Months Ended  |                     |        | Fiscal Year Ended   |                     |        |
|--|---------------------|---------------------|--------|---------------------|---------------------|--------|
|  | February 1,<br>2019 | February 2,<br>2018 | Change | February 1,<br>2019 | February 2,<br>2018 | Change |
| Net revenue                                  | \$ 23,841           | \$ 21,963           | 9 %    | \$ 90,621           | \$ 79,040           | 15 %   |
| Non-GAAP adjustments:                        |                     |                     |        |                     |                     |        |
| Impact of purchase accounting                | 167                 | 284                 |        | 703                 | 1,269               |        |
| Non-GAAP net revenue                         | \$ 24,008           | \$ 22,247           | 8 %    | \$ 91,324           | \$ 80,309           | 14 %   |
| Gross margin                                 | \$ 7,109            | \$ 5,892            | 21 %   | \$ 25,053           | \$ 20,537           | 22 %   |
| Non-GAAP adjustments:                        |                     |                     |        |                     |                     |        |
| Amortization of intangibles                  | 729                 | 910                 |        | 2,883               | 3,694               |        |
| Impact of purchase accounting                | 171                 | 292                 |        | 720                 | 1,312               |        |
| Transaction-related expenses                 | (26)                | 2                   |        | 213                 | 24                  |        |
| Other corporate expenses                     | 54                  | 38                  |        | 153                 | 101                 |        |
| Non-GAAP gross margin                        | \$ 8,037            | \$ 7,134            | 13 %   | \$ 29,022           | \$ 25,668           | 13 %   |
| Operating expenses                           | \$ 6,778            | \$ 5,961            | 14 %   | \$ 25,244           | \$ 22,953           | 10 %   |
| Non-GAAP adjustments:                        |                     |                     |        |                     |                     |        |
| Amortization of intangibles                  | (815)               | (820)               |        | (3,255)             | (3,286)             |        |
| Impact of purchase accounting                | (19)                | (59)                |        | (100)               | (234)               |        |
| Transaction-related expenses                 | (339)               | (85)                |        | (537)               | (478)               |        |
| Other corporate expenses                     | (224)               | (235)               |        | (1,184)             | (1,059)             |        |
| Non-GAAP operating expenses                  | \$ 5,381            | \$ 4,762            | 13 %   | \$ 20,168           | \$ 17,896           | 13 %   |
| Operating income (loss)                      | \$ 331              | \$ (69)             | 580 %  | \$ (191)            | \$ (2,416)          | 92 %   |
| Non-GAAP adjustments:                        |                     |                     |        |                     |                     |        |
| Amortization of intangibles                  | 1,544               | 1,730               |        | 6,138               | 6,980               |        |
| Impact of purchase accounting                | 190                 | 351                 |        | 820                 | 1,546               |        |
| Transaction-related expenses                 | 313                 | 87                  |        | 750                 | 502                 |        |
| Other corporate expenses                     | 278                 | 273                 |        | 1,337               | 1,160               |        |
| Non-GAAP operating income                    | \$ 2,656            | \$ 2,372            | 12 %   | \$ 8,854            | \$ 7,772            | 14 %   |
| Net loss                                     | \$ (287)            | \$ (133)            | (116)% | \$ (2,181)          | \$ (2,926)          | 25 %   |
| Non-GAAP adjustments:                        |                     |                     |        |                     |                     |        |
| Amortization of intangibles                  | 1,544               | 1,730               |        | 6,138               | 6,980               |        |
| Impact of purchase accounting                | 190                 | 351                 |        | 820                 | 1,546               |        |
| Transaction-related expenses                 | 387                 | 87                  |        | 824                 | 502                 |        |
| Other corporate expenses                     | 278                 | 273                 |        | 1,337               | 1,160               |        |
| Fair value adjustments on equity investments | (113)               | (50)                |        | (342)               | (72)                |        |
| Aggregate adjustment for income taxes        | (407)               | (990)               |        | (1,369)             | (2,835)             |        |
| Non-GAAP net income (a)                      | \$ 1,592            | \$ 1,268            | 26 %   | \$ 5,227            | \$ 4,355            | 20 %   |
| Net loss                                     | \$ (287)            | \$ (133)            | (116)% | \$ (2,181)          | \$ (2,926)          | 25 %   |
| Adjustments:                                 |                     |                     |        |                     |                     |        |
| Interest and other, net                      | 606                 | 554                 |        | 2,170               | 2,353               |        |
| Income tax provision (benefit)               | 12                  | (490)               |        | (180)               | (1,843)             |        |
| Depreciation and amortization                | 1,940               | 2,143               |        | 7,746               | 8,634               |        |
| EBITDA                                       | \$ 2,271            | \$ 2,074            | 9 %    | \$ 7,555            | \$ 6,218            | 22 %   |
| EBITDA                                       | \$ 2,271            | \$ 2,074            | 9 %    | \$ 7,555            | \$ 6,218            | 22 %   |
| Adjustments:                                 |                     |                     |        |                     |                     |        |
| Stock-based compensation expense             | 247                 | 205                 |        | 918                 | 835                 |        |
| Impact of purchase accounting                | 168                 | 284                 |        | 704                 | 1,274               |        |
| Transaction-related expenses                 | 313                 | 87                  |        | 722                 | 502                 |        |
| Other corporate expenses                     | 29                  | 68                  |        | 397                 | 305                 |        |
| Adjusted EBITDA                              | \$ 3,028            | \$ 2,718            | 11 %   | \$ 10,296           | \$ 9,134            | 13 %   |

(a) Non-GAAP net income has been recast to exclude fair value adjustments on equity investments, the corresponding tax effects of those adjustments, and discrete tax items.