

Non-GAAP Financial Measures

This supplemental financial information contains financial statements that have not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). We use these non-GAAP financial measures internally in analyzing our financial results and believe that the use of these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing operating results and trends. These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. A reconciliation of our non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the financial statement tables included in this supplemental financial information, and investors are encouraged to review the reconciliation. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis.

Ruckus Wireless, Inc.
GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters and Years
(in thousands, except percentages)

| | 2013 | 2014 | | | | | 2015 | | | | | 2016 |
|--|--------------------------|-----------|-----------|-----------|-----------|--------------------------|-----------|-----------|-----------|-----------|--------------------------|-----------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Revenue: | | | | | | | | | | | | |
| Product | \$ 245,935 | \$ 70,075 | \$ 75,352 | \$ 78,810 | \$ 79,209 | \$ 303,446 | \$ 75,297 | \$ 85,040 | \$ 91,426 | \$ 91,896 | \$ 343,659 | \$ 91,285 |
| Service | 17,132 | 4,977 | 5,648 | 6,191 | 6,657 | 23,473 | 6,781 | 7,190 | 7,526 | 8,220 | 29,717 | 9,288 |
| Total revenue | 263,067 | 75,052 | 81,000 | 85,001 | 85,866 | 326,919 | 82,078 | 92,230 | 98,952 | 100,116 | 373,376 | 100,573 |
| Cost of revenue: | | | | | | | | | | | | |
| Product | 78,344 | 21,496 | 22,209 | 23,193 | 23,753 | 90,651 | 23,231 | 26,720 | 27,491 | 27,872 | 105,314 | 28,188 |
| Service | 9,844 | 2,759 | 2,932 | 3,379 | 3,384 | 12,454 | 3,542 | 3,683 | 3,558 | 3,958 | 14,741 | 3,973 |
| Total cost of revenue | 88,188 | 24,255 | 25,141 | 26,572 | 27,137 | 103,105 | 26,773 | 30,403 | 31,049 | 31,830 | 120,055 | 32,161 |
| Gross profit | 174,879 | 50,797 | 55,859 | 58,429 | 58,729 | 223,814 | 55,305 | 61,827 | 67,903 | 68,286 | 253,321 | 68,412 |
| Product gross margin | 68.1% | 69.3% | 70.5% | 70.6% | 70.0% | 70.1% | 69.1% | 68.6% | 69.9% | 69.7% | 69.4% | 69.1% |
| Service gross margin | 42.5% | 44.6% | 48.1% | 45.4% | 49.2% | 46.9% | 47.8% | 48.8% | 52.7% | 51.8% | 50.4% | 57.2% |
| Total gross margin | 66.5% | 67.7% | 69.0% | 68.7% | 68.4% | 68.5% | 67.4% | 67.0% | 68.6% | 68.2% | 67.8% | 68.0% |
| Operating expenses: | | | | | | | | | | | | |
| Research and development | 61,783 | 18,139 | 18,954 | 19,614 | 20,457 | 77,164 | 21,296 | 22,843 | 24,244 | 25,851 | 94,234 | 26,235 |
| Sales and marketing | 79,185 | 23,270 | 24,412 | 24,720 | 26,232 | 98,634 | 26,078 | 27,696 | 27,433 | 28,657 | 109,864 | 30,140 |
| General and administrative | 33,752 | 8,437 | 8,358 | 8,017 | 8,810 | 33,622 | 9,434 | 9,921 | 12,212 | 10,232 | 41,799 | 13,807 |
| Total operating expenses | 174,720 | 49,846 | 51,724 | 52,351 | 55,499 | 209,420 | 56,808 | 60,460 | 63,889 | 64,740 | 245,897 | 70,182 |
| Operating income (loss) | 159 | 951 | 4,135 | 6,078 | 3,230 | 14,394 | (1,503) | 1,367 | 4,014 | 3,546 | 7,424 | (1,770) |
| Interest income | 187 | 46 | 46 | 41 | 66 | 199 | 141 | 156 | 181 | 223 | 701 | 312 |
| Other expense, net | (456) | (26) | (84) | (200) | (153) | (463) | (78) | (94) | (172) | (180) | (524) | — |
| Income (loss) before income taxes | (110) | 971 | 4,097 | 5,919 | 3,143 | 14,130 | (1,440) | 1,429 | 4,023 | 3,589 | 7,601 | (1,458) |
| Income tax expense (benefit) | (1,899) | 698 | 2,658 | 2,365 | 219 | 5,940 | (867) | 670 | 2,339 | 769 | 2,911 | (533) |
| Net income (loss) | \$ 1,789 | \$ 273 | \$ 1,439 | \$ 3,554 | \$ 2,924 | \$ 8,190 | \$ (573) | \$ 759 | \$ 1,684 | \$ 2,820 | \$ 4,690 | \$ (925) |
| Net income (loss) per share: | | | | | | | | | | | | |
| Basic | \$ 0.02 | \$ 0.00 | \$ 0.02 | \$ 0.04 | \$ 0.03 | \$ 0.10 | \$ (0.01) | \$ 0.01 | \$ 0.02 | \$ 0.03 | \$ 0.05 | \$ (0.01) |
| Diluted | \$ 0.02 | \$ 0.00 | \$ 0.02 | \$ 0.04 | \$ 0.03 | \$ 0.09 | \$ (0.01) | \$ 0.01 | \$ 0.02 | \$ 0.03 | \$ 0.05 | \$ (0.01) |
| Weighted average shares used in computing net income (loss) per share: | | | | | | | | | | | | |
| Basic | 76,744 | 81,277 | 82,315 | 83,388 | 84,611 | 82,908 | 85,637 | 87,017 | 88,002 | 88,974 | 87,418 | 89,741 |
| Diluted | 93,361 | 93,311 | 92,358 | 94,142 | 94,316 | 93,668 | 85,637 | 95,465 | 95,886 | 96,878 | 95,851 | 89,741 |
| R&D as % total revenue | 23.5% | 24.2% | 23.4% | 23.1% | 23.8% | 23.6% | 26.0% | 24.8% | 24.5% | 25.8% | 25.2% | 26.1% |
| S&M as % total revenue | 30.1% | 31.0% | 30.1% | 29.1% | 30.5% | 30.2% | 31.8% | 30.0% | 27.7% | 28.6% | 29.4% | 30.0% |
| G&A as % total revenue | 12.8% | 11.2% | 10.3% | 9.4% | 10.3% | 10.3% | 11.4% | 10.8% | 12.3% | 10.2% | 11.2% | 13.7% |
| Operating margin | 0.1% | 1.3% | 5.1% | 7.2% | 3.8% | 4.4% | (1.8)% | 1.5% | 4.1% | 3.5% | 2.0% | (1.8)% |

Ruckus Wireless, Inc.
Non-GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters and Years
(in thousands, except percentages)

| | 2013 | 2014 | | | | 2015 | | | | | 2016 | |
|---|--------------------------|-----------|-----------|-----------|-----------|--------------------------|-----------|-----------|-----------|-----------|--------------------------|-----------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Revenue: | | | | | | | | | | | | |
| Product | \$ 245,935 | \$ 70,075 | \$ 75,352 | \$ 78,810 | \$ 79,209 | \$ 303,446 | \$ 75,297 | \$ 85,040 | \$ 91,426 | \$ 91,896 | \$ 343,659 | \$ 91,285 |
| Service | 17,132 | 4,977 | 5,648 | 6,191 | 6,657 | 23,473 | 6,781 | 7,190 | 7,526 | 8,220 | 29,717 | 9,288 |
| Total revenue | 263,067 | 75,052 | 81,000 | 85,001 | 85,866 | 326,919 | 82,078 | 92,230 | 98,952 | 100,116 | 373,376 | 100,573 |
| Cost of revenue: | | | | | | | | | | | | |
| Product | 76,918 | 21,128 | 21,856 | 22,839 | 23,394 | 89,217 | 22,868 | 26,361 | 27,138 | 27,517 | 103,884 | 27,830 |
| Service | 9,006 | 2,522 | 2,450 | 2,760 | 2,708 | 10,440 | 2,873 | 3,074 | 2,955 | 3,092 | 11,994 | 3,167 |
| Total cost of revenue | 85,924 | 23,650 | 24,306 | 25,599 | 26,102 | 99,657 | 25,741 | 29,435 | 30,093 | 30,609 | 115,878 | 30,997 |
| Gross profit | 177,143 | 51,402 | 56,694 | 59,402 | 59,764 | 227,262 | 56,337 | 62,795 | 68,859 | 69,507 | 257,498 | 69,576 |
| Product gross margin | 68.7% | 69.8% | 71.0% | 71.0% | 70.5% | 70.6% | 69.6% | 69.0% | 70.3% | 70.1% | 69.8% | 69.5% |
| Service gross margin | 47.4% | 49.3% | 56.6% | 55.4% | 59.3% | 55.5% | 57.6% | 57.2% | 60.7% | 62.4% | 59.6% | 65.9% |
| Total gross margin | 67.3% | 68.5% | 70.0% | 69.9% | 69.6% | 69.5% | 68.6% | 68.1% | 69.6% | 69.4% | 69.0% | 69.2% |
| Operating expenses: | | | | | | | | | | | | |
| Research and development | 54,617 | 15,832 | 16,785 | 17,422 | 17,690 | 67,729 | 18,422 | 20,366 | 21,349 | 21,680 | 81,817 | 22,006 |
| Sales and marketing | 73,565 | 21,564 | 22,675 | 22,901 | 24,045 | 91,185 | 24,381 | 25,751 | 25,679 | 26,576 | 102,387 | 27,893 |
| General and administrative | 26,502 | 6,758 | 6,098 | 5,973 | 6,217 | 25,046 | 6,743 | 7,265 | 8,087 | 7,190 | 29,285 | 7,296 |
| Total operating expenses | 154,684 | 44,154 | 45,558 | 46,296 | 47,952 | 183,960 | 49,546 | 53,382 | 55,115 | 55,446 | 213,489 | 57,195 |
| Operating income | 22,459 | 7,248 | 11,136 | 13,106 | 11,812 | 43,302 | 6,791 | 9,413 | 13,744 | 14,061 | 44,009 | 12,381 |
| Interest income | 187 | 46 | 46 | 41 | 66 | 199 | 141 | 156 | 181 | 223 | 701 | 312 |
| Other expense, net | (456) | (26) | (84) | (200) | (153) | (463) | (78) | (94) | (172) | (180) | (524) | — |
| Income before income taxes | 22,190 | 7,268 | 11,098 | 12,947 | 11,725 | 43,038 | 6,854 | 9,475 | 13,753 | 14,104 | 44,186 | 12,693 |
| Income tax expense | 1,006 | 251 | 266 | 327 | 182 | 1,026 | 346 | 284 | 444 | 749 | 1,823 | 510 |
| Net income | \$ 21,184 | \$ 7,017 | \$ 10,832 | \$ 12,620 | \$ 11,543 | \$ 42,012 | \$ 6,508 | \$ 9,191 | \$ 13,309 | \$ 13,355 | \$ 42,363 | \$ 12,183 |
| Non-GAAP net income per share | | | | | | | | | | | | |
| Basic | \$ 0.28 | \$ 0.09 | \$ 0.13 | \$ 0.15 | \$ 0.14 | \$ 0.51 | \$ 0.08 | \$ 0.11 | \$ 0.15 | \$ 0.15 | \$ 0.48 | \$ 0.14 |
| Diluted | \$ 0.22 | \$ 0.07 | \$ 0.11 | \$ 0.13 | \$ 0.12 | \$ 0.44 | \$ 0.07 | \$ 0.09 | \$ 0.13 | \$ 0.13 | \$ 0.43 | \$ 0.12 |
| Weighted average shares used in computing Non-GAAP net income per share | | | | | | | | | | | | |
| Basic | 76,744 | 81,277 | 82,315 | 83,388 | 84,611 | 82,908 | 85,637 | 87,017 | 88,002 | 88,974 | 87,418 | 89,741 |
| Diluted | 95,415 | 95,545 | 94,985 | 96,331 | 97,784 | 96,271 | 97,758 | 98,409 | 98,713 | 100,467 | 98,985 | 100,419 |
| R&D as % total revenue | 20.8% | 21.1% | 20.7% | 20.5% | 20.6% | 20.7% | 22.4% | 22.1% | 21.6% | 21.7% | 21.9% | 21.9% |
| S&M as % total revenue | 28.0% | 28.7% | 28.0% | 26.9% | 28.0% | 27.9% | 29.7% | 27.9% | 26.0% | 26.5% | 27.4% | 27.7% |
| G&A as % total revenue | 10.1% | 9.0% | 7.5% | 7.0% | 7.2% | 7.7% | 8.2% | 7.9% | 8.2% | 7.2% | 7.8% | 7.3% |
| Operating margin | 8.5% | 9.7% | 13.7% | 15.4% | 13.8% | 13.2% | 8.3% | 10.2% | 13.9% | 14.0% | 11.8% | 12.3% |

Ruckus Wireless, Inc.
GAAP to Non-GAAP Reconciliation - Fiscal Quarters and Years
(in thousands, except percentages and per share data)

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | |
|--|-----------------------|-----------|-----------|-----------|-----------|-----------------------|------------|-----------|-----------|-----------|-----------------------|------------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Gross Profit Reconciliation: | | | | | | | | | | | | |
| GAAP gross profit: | \$ 174,879 | \$ 50,797 | \$ 55,859 | \$ 58,429 | \$ 58,729 | \$ 223,814 | \$ 55,305 | \$ 61,827 | \$ 67,903 | \$ 68,286 | \$ 253,321 | \$ 68,412 |
| Stock-based compensation | 818 | 245 | 253 | 266 | 328 | 1,092 | 316 | 249 | 247 | 285 | 1,097 | 325 |
| Employer payroll taxes on stock-based compensation | 126 | 30 | 2 | 2 | 2 | 36 | 11 | 14 | 4 | 5 | 34 | 3 |
| Amortization of intangible assets | 1,320 | 330 | 580 | 705 | 705 | 2,320 | 705 | 705 | 705 | 871 | 2,986 | 820 |
| Post-acquisition expenses | — | — | — | — | — | — | — | — | — | 60 | 60 | 16 |
| Non-GAAP gross profit: | \$ 177,143 | \$ 51,402 | \$ 56,694 | \$ 59,402 | \$ 59,764 | \$ 227,262 | \$ 56,337 | \$ 62,795 | \$ 68,859 | \$ 69,507 | \$ 257,498 | \$ 69,576 |
| Gross Margin Reconciliation: | | | | | | | | | | | | |
| GAAP gross margin: | 66.5% | 67.7 % | 69.0% | 68.7% | 68.4% | 68.5 % | 67.4 % | 67.0% | 68.6% | 68.2% | 67.8% | 68.0 % |
| Stock-based compensation | 0.3% | 0.3 % | 0.3% | 0.3% | 0.4% | 0.3 % | 0.4 % | 0.3% | 0.3% | 0.3% | 0.3% | 0.4 % |
| Employer payroll taxes on stock-based compensation | —% | — % | —% | —% | —% | — % | — % | —% | —% | —% | —% | — % |
| Amortization of intangible assets | 0.5% | 0.5 % | 0.7% | 0.9% | 0.8% | 0.7 % | 0.8 % | 0.8% | 0.7% | 0.8% | 0.9% | 0.8 % |
| Post-acquisition expenses | —% | — % | —% | —% | —% | — % | — % | —% | —% | 0.1% | —% | — % |
| Non-GAAP gross margin: | 67.3% | 68.5 % | 70.0% | 69.9% | 69.6% | 69.5 % | 68.6 % | 68.1% | 69.6% | 69.4% | 69.0% | 69.2 % |
| Operating Income Reconciliation: | | | | | | | | | | | | |
| GAAP operating income (loss): | \$ 159 | \$ 951 | \$ 4,135 | \$ 6,078 | \$ 3,230 | \$ 14,394 | \$ (1,503) | \$ 1,367 | \$ 4,014 | \$ 3,546 | \$ 7,424 | \$ (1,770) |
| Stock-based compensation | 19,115 | 6,346 | 6,340 | 6,183 | 7,725 | 26,594 | 7,322 | 7,085 | 6,905 | 7,481 | 28,793 | 8,085 |
| Employer payroll taxes on stock-based compensation | 1,415 | 381 | 81 | 140 | 152 | 754 | 267 | 256 | 84 | 83 | 690 | 126 |
| Amortization of intangible assets | 1,320 | 330 | 580 | 705 | 705 | 2,320 | 705 | 705 | 705 | 871 | 2,986 | 918 |
| Workforce reorganization expense | — | — | — | — | — | — | — | — | 486 | 569 | 1,055 | 21 |
| Legal settlement expense (benefit), net | 450 | (760) | — | — | — | (760) | — | — | 1,550 | — | 1,550 | — |
| Post-acquisition expenses | — | — | — | — | — | — | — | — | — | 1,511 | 1,511 | 1,366 |
| Pre-merger legal and accounting expenses | — | — | — | — | — | — | — | — | — | — | — | 3,635 |
| Non-GAAP operating income: | \$ 22,459 | \$ 7,248 | \$ 11,136 | \$ 13,106 | \$ 11,812 | \$ 43,302 | \$ 6,791 | \$ 9,413 | \$ 13,744 | \$ 14,061 | \$ 44,009 | \$ 12,381 |

(Continued from last page)

Ruckus Wireless, Inc.
GAAP to Non-GAAP Reconciliation - Fiscal Quarters and Years
(in thousands, except percentages and per share data)

| | 2013 | 2014 | | | | Year Ended 12/31/2014 | 2015 | | | | Year Ended 12/31/2015 | 2016 |
|--|--------------------------|----------|-----------|-----------|-----------|--------------------------|----------|----------|-----------|-----------|--------------------------|-----------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | | Q1'15 | Q2'15 | Q3'15 | Q4'15 | | Q1'16 |
| <u>Operating Margin Reconciliation:</u> | | | | | | | | | | | | |
| GAAP operating margin (loss): | 0.1% | 1.3 % | 5.1% | 7.2% | 3.8% | 4.4 % | (1.8)% | 1.5% | 4.1% | 3.5% | 2.0% | (1.8)% |
| Stock-based compensation | 7.2% | 8.5 % | 7.8% | 7.2% | 9.0% | 8.1 % | 8.9 % | 7.7% | 7.0% | 7.5% | 7.7% | 8.0 % |
| Employer payroll taxes on stock-based compensation | 0.5% | 0.5 % | 0.1% | 0.1% | 0.2% | 0.2 % | 0.3 % | 0.3% | 0.1% | 0.1% | 0.2% | 0.1 % |
| Amortization of intangible assets | 0.5% | 0.4 % | 0.7% | 0.9% | 0.8% | 0.7 % | 0.9 % | 0.7% | 0.7% | 0.8% | 0.8% | 1.0 % |
| Workforce reorganization expense | —% | — % | —% | —% | —% | — % | — % | —% | 0.5% | 0.6% | 0.3% | — % |
| Legal settlement expense (benefit), net | 0.2% | (1.0)% | —% | —% | —% | (0.2)% | — % | —% | 1.5% | —% | 0.4% | — % |
| Post-acquisition expenses | —% | — % | —% | —% | —% | — % | — % | —% | —% | 1.5% | 0.4% | 1.4 % |
| Pre-merger legal and accounting expenses | —% | — % | —% | —% | —% | — % | — % | —% | —% | —% | —% | 3.6 % |
| Non-GAAP operating margin: | 8.5% | 9.7 % | 13.7% | 15.4% | 13.8% | 13.2 % | 8.3 % | 10.2% | 13.9% | 14.0% | 11.8% | 12.3 % |
| <u>Net Income Reconciliation:</u> | | | | | | | | | | | | |
| GAAP net income (loss): | \$ 1,789 | \$ 273 | \$ 1,439 | \$ 3,554 | \$ 2,924 | \$ 8,190 | \$ (573) | \$ 759 | \$ 1,684 | \$ 2,820 | \$ 4,690 | \$ (925) |
| Stock-based compensation | 19,115 | 6,346 | 6,340 | 6,183 | 7,725 | 26,594 | 7,322 | 7,085 | 6,905 | 7,481 | 28,793 | 8,085 |
| Employer payroll taxes on stock-based compensation | 1,415 | 381 | 81 | 140 | 152 | 754 | 267 | 256 | 84 | 83 | 690 | 126 |
| Amortization of intangible assets | 1,320 | 330 | 580 | 705 | 705 | 2,320 | 705 | 705 | 705 | 871 | 2,986 | 918 |
| Workforce reorganization expense | — | — | — | — | — | — | — | — | 486 | 569 | 1,055 | 21 |
| Legal settlement expense (benefit), net | 450 | (760) | — | — | — | (760) | — | — | 1,550 | — | 1,550 | — |
| Post-acquisition expenses | — | — | — | — | — | — | — | — | — | 1,511 | 1,511 | 1,366 |
| Pre-merger legal and accounting expenses | — | — | — | — | — | — | — | — | — | — | — | 3,635 |
| Non-cash income tax expense (benefit) | (2,905) | 447 | 2,392 | 2,038 | 37 | 4,914 | (1,213) | 386 | 1,895 | 20 | 1,088 | (1,043) |
| Non-GAAP net income: | \$ 21,184 | \$ 7,017 | \$ 10,832 | \$ 12,620 | \$ 11,543 | \$ 42,012 | \$ 6,508 | \$ 9,191 | \$ 13,309 | \$ 13,355 | \$ 42,363 | \$ 12,183 |
| Non-GAAP diluted net income per share: | \$ 0.22 | \$ 0.07 | \$ 0.11 | \$ 0.13 | \$ 0.12 | \$ 0.44 | \$ 0.07 | \$ 0.09 | \$ 0.13 | \$ 0.13 | \$ 0.43 | \$ 0.12 |
| <u>Shares used in computing Non-GAAP Net Income per share Reconciliation:</u> | | | | | | | | | | | | |
| Weighted-average shares used in calculating GAAP diluted net income (loss) per share | 93,361 | 93,311 | 92,358 | 94,142 | 94,316 | 93,668 | 85,637 | 95,465 | 95,886 | 96,878 | 95,851 | 89,741 |
| Additional dilutive securities for non-GAAP income | 2,054 | 2,234 | 2,627 | 2,189 | 3,468 | 2,603 | 12,121 | 2,944 | 2,827 | 3,589 | 3,134 | 10,678 |
| Weighted-average shares used in calculating non-GAAP diluted net income per share | 95,415 | 95,545 | 94,985 | 96,331 | 97,784 | 96,271 | 97,758 | 98,409 | 98,713 | 100,467 | 98,985 | 100,419 |

Ruckus Wireless, Inc.

Summary of Stock-Based Compensation Expense - Fiscal Quarters and Years

(in thousands)

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | |
|--|-----------------------|----------|----------|----------|----------|-----------------------|----------|----------|----------|----------|-----------------------|----------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Cost of revenue: | | | | | | | | | | | | |
| Product | \$ 89 | \$ 25 | \$ 22 | \$ 23 | \$ 29 | \$ 99 | \$ 32 | \$ 24 | \$ 21 | \$ 24 | \$ 101 | \$ 28 |
| Service | 729 | 220 | 231 | 243 | 299 | 993 | 284 | 225 | 226 | 261 | 996 | 297 |
| Total cost of revenue | 818 | 245 | 253 | 266 | 328 | 1,092 | 316 | 249 | 247 | 285 | 1,097 | 325 |
| Operating expenses: | | | | | | | | | | | | |
| Research and development | 6,738 | 2,096 | 2,126 | 2,124 | 2,753 | 9,099 | 2,722 | 2,348 | 2,357 | 2,332 | 9,759 | 2,817 |
| Sales and marketing | 4,922 | 1,615 | 1,710 | 1,799 | 2,056 | 7,180 | 1,617 | 1,866 | 1,739 | 2,030 | 7,252 | 2,089 |
| General and administrative | 6,637 | 2,390 | 2,251 | 1,994 | 2,588 | 9,223 | 2,667 | 2,622 | 2,562 | 2,834 | 10,685 | 2,854 |
| Total operating expenses | 18,297 | 6,101 | 6,087 | 5,917 | 7,397 | 25,502 | 7,006 | 6,836 | 6,658 | 7,196 | 27,696 | 7,760 |
| Total stock-based compensation expense | \$ 19,115 | \$ 6,346 | \$ 6,340 | \$ 6,183 | \$ 7,725 | \$ 26,594 | \$ 7,322 | \$ 7,085 | \$ 6,905 | \$ 7,481 | \$ 28,793 | \$ 8,085 |

Summary of Employer Payroll Tax Expense Associated with Stock-based Compensation - Fiscal Quarters and Years

(in thousands)

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | |
|---|-----------------------|--------|-------|--------|--------|-----------------------|--------|--------|-------|-------|-----------------------|--------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Cost of revenue: | | | | | | | | | | | | |
| Product | \$ 17 | \$ 13 | \$ 1 | \$ 1 | \$ — | \$ 15 | \$ 1 | \$ 5 | \$ 2 | \$ 1 | \$ 9 | \$ — |
| Service | 109 | 17 | 1 | 1 | 2 | 21 | 10 | 9 | 2 | 4 | 25 | 3 |
| Total cost of revenue | 126 | 30 | 2 | 2 | 2 | 36 | 11 | 14 | 4 | 5 | 34 | 3 |
| Operating expenses: | | | | | | | | | | | | |
| Research and development | 428 | 211 | 43 | 68 | 14 | 336 | 152 | 129 | 52 | 25 | 358 | 55 |
| Sales and marketing | 698 | 91 | 27 | 20 | 131 | 269 | 80 | 79 | 15 | 15 | 189 | 46 |
| General and administrative | 163 | 49 | 9 | 50 | 5 | 113 | 24 | 34 | 13 | 38 | 109 | 22 |
| Total operating expenses | 1,289 | 351 | 79 | 138 | 150 | 718 | 256 | 242 | 80 | 78 | 656 | 123 |
| Total employer payroll tax expense associated with stock-based compensation | \$ 1,415 | \$ 381 | \$ 81 | \$ 140 | \$ 152 | \$ 754 | \$ 267 | \$ 256 | \$ 84 | \$ 83 | \$ 690 | \$ 126 |

**Summary of Post-acquisition expenses - Fiscal Quarters and Years
(in thousands)**

| | 2015 | | 2016 |
|---------------------------------|----------|-----------------------|----------|
| | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Cost of revenue: | | | |
| Product | \$ — | \$ — | \$ — |
| Service | 60 | 60 | 16 |
| Total cost of revenue | 60 | 60 | 16 |
| Operating expenses: | | | |
| Research and development | 1,245 | 1,245 | 1,336 |
| Sales and marketing | 36 | 36 | 14 |
| General and administrative | 170 | 170 | — |
| Total operating expenses | 1,451 | 1,451 | 1,350 |
| Total post-acquisition expenses | \$ 1,511 | \$ 1,511 | \$ 1,366 |

Ruckus Wireless, Inc.
Condensed Consolidated Balance Sheets - Fiscal Quarters and Years
(in thousands)

| | 2013 | 2014 | | | | 2015 | | | | 2016 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Q1'16 |
| Assets | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash and cash equivalents | \$ 91,282 | \$ 79,767 | \$ 93,017 | \$ 116,836 | \$ 56,083 | \$ 46,267 | \$ 63,379 | \$ 75,615 | \$ 69,687 | \$ 59,714 |
| Short-term investments | 60,878 | 76,622 | 77,224 | 72,103 | 142,706 | 147,550 | 148,478 | 145,570 | 160,791 | 166,934 |
| Accounts receivable, net of allowances | 44,638 | 49,803 | 58,702 | 52,728 | 59,553 | 57,121 | 67,692 | 76,648 | 70,649 | 80,256 |
| Inventories | 16,748 | 17,412 | 16,609 | 18,131 | 21,064 | 25,143 | 24,059 | 24,382 | 26,591 | 25,711 |
| Deferred costs | 4,207 | 3,553 | 4,312 | 2,967 | 4,414 | 2,463 | 3,122 | 4,450 | 3,669 | 1,951 |
| Deferred tax assets | 7,715 | 7,734 | 7,736 | 7,384 | 6,205 | 6,208 | 6,094 | 6,345 | — | — |
| Restricted cash | — | — | — | — | — | — | — | — | 5,000 | 5,000 |
| Prepaid expenses and other current assets | 5,227 | 5,307 | 5,674 | 5,765 | 5,367 | 6,191 | 6,250 | 6,318 | 6,168 | 7,234 |
| Total current assets | 230,695 | 240,198 | 263,274 | 275,914 | 295,392 | 290,943 | 319,074 | 339,328 | 342,555 | 346,800 |
| Property and equipment, net | 11,472 | 11,534 | 12,365 | 13,322 | 13,636 | 17,572 | 18,275 | 17,955 | 19,411 | 18,666 |
| Goodwill | 9,945 | 9,945 | 9,945 | 9,945 | 9,945 | 9,945 | 9,945 | 9,945 | 16,390 | 16,390 |
| Intangible assets, net | 9,671 | 9,341 | 8,761 | 8,056 | 7,351 | 6,646 | 5,941 | 5,236 | 8,625 | 7,707 |
| Non-current deferred tax asset | 15,317 | 15,833 | 14,717 | 15,870 | 21,166 | 23,185 | 24,568 | 24,278 | 30,217 | 31,883 |
| Restricted cash | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | — | — |
| Other assets | 1,122 | 1,063 | 1,363 | 1,203 | 1,504 | 1,478 | 1,414 | 1,622 | 1,623 | 1,767 |
| Total assets | \$ 283,222 | \$ 292,914 | \$ 315,425 | \$ 329,310 | \$ 353,994 | \$ 354,769 | \$ 384,217 | \$ 403,364 | \$ 418,821 | \$ 423,213 |
| Liabilities and stockholders' equity | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts payable | \$ 19,131 | \$ 17,473 | \$ 18,785 | \$ 24,166 | \$ 23,538 | \$ 22,152 | \$ 28,527 | \$ 25,891 | \$ 30,360 | \$ 23,074 |
| Accrued liabilities | 6,231 | 7,811 | 7,318 | 5,603 | 5,282 | 6,740 | 7,654 | 7,193 | 7,748 | 11,209 |
| Accrued compensation | 11,759 | 13,510 | 14,051 | 14,536 | 13,765 | 12,569 | 14,554 | 13,943 | 14,902 | 17,100 |
| Deferred revenue | 33,139 | 30,264 | 38,483 | 31,949 | 39,231 | 30,045 | 36,228 | 45,094 | 36,602 | 32,086 |
| Total current liabilities | 70,260 | 69,058 | 78,637 | 76,254 | 81,816 | 71,506 | 86,963 | 92,121 | 89,612 | 83,469 |
| Non-current deferred revenue | 7,098 | 8,142 | 9,023 | 10,006 | 10,554 | 10,932 | 11,870 | 13,145 | 14,524 | 14,957 |
| Other non-current liabilities | 2,015 | 2,059 | 2,103 | 2,168 | 1,975 | 1,820 | 1,848 | 1,878 | 3,152 | 3,274 |
| Total liabilities | 79,373 | 79,259 | 89,763 | 88,428 | 94,345 | 84,258 | 100,681 | 107,144 | 107,288 | 101,700 |
| Stockholders' equity: | | | | | | | | | | |
| Common stock | 81 | 82 | 83 | 84 | 85 | 86 | 88 | 88 | 89 | 90 |
| Additional paid-in capital | 225,575 | 235,113 | 245,687 | 257,365 | 273,276 | 284,624 | 296,935 | 307,863 | 320,561 | 331,145 |
| Accumulated other comprehensive income (loss) | (2) | (8) | (15) | (28) | (97) | (11) | (58) | 14 | (192) | 128 |
| Accumulated deficit | (21,805) | (21,532) | (20,093) | (16,539) | (13,615) | (14,188) | (13,429) | (11,745) | (8,925) | (9,850) |
| Total stockholders' equity | 203,849 | 213,655 | 225,662 | 240,882 | 259,649 | 270,511 | 283,536 | 296,220 | 311,533 | 321,513 |
| Total liabilities and stockholders' equity | \$ 283,222 | \$ 292,914 | \$ 315,425 | \$ 329,310 | \$ 353,994 | \$ 354,769 | \$ 384,217 | \$ 403,364 | \$ 418,821 | \$ 423,213 |

Ruckus Wireless, Inc.
Condensed Consolidated Cash Flows - Fiscal Quarters and Years
(in thousands)

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | |
|--|-----------------------|-----------|-----------|------------|-----------|-----------------------|-----------|-----------|-----------|-----------|-----------------------|-----------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Cash flows from operating activities: | | | | | | | | | | | | |
| Net income (loss) | \$ 1,789 | \$ 273 | \$ 1,439 | \$ 3,554 | \$ 2,924 | \$ 8,190 | \$ (573) | \$ 759 | \$ 1,684 | \$ 2,820 | \$ 4,690 | \$ (925) |
| Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities: | | | | | | | | | | | | |
| Depreciation and amortization | 6,591 | 1,916 | 2,345 | 2,623 | 2,732 | 9,616 | 2,833 | 3,058 | 2,621 | 3,038 | 11,550 | 3,197 |
| Provision for doubtful accounts | 911 | 400 | — | 200 | (200) | 400 | — | — | — | 227 | 227 | 6 |
| Stock-based compensation | 18,701 | 6,346 | 6,340 | 6,183 | 7,725 | 26,594 | 7,322 | 7,085 | 6,905 | 7,481 | 28,793 | 8,085 |
| Amortization of investment premiums, net of accretion of purchase discounts | 1,071 | 321 | 259 | 283 | 415 | 1,278 | 601 | 564 | 625 | 586 | 2,376 | 473 |
| Deferred income taxes | (2,909) | 420 | 2,392 | 2,084 | (252) | 4,644 | (1,271) | 233 | 1,834 | 279 | 1,075 | (1,192) |
| Excess income tax benefit from the exercise of stock options | (2,019) | (952) | (1,274) | (2,873) | (4,084) | (9,183) | (989) | (1,502) | (1,795) | (1,884) | (6,170) | (474) |
| Loss on disposal of property and equipment | 175 | — | — | — | — | — | 10 | — | — | 57 | 67 | — |
| Changes in operating assets and liabilities: | | | | | | | | | | | | |
| Accounts receivable | (4,253) | (5,565) | (8,899) | 5,774 | (6,625) | (15,315) | 2,432 | (10,571) | (8,956) | 6,136 | (10,959) | (9,613) |
| Inventories | 2,293 | (664) | 803 | (1,522) | (2,933) | (4,316) | (4,079) | 1,084 | (323) | (2,209) | (5,527) | 880 |
| Deferred costs | 981 | 654 | (759) | 1,345 | (1,447) | (207) | 1,951 | (659) | (1,328) | 781 | 745 | 1,718 |
| Prepaid expenses and other current assets | (2,459) | (70) | (309) | (134) | 575 | 62 | (918) | (22) | (186) | 260 | (866) | (1,161) |
| Other assets | 134 | 59 | (285) | 95 | (155) | (286) | 93 | 13 | (126) | 106 | 86 | (154) |
| Accounts payable | 2,792 | (1,121) | 1,054 | 4,748 | (255) | 4,426 | (4,209) | 8,554 | (1,902) | 2,744 | 5,187 | (5,437) |
| Accrued compensation | 2,304 | 1,751 | 541 | 485 | (771) | 2,006 | (1,196) | 1,985 | (611) | 1,025 | 1,203 | 2,320 |
| Accrued liabilities | 2,715 | 1,624 | (449) | (1,650) | (256) | (731) | 1,489 | 942 | (431) | 556 | 2,556 | 3,461 |
| Deferred revenue | (249) | (1,831) | 9,100 | (5,551) | 7,830 | 9,548 | (8,808) | 7,121 | 10,141 | (7,623) | 831 | (4,083) |
| Net cash provided by (used in) operating activities | 28,568 | 3,561 | 12,298 | 15,644 | 5,223 | 36,726 | (5,312) | 18,644 | 8,152 | 14,380 | 35,864 | (2,899) |
| Cash flows from investing activities: | | | | | | | | | | | | |
| Purchase of investments | (83,442) | (42,687) | (23,648) | (19,788) | (88,587) | (174,710) | (30,987) | (31,754) | (16,697) | (74,118) | (153,556) | (53,464) |
| Proceeds from the maturity of investments | 8,324 | 26,603 | 22,718 | 24,644 | 14,272 | 88,237 | 25,774 | 30,178 | 19,170 | 52,892 | 128,014 | 32,458 |
| Proceeds from the sale of investments | 13,128 | — | — | — | 3,012 | 3,012 | — | — | — | 5,048 | 5,048 | 14,805 |
| Cash used in acquisition, net of cash acquired | (7,882) | — | — | — | — | — | — | — | — | (7,218) | (7,218) | — |
| Purchase of property, equipment and internal software | (7,776) | (2,185) | (2,338) | (2,242) | (2,714) | (9,479) | (3,251) | (5,235) | (2,330) | (1,998) | (12,814) | (3,383) |
| Change in facility lease deposits | (300) | — | (15) | 65 | (146) | (96) | (67) | 51 | (82) | (101) | (199) | 10 |
| Increase in restricted cash | (5,000) | — | — | — | — | — | — | — | — | — | — | — |
| Net cash provided by (used in) investing activities | (82,948) | (18,269) | (3,283) | 2,679 | (74,163) | (93,036) | (8,531) | (6,760) | 61 | (25,495) | (40,725) | (9,574) |
| Cash flows from financing activities: | | | | | | | | | | | | |
| Proceeds from exercise of stock options | 7,236 | 2,241 | 928 | 2,623 | 1,840 | 7,632 | 3,038 | 1,366 | 2,228 | 1,249 | 7,881 | 2,026 |
| Proceeds from employee stock purchase plan | 3,860 | — | 2,033 | — | 2,263 | 4,296 | — | 2,360 | — | 2,054 | 4,414 | — |
| Excess income tax benefit from the exercise of stock options | 2,019 | 952 | 1,274 | 2,873 | 4,084 | 9,183 | 989 | 1,502 | 1,795 | 1,884 | 6,170 | 474 |
| Initial public offering costs | (839) | — | — | — | — | — | — | — | — | — | — | — |
| Net cash provided by financing activities | 12,276 | 3,193 | 4,235 | 5,496 | 8,187 | 21,111 | 4,027 | 5,228 | 4,023 | 5,187 | 18,465 | 2,500 |
| Net increase (decrease) in cash and cash equivalents | (42,104) | (11,515) | 13,250 | 23,819 | (60,753) | (35,199) | (9,816) | 17,112 | 12,236 | (5,928) | 13,604 | (9,973) |
| Cash and cash equivalents at the beginning of period | 133,386 | 91,282 | 79,767 | 93,017 | 116,836 | 91,282 | 56,083 | 46,267 | 63,379 | 75,615 | 56,083 | 69,687 |
| Cash and cash equivalents at the end of period | \$ 91,282 | \$ 79,767 | \$ 93,017 | \$ 116,836 | \$ 56,083 | \$ 56,083 | \$ 46,267 | \$ 63,379 | \$ 75,615 | \$ 69,687 | \$ 69,687 | \$ 59,714 |

Ruckus Wireless, Inc.

Condensed Consolidated Revenue by Geographic Region - Fiscal Quarters and Years

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | |
|---|-----------------------|-----------|-----------|-----------|-----------|-----------------------|-----------|-----------|-----------|------------|-----------------------|------------|
| | Year Ended 12/31/2013 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Year Ended 12/31/2014 | Q1'15 | Q2'15 | Q3'15 | Q4'15 | Year Ended 12/31/2015 | Q1'16 |
| Revenue (in thousands) | | | | | | | | | | | | |
| Americas | \$130,937 | \$ 40,487 | \$ 41,941 | \$ 42,477 | \$ 44,313 | \$169,218 | \$ 40,739 | \$ 49,955 | \$ 52,342 | \$ 51,984 | \$ 195,020 | \$ 51,959 |
| EMEA | 72,013 | 20,052 | 21,419 | 21,524 | 21,071 | 84,066 | 21,973 | 22,334 | 26,717 | 26,432 | 97,456 | 29,346 |
| APAC | 60,117 | 14,513 | 17,640 | 21,000 | 20,482 | 73,635 | 19,366 | 19,941 | 19,893 | 21,700 | 80,900 | 19,268 |
| Total revenue | \$263,067 | \$ 75,052 | \$ 81,000 | \$ 85,001 | \$ 85,866 | \$326,919 | \$ 82,078 | \$ 92,230 | \$ 98,952 | \$ 100,116 | \$ 373,376 | \$ 100,573 |
| Revenue as a percentage of total revenue | | | | | | | | | | | | |
| Americas | 50% | 54 % | 52 % | 50 % | 52 % | 52% | 50 % | 54 % | 53 % | 52 % | 52% | 52 % |
| EMEA | 27% | 27 % | 26 % | 25 % | 24 % | 26% | 27 % | 24 % | 27 % | 26 % | 26% | 29 % |
| APAC | 23% | 19 % | 22 % | 25 % | 24 % | 22% | 23 % | 22 % | 20 % | 22 % | 22% | 19 % |
| Total revenue | 100% | 100 % | 100 % | 100 % | 100 % | 100% | 100 % | 100 % | 100 % | 100 % | 100% | 100 % |
| Quarter-over-Quarter Change | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Americas | | 12.4 % | 3.6 % | 1.3 % | 4.3 % | | (8.1)% | 22.6 % | 4.8 % | (0.7)% | | — % |
| EMEA | | (5.3)% | 6.8 % | 0.5 % | (2.1)% | | 4.3 % | 1.6 % | 19.6 % | (1.1)% | | 11.0 % |
| APAC | | (8.3)% | 21.5 % | 19.0 % | (2.5)% | | (5.4)% | 3.0 % | (0.2)% | 9.1 % | | (11.2)% |
| Total revenue | | 2.8 % | 7.9 % | 4.9 % | 1.0 % | | (4.4)% | 12.4 % | 7.3 % | 1.2 % | | 0.5 % |
| Year-over-Year Change | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Americas | | 59.1 % | 23.6 % | 19.5 % | 23.0 % | 29.2% | 0.6 % | 19.1 % | 23.2 % | 17.3 % | 15.2% | 27.5 % |
| EMEA | | 28.4 % | 29.0 % | 15.6 % | (0.5)% | 16.7% | 9.6 % | 4.3 % | 24.1 % | 25.4 % | 15.9% | 33.6 % |
| APAC | | (10.3)% | 32.1 % | 42.2 % | 29.4 % | 22.5% | 33.4 % | 13.0 % | (5.3)% | 5.9 % | 9.9% | (0.5)% |
| Total revenue | | 31.1 % | 26.8 % | 23.3 % | 17.6 % | 24.3% | 9.4 % | 13.9 % | 16.4 % | 16.6 % | 14.2% | 22.5 % |
| Consolidated Headcount - Fiscal Quarters | | | | | | | | | | | | |
| Headcount | | 850 | 871 | 910 | 940 | | 941 | 962 | 997 | 1,050 | | 1,074 |
| Approximate Customer Count | | | | | | | | | | | | |
| Total Service Provider End-Customers | | 160 | 170 | 190 | 200 | | 220 | 230 | 250 | 260 | | 270 |
| Total End-Customers | | 36,000 | 40,200 | 44,200 | 48,200 | | 51,900 | 56,100 | 60,900 | 65,300 | | 70,000 |