SPLUNK INC.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

|   | Three Months Ended<br>April 30, 2017 |            |    | Three Months Ended<br>July 31, 2017 |     |            |    | Three Months Ended<br>October 31, 2017 |     |            |    | Three Months Ended<br>January 31, 2018 |     |            |    |          |
|---|--------------------------------------|------------|----|-------------------------------------|-----|------------|----|--|-----|------------|----|--|-----|------------|----|----------|
|   | Res                                  | stated for |    | reviously                           | Res | stated for | Pr | eviously                               | Res | stated for | Pr | eviously                               | Res | stated for |    | eviously |
|   | A                                    | SC 606     | R  | Reported                            | A   | ASC 606    | R  | eported                                | A   | SC 606     | R  | eported                                | A   | SC 606     | R  | eported  |
| Revenues  |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| License   | \$                                   | 102,562    | \$ | 116,726                             | \$  | 147,231    | \$ | 142,851                                | \$  | 193,810    | \$ | 179,829                                | \$  | 297,699    | \$ | 254,298  |
| Maintenance and services                                    |                                      | 124,206    |    | 125,722                             |     | 132,993    |    | 137,113                                |     | 148,679    |    | 148,824                                |     | 161,952    |    | 165,425  |
| Total revenues  |                                      | 226,768    |    | 242,448                             |     | 280,224    |    | 279,964                                |     | 342,489    |    | 328,653                                |     | 459,651    |    | 419,723  |
| Cost of revenues  |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| License   |                                      | 2,928      |    | 2,928                               |     | 3,159      |    | 3,159                                  |     | 3,013      |    | 3,013                                  |     | 4,298      |    | 4,298    |
| Maintenance and services                                    |                                      | 55,235     |    | 55,235                              |     | 56,717     |    | 56,717                                 |     | 61,154     |    | 61,154                                 |     | 69,905     |    | 69,905   |
| Total cost of revenues                                      |                                      | 58,163     |    | 58,163                              |     | 59,876     |    | 59,876                                 |     | 64,167     |    | 64,167                                 |     | 74,203     |    | 74,203   |
| Gross profit  |                                      | 168,605    |    | 184,285                             |     | 220,348    |    | 220,088                                |     | 278,322    |    | 264,486                                |     | 385,448    |    | 345,520  |
| Operating expenses  |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| Research and development                                    |                                      | 71,298     |    | 71,298                              |     | 71,774     |    | 71,774                                 |     | 74,080     |    | 74,080                                 |     | 83,962     |    | 83,962   |
| Sales and marketing   |                                      | 173,461    |    | 173,948                             |     | 186,637    |    | 191,284                                |     | 198,266    |    | 205,364                                |     | 219,512    |    | 237,821  |
| General and administrative                                  |                                      | 36,496     |    | 36,496                              |     | 39,139     |    | 39,139                                 |     | 35,857     |    | 35,857                                 |     | 47,651     |    | 47,651   |
| Total operating expenses                                    |                                      | 281,255    |    | 281,742                             |     | 297,550    |    | 302,197                                |     | 308,203    |    | 315,301                                |     | 351,125    |    | 369,434  |
| Operating income (loss)                                     |                                      | (112,650)  |    | (97,457)                            |     | (77,202)   |    | (82,109)                               |     | (29,881)   |    | (50,815)                               |     | 34,323     |    | (23,914) |
| Interest and other income (expense), net                    |                                      | (1,136)    |    | (1,136)                             |     | (1,038)    |    | (1,038)                                |     | (19)       |    | (19)                                   |     | (1,258)    |    | (1,258)  |
| Income (loss) before income taxes                           |                                      | (113,786)  |    | (98,593)                            |     | (78,240)   |    | (83,147)                               |     | (29,900)   |    | (50,834)                               |     | 33,065     |    | (25,172) |
| Income tax provision (benefit)                              |                                      | 1,338      |    | 1,338                               |     | 353        |    | 353                                    |     | (232)      |    | (232)                                  |     | (102)      |    | (102)    |
| Net income (loss)   | \$                                   | (115,124)  | \$ | (99,931)                            | \$  | (78,593)   | \$ | (83,500)                               | \$  | (29,668)   | \$ | (50,602)                               | \$  | 33,167     | \$ | (25,070) |
| Net income (loss) per share                                 |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| Basic   | \$                                   | (0.84)     | \$ | (0.73)                              | \$  | (0.57)     | \$ | (0.60)                                 | \$  | (0.21)     | \$ | (0.36)                                 | \$  | 0.23       | \$ | (0.18)   |
| Diluted   | \$                                   | (0.84)     | \$ | (0.73)                              | \$  | (0.57)     | \$ | (0.60)                                 | \$  | (0.21)     | \$ | (0.36)                                 | \$  | 0.23       | \$ | (0.18)   |
| Weighted-average shares used in computing net income (loss) |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| per share   |                                      |            |    |                                     |     |            |    |  |     |            |    |  |     |            |    |          |
| Basic   |                                      | 137,785    |    | 137,785                             |     | 139,063    |    | 139,063                                |     | 140,413    |    | 140,413                                |     | 142,074    |    | 142,074  |
| Diluted   |                                      | 137,785    |    | 137,785                             |     | 139,063    |    | 139,063                                |     | 140,413    |    | 140,413                                |     | 147,047    |    | 142,074  |
|   |                                      |            | _  |                                     |     |            | _  |  | _   |            | _  |  | -   |            |    |          |

Restated results reflect the adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on February 1, 2018.

SPLUNK INC. Condensed Consolidated Balance Sheets (In thousands) (Unaudited)

| Personal Property  |   | April 30     | 0, 2017      | July 31      | , 2017       | October      | 31, 2017     | January      | 31, 2018     |  |  |
|--|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
| Section   Sect         |   | Restated for | Previously   |  |  |
| Current assets   |   | ASC 606      | Reported     |  |  |
| Cash and cash equivalents         \$ 466,427         \$ 466,627         \$ 419,810         \$ 393,314         \$ 393,314         \$ 545,947         \$ 545,947           Investments, current         620,805         620,805         663,737         663,737         665,075         666,075         619,203         666,207         666,2075         666,2075         665,007         665,007         665,007         44,454         70,201         70,002 <td>Assets</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>   | Assets  |              |              |              |              |              |              |              |              |  |  |
| Investments, current   G20,805   G20,805   G63,737   G65,075   G65,075   G65,075   G69,073   G69,073   G80,000   G         | Current assets                                |              |              |              |              |              |              |              |              |  |  |
| Accounts receivable, net         179,404         171,260         213,754         208,082         207,318         264,497         396,113         391,799           Prepad expenses and other current assets         44,864         44,864         49,412         44,545         44,545         70,221         70,021           Total current assets         1,344,247         1,303,356         1,382,860         1,341,041         1,414,111         1,367,431         1,584,035         1,526,979           Investments, non current         165,356         165,356         161,954         161,194         161,249         160,880         160,880           Intangible assets, net         35,922         35,022         34,577         34,577         52,434         52,434         48,142         48,142           Ocodwill         124,642         22,642         22,799         30,464         161,282         161,382         161,382           Deferred commissions, non-current         27,480         22,901         22,901         28,284         28,284         41,711         41,711           Total current assets         5,72,505         1,585,858         1,737,363         18,35,259         1,757,80         3,757,50         2,799         3,0464         2,779,50         3,775,10         3,775,   | Cash and cash equivalents                     | \$ 466,427   | \$ 466,427   | \$ 419,810   | \$ 419,810   | \$ 393,314   | \$ 393,314   | \$ 545,947   | \$ 545,947   |  |  |
| Prepaid expenses and other current assets         44,864         49,412         49,412         44,545         44,545         70,021         70,021           Deferred commissions, current         32,747         -         36,147         -         41,459         -         52,545         -           Total current assets         1344,247         1303,356         1382,860         1341,041         11,4171         1367,431         1684,035         1,626,970           Investments, non current         5,000   | Investments, current                          | 620,805      | 620,805      | 663,737      | 663,737      | 665,075      | 665,075      | 619,203      | 619,203      |  |  |
| Puber   Pube         | Accounts receivable, net                      | 179,404      | 171,260      | 213,754      | 208,082      | 270,318      | 264,497      | 396,413      | 391,799      |  |  |
| Total current assets   1,344,247   1,303,356   1,382,860   1,341,941   1,41,4711   1,367,431   1,684,035   1,626,970     Investments, non-current   5,000   5,000   5,000   5,000   5,000   5,000   5,000     Forperty and equipment, net   166,356   166,356   161,954   161,954   161,249   161,249   160,880     Intangible assets, net   35,022   35,022   34,577   34,577   52,434   52,434   48,142   48,142     Goodwill   124,642   124,642   138,681   138,681   161,382   161,382   161,382     Deferred commissions, non-current   27,480   27,790   - 0,0464   - 37,900     Other assets   25,210   25,210   22,901   22,901   28,284   28,284   41,711   41,711     Total assets   51,726,957   51,658,586   \$1,773,763   \$1,704,154   \$1,853,524   \$1,775,780   \$2,139,445   \$2,044,460     Liabilities and Stockholders' Equity     Current liabilities   88,239   88,289   8,898   8,898   \$12,409   \$12,409   \$11,040   \$11,040     Accrued compensation   89,104   89,104   89,1343   39,843   115,733   115,733   145,365   145,365     Accrued expenses and other liabilities   73,761   72,107   89,051   84,002   79,296   74,680   84,631   77,160     Deferred revenue, current   336,101   469,072   351,799   482,166   382,682   516,401   489,913   635,253     Total current liabilities   507,205   638,522   543,677   669,025   590,120   719,223   730,949   868,818     Deferred revenue, non-current   161,670   156,720   117,116   167,004   126,780   185,712   178,792   269,944     Other liabilities   723,285   894,852   760,956   936,192   816,040   100,4075   1,081,24   1237,155      Stockholders' equity   Fredred Stock   138   138   140   140   141   141   143 | Prepaid expenses and other current assets     | 44,864       | 44,864       | 49,412       | 49,412       | 44,545       | 44,545       | 70,021       | 70,021       |  |  |
| Investments, non-current   | Deferred commissions, current                 | 32,747       | -            | 36,147       | -            | 41,459       | -            | 52,451       | -            |  |  |
| Property and equipment, net   165,356   165,356   161,954   161,954   161,249   161,249   160,880   160,880   161,880   161,882   161,882   161,382   35,022   33,572   34,577   52,434   52,434   48,142   48,142   48,142   48,142   162,000   162,000   161         | Total current assets                          | 1,344,247    | 1,303,356    | 1,382,860    | 1,341,041    | 1,414,711    | 1,367,431    | 1,684,035    | 1,626,970    |  |  |
| Reading   Read         | Investments, non-current                      | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        | 5,000        | 5,375        | 5,375        |  |  |
| Goodwill         124,642         124,642         138,681         138,681         161,382         145,161         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11         141,11   | Property and equipment, net                   | 165,356      | 165,356      | 161,954      | 161,954      | 161,249      | 161,249      | 160,880      | 160,880      |  |  |
| Deferred commissions, non-current   27,480   27,790   23,046   28,284   28,284   41,711   41,711   7         | Intangible assets, net                        | 35,022       | 35,022       | 34,577       | 34,577       | 52,434       | 52,434       | 48,142       | 48,142       |  |  |
| Other assets         25.210         25.210         22.901         22.901         28.284         28.284         41.711         41.711           Total assets         \$1.726.957         \$1.658.586         \$1.737.763         \$1.704.164         \$1.853.524         \$1.775.780         \$2.139.445         \$2.044.460           Liabilities and Stockholders' Equity           Current liabilities           Accruel compensation         \$8.239         \$8.239         \$8.984         \$9.984         \$12.409         \$11.040         \$11.040           Accruel compensation         \$8.9104         \$8.9104         93.843         93.843         115.733         115.733         145.365         145.365           Accruel expenses and other liabilities         73.761         72.107         89.951         \$4.002         79.296         74.680         84.631         77.106           Deferred revenue, current         336.101         48.072         531.799         482.196         382.682         516.00         84.2196         382.682         516.00         48.913         635.253         17.106         167.004         126.780         185.712         178.792         269.954         04.914         99.101         99.3833         98.383         98.383         98.383 <t< td=""><td>Goodwill</td><td>124,642</td><td>124,642</td><td>138,681</td><td>138,681</td><td>161,382</td><td>161,382</td><td>161,382</td><td>161,382</td></t<>   | Goodwill                                      | 124,642      | 124,642      | 138,681      | 138,681      | 161,382      | 161,382      | 161,382      | 161,382      |  |  |
| Total assets         \$1,726,957         \$1,658,586         \$1,773,763         \$1,704,154         \$1,853,524         \$1,775,780         \$2,139,445         \$2,044,460           Liabilities and Stockholders' Equity           Accounts payable         \$8,239         \$8,239         \$8,984         \$12,409         \$12,409         \$11,040         \$11,040           Accrued compensation         89,104         89,104         93,843         93,843         115,733         115,733         145,365         145,365           Accrued expenses and other liabilities         73,761         72,107         89,051         84,002         79,296         74,680         84,631         77,160           Deferred revenue, current         336,101         469,072         351,799         482,196         382,682         516,401         489,913         635,253           Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities         216,080         256,330         217,279         267,167   | Deferred commissions, non-current             | 27,480       | _            | 27,790       | -            | 30,464       | -            | 37,920       | _            |  |  |
| Current liabilities  | Other assets                                  | 25,210       | 25,210       | 22,901       | 22,901       | 28,284       | 28,284       | 41,711       | 41,711       |  |  |
| Current liabilities  | Total assets                                  | \$ 1,726,957 | \$ 1,658,586 | \$ 1,773,763 | \$ 1,704,154 | \$ 1,853,524 | \$ 1,775,780 | \$ 2,139,445 | \$ 2,044,460 |  |  |
| Accounts payable         8,239         8,239         8,984         8,984         12,409         12,409         11,040         11,040           Accrued compensation         89,104         89,104         93,843         93,843         115,733         115,733         145,365         145,365           Accrued expenses and other liabilities         73,761         72,107         89,051         84,002         79,296         74,680         84,631         77,160           Deferred revenue, current         336,101         469,072         351,799         482,196         382,682         516,401         489,913         635,253           Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         383           Total non-current liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124   | Liabilities and Stockholders' Equity          |              |              |              |              |              |              |              |              |  |  |
| Accrued compensation         89,104         89,104         93,843         93,843         115,733         115,733         145,365         145,365           Accrued expenses and other liabilities         73,761         72,107         89,051         84,002         79,296         74,680         84,631         77,160           Deferred revenue, current         336,101         469,072         351,799         482,196         382,682         516,401         489,913         635,253           Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075 <td< td=""><td>Current liabilities</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>   | Current liabilities                           |              |              |              |              |              |              |              |              |  |  |
| Accrued expenses and other liabilities         73,761         72,107         89,051         84,002         79,296         74,680         84,631         77,160           Deferred revenue, current         336,101         469,072         351,799         482,196         382,682         516,401         489,913         635,253           Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock         Common Stock         138         138         140 </td <td>Accounts payable</td> <td>\$ 8,239</td> <td>\$ 8,239</td> <td>\$ 8,984</td> <td>\$ 8,984</td> <td>\$ 12,409</td> <td>\$ 12,409</td> <td>\$ 11,040</td> <td>\$ 11,040</td>   | Accounts payable                              | \$ 8,239     | \$ 8,239     | \$ 8,984     | \$ 8,984     | \$ 12,409    | \$ 12,409    | \$ 11,040    | \$ 11,040    |  |  |
| Deferred revenue, current         336,101         469,072         351,799         482,196         382,682         516,401         489,913         635,253           Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock           Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)<  | Accrued compensation                          | 89,104       | 89,104       | 93,843       | 93,843       | 115,733      | 115,733      | 145,365      | 145,365      |  |  |
| Total current liabilities         507,205         638,522         543,677         669,025         590,120         719,223         730,949         868,818           Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock           Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1  | Accrued expenses and other liabilities        | 73,761       | 72,107       | 89,051       | 84,002       | 79,296       | 74,680       | 84,631       | 77,160       |  |  |
| Deferred revenue, non-current         116,470         156,720         117,116         167,004         126,780         185,712         178,792         269,954           Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock         Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)  | Deferred revenue, current                     | 336,101      | 469,072      | 351,799      | 482,196      | 382,682      | 516,401      | 489,913      | 635,253      |  |  |
| Other liabilities, non-current         99,610         99,610         100,163         100,163         99,140         99,140         98,383         98,383           Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock         5         5         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         894,852         893,812         894,852         894,852         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155         1,237,155         895,873         1,237,155         896,893         1,237,155         1,337,155         1,337,155         1,343         143         143         143         143         143         143         143         143         143         141         141         1  | Total current liabilities                     | 507,205      | 638,522      | 543,677      | 669,025      | 590,120      | 719,223      | 730,949      | 868,818      |  |  |
| Total non-current liabilities         216,080         256,330         217,279         267,167         225,920         284,852         277,175         368,337           Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock         Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305  | Deferred revenue, non-current                 | 116,470      | 156,720      | 117,116      | 167,004      | 126,780      | 185,712      | 178,792      | 269,954      |  |  |
| Total liabilities         723,285         894,852         760,956         936,192         816,040         1,004,075         1,008,124         1,237,155           Stockholders' equity           Preferred Stock           Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305  | Other liabilities, non-current                | 99,610       | 99,610       | 100,163      | 100,163      | 99,140       | 99,140       | 98,383       | 98,383       |  |  |
| Stockholders' equity           Preferred Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305   | Total non-current liabilities                 | 216,080      | 256,330      | 217,279      | 267,167      | 225,920      | 284,852      | 277,175      | 368,337      |  |  |
| Preferred Stock         Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305   | Total liabilities                             | 723,285      | 894,852      | 760,956      | 936,192      | 816,040      | 1,004,075    | 1,008,124    | 1,237,155    |  |  |
| Common Stock         138         138         140         140         141         141         143         143           Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305   | Stockholders' equity                          |              |              |              |              |              |              |              |              |  |  |
| Accumulated other comprehensive income (loss)         (3,589)         (3,589)         (1,349)         (1,349)         (2,074)         (2,074)         156         156           Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305  | Preferred Stock                               |              |              |              |              |              |              |              |              |  |  |
| Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305  | Common Stock                                  | 138          | 138          | 140          | 140          | 141          | 141          | 143          | 143          |  |  |
| Additional paid-in capital         1,887,900         1,887,900         1,973,386         1,973,386         2,028,455         2,028,455         2,086,893         2,086,893           Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305  | Accumulated other comprehensive income (loss) | (3,589)      | (3,589)      | (1,349)      | (1,349)      | (2,074)      | (2,074)      | 156          | 156          |  |  |
| Accumulated deficit         (880,777)         (1,120,715)         (959,370)         (1,204,215)         (989,038)         (1,254,817)         (955,871)         (1,279,887)           Total stockholders' equity         1,003,672         763,734         1,012,807         767,962         1,037,484         771,705         1,131,321         807,305   |   |              |              |              |              |              |              | 2,086,893    | 2,086,893    |  |  |
| Total stockholders' equity 1,003,672 763,734 1,012,807 767,962 1,037,484 771,705 1,131,321 807,305   |   | (880,777)    |              | (959,370)    | (1,204,215)  | (989,038)    | (1,254,817)  |              | (1,279,887)  |  |  |
| Total liabilities and stockholders' equity \$ 1,726,957 \$ 1,658,586 \$ 1,773,763 \$ 1,704,154 \$ 1,853,524 \$ 1,775,780 \$ 2,139,445 \$ 2,044,460   | Total stockholders' equity                    | 1,003,672    | 763,734      | 1,012,807    | 767,962      | 1,037,484    | 771,705      | 1,131,321    |              |  |  |
|  | Total liabilities and stockholders' equity    | \$ 1,726,957 | \$ 1,658,586 | \$ 1,773,763 | \$ 1,704,154 | \$ 1,853,524 | \$ 1,775,780 | \$ 2,139,445 | \$ 2,044,460 |  |  |

Restated results reflect the adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on February 1, 2018.

SPLUNK INC. Condensed Consolidated Statements of Cash Flows (In thousands) (Unaudited)

|   |              | nths Ended<br>30, 2017 |              | nths Ended<br>1, 2017 |              | oths Ended<br>31, 2017 | Three Moi<br>January | oths Ended<br>31, 2018 |
|---|--------------|------------------------|--------------|-----------------------|--------------|------------------------|----------------------|------------------------|
|   | Restated for | Previously             | Restated for | Previously            | Restated for | Previously             | Restated for         | Previously             |
|   | ASC 606      | Reported               | ASC 606      | Reported              | ASC 606      | Reported               | ASC 606              | Reported               |
| Cash flows from operating activities                              |              |                        |              |                       |              |                        |                      |                        |
| Net loss  | \$ (115,124) | \$ (99,931)            | \$ (78,593)  | \$ (83,500)           | \$ (29,668)  | \$ (50,602)            | \$ 33,167            | \$ (25,070)            |
| Adjustments to reconcile net loss to net cash provided by         |              |                        |              |                       |              |                        |                      |                        |
| operating activities:   |              |                        |              |                       |              |                        |                      |                        |
| Depreciation and amortization                                     | 9,103        | 9,103                  | 10,813       | 10,813                | 10,123       | 10,123                 | 10,902               | 10,902                 |
| Amortization of deferred commissions                              | 10,317       | -                      | 10,336       | -                     | 12,156       | -                      | 13,844               | -                      |
| Amortization of investment premiums (accretion of discounts)      | 217          | 217                    | 125          | 125                   | 31           | 31                     | (114)                | (114)                  |
| Stock-based compensation  | 90,055       | 90,055                 | 92,367       | 92,367                | 84,111       | 84,111                 | 91,930               | 91,930                 |
| Deferred income taxes   | 101          | 101                    | (967)        | (967)                 | (1,811)      | (1,811)                | (2,145)              | (2,145)                |
| Non-cash facility exit adjustment                                 | -            | -                      | -            | -                     | (5,191)      | (5,191)                | -                    | -                      |
| Changes in operating assets and liabilities, net of acquisitions: |              |                        |              |                       |              |                        |                      |                        |
| Accounts receivable, net  | 66,056       | 67,021                 | (34,350)     | (36,822)              | (56,564)     | (56,415)               | (126,095)            | (127,302)              |
| Prepaid expenses and other assets                                 | (7,057)      | (7,057)                | (826)        | (826)                 | (618)        | (618)                  | (37,110)             | (37,110)               |
| Deferred commissions  | (10,276)     | -                      | (14,046)     | _                     | (20,142)     | _                      | (32,292)             | _                      |
| Accounts payable  | 714          | 714                    | 1,249        | 1,249                 | 2,956        | 2,956                  | (1,510)              | (1,510)                |
| Accrued compensation  | (10,988)     | (10,988)               | 4,724        | 4,724                 | 21,890       | 21,890                 | 28,858               | 28,858                 |
| Accrued expenses and other liabilities                            | (7,905)      | (8,210)                | 16,012       | 12,617                | (5,533)      | (5,100)                | 7,393                | 4,538                  |
| Deferred revenue  | 16,145       | 333                    | 16,344       | 23,408                | 40,547       | 52,913                 | 159,243              | 203,094                |
| Net cash provided by operating activities                         | 41,358       | 41,358                 | 23,188       | 23,188                | 52,287       | 52,287                 | 146,071              | 146,071                |
| Cash flow from investing activities                               |              |                        |              |                       |              |                        |                      |                        |
| Purchases of investments  | (122,473)    | (122,473)              | (218,224)    | (218,224)             | (177,207)    | (177,207)              | (127,858)            | (127,858)              |
| Maturities of investments   | 163,065      | 163,065                | 175,200      | 175,200               | 175,745      | 175,745                | 173,475              | 173,475                |
| Acquisitions, net of cash acquired                                | _            | _                      | (17,223)     | (17,223)              | (42,127)     | (42,127)               | _                    | _                      |
| Purchases of property and equipment                               | (5,605)      | (5,605)                | (2,908)      | (2,908)               | (5,418)      | (5,418)                | (6,572)              | (6,572)                |
| Other investment activities                                       | -            | _                      | _            | -                     | -            | _                      | (375)                | (375)                  |
| Net cash provided by (used in) investing activities               | 34,987       | 34,987                 | (63,155)     | (63,155)              | (49,007)     | (49,007)               | 38,670               | 38,670                 |
| Cash flow from financing activities                               |              |                        |              |                       |              |                        |                      |                        |
| Proceeds from the exercise of stock options                       | 1,487        | 1,487                  | 486          | 486                   | 501          | 501                    | 1,701                | 1,701                  |
| Proceeds from employee stock purchase plan                        | 1,407        | 1,407                  | 19,282       | 19,282                | 501          | 501                    | 14,762               | 14,762                 |
| Taxes paid related to net share settlement of equity awards       | (32,462)     | (32,462)               | (26,647)     | (26,647)              | (29,542)     | (29,542)               | (49,179)             | (49,179)               |
| Repayment of financing lease obligation                           | (317)        | (32,402)               | (485)        | (485)                 | (497)        | (497)                  | (509)                | (509)                  |
| Net cash used in financing activities                             | (31,292)     | (31,292)               | (7,364)      | (7,364)               | (29,538)     | (29,538)               | (33,225)             | (33,225)               |
| ivet cash used in financing activities                            | (51,292)     | (31,292)               | (7,304)      | (7,304)               | (29,338)     | (29,338)               | (33,223)             | (33,223)               |
| Effect of exchange rate changes on cash and cash equivalents      | 28           | 28                     | 714          | 714                   | (238)        | (238)                  | 1,117                | 1,117                  |
| Net increase (decrease) in cash and cash equivalents              | 45,081       | 45,081                 | (46,617)     | (46,617)              | (26,496)     | (26,496)               | 152,633              | 152,633                |
| Cash and cash equivalents at beginning of period                  | 421,346      | 421,346                | 466,427      | 466,427               | 419,810      | 419,810                | 393,314              | 393,314                |
| Cash and cash equivalents at end of period                        | \$ 466,427   | \$ 466,427             | \$ 419,810   | \$ 419,810            | \$ 393,314   | \$ 393,314             | \$ 545,947           | \$ 545,947             |

Restated results reflect the adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on February 1, 2018.

|  | Three Months Ended<br>April 30, 2017 |           |    | Three Months Ended<br>July 31, 2017 |    |                   |            | Three Months Ended<br>October 31, 2017 |              |                    |            | Three Months Ended<br>January 31, 2018 |              |                    |            |                    |
|--|--------------------------------------|-----------|----|-------------------------------------|----|-------------------|------------|--|--------------|--------------------|------------|--|--------------|--------------------|------------|--------------------|
|  | Restated for                         |           |    | reviously                           | Re | stated for        | Previously |  | Restated for |                    | Previously |  | Restated for |                    | Previously |                    |
|  | _                                    | ASC 606   | R  | Reported                            | A  | ASC 606           | F          | Reported                               | A            | SC 606             | R          | Reported                               | A            | SC 606             | R          | eported            |
| GAAP gross margin  |                                      | 74.4%     |    | 76.0%                               |    | 78.6%             |            | 78.6%                                  |              | 81.3%              |            | 80.5%                                  |              | 83.9%              |            | 82.3%              |
| Stock-based compensation and related employer payroll tax                      |                                      | 3.7       |    | 3.5                                 |    | 3.1               |            | 3.1                                    |              | 2.4                |            | 2.4                                    |              | 2.0                |            | 2.2                |
| Amortization of acquired intangible assets                                     |                                      | 1.2       |    | 1.1                                 |    | 1.0               |            | 1.0                                    |              | 0.8                |            | 0.9                                    |              | 0.9                |            | 1.0                |
| Adjustments related to financing lease obligation                              |                                      | (0.1)     |    | (0.1)                               |    | (0.1)             |            | (0.1)                                  |              | (0.1)              |            | (0.1)                                  |              | (0.1)              |            | (0.1)              |
| Non-GAAP gross margin  |                                      | 79.2%     |    | 80.5%                               |    | 82.6%             |            | 82.6%                                  | _            | 84.4%              |            | 83.7%                                  | _            | 86.7%              |            | 85.4%              |
| GAAP operating income (loss)   | \$                                   | (112,650) | \$ | (97,457)                            | \$ | (77,202)          | \$         | (82,109)                               | \$           | (29,881)           | \$         | (50,815)                               | \$           | 34,323             | \$         | (23,914)           |
| Stock-based compensation and related employer payroll tax                      |                                      | 94,196    |    | 94,196                              |    | 94,765            |            | 94,765                                 |              | 86,289             |            | 86,289                                 |              | 94,862             |            | 94,862             |
| Amortization of acquired intangible assets                                     |                                      | 2,693     |    | 2,693                               |    | 4,241             |            | 4,241                                  |              | 3,564              |            | 3,564                                  |              | 4,290              |            | 4,290              |
| Adjustments related to financing lease obligation                              |                                      | (2,244)   |    | (2,244)                             |    | (2,205)           |            | (2,205)                                |              | (2,205)            |            | (2,205)                                |              | (2,206)            |            | (2,206)            |
| Acquisition-related costs  |                                      | -         |    | -                                   |    | -                 |            | -                                      |              | 643                |            | 643                                    |              | -                  |            | -                  |
| Adjustments related to facility exits  |                                      | -         |    | -                                   |    | -                 |            | -                                      |              | (5,191)            |            | (5,191)                                |              | -                  |            | -                  |
| Non-GAAP operating income (loss)   | \$                                   | (18,005)  | \$ | (2,812)                             | \$ | 19,599            | \$         | 14,692                                 | \$           | 53,219             | \$         | 32,285                                 | \$           | 131,269            | \$         | 73,032             |
| GAAP operating margin  |                                      | (49.7)%   |    | (40.2)%                             |    | (27.6)%           |            | (29.3)%                                |              | (8.7)%             |            | (15.5)%                                |              | 7.5%               |            | (5.7)%             |
| Stock-based compensation and related employer payroll tax                      |                                      | 41.6      |    | 38.8                                |    | 33.9              |            | 33.8                                   |              | 25.1               |            | 26.3                                   |              | 20.7               |            | 22.6               |
| Amortization of acquired intangible assets                                     |                                      | 1.2       |    | 1.1                                 |    | 1.5               |            | 1.5                                    |              | 1.0                |            | 1.1                                    |              | 0.9                |            | 1.0                |
| Adjustments related to financing lease obligation                              |                                      | (1.0)     |    | (0.9)                               |    | (0.8)             |            | (0.8)                                  |              | (0.6)              |            | (0.7)                                  |              | (0.5)              |            | (0.5)              |
| Acquisition-related costs  |                                      | -         |    | -                                   |    | -                 |            | =                                      |              | 0.2                |            | 0.2                                    |              | -                  |            | -                  |
| Adjustments related to facility exits  | _                                    | -         |    | -                                   |    |                   |            | -                                      |              | (1.5)              |            | (1.6)                                  |              |                    |            |                    |
| Non-GAAP operating margin  | _                                    | (7.9)%    | _  | (1.2)%                              |    | 7.0%              |            | 5.2%                                   | _            | 15.5%              | _          | 9.8%                                   | _            | 28.6%              | _          | 17.4%              |
| GAAP net income (loss)   | \$                                   | (115,124) | \$ | (99,931)                            | \$ | (78,593)          | \$         | (83,500)                               | \$           | (29,668)           | \$         | (50,602)                               | \$           | 33,167             | \$         | (25,070)           |
| Stock-based compensation and related employer payroll tax                      |                                      | 94,196    |    | 94,196                              |    | 94,765            |            | 94,765                                 |              | 86,289             |            | 86,289                                 |              | 94,862             |            | 94,862             |
| Amortization of acquired intangible assets                                     |                                      | 2,693     |    | 2,693                               |    | 4,241             |            | 4,241                                  |              | 3,564              |            | 3,564                                  |              | 4,290              |            | 4,290              |
| Adjustments related to financing lease obligation                              |                                      | (2,244)   |    | (2,244)                             |    | (2,205)           |            | (2,205)                                |              | (2,205)            |            | (2,205)                                |              | (2,206)            |            | (2,206)            |
| Acquisition-related costs  |                                      | -         |    | -                                   |    | -                 |            | -                                      |              | 643                |            | 643                                    |              | -                  |            | -                  |
| Adjustments related to facility exits  |                                      | -         |    | -                                   |    | -                 |            | -                                      |              | (5,191)            |            | (5,191)                                |              | -                  |            | -                  |
| Interest expense related to the financing lease obligation                     |                                      | 2,114     |    | 2,114                               |    | 2,106             |            | 2,106                                  |              | 2,094              |            | 2,094                                  |              | 2,083              |            | 2,082              |
| Partial release of the valuation allowance due to acquisition                  |                                      | 5,935     |    | 1 022                               |    | (546)             |            | (546)                                  |              | (1,994)            |            | (1,994)                                |              | (25.7(0)           |            | (20.042)           |
| Income tax effects related to non-GAAP adjustments  Non-GAAP net income (loss) | \$                                   | (12,430)  | \$ | 1,833 (1,339)                       | \$ | (4,681)<br>15,087 | \$         | (3,356)                                | \$           | (13,166)<br>40,366 | \$         | (7,515)<br>25,083                      | \$           | (35,769)<br>96,427 | \$         | (20,043)<br>53,915 |
| New GAAD and income (loss) and show  |                                      |           |    |                                     |    |                   |            |  |              |                    |            |  |              |                    |            | <u> </u>           |
| Non-GAAP net income (loss) per share   | ¢                                    | (0.09)    | \$ | (0.01)                              | \$ | 0.11              | \$         | 0.08                                   | \$           | 0.29               | \$         | 0.18                                   | \$           | 0.69               | \$         | 0.29               |
| Basic  | 3                                    |           | _  | (0.01)                              |    | 0.11              |            |  | _            |                    | _          |  | _            | 0.68               | _          | 0.38               |
| Diluted  | \$                                   | (0.09)    | \$ | (0.01)                              | \$ | 0.11              | \$         | 0.08                                   | \$           | 0.28               | \$         | 0.17                                   | \$           | 0.66               | \$         | 0.37               |
| Weighted-average shares used in computing non-GAAP net income (loss) per share |                                      |           |    |                                     |    |                   |            |  |              |                    |            |  |              |                    |            |                    |
| Basic  |                                      | 137,785   |    | 137,785                             |    | 139,063           |            | 139,063                                |              | 140,413            |            | 140,413                                |              | 142,074            |            | 142,074            |
| Diluted  | _                                    | 137,785   | _  | 137,785                             | _  | 142,852           | _          | 142,852                                | _            | 144,415            | _          | 144,415                                | _            | 147,047            | _          | 147,047            |
| Diffued  | _                                    | 137,763   | _  | 131,103                             | _  | 142,032           | _          | 142,032                                | _            | 144,413            | _          | 144,413                                | _            | 147,047            |            | 147,047            |

The following table reconciles GAAP net income (loss) per share to non-GAAP net income (loss) per share for the three months ended April 30, 2017 and January 31, 2018. For certain financial periods, GAAP net income (loss) per share to non-GAAP net income (loss) per share was not reconciled due to the difference in the number of shares used to calculate basic and diluted weighted-average shares of common stock.

|  | <br>Ар<br>30, 2        | ril<br>2017 |                     | -  | nuary<br>, 2018    |
|--|------------------------|-------------|---------------------|----|--------------------|
|  | <br>ated for<br>SC 606 |             | eviously<br>eported |    | ated for<br>SC 606 |
| GAAP net income (loss) per share                           | \$<br>(0.84)           | \$          | (0.73)              | \$ | 0.23               |
| Stock-based compensation and related employer payroll tax  | 0.69                   |             | 0.69                |    | 0.65               |
| Amortization of acquired intangible assets                 | 0.02                   |             | 0.02                |    | 0.03               |
| Adjustments related to financing lease obligation          | (0.02)                 |             | (0.02)              |    | (0.02)             |
| Interest expense related to the financing lease obligation | 0.02                   |             | 0.02                |    | 0.01               |
| Income tax effects related to non-GAAP adjustments         | 0.04                   |             | 0.01                |    | (0.24)             |
| Non-GAAP net income (loss) per share                       | \$<br>(0.09)           | \$          | (0.01)              | \$ | 0.66               |
|  |                        |             |                     |    |                    |