



ADESTO TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 29,546	\$ 30,078
Accounts receivable, net	12,188	8,668
Inventories	7,554	5,814
Prepaid expenses	1,153	993
Other current assets	55	52
Total current assets	50,496	45,605
Property and equipment, net	7,632	7,183
Intangible assets, net	6,808	7,102
Other non-current assets	1,029	900
Goodwill	22	22
Total assets	\$ 65,987	\$ 60,812
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	7,845	7,075
Accrued compensation and benefits	2,819	2,614
Accrued expenses and other current liabilities	2,506	2,359
Price adjustments and other revenue reserves	4,545	-
Line of credit, current	1,500	1,500
Term loan, current	1,929	926
Total current liabilities	21,144	14,474
Term loan, non-current	9,924	10,908
Other non-current liabilities	75	75
Deferred rent, non-current	2,294	2,404
Deferred tax liability, non-current	2	1
Total liabilities	33,439	27,862
Stockholders' equity:		
Common stock	2	2
Additional paid-in capital	133,804	133,087
Accumulated other comprehensive loss	(312)	(295)
Accumulated deficit	(100,946)	(99,844)
Total stockholders' equity	32,548	32,950
Total liabilities and stockholders' equity	\$ 65,987	\$ 60,812

ADESTO TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2018	2017
Revenue, net	\$ 15,302	\$ 11,307
Cost of revenue	8,122	5,753
Gross profit	7,180	5,554
Operating expenses:		
Research and development	3,665	3,372
Sales and marketing	2,752	2,600
General and administrative	1,713	2,135
Total operating expenses	8,130	8,107
Loss from operations	(950)	(2,553)
Other income (expense):		
Interest expense, net	(141)	(213)
Other income, net	10	18
Total other income (expense), net	(131)	(195)
Loss before provision for income taxes	(1,081)	(2,748)
Provision for income taxes	21	27
Net loss	\$ (1,102)	\$ (2,775)
Net loss per share:		
Basic and diluted	\$ (0.05)	\$ (0.18)
Weighted average number of shares used in computing net loss per share:		
Basic and diluted	21,370,927	15,642,286

ADESTO TECHNOLOGIES CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION
(in thousands, except for share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2018	2017
GAAP gross profit	\$ 7,180	\$ 5,554
Stock-based compensation expense	25	21
Non-GAAP gross profit	<u>\$ 7,205</u>	<u>\$ 5,575</u>
GAAP research and development expenses	\$ 3,665	\$ 3,372
Stock-based compensation expense	(183)	(255)
Amortization of acquisition-related intangible assets	(106)	(122)
Non-GAAP research and development expenses	<u>\$ 3,376</u>	<u>\$ 2,995</u>
GAAP sales and marketing expenses	\$ 2,752	\$ 2,600
Stock-based compensation expense	(104)	(167)
Amortization of acquisition-related intangible assets	(188)	(187)
Non-GAAP sales and marketing expenses	<u>\$ 2,460</u>	<u>\$ 2,246</u>
GAAP general and administrative expenses	\$ 1,713	\$ 2,135
Stock-based compensation expense	(131)	(381)
Non-GAAP general and administrative expenses	<u>\$ 1,582</u>	<u>\$ 1,754</u>
GAAP operating expenses	\$ 8,130	\$ 8,107
Stock-based compensation expense	(418)	(803)
Amortization of acquisition-related intangible assets	(294)	(309)
Non-GAAP operating expenses	<u>\$ 7,418</u>	<u>\$ 6,995</u>
GAAP loss from operations	\$ (950)	\$ (2,553)
Stock-based compensation expense	443	824
Amortization of acquisition-related intangible assets	294	309
Non-GAAP loss from operations	<u>\$ (213)</u>	<u>\$ (1,420)</u>
Reconciliation from GAAP net loss to adjusted EBITDA:		
GAAP net loss:	\$ (1,102)	\$ (2,775)
Stock-based compensation expense	443	824
Amortization of acquisition-related intangible assets	294	309
Non-GAAP net loss	<u>(365)</u>	<u>(1,642)</u>
Interest expense	154	223
Provision for income taxes	21	27
Depreciation and amortization	488	304
Adjusted EBITDA	<u>\$ 298</u>	<u>\$ (1,088)</u>
Non-GAAP basic and diluted net loss per share	(\$0.02)	(\$0.10)
Weighted-average number of shares used in calculating non-GAAP basic and diluted net loss per share	<u>21,370,927</u>	<u>15,642,286</u>