Q1FY20 SUPPLEMENTAL INFORMATION

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NON-GAAP SUPPLEMENTAL INFORMATION & NOTES

The following information includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

Q1FY20 consisted of 14 weeks whereas Q4FY19 and Q1FY19 each consisted of 13 weeks.

The following numbers may not add due to rounding.

(Dollars and shares in millions, except per share data, unaudited)

REVENUES

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
GAAP revenues	$1,247	$1,189	$1,156	5%	8%
Non-GAAP revenues(a)	$1,251	$1,195	$1,165	5%	9%

(a) Y/Y change is in constant currency using the Q1FY19 foreign exchange rates.

EXPENSES AND PROFITABILITY - NON-GAAP

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
Operating expenses	$666	$633	$651	5%	2%
Operating income	$379	$347	$328	9%	16%
Operating margin	30%	29%	28%	1pts	2pts
Net income	$278	$256	$232	9%	20%
Diluted EPS	$0.43	$0.39	$0.35	$0.04	$0.08
Diluted weighted-average shares outstanding	642	662	671	(3%)	(4%)

SEGMENT RESULTS - NON-GAAP

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
Enterprise Security revenues(a)	$615	$590	$565	4%	11%
Consumer Cyber Safety revenues(a)(b)	$636	$605	$600	5%	7%
Enterprise Security operating margin	7%	8%	12%	(1pts)	(5pts)
Consumer Cyber Safety operating margin(b)	53%	49%	44%	4pts	9pts

(a) Y/Y change is in constant currency using the Q1FY19 foreign exchange rates.

(b) There is no difference between GAAP and non-GAAP for the periods presented.

BALANCE SHEET, CASH FLOW, AND OTHER METRICS

	Q1FY20	Q4FY19	Q1FY19
Cash, cash equivalents and short-term investments	$1,694	$2,043	$2,325
Cash flow from operating activities	$325	$547	$331
Purchases of property and equipment	$49	$54	$44
Free cash flow	$276	$493	$287
Contract liabilities	$2,899	$3,056	$2,767
Stock repurchases - number of shares(a)	25	11	—
Headcount	11,719	11,923	12,095

(a) The number of shares repurchased is reported based on trade date. As of the end of Q4FY19, repurchases of approximately 1 million shares were executed but not settled until Q1FY20.

(Dollars and customer count in millions, unaudited)

REVENUE DISAGGREGATED BY TIMING OF RECOGNITION

	Q1FY20	Q4FY19	Q1FY19
Total Company			
Upfront revenue	9%	10 %	10 %
Ratable revenue	91%	90 %	90 %
Enterprise Security			
Upfront revenue	15%	19 %	18 %
Ratable revenue	85%	81 %	82 %
Consumer Cyber Safety			
Upfront revenue	2%	2 %	2 %
Ratable revenue	98%	98 %	98 %

REMAINING PERFORMANCE OBLIGATIONS (RPO) AS OF JULY 5, 2019

Percent Expected to be Recognized as Revenue	Total RPO	0 - 12 Months	13 - 24 Months	25 - 36 Months	Over 36 Months
Enterprise Security	$ 1,911	65%	24%	9 %	2 %
Consumer Cyber Safety	595	95%	4%	1 %	0 %
Total	**$ 2,506**	**72%**	**19%**	**7 %**	**1 %**

Note: Remaining performance obligations represent contracted revenue that has not been recognized, which include contract liabilities and amounts that will be billed and recognized as revenue in future periods and exclude Consumer Cyber Safety customer deposit liabilities of $416 million. Percentages may not add up to 100% due to rounding.

CONTRACT LIABILITIES

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
Total Company					
Short-term	$ 2,211	$ 2,320	$ 2,137	(5)%	3 %
Long-term	688	736	630	(7)%	9 %
Total	$ 2,899	$ 3,056	$ 2,767	(5)%	5 %
Enterprise Security					
Short-term	$ 1,229	$ 1,293	$ 1,111	(5)%	11 %
Long-term	659	709	603	(7)%	9 %
Total	$ 1,888	$ 2,002	$ 1,714	(6)%	10 %
Consumer Cyber Safety					
Short-term	$ 982	$ 1,027	$ 1,026	(4)%	(4)%
Long-term	29	27	27	7 %	7 %
Total	$ 1,011	$ 1,054	$ 1,053	(4)%	(4)%

CONSUMER CYBER SAFETY METRICS

	Q1FY20	Q4FY19	Q1FY19
Direct customer revenues	$ 577	$ 541	$ 544
Partner revenues	$ 59	$ 64	$ 56
Average direct customer count	20.2	20.4	20.9
Direct customer count (at quarter end)	20.1	20.3	20.8
Average revenue per user (ARPU)(a)	$ 8.83	$ 8.83	$ 8.66

(a) Q1FY20 ARPU was normalized to exclude approximately $41 million of direct customer revenues from the extra week in Q1FY20.

(Dollars and shares in millions, except per share data, unaudited)

GAAP RESULTS OF OPERATIONS

	Q1FY20	Q4FY19	Q1FY19
Net revenues	$ 1,247	$ 1,189	$ 1,156
Cost of revenues	272	279	249
Gross profit	975	910	907
Sales and marketing	393	378	386
Research and development	241	236	237
General and administrative	108	102	133
Amortization of intangible assets	51	51	53
Restructuring, transition and other costs	25	36	96
Total operating expenses	818	803	905
Operating income	157	107	2
Interest expense	(49)	(51)	(52)
Other expense, net	—	(4)	(19)
Income (loss) from continuing operations before income taxes	108	52	(69)
Income tax expense (benefit)	82	22	(4)
Income (loss) from continuing operations	26	30	(65)
Income from discontinued operations	—	4	5
Net income (loss)	$ 26	$ 34	$ (60)

NON-GAAP ADJUSTMENTS

	Q1FY20	Q4FY19	Q1FY19
Net revenues			
Contract liabilities fair value adjustment	$ 4	$ 6	$ 9
Cost of revenue			
Stock-based compensation	5	4	5
Amortization of intangible assets	61	60	58
Total gross profit adjustment	70	70	72
Operating expenses			
Stock-based compensation	75	83	108
Amortization of intangible assets	51	51	53
Restructuring, transition and other costs	25	36	96
Other	1	—	(3)
Total operating expense adjustment	152	170	254
Non-cash interest expense	6	7	6
Loss from equity interest	11	17	26
Total adjustments to GAAP income (loss) before provision for income taxes	239	264	358
Income tax effect of non-GAAP adjustments	(49)	(38)	(61)
Significant tax matters(a)	62	—	—
Total adjustment to GAAP provision for income taxes	13	(38)	(61)
Total income (loss) adjustment to continuing operations	252	226	297
Income adjustment for discontinued operations	—	(4)	(5)
Total net income (loss) adjustment	$ 252	$ 222	$ 292

NON-GAAP RESULTS OF OPERATIONS

	Q1FY20	Q4FY19	Q1FY19
Net revenues	$ 1,251	$ 1,195	$ 1,165
Cost of revenues	206	215	186
Gross profit	1,045	980	979
Sales and marketing	367	349	355
Research and development	206	199	198
General and administrative	93	85	98
Total operating expenses	666	633	651
Operating income	379	347	328
Interest expense	(43)	(44)	(46)
Other income, net	11	13	7
Income before income taxes	347	316	289
Provision for income taxes	69	60	57
Net income	$ 278	$ 256	$ 232

SHARE COUNT & NET INCOME (LOSS) PER SHARE

	Q1FY20	Q4FY19	Q1FY19
Diluted GAAP weighted-average shares outstanding	642	662	624
Incremental dilution	—	—	47
Diluted non-GAAP weighted-average shares outstanding	642	662	671
GAAP net income (loss) per share	$ 0.04	$ 0.05	$ (0.10)
Non-GAAP adjustments per share	$ 0.39	$ 0.34	$ 0.45
Non-GAAP net income per share	$ 0.43	$ 0.39	$ 0.35

(a) During Q1FY20, we recorded charges to account for uncertain tax positions related to the Ninth Circuit's recent holding in Altera Corp. v. Commissioner. See Explanation of Non-GAAP Measures for additional information.

(Dollars in millions, unaudited)

REPORTED BILLINGS (NON-GAAP)

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
Total Company					
Revenues	$ 1,247	$ 1,189	$ 1,156	5 %	8%
Add: Contract liabilities (end of period)	2,899	3,056	2,767		
Less: Contract liabilities (beginning of period)	(3,056)	(2,915)	(3,103)		
Adjustment due to adoption of new revenue recognition standard(a)	—	—	169		
Other contract liabilities adjustments	—	2	7		
Reported billings (Non-GAAP)	$ 1,090	$ 1,332	$ 996	(18)%	9%
Enterprise Security					
Revenues	$ 611	$ 584	$ 556	5 %	10%
Add: Contract liabilities (end of period)	1,888	2,002	1,714		
Less: Contract liabilities (beginning of period)	(2,002)	(1,876)	(2,010)		
Adjustment due to adoption of new revenue recognition standard(a)	—	—	186		
Other contract liabilities adjustments	—	2	7		
Reported billings (Non-GAAP)	$ 497	$ 712	$ 453	(30)%	10%
Consumer Cyber Safety					
Revenues	$ 636	$ 605	$ 600	5 %	6%
Add: Contract liabilities (end of period)	1,011	1,054	1,053		
Less: Contract liabilities (beginning of period)	(1,054)	(1,039)	(1,093)		
Adjustment due to adoption of new revenue recognition standard(a)	—	—	(17)		
Reported billings (Non-GAAP)	$ 593	$ 620	$ 543	(4)%	9%

(a) We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19 which required an adjustment to the opening Q1FY19 contract liabilities balance. This accounting adjustment is excluded from our reported billings calculation.

(Dollars in millions, unaudited)

REVENUES & NON-GAAP CONSTANT CURRENCY ADJUSTED REVENUES

	Q1FY20	Q4FY19	Q1FY19	Q/Q Change	Y/Y Change
Total Company					
Revenues	$ 1,247	$ 1,189	$ 1,156	5%	8%
Contract liabilities fair value adjustment	4	6	9		
Non-GAAP revenues	1,251	$ 1,195	1,165	5%	7%
Exclude foreign exchange impact(a)	17		—		
Non-GAAP constant currency adjusted revenues	$ 1,268		$ 1,165		9%
Enterprise Security					
Revenues	$ 611	$ 584	$ 556	5%	10%
Contract liabilities fair value adjustment	4	6	9		
Non-GAAP revenues	615	$ 590	565	4%	9%
Exclude foreign exchange impact(a)	10		—		
Non-GAAP constant currency adjusted revenues	$ 625		$ 565		11%
Consumer Cyber Safety					
Revenues	$ 636	$ 605	$ 600	5%	6%
Exclude foreign exchange impact(a)	7		—		
Non-GAAP constant currency adjusted revenues	$ 643		$ 600		7%

(a) Calculated using Q1FY19 foreign exchange rates.

(Dollars in millions, unaudited)

OPERATING INCOME AND MARGIN BY SEGMENT

		Q1FY20		Q4FY19		Q1FY19
Enterprise Security						
Operating income	$	39	$	42	$	56
Contract liabilities fair value adjustment		4		6		9
Non-GAAP operating income	$	43	$	48	$	65
Operating margin		6%		7%		10%
Non-GAAP operating margin		7%		8%		12%
Consumer Cyber Safety						
Operating income	$	336	$	299	$	263
Operating margin		53%		49%		44%
Reconciliation of consolidated operating income to segment operating income						
Total non-GAAP segment operating income	$	379	$	347	$	328
Contract liabilities fair value adjustment		4		6		9
Total GAAP segment operating income	$	375	$	341	$	319
Reconciling items:						
Stock-based compensation	$	80	$	87	$	113
Amortization of intangible assets		112		111		111
Restructuring, transition, and other costs		25		36		96
Other		1		—		(3)
Total consolidated operating income	$	157	$	107	$	2

STOCK-BASED COMPENSATION

		Q1FY20		Q4FY19		Q1FY19
Cost of revenue	$	5	$	4	$	5
Sales and marketing		25		29		31
Research and development		35		37		39
General and administrative		15		17		38
Total stock-based compensation	$	80	$	87	$	113

(Dollars in millions, unaudited)

REVENUES GUIDANCE

	Q2FY20	
	Low end of range	**High end of range**
Total Company		
Revenues (GAAP)	$ 1,153	$ 1,203
Contract liabilities fair value adjustment	2	2
Non-GAAP revenues	$ 1,155	$ 1,205
Enterprise Security		
Revenues (GAAP)	$ 563	$ 598
Contract liabilities fair value adjustment	2	2
Non-GAAP revenues	$ 565	$ 600
Consumer Cyber Safety		
Revenues (GAAP and Non-GAAP)	$ 590	$ 605

OUTLOOK ASSUMPTIONS

Our Q2FY20 outlook incorporates the following assumptions:

- A basket of currencies including EUR/USD exchange rate of $1.130/€
- Non-GAAP non-operating expense, net, of $36 million
- Non-GAAP effective tax rate of approximately 20.0%
- Non-GAAP fully diluted share count of 648 million(a)

(a) Dilutive shares related to our convertible debt included in our share count are based on our average share price for the first 10 trading days of Q2 FY20. A schedule of the dilutive impact from our convertible debt is available on our Investor Relations website at http://investor.symantec.com/About/Investors/financial-information/Other/default.aspx.

SYMANTEC CORPORATION
Forward-Looking Statements

This supplemental information document contains statements which may be considered forward-looking within the meaning of the U.S. federal securities laws, including the information contained under the captions “Reconciliation of GAAP to Non-GAAP Revenues Guidance Detail” and “Non-GAAP Guidance Assumptions”, as well as other projected financial and business results, including demand for its products and services, Symantec’s enhanced capabilities, and Symantec’s continued cost and operating efficiencies. To the extent a forward-looking statement contained in this supplemental information speaks as of a period covered by prior guidance, the information in this supplemental information is intended to supersede, and investors should not rely on, such prior guidance. Furthermore, investors should not rely on any prior guidance for the fiscal year 2020. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this supplemental information document. Such risk factors include those related to: any of the conditions to the completion of the proposed transaction for the sale of the Enterprise Security assets to Broadcom; the occurrence of any event, change or other circumstance that could give rise to the termination of the agreement for the sale of the Enterprise Security assets to Broadcom; the effect of the sale of the Enterprise Security assets on Symantec’s retained businesses and products; retention of existing executive leadership team members; difficulties in improving sales execution and product development during leadership transitions; difficulties in executing a new operating model for the consumer cyber safety business; difficulties in reducing run rate expenses and eliminating underutilized assets; general business and economic conditions; matters arising out of our completed Audit Committee investigation and the ongoing U.S. Securities and Exchange Commission investigation; fluctuations and volatility in Symantec’s stock price; the ability of Symantec to successfully execute strategic plans; the ability to maintain customer and partner relationships; the ability of Symantec to achieve its cost and operating efficiency goals; the anticipated growth of certain market segments; Symantec’s sales pipeline and business strategy; fluctuations in tax rates and foreign currency exchange rates; the timing and market acceptance of new product releases and upgrades; and the successful development of new products and the degree to which these products gain market acceptance. Additional information concerning these and other risk factors is contained in the Risk Factors sections of Symantec’s most recent reports on Form 10-K and Form 10-Q.

Symantec assumes no obligation, and does not intend, to update these forward-looking statements as a result of future events or developments.

SYMANTEC CORPORATION
Explanation of Non-GAAP Measures

Objective of non-GAAP measures: We believe our presentation of non-GAAP financial measures, when taken together with corresponding GAAP financial measures, provides meaningful supplemental information regarding the Company's operating performance for the reasons discussed below. Our management team uses these non-GAAP financial measures in assessing Symantec's performance, as well as in planning and forecasting future periods. Due to the importance of these measures in managing the business, we use non-GAAP measures in the evaluation of management's compensation. These non-GAAP financial measures are not computed according to GAAP and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Contract liabilities adjustment: Our non-GAAP net revenues eliminate the impact of contract liabilities purchase accounting adjustments required by GAAP. GAAP requires an adjustment to the liability for acquired contract liabilities such that the liability approximates how much we, the acquirer, would have to pay a third party to assume the liability. We believe that eliminating the impact of this adjustment improves the comparability of revenues between periods. Also, although the adjustment amounts will never be recognized in our GAAP financial statements, we do not expect the acquisitions to affect the future renewal rates of revenues excluded by the adjustments. In addition, our management uses non-GAAP net revenues, adjusted for the impact of purchase accounting adjustments to assess our operating performance and overall revenue trends. Nevertheless, non-GAAP net revenues has limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP net revenues. We believe these adjustments are useful to investors as an additional means to reflect revenue trends of our business. However, other companies in our industry may not calculate these measures in the same manner which may limit their usefulness for comparative purposes.

Inventory fair value adjustment: Purchase accounting requires us to measure acquired inventory at fair value. The fair value of inventory reflects the acquired company's cost of manufacturing plus a portion of the expected profit margin. These non-GAAP adjustments to our cost of revenues exclude the expected profit margin component that is recorded under purchase accounting associated with our acquisitions. We believe the adjustments are useful to investors as an additional means to reflect cost of revenues and gross margin trends of our business.

Stock-based compensation: This consists of expenses for employee restricted stock units, performance-based awards, bonus share programs, stock options and our employee stock purchase plan, determined in accordance with GAAP. We evaluate our performance both with and without these measures because stock-based compensation is a non-cash expense and can vary significantly over time based on the timing, size, nature and design of the awards granted, and is influenced in part by certain factors that are generally beyond our control, such as the volatility of the market value of our common stock. In addition, for comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes stock-based compensation to facilitate the comparison of our results to those of other companies in our industry.

Amortization of intangible assets: Amortization of intangible assets consists of amortization of acquisition-related intangibles assets such as developed technology, customer relationships and trade names acquired in connection with business combinations. We record charges relating to the amortization of these intangibles within both cost of revenues and operating expenses in our GAAP financial statements. Under purchase accounting, we are required to allocate a portion of the purchase price to intangible assets acquired and amortize this amount over the estimated useful lives of the acquired intangible assets. However, the purchase price allocated to these assets is not necessarily reflective of the cost we would incur to internally develop the intangible asset. Further, amortization charges for our acquired intangible assets are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. We eliminate these charges from our non-GAAP operating results to facilitate an evaluation of our current operating performance and provide better comparability to our past operating performance.

Restructuring, transition and other costs: Restructuring charges are costs associated with a formal restructuring plan and are primarily related to employee severance and benefit arrangements. Other charges include facilities and other exit and disposal costs, including asset write-offs. Transition costs are associated with formal discrete strategic information technology initiatives and primarily consist of consulting charges associated with our enterprise resource planning and supporting systems and costs to automate business processes. In addition, transition costs include expenses associated with our divestitures. We exclude restructuring, transition and other costs from our non-GAAP results as we believe that these costs are incremental to core activities that arise in the ordinary course of our business and do not reflect our current operating performance, and that excluding these charges facilitates a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

Acquisition-related costs: These represent the transaction and business integration costs related to significant acquisitions that are charged to operating expense in our GAAP financial statements. These costs include incremental expenses incurred to affect these business combinations such as advisory, legal, accounting, valuation, and other professional or consulting fees. We exclude these costs from our non-GAAP results as they have no direct correlation to the operation of our business, and because we believe that the non-GAAP financial measures excluding these costs provide meaningful supplemental information regarding the spending trends of our business. In addition, these costs vary, depending on the size and complexity of the acquisitions, and are not indicative of costs of future acquisitions.

Litigation settlement: We may periodically incur charges or benefits related to litigation settlements. We exclude these charges and benefits when associated with a significant settlement because we do not believe they are reflective of ongoing business and operating results.

Non-cash interest expense and amortization of debt issuance costs: In accordance with GAAP, we separately account for the value of the conversion feature on our convertible notes as a debt discount that reflects our assumed non-convertible debt borrowing rates. We amortize the discount and debt issuance costs over the term of the related debt. We exclude the difference between the imputed interest expense, which includes the amortization of the conversion feature and of the issuance costs, and the coupon interest payments because we believe that excluding these costs provides meaningful supplemental information regarding the cash cost of our convertible debt and enhance investors' ability to view the Company's results from management's perspective.

Gain on divestitures: We periodically recognize gains on divestitures. We have excluded these gains for purposes of calculating our non-GAAP results. We believe making these adjustments facilitates a better evaluation of our current operating performance and comparisons to past operating results.

Gain (loss) from equity interest: We record gains or losses in equity method investments representing net income or loss attributable to our noncontrolling interest in companies over which we have limited control and visibility. We exclude such gains and losses in full because we lack control over the operations of the investee and the related gains and losses are not indicative of our ongoing core results.

Income tax effects and adjustments: During the first quarter of fiscal 2020, we adopted a projected long-term non-GAAP tax rate of 20.0% in order to provide better consistency across the interim financial reporting periods by eliminating the income tax effects of the non-GAAP adjustment to our operating results described above, as well as significant discrete items. Our long-term rate could be subject to change for a variety of reasons, such as significant changes in the geographic earnings mix including acquisition or divestiture activity, or fundamental tax law changes in major jurisdictions where we operate. We will evaluate and assess the appropriateness of this rate annually, giving due consideration to the impacts of significant events and structural changes in the Company. We believe making these adjustments facilitates a better evaluation of our current operating performance and comparisons to past operating results. On June 7, 2019, a three-judge panel from the Ninth Circuit Court of Appeals issued an opinion in *Altera Corp. v. Commissioner* which reversed a United States Tax Court decision regarding the treatment of share-based compensation expense in a cost sharing arrangement. As a result, we recorded a cumulative income tax expense of $62 million in the first quarter of fiscal 2020, which has been excluded from our non-GAAP tax provision. For fiscal 2019, as a result of U.S. tax reform, we used a non-GAAP tax rate that excluded (1) the discrete impacts of changes in tax legislation, (2) most other significant discrete items, (3) certain unique GAAP reporting requirements under discontinued operations and (4) the income tax effects of the non-GAAP adjustment to our operating results described above.

Discontinued operations: In January 2016, we completed the sale of assets related to our Veritas operations. The results of Veritas operations are presented as discontinued operations in our Consolidated Statements of Operations and thus have been excluded from non-GAAP net income and segment results for all reported periods.

Diluted GAAP and non-GAAP weighted-average shares outstanding: Diluted GAAP and non-GAAP weighted-average shares outstanding are the same, except in periods that there is a GAAP loss from continuing operations. In accordance with GAAP, we do not present dilution for GAAP in periods in which there is a loss from continuing operations. However, if there is non-GAAP net income, we present dilution for non-GAAP weighted-average shares outstanding in an amount equal to the dilution that would have been presented had there been GAAP income from continuing operations for the period.

Reported billings: We define reported billings as total revenue plus the change in adjusted contract liabilities. The change in contract liabilities excludes contract liabilities acquired or divested during the period as well as the change in contract liabilities related to discontinued operations that does not amortize to revenue from continuing operations.

We consider reported billings to be a useful metric for management and investors because it facilitates an analysis of changes in contract liabilities balances that are an indicator of the health and visibility of our business. There are several limitations related to the use of reported billings versus revenue calculated in accordance with GAAP. First, reported billings include amounts that have not yet been recognized as revenue. Second, our calculation of reported billings may be different from other companies in our industry, some of which may not use reported billings, may calculate reported billings differently, may have different reported billing frequencies, or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of reported billings as a comparative measure. We compensate for these limitations by providing specific information regarding GAAP revenue and evaluating reported billings together with revenue calculated in accordance with GAAP.

<u>Free cash flow</u>: Free cash flow is defined as cash flow from operating activities less purchases of property and equipment.

<u>Non-GAAP constant currency adjusted revenues</u>: Non-GAAP constant currency adjusted revenues are defined as revenues adjusted for the contract liabilities fair value adjustment and foreign exchange impact, calculated by translating current period revenue using the year ago currency conversion rate.

<u>Consumer Cyber Safety direct customer count</u>: Direct customers are defined as those customers in our Consumer Cyber Safety segment who have a direct billing relationship with us, including online acquisition and retention, affiliates, co-marketing, and original contract manufacturer channels. Average direct customer count presents the average of the total number of direct customers at the beginning and end of the fiscal quarter.

<u>Consumer Cyber Safety direct average revenues per user (ARPU)</u>: ARPU is calculated as estimated direct customer revenues for the period divided by the average direct customer count for the same period, expressed as a monthly figure. We monitor APRU because it helps us understand the rate at which we are monetizing our consumer customer base.