Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2017

Products S 1,605 S 1,605 S 1,605 S 10,7348 S 107,348 S 107,348 34,688 34,688 S 25,913 S 25,913 S 25,913 S 188,953 S 188,953 S 184,058 S 107,348 S 107,348 34,688 34,688 S 107,348 S	(\$ in thousands)	GAAP	Non-GAAP	GAAP	Non-GAAP		GAAP	Non-GAAP
Revenue:		Qtr Ending	Qtr Ending	Qtr Ending	g Qtr Ending	YTI	D Ending	YTD Ending
Products S 1,605 S 1,605 S 1,605 S 10,7348 S 107,348 S 107,348 34,688 34,688 S 25,913 S 25,913 S 25,913 S 188,953 S 188,953 S 184,058 S 107,348 S 107,348 34,688 34,688 S 107,348 S		4/1/2017	4/1/2017	7/1/2017	7/1/2017	7/	1/2017	7/1/2017
Products S 1,605 S 1,605 S 1,605 S 10,7348 S 107,348 S 107,348 34,688 34,688 S 25,913 S 25,913 S 25,913 S 188,953 S 188,953 S 184,058 S 107,348 S 107,348 34,688 34,688 S 107,348 S								
Services	Revenue:							
Total revenue	Products	\$ 91,605		\$ 107,34	8 \$ 107,348	\$	198,953	
Cost of revenue: Products Spill Sp	Services					l I		
Products (1989)	Total revenue	117,518	117,518	126,12	3 126,123	! 	243,641	243,641
Products (1989)								
Services Column								
Total cost of revenue 83,141 82,156 82,800 82,629 165,941 164,785		57,373	-	58,29				-
Gross profit 34,377 35,362 43,323 43,494 77,700 78,856 Gross margin % 29,3% 30,1% 34,3% 34,5% 31,9% 32,4% Research and development (a) 33,808 32,482 32,950 31,828 66,758 64,310 33,808 32,482 32,950 31,828 66,758 64,310 33,808 32,482 32,950 31,828 66,758 64,310 34,377 35,362 10,257 9,326 9,701 8,870 19,958 18,196 699 - 957 - 1,656 - 70 70 1,656 7 1,93 63,126 62,037 58,473 129,230 121,599 Loss from operations (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Interest income, net 94 94 54 54 67,707 70 67,700 78,850 64,310						! 		,
Gross margin % 29.3% 30.1% 34.3% 34.5% 31.9% 32.4% Research and development ⁽⁴⁾ 33,808 32,482 32,950 31,828 66,758 64,310 22,429 21,318 18,429 17,775 40,858 39,093 General and Administrative ⁽⁶⁾ 10,257 9,326 9,701 8,870 19,958 18,196 Restructuring charges ⁽⁷⁾ 699 - 957 - 1,656 - Total operating expenses 67,193 63,126 62,037 58,473 129,230 121,599 Loss from operations (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Interest income, net Other income (expense), net 94 94 54 54 148 148 Other income (expense), net 70 70 (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss Non-GAAP bridge to GAAP (1) Cost of revenue - products (stock-based compensation) (2) Cost of revenue - products (stock-based compensation) (3) Cost of revenue - products (amortization of intangible assets) (3) Research and development (stock-based compensation) (3) Cost of revenue - products (amortization of intangible assets) (3) Goest of revenue - products (amortization of intangible assets) (3) General and administrative (stock-based compensation) (4) General and administrative (stock-based compensation) (5) Sales and marketing (stock-based compensation) (6) General and administrative (stock-based compensation) (7) Operating expense (restructuring charges) (5) S, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,	Total cost of revenue	83,141	82,156	82,80	0 82,629	⇃ᆜ	165,941	164,785
Gross margin % 29.3% 30.1% 34.3% 34.5% 31.9% 32.4% Research and development ⁽⁴⁾ 33,808 32,482 32,950 31,828 66,758 64,310 22,429 21,318 18,429 17,775 40,858 39,093 General and Administrative ⁽⁶⁾ 10,257 9,326 9,701 8,870 19,958 18,196 Restructuring charges ⁽⁷⁾ 699 - 957 - 1,656 - Total operating expenses 67,193 63,126 62,037 58,473 129,230 121,599 Loss from operations (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Interest income, net Other income (expense), net 94 94 54 54 148 148 Other income (expense), net 70 70 (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss Non-GAAP bridge to GAAP (1) Cost of revenue - products (stock-based compensation) (2) Cost of revenue - products (stock-based compensation) (3) Cost of revenue - products (amortization of intangible assets) (3) Research and development (stock-based compensation) (3) Cost of revenue - products (amortization of intangible assets) (3) Goest of revenue - products (amortization of intangible assets) (3) General and administrative (stock-based compensation) (4) General and administrative (stock-based compensation) (5) Sales and marketing (stock-based compensation) (6) General and administrative (stock-based compensation) (7) Operating expense (restructuring charges) (5) S, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,								
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Research and development (4) Sales and marketing (5) Sales and marketing (6) Sales and marketing (6) Sales and marketing (6) Sales and marketing (7) Sales and Administrative (6) 10,257 9,326 Restructuring charges (7) 699 - 957 - 1,656 - 1 Total operating expenses (32,816) (27,764) Loss from operations (32,816) (27,764) Sales and other income (expense), net 94 94 54 54 148 148 Other income (expense), net 70 70 (151) (151) (81) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) (97) Restructuring charges (7) Frovision for income taxes (33,325) \$ (28,273) (15,253) (15,253) (15,253) Non-GAAP bridge to GAAP (1) Cost of revenue - products (stock-based compensation) (2) Cast of revenue - products (amortization of intangible assets) (3) Sales and marketing (stock-based compensation) (3) Cast of revenue - products (amortization of intangible assets) (3) Sales and marketing (stock-based compensation) (3) Cast of revenue - products (amortization of intangible assets) (3) Sales and marketing (stock-based compensation) (3) Cast of revenue - products (amortization of intangible assets) (3) Sales and marketing (stock-based compensation) (3) Cast of revenue - products (amortization of intangible assets) (3) Sales and marketing (stock-based compensation) (3) Sales and marketing (stock-based compensation) (4) Research and development (stock-based compensation) (5) Sales and marketing (stock-based compensation) (5) Sales and marketing (stock-based compensation) (7) Operating expense (restructuring charges) (5) Sales and marketing (stock-based compensation) (6) Sales and marketing (stock-based compensation) (7) Operating expense (restructuring charges) (7) Sales (7)								
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Sales and marketing (5) General and Administrative (6) Restructuring charges (7) Total operating expenses (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Restructuring charges (7) Total operating expenses (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Restructuring charges (7) Total operating expenses (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Restructuring charges (7) (151,151) Restructuring charges (7) Re	. (4)	22.000	22.402	22.05			66.750	64.340
Semeral and Administrative (6)		,	,					
Restructuring charges 699 957 1,656 - 1,059 1,059			-					-
Total operating expenses 67,193 63,126 62,037 58,473 129,230 121,599 Loss from operations (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Interest income, net 94 94 54 54 148 148 Other income (expense), net 70 70 (151) (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526) Non-GAAP bridge to GAAP (10,000) \$ 116 \$ 96 \$ \$ 212 (20,000) \$ 131 \$ 131 \$ 140 \$ 14			9,326					18,196
Loss from operations (32,816) (27,764) (18,714) (14,979) (51,530) (42,743) Interest income, net 0 94 94 54 54 148 148 Other income (expense), net 70 70 (151) (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526) Non-GAAP bridge to GAAP (1) Cost of revenue - products (stock-based compensation) 56 75 131 (32 Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 (2,448 (5) Sales and marketing (stock-based compensation) 931 (8) General and administrative (stock-based compensation) 931 831 1,765 (6) General and administrative (stock-based compensation) 957 1,656 (70) Total non-GAAP expenses \$ 5,052 \$ 5,3735 \$ 8,787			-	_		⇃닎		-
Interest income, net Other income (expense), net Total interest and other income (expense), net Total interest income, net Total interest interest and fexpense, net Total interest and development (expense), net Total interest and development, net Total interest and	Total operating expenses	67,193	63,126	62,03	7 58,473	↓	129,230	121,599
Interest income, net Other income (expense), net Total interest and other income (expense), net Total interest income, net Total interest interest and fexpense, net Total interest and development (expense), net Total interest and development, net Total interest and	Loss from angustions	(22.016)	(27.764)	(10.71	4) (14.070)		(51 520)	(42.742)
Other income (expense), net 70 70 (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526) Non-GAAP bridge to GAAP \$ (10,000)	Loss from operations	(32,816)	(27,764)	(18,71	4) (14,979	11	(51,530)	(42,743)
Other income (expense), net 70 70 (151) (151) (81) (81) Total interest and other income (expense), net 164 164 (97) (97) 67 67 Provision for income taxes 673 673 177 177 850 850 Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526) Non-GAAP bridge to GAAP \$ (10,000)	Interest income net	94	94	5	4 54		148	148
Total interest and other income (expense), net 164 164 (97) (97) 67 67 67 Provision for income taxes 673 673 177 177 850 850 850 Net loss (18,988) (15,253) (18,988) (15,253)								
Provision for income taxes 673 673 177 177 850 850								
Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526)	Total interest and other meone (expense), net	104	104	(3	(37)		0,	0,
Net loss \$ (33,325) \$ (28,273) \$ (18,988) \$ (15,253) \$ (52,313) \$ (43,526)	Provision for income taxes	673	673	17	7 177		850	850
Non-GAAP bridge to GAAP (1) Cost of revenue - products (stock-based compensation) \$ 116 \$ 96 \$ 212 (2) Cost of revenue - services (stock-based compensation) 56 75 131 (3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	Trovision for modific takes	0,5	0.0				050	555
(1) Cost of revenue - products (stock-based compensation) \$ 116 \$ 96 \$ 212 (2) Cost of revenue - services (stock-based compensation) 56 75 131 (3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	Net loss	\$ (33,325)	\$ (28,273)	\$ (18,98	8) \$ (15,253)	\$	(52,313)	\$ (43,526)
(1) Cost of revenue - products (stock-based compensation) \$ 116 \$ 96 \$ 212 (2) Cost of revenue - services (stock-based compensation) 56 75 131 (3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787						1 F		
(2) Cost of revenue - services (stock-based compensation) 56 75 131 (3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	Non-GAAP bridge to GAAP							
(2) Cost of revenue - services (stock-based compensation) 56 75 131 (3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787								
(3) Cost of revenue - products (amortization of intangible assets) 813 - 813 (4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(1) Cost of revenue - products (stock-based compensation)		\$ 116		\$ 96			\$ 212
(4) Research and development (stock-based compensation) 1,326 1,122 2,448 (5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(2) Cost of revenue - services (stock-based compensation)		56		75			131
(5) Sales and marketing (stock-based compensation) 1,111 654 1,765 (6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(3) Cost of revenue - products (amortization of intangible assets)		813		-			813
(6) General and administrative (stock-based compensation) 931 831 1,762 (7) Operating expense (restructuring charges) 699 957 1,656 Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(4) Research and development (stock-based compensation)		1,326		1,122			2,448
(6) General and administrative (stock-based compensation) (7) Operating expense (restructuring charges) (8) General and administrative (stock-based compensation) (8) General and administrative (stock-based compensation) (9) 931 (9) 957 (1,656) (1	(5) Sales and marketing (stock-based compensation)		1,111		654			1,765
Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(6) General and administrative (stock-based compensation)		931		831			1,762
Total non-GAAP expenses \$ 5,052 \$ 3,735 \$ 8,787	(7) Operating expense (restructuring charges)		699		957			1,656
			\$ 5,052		\$ 3,735	11		
GAAP net loss \$ (33,325) \$ (18,988) \$ (52,313)	•				· · · · · · · · · · · · · · · · · · ·	11		
T (25/225)	GAAP net loss		\$ (33,325)		\$ (18,988)			\$ (52,313)

Calix's non-GAAP measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. In addition, the above non-GAAP Consolidated Statements of Operations are not based on a comprehensive set of accounting rules or principles.

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Balance Sheets 2017
(\$ in thousands)

Assets		
Current assets:		
Cash and cash equivalents	\$ 26,318	\$ 37,294
Marketable securities	25,215	12,915
Accounts receivable, net	64,188	53,392
Inventory	46,538	39,572
Deferred cost of revenue	40,454	40,094
Prepaid expenses and other current assets	11,911	11,112
Total current assets	214,624	194,379
Property and equipment, net	18,144	17,959
Goodwill	116,175	116,175
Other assets	816	811
Total assets	\$ 349,759	\$ 329,324
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 24,520	\$ 27,840
Accrued liabilities	77,015	72,662
Deferred revenue	44,416	41,847
Total current liabilities	145,951	142,349
Long-term portion of deferred revenue	20,876	21,104
Other long-term liabilities	775	638
Stockholders' equity:		
Common stock	1,374	1,390
Additional paid-in capital	839,018	840,931
Accumulated other comprehensive loss	(599)	(464)
Accumulated deficit	(617,650)	(636,638)
Treasury stock	(39,986)	(39,986)
Total stockholders' equity	182,157	165,233
Total liabilities and stockholders' equity	\$ 349,759	\$ 329,324

4/1/2017

7/1/2017

Calix, Inc. Historical Financial Statements Condensed Consolidated Statements of Cash Flows 2017 (\$ in thousands)

(\$ In thousanas)	Qtr Ending	Qtr Ending	YTD Ending	
	4/1/2017	7/1/2017	7/1/2017	
Operating activities				
Net loss	\$ (33,325)	\$ (18,988)	\$ (52,313)	
Adjustments to reconcile net loss to net cash provided by (used in) operating				
activities:				
Depreciation and amortization	2,463	2,466	4,929	
Loss on retirement of property and equipment	80	-	80	
Amortization of intangible assets	813	-	813	
Amortization of premium (discount) related to available-for-sale securities	(5)	2	(3)	
Stock-based compensation	3,540	2,778	6,318	
Changes in operating assets and liabilities:				
Accounts receivable, net	(12,852)	10,796	(2,056)	
Inventory	(1,993)	6,966	4,973	
Deferred cost of revenue	(5,691)	360	(5,331)	
Prepaid expenses and other assets	(968)	812	(156)	
Accounts payable	276	3,455	3,731	
Accrued liabilities	7,110	(4,148)	2,962	
Deferred revenue	17,201	(2,341)	14,860	
Other long-term liabilities	(103)	(138)	(241)	
Net cash provided by (used in) operating activities	(23,454)	2,020	(21,434)	
Investing activities				
Purchases of property and equipment	(2,106)	(2,609)	(4,715)	
Purchases of marketable securities	(8,732)	-	(8,732)	
Sales of marketable securities	-	5,051	5,051	
Maturities of marketable securities	11,266	7,250	18,516	
Net cash provided by investing activities	428	9,692	10,120	
Financing activities				
Proceeds from exercise of stock options	13	16	29	
Proceeds from employee stock purchase plan	-	673	673	
Taxes paid for awards vested under equity incentive plans	(1,093)	(1,537)	(2,630)	
Net cash used in financing activities	(1,080)	(848)	(1,928)	
Effect of exchange rate changes on cash and cash equivalents	65	112	177	
Net increase (decrease) in cash and cash equivalents	(24,041)	10,976	(13,065)	
Cash and cash equivalents at beginning of period	50,359	26,318	50,359	
Cash and cash equivalents at end of period	\$ 26,318	\$ 37,294	\$ 37,294	