

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2016
(\$ in thousands)

	GAAP	Non-GAAP
	Qtr Ending 3/26/2016	Qtr Ending 3/26/2016
Revenue	\$ 98,375	\$ 98,375
Cost of revenue:		
Products and services ⁽¹⁾	51,230	51,103
Amortization of intangible assets ⁽²⁾	1,663	-
Total cost of revenue	52,893	51,103
Gross profit	45,482	47,272
Gross margin %	46.2%	48.1%
Research and development ⁽³⁾	22,773	21,726
Sales and marketing ⁽⁴⁾	19,062	18,240
General and Administrative ⁽⁵⁾⁽⁷⁾	12,684	11,684
Amortization of intangible assets ⁽⁶⁾	1,701	-
Total operating expenses	56,220	51,650
Loss from operations	(10,738)	(4,378)
Interest income	211	211
Interest expense	(164)	(164)
Other income	83	83
Total interest and other income (expense), net	130	130
Provision for income taxes	121	121
Net loss	\$ (10,729)	\$ (4,369)
<u>Non-GAAP bridge to GAAP</u>		
(1) Cost of revenue (stock-based compensation)	\$	127
(2) Cost of revenue (amortization of intangible assets)		1,663
(3) Research and development (stock-based compensation)		1,047
(4) Sales and marketing (stock-based compensation)		822
(5) General and administrative (stock-based compensation)		725
(6) Operating expense (amortization of intangible assets)		1,701
(7) General and administrative (acquisition-related costs)		275
Total non-GAAP expenses	\$	6,360
GAAP net loss	\$	(10,729)

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.

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Historical Financial Statements
Condensed Consolidated Balance Sheets 2016
(\$ in thousands)

Assets

Current assets:

Cash and cash equivalents	\$ 21,365
Marketable securities	42,895
Accounts receivable, net	43,804
Inventory	41,127
Deferred cost of revenue	4,108
Prepaid expenses and other current assets	9,972
Total current assets	<u>163,271</u>

Property and equipment, net	16,515
Goodwill	116,175
Intangible assets, net	3,254
Other assets	1,202
Total assets	<u>\$ 300,417</u>

Liabilities and stockholders' equity

Current liabilities:

Accounts payable	\$ 11,144
Accrued liabilities	43,801
Deferred revenue	9,802
Total current liabilities	<u>64,747</u>

Long-term portion of deferred revenue	19,696
Other long-term liabilities	1,196

Stockholders' equity:

Common stock	1,328
Additional paid-in capital	821,236
Accumulated other comprehensive loss	(148)
Accumulated deficit	(567,652)
Treasury stock	(39,986)
Total stockholders' equity	<u>214,778</u>

Total liabilities and stockholders' equity	<u>\$ 300,417</u>
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3/26/2016

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statements of Cash Flows 2016
(\$ in thousands)

	Qtr Ending 3/26/2016
Operating activities	
Net loss	\$ (10,729)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	1,955
Amortization of intangible assets	3,364
Amortization of premiums related to available-for-sale securities	114
Stock-based compensation	2,721
Changes in operating assets and liabilities:	
Accounts receivable, net	3,351
Inventory	6,540
Deferred cost of revenue	810
Prepaid expenses and other assets	(576)
Accounts payable	(8,459)
Accrued liabilities	8,471
Deferred revenue	(2,195)
Other long-term liabilities	(98)
Net cash provided by operating activities	<u>5,269</u>
Investing activities	
Purchases of property and equipment	(1,453)
Maturities of marketable securities	7,020
Net cash provided by investing activities	<u>5,567</u>
Financing activities	
Proceeds from exercise of stock options	14
Payments for repurchases of common stock	(12,809)
Taxes paid for awards vested under equity incentive plans	(251)
Net cash used in financing activities	<u>(13,046)</u>
Effect of exchange rate changes on cash and cash equivalents	(51)
Net decrease in cash and cash equivalents	(2,261)
Cash and cash equivalents at beginning of period	23,626
Cash and cash equivalents at end of period	<u>\$ 21,365</u>