

Calix, Inc.  
**Historical Financial Statements**  
**GAAP and Non-GAAP Statements of Operations 2020**  
*(\$ in thousands)*

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending 3/28/2020	Qtr Ending 3/28/2020	Qtr Ending 6/27/2020	Qtr Ending 6/27/2020	Ytd Ending 6/27/2020	Ytd Ending 6/27/2020
Revenue:						
Systems	\$ 94,509	\$ 94,509	\$ 110,841	\$ 110,841	\$ 205,350	\$ 205,350
Services	7,173	7,173	8,182	8,182	15,355	15,355
Total revenue	101,682	101,682	119,023	119,023	220,705	220,705
Cost of revenue:						
Systems <sup>(1) (6) (7) (8)</sup>	50,708	48,984	56,721	53,421	107,429	102,405
Services <sup>(2)</sup>	5,350	5,235	5,897	5,807	11,247	11,042
Total cost of revenue	56,058	54,219	62,618	59,228	118,676	113,447
Gross profit	45,624	47,463	56,405	59,795	102,029	107,258
Gross margin %	44.9%	46.7%	47.4%	50.2%	46.2%	48.6%
Research and development <sup>(3)</sup>	20,671	19,661	20,921	19,824	41,592	39,485
Sales and marketing <sup>(4)</sup>	20,624	19,668	21,343	20,341	41,967	40,009
General and administrative <sup>(5)</sup>	10,669	9,873	11,193	10,267	21,862	20,140
Restructuring charges <sup>(9)</sup>	-	-	6,286	-	6,286	-
Total operating expenses	51,964	49,202	59,743	50,432	111,707	99,634
Income (loss) from operations	(6,340)	(1,739)	(3,338)	9,363	(9,678)	7,624
Interest expense, net	(290)	(290)	(617)	(617)	(907)	(907)
Other income (expense), net	15	15	(109)	(109)	(94)	(94)
Total interest expense and other income (expense), net	(275)	(275)	(726)	(726)	(1,001)	(1,001)
Provision for income taxes	329	329	148	148	477	477
Net income (loss)	\$ (6,944)	\$ (2,343)	\$ (4,212)	\$ 8,489	\$ (11,156)	\$ 6,146
<b>Non-GAAP bridge to GAAP</b>						
(1) Cost of revenue -systems (stock-based compensation)		\$ 107		\$ 126		\$ 233
(2) Cost of revenue - services (stock-based compensation)		115		90		205
(3) Research and development (stock-based compensation)		1,010		1,097		2,107
(4) Sales and marketing (stock-based compensation)		956		1,002		1,958
(5) General and administrative (stock-based compensation)		796		926		1,722
(6) U.S. tariff and tariff-related costs		959		723		1,682
(7) Intangible asset amortization		658		658		1,316
(8) Component inventory accrual		-		1,793		1,793
(9) Restructuring charges		-		6,286		6,286
Total non-GAAP expenses		\$ 4,601		\$ 12,701		\$ 17,302
GAAP net loss		\$ (6,944)		\$ (4,212)		\$ (11,156)

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 2020  
(\$ in thousands)

	3/28/2020	6/27/2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 46,189	\$ 50,552
Restricted cash	628	628
Accounts receivable, net	67,136	58,590
Inventory	30,539	36,659
Prepaid expenses and other current assets	<u>11,223</u>	<u>11,640</u>
Total current assets	155,715	158,069
Property and equipment, net	20,402	20,966
Right-of-use operating leases	15,212	11,079
Goodwill	116,175	116,175
Other assets	<u>16,550</u>	<u>15,025</u>
Total assets	<u>\$ 324,054</u>	<u>\$ 321,314</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 20,464	\$ 10,204
Accrued liabilities	57,975	64,684
Deferred revenue	19,912	16,359
Line of credit	<u>30,000</u>	<u>26,000</u>
Total current liabilities	128,351	117,247
Long-term portion of deferred revenue	17,656	18,192
Operating leases	13,642	12,975
Other long-term liabilities	13,490	13,732
Stockholders' equity:		
Common stock	1,549	1,587
Additional paid-in capital	899,978	912,402
Accumulated other comprehensive loss	(1,106)	(1,103)
Accumulated deficit	(709,520)	(713,732)
Treasury stock	<u>(39,986)</u>	<u>(39,986)</u>
Total stockholders' equity	150,915	159,168
Total liabilities and stockholders' equity	<u>\$ 324,054</u>	<u>\$ 321,314</u>

Calix, Inc.  
**Historical Financial Statements**  
**Condensed Consolidated Statements of Cash Flows 2020**  
*(\$ in thousands)*

	Qtr Ending 3/28/2020	Qtr Ending 6/27/2020	Ytd Ending 6/27/2020
<b>Operating activities</b>			
Net loss	\$ (6,944)	\$ (4,212)	\$ (11,156)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Stock-based compensation	2,984	3,241	6,225
Depreciation and amortization	3,544	3,462	7,006
Asset retirements and write-downs	-	3,749	3,749
Changes in operating assets and liabilities:			
Accounts receivable, net	(20,627)	8,545	(12,082)
Inventory	9,614	(6,120)	3,494
Prepaid expenses and other assets	758	417	1,175
Accounts payable	9,472	(10,143)	(671)
Accrued liabilities	1,367	6,501	7,868
Deferred revenue	2,071	(3,018)	(947)
Other long-term liabilities	(990)	264	(726)
Net cash provided by operating activities	<u>1,249</u>	<u>2,686</u>	<u>3,935</u>
<b>Investing activity -</b>			
Purchases of property and equipment	<u>(1,729)</u>	<u>(2,751)</u>	<u>(4,480)</u>
<b>Financing activities</b>			
Proceeds from exercise of stock options	1,099	4,509	5,608
Proceeds from employee stock purchase plans	-	4,712	4,712
Payments related to financing arrangements	(842)	(687)	(1,529)
Proceeds from line of credit	30,000	-	30,000
Repayment of line of credit	(30,000)	(4,000)	(34,000)
Payments to originate the line of credit	(177)	(108)	(285)
Net cash provided by financing activities	<u>80</u>	<u>4,426</u>	<u>4,506</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(240)	2	(238)
Net increase (decrease) in cash, cash equivalents and restricted cash	(640)	4,363	3,723
Cash, cash equivalents and restricted cash at beginning of period	<u>47,457</u>	<u>46,817</u>	<u>47,457</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 46,817</u>	<u>\$ 51,180</u>	<u>\$ 51,180</u>