

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2019
(\$ in thousands)

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending 3/30/2019	Qtr Ending 3/30/2019	Qtr Ending 6/29/2019	Qtr Ending 6/29/2019	Ytd Ending 6/29/2019	Ytd Ending 6/29/2019
Revenue:						
Systems	\$ 82,360	\$ 82,360	\$ 92,833	\$ 92,833	\$ 175,193	\$ 175,193
Services	6,990	6,990	7,471	7,471	14,461	14,461
Total revenue	89,350	89,350	100,304	100,304	189,654	189,654
Cost of revenue:						
Systems ^{(1) (6)}	44,601	42,295	49,561	47,583	94,162	89,878
Services ⁽²⁾	6,406	6,307	6,075	5,982	12,481	12,289
Total cost of revenue	51,007	48,602	55,636	53,565	106,643	102,167
Gross profit	38,343	40,748	44,668	46,739	83,011	87,487
Gross margin %	42.9%	45.6%	44.5%	46.6%	43.8%	46.1%
Research and development ⁽³⁾	19,330	18,314	20,700	19,827	40,030	38,141
Sales and marketing ⁽⁴⁾	19,339	18,265	19,734	18,920	39,073	37,185
General and administrative ⁽⁵⁾	8,787	7,986	9,165	8,499	17,952	16,485
Total operating expenses	47,456	44,565	49,599	47,246	97,055	91,811
Loss from operations	(9,113)	(3,817)	(4,931)	(507)	(14,044)	(4,324)
Interest expense, net	(108)	(108)	(142)	(142)	(250)	(250)
Other expense, net	(391)	(391)	123	123	(268)	(268)
Total interest and other expense, net	(499)	(499)	(19)	(19)	(518)	(518)
Provision for income taxes	155	155	95	95	250	250
Net loss	\$ (9,767)	\$ (4,471)	\$ (5,045)	\$ (621)	\$ (14,812)	\$ (5,092)
<u>Non-GAAP bridge to GAAP</u>						
(1) Cost of revenue -systems (stock-based compensation)		\$ 155		\$ 123		\$ 278
(2) Cost of revenue - services (stock-based compensation)		99		93		192
(3) Research and development (stock-based compensation)		1,016		873		1,889
(4) Sales and marketing (stock-based compensation)		1,074		814		1,888
(5) General and administrative (stock-based compensation)		801		666		1,467
(6) U.S. tariff and tariff-related costs		2,151		1,855		4,006
Total non-GAAP expenses		\$ 5,296		\$ 4,424		\$ 9,720
GAAP net loss		\$ (9,767)		\$ (5,045)		\$ (14,812)

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 2019
(\$ in thousands)

	3/30/2019	6/29/2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,067	\$ 34,942
Restricted cash	628	628
Accounts receivable, net	55,202	60,186
Inventory	47,226	45,360
Prepaid expenses and other current assets	<u>9,961</u>	<u>7,094</u>
Total current assets	157,084	148,210
Property and equipment, net	26,372	29,105
Right-of-use operating leases	17,062	16,422
Goodwill	116,175	116,175
Other assets	<u>1,459</u>	<u>1,336</u>
Total assets	<u>\$ 318,152</u>	<u>\$ 311,248</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 34,326	\$ 37,522
Accrued liabilities	55,343	47,657
Deferred revenue	15,564	18,528
Line of credit	<u>30,000</u>	<u>25,000</u>
Total current liabilities	135,233	128,707
Long-term portion of deferred revenue	18,252	17,792
Operating leases	15,692	15,045
Other long-term liabilities	3,134	2,498
Stockholders' equity:		
Common stock	1,488	1,520
Additional paid-in capital	879,475	886,076
Accumulated other comprehensive income	(487)	(710)
Accumulated deficit	(694,649)	(699,694)
Treasury stock	<u>(39,986)</u>	<u>(39,986)</u>
Total stockholders' equity	145,841	147,206
Total liabilities and stockholders' equity	<u>\$ 318,152</u>	<u>\$ 311,248</u>

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statements of Cash Flows 2019
(\$ in thousands)

	Qtr Ending 3/30/2019	Qtr Ending 6/29/2019	Ytd Ending 6/29/2019
Operating activities			
Net loss	\$ (9,767)	\$ (5,045)	\$ (14,812)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation	3,145	2,569	5,714
Depreciation and amortization	2,281	2,363	4,644
Loss on retirement of property and equipment	95	43	138
Changes in operating assets and liabilities:			
Accounts receivable, net	11,823	(4,983)	6,840
Inventory	2,925	1,866	4,791
Prepaid expenses and other assets	(1,935)	3,632	1,697
Accounts payable	(6,349)	3,673	(2,676)
Accrued liabilities	(1,614)	(8,700)	(10,314)
Deferred revenue	719	2,504	3,223
Other long-term liabilities	(1,696)	(800)	(2,496)
Net cash used in operating activities	<u>(373)</u>	<u>(2,878)</u>	<u>(3,251)</u>
Investing activities			
Purchases of property and equipment	(5,039)	(4,499)	(9,538)
Net cash used in investing activities	<u>(5,039)</u>	<u>(4,499)</u>	<u>(9,538)</u>
Financing activities			
Proceeds from exercise of stock options	290	36	326
Proceeds from employee stock purchase plans	-	4,157	4,157
Taxes paid for awards vested under equity incentive plans	(27)	(129)	(156)
Payments related to financing arrangements	(653)	(614)	(1,267)
Proceeds from line of credit	30,000	59,000	89,000
Repayment of line of credit	(30,000)	(64,000)	(94,000)
Net cash used in financing activities	<u>(390)</u>	<u>(1,550)</u>	<u>(1,940)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	223	(198)	25
Net decrease in cash, cash equivalents and restricted cash	(5,579)	(9,125)	(14,704)
Cash, cash equivalents and restricted cash at beginning of period	50,274	44,695	50,274
Cash, cash equivalents and restricted cash at end of period	<u>\$ 44,695</u>	<u>\$ 35,570</u>	<u>\$ 35,570</u>