

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	Qtr Ending 9/26/2020	Qtr Ending 9/26/2020	Ytd Ending 9/26/2020	Ytd Ending 9/26/2020	Ytd Ending 9/26/2020	Ytd Ending 9/26/2020		
Revenue:												
Systems	\$ 94,509	\$ 94,509	\$ 110,841	\$ 110,841	\$ 142,294	\$ 142,294	\$ 347,644	\$ 347,644				
Services	7,173	7,173	8,182	8,182	8,214	8,214	23,569	23,569				
Total revenue	101,682	101,682	119,023	119,023	150,508	150,508	371,213	371,213				
Cost of revenue:												
Systems <sup>(1) (6) (7) (8)</sup>	50,708	48,984	56,721	53,421	68,889	67,451	176,318	169,856				
Services <sup>(2)</sup>	5,350	5,235	5,897	5,807	5,644	5,541	16,891	16,583				
Total cost of revenue	56,058	54,219	62,618	59,228	74,533	72,992	193,209	186,439				
Gross profit	45,624	47,463	56,405	59,795	75,975	77,516	178,004	184,774				
Gross margin %	44.9%	46.7%	47.4%	50.2%	50.5%	51.5%	48.0%	49.8%				
Sales and marketing <sup>(3)</sup>	20,624	19,668	21,343	20,341	23,079	22,044	65,046	62,053				
Research and development <sup>(4)</sup>	20,671	19,661	20,921	19,824	20,378	19,141	61,970	58,626				
General and administrative <sup>(5)</sup>	10,669	9,873	11,193	10,267	10,768	9,728	32,630	29,868				
Restructuring charges <sup>(9)</sup>	-	-	6,286	-	-	-	6,286	-				
Total operating expenses	51,964	49,202	59,743	50,432	54,225	50,913	165,932	150,547				
Income (loss) from operations	(6,340)	(1,739)	(3,338)	9,363	21,750	26,603	12,072	34,227				
Interest expense, net	(290)	(290)	(617)	(617)	(356)	(356)	(1,263)	(1,263)				
Other income (expense), net	15	15	(109)	(109)	(707)	(707)	(801)	(801)				
Total interest expense and other income (expense), net	(275)	(275)	(726)	(726)	(1,063)	(1,063)	(2,064)	(2,064)				
Provision for income taxes	329	329	148	148	149	149	626	626				
Net income (loss)	\$ (6,944)	\$ (2,343)	\$ (4,212)	\$ 8,489	\$ 20,538	\$ 25,391	\$ 9,382	\$ 31,537				
<u>Non-GAAP bridge to GAAP</u>												
(1) Cost of revenue -systems (stock-based compensation)		\$ 107		\$ 126		\$ 159		\$ 392				
(2) Cost of revenue - services (stock-based compensation)		115		90		103		308				
(3) Sales and marketing (stock-based compensation)		956		1,002		1,035		2,993				
(4) Research and development (stock-based compensation)		1,010		1,097		1,237		3,344				
(5) General and administrative (stock-based compensation)		796		926		1,040		2,762				
(6) U.S. tariff and tariff-related costs		959		723		621		2,303				
(7) Intangible asset amortization		658		658		658		1,974				
(8) Component inventory accrual		-		1,793		-		1,793				
(9) Restructuring charges		-		6,286		-		6,286				
Total non-GAAP expenses		\$ 4,601		\$ 12,701		\$ 4,853		\$ 22,155				
GAAP net loss		\$ (6,944)		\$ (4,212)		\$ 20,538		\$ 9,382				

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
Marketable securities	-	-
Accounts receivable, net	67,136	58,590
Inventory	30,539	36,659
Prepaid expenses and other current assets	11,223	11,640
Total current assets	<u>155,715</u>	<u>158,069</u>
Property and equipment, net	20,402	20,966
Right-of-use operating leases	15,212	11,079
Goodwill	116,175	116,175
Other assets	16,550	15,025
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	30,000	26,000
Total current liabilities	<u>128,351</u>	<u>117,247</u>
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	(39,986)	(39,986)
Total stockholders' equity	<u>150,915</u>	<u>159,168</u>
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	Qtr Ending 9/26/2020	Ytd Ending 9/26/2020
<b>Operating activities</b>				
Net income (loss)	\$ (6,944)	\$ (4,212)	\$ 20,538	\$ 9,382
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Stock-based compensation	2,984	3,241	3,575	9,800
Depreciation and amortization	3,544	3,462	3,305	10,311
Asset retirements and write-downs	-	3,749	-	3,749
Changes in operating assets and liabilities:				
Accounts receivable, net	(20,627)	8,545	(10,540)	(22,622)
Inventory	9,614	(6,120)	(4,958)	(1,464)
Prepaid expenses and other assets	758	417	2,535	3,710
Accounts payable	9,472	(10,143)	6,287	5,616
Accrued liabilities	1,367	6,501	(4,034)	3,834
Deferred revenue	2,071	(3,018)	605	(342)
Other long-term liabilities	(990)	264	(312)	(1,038)
Net cash provided by operating activities	<u>1,249</u>	<u>2,686</u>	<u>17,001</u>	<u>20,936</u>
<b>Investing activities:</b>				
Purchases of property and equipment	(1,729)	(2,751)	(1,137)	(5,617)
Purchases of marketable securities	-	-	(39,986)	(39,986)
Net cash used in investing activities	<u>(1,729)</u>	<u>(2,751)</u>	<u>(41,123)</u>	<u>(45,603)</u>
<b>Financing activities</b>				
Proceeds from exercise of stock options	1,099	4,509	2,133	7,741
Proceeds from employee stock purchase plans	-	4,712	1,644	6,356
Payments related to financing arrangements	(842)	(687)	(813)	(2,342)
Proceeds from the sale of common stock in connection with public offering, net of expense	-	-	60,063	60,063
Proceeds from line of credit	30,000	-	-	30,000
Repayment of line of credit	(30,000)	(4,000)	(26,000)	(60,000)
Payments to originate the line of credit	(177)	(108)	-	(285)
Net cash provided by financing activities	<u>80</u>	<u>4,426</u>	<u>37,027</u>	<u>41,533</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(240)	2	369	131
Net increase (decrease) in cash, cash equivalents and restricted cash	(640)	4,363	13,274	16,997
Cash, cash equivalents and restricted cash at beginning of period	47,457	46,817	51,180	47,457
Cash, cash equivalents and restricted cash at end of period	<u>\$ 46,817</u>	<u>\$ 51,180</u>	<u>\$ 64,454</u>	<u>\$ 64,454</u>