

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2018
(\$ in thousands)

	GAAP	Non-GAAP
	Qtr Ending	Qtr Ending
	3/31/2018	3/31/2018
Revenue:		
Systems	\$ 93,291	\$ 93,291
Services	6,112	6,112
Total revenue	99,403	99,403
Cost of revenue:		
Systems ⁽¹⁾	51,633	51,521
Services ⁽²⁾	5,711	5,634
Total cost of revenue	57,344	57,155
Gross profit	42,059	42,248
Gross margin %	42.3%	42.5%
Research and development ⁽³⁾	25,536	24,553
Sales and marketing ⁽⁴⁾	19,901	19,051
General and administrative ⁽⁵⁾	9,095	8,360
Restructuring charges ⁽⁶⁾	(6,704)	-
Gain on sale of product line ⁽⁷⁾	5,340	-
Total operating expenses	53,168	51,964
Loss from operations	(11,109)	(9,716)
Interest income (expense), net	(223)	(223)
Other income (expense), net	(294)	(294)
Total interest and other income (expense), net	(517)	(517)
Provision for income taxes	110	110
Net loss	\$ (11,736)	\$ (10,343)
<u>Non-GAAP bridge to GAAP</u>		
(1) Cost of revenue - products (stock-based compensation)		\$ 112
(2) Cost of revenue - services (stock-based compensation)		77
(3) Research and development (stock-based compensation)		983
(4) Sales and marketing (stock-based compensation)		850
(5) General and administrative (stock-based compensation)		735
(6) Gain on sale of product line		(6,704)
(7) Operating expense (restructuring charges)		5,340
Total non-GAAP expenses		\$ 1,393
GAAP net loss		\$ (11,736)

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 2018
(\$ in thousands)

	3/31/2018
Assets	
Current assets:	
Cash and cash equivalents	\$ 42,628
Accounts receivable, net	55,746
Inventory	27,061
Prepaid expenses and other current assets	12,551
Total current assets	<u>137,986</u>
Property and equipment, net	14,808
Goodwill	116,175
Other assets	1,943
Total assets	<u>\$ 270,912</u>
Liabilities and stockholders' equity	
Current liabilities:	
Accounts payable	\$ 17,836
Accrued liabilities	48,783
Deferred revenue	14,676
Line of credit	30,000
Total current liabilities	<u>111,295</u>
Long-term portion of deferred revenue	20,712
Other long-term liabilities	866
Stockholders' equity:	
Common stock	1,426
Additional paid-in capital	853,809
Accumulated other comprehensive income	110
Accumulated deficit	(677,320)
Treasury stock	(39,986)
Total stockholders' equity	<u>138,039</u>
Total liabilities and stockholders' equity	<u>\$ 270,912</u>

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statements of Cash Flows 2018
(\$ in thousands)

Operating activities

Net loss	\$ (11,736)
Adjustments to reconcile net loss to net cash used in operating activities:	
Stock-based compensation	2,757
Depreciation and amortization	2,623
Loss on retirement of property and equipment	244
Gain on sale of product line	(6,704)
Changes in operating assets and liabilities:	
Accounts receivable, net	25,137
Inventory	2,451
Prepaid expenses and other assets	(2,521)
Accounts payable	(17,871)
Accrued liabilities	(805)
Deferred revenue	866
Other long-term liabilities	(264)
Net cash used in operating activities	<u>(5,823)</u>

Investing activities

Purchases of property and equipment	(1,875)
Proceeds from sale of product line	10,350
Net cash provided by investing activities	<u>8,475</u>

Financing activities

Proceeds from exercise of stock options	8
Taxes paid for awards vested under equity incentive plans	(5)
Proceeds from line of credit	163,238
Repayment of line of credit	(163,238)
Net cash provided by financing activities	<u>3</u>

Effect of exchange rate changes on cash and cash equivalents	198
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Net increase in cash and cash equivalents	2,853
Cash and cash equivalents at beginning of period	39,775
Cash and cash equivalents at end of period	<u>\$ 42,628</u>

Qtr Ending 3/31/2018
\$ (11,736)
2,757
2,623
244
(6,704)
25,137
2,451
(2,521)
(17,871)
(805)
866
(264)
<u>(5,823)</u>
(1,875)
10,350
<u>8,475</u>
8
(5)
163,238
(163,238)
<u>3</u>
198
2,853
39,775
<u>\$ 42,628</u>