

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Income 2021
(\$ in thousands)

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Ytd Ending	Ytd Ending
	4/3/2021	4/3/2021	7/3/2021	7/3/2021	10/2/2021	10/2/2021	10/2/2021	10/2/2021
Revenue:								
Systems	\$ 153,302	\$ 153,302	\$ 159,553	\$ 159,553	\$ 163,076	\$ 163,076	\$ 475,931	\$ 475,931
Services	8,772	8,772	9,117	9,117	9,155	9,155	27,044	27,044
Total revenue	162,074	162,074	168,670	168,670	172,231	172,231	502,975	502,975
Cost of revenue:								
Systems ^{(1) (6) (7)}	69,663	68,843	72,673	73,324	76,339	76,091	218,675	218,258
Services ⁽²⁾	6,169	6,019	6,378	6,221	6,399	6,222	18,946	18,462
Total cost of revenue	75,832	74,862	79,051	79,545	82,738	82,313	237,621	236,720
Gross profit	86,242	87,212	89,619	89,125	89,493	89,918	265,354	266,255
Gross margin %	53.2%	53.8%	53.1%	52.8%	52.0%	52.2%	52.8%	52.9%
Sales and marketing ⁽³⁾	28,051	26,604	29,710	27,987	31,144	29,353	88,905	83,944
Research and development ⁽⁴⁾	24,364	22,781	25,716	24,072	25,727	23,924	75,807	70,777
General and administrative ⁽⁵⁾	13,025	11,196	13,664	11,150	14,631	11,952	41,320	34,298
Total operating expenses	65,440	60,581	69,090	63,209	71,502	65,229	206,032	189,019
Income from operations	20,802	26,631	20,529	25,916	17,991	24,689	59,322	77,236
Interest expense, net	(125)	(125)	(119)	(119)	(86)	(86)	(330)	(330)
Other income (expense), net	88	88	255	255	(463)	(463)	(120)	(120)
Total interest expense and other income (expense), net	(37)	(37)	136	136	(549)	(549)	(450)	(450)
Income Taxes ⁽⁸⁾	150	150	207	207	(159,982)	250	(159,625)	607
Net income	\$ 20,615	\$ 26,444	\$ 20,458	\$ 25,845	\$ 177,424	\$ 23,890	\$ 218,497	\$ 76,179
<u>Non-GAAP bridge to GAAP</u>								
(1) Cost of revenue -systems (stock-based compensation)		\$ 162		\$ 185		\$ 211		\$ 558
(2) Cost of revenue - services (stock-based compensation)		150		157		177		484
(3) Sales and marketing (stock-based compensation)		1,447		1,723		1,791		4,961
(4) Research and development (stock-based compensation)		1,583		1,644		1,803		5,030
(5) General and administrative (stock-based compensation)		1,829		2,514		2,679		7,022
(6) Intangible asset amortization		658		658		658		1,974
(7) U.S. tariff refund		-		(1,494)		(621)		(2,115)
(8) Reversal of valuation allowance on deferred tax assets		-		-		(160,232)		(160,232)
Total non-GAAP expenses		\$ 5,829		\$ 5,387		\$ (153,534)		\$ (142,318)
GAAP net income		\$ 20,615		\$ 20,458		\$ 177,424		\$ 218,497

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 Income are not based on a comprehensive set of accounting rules or principles.

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Balance Sheet 2021
(\$ in thousands)

	4/3/2021	7/3/2021	10/2/2021
Assets			
Current assets:			
Cash and cash equivalents	\$ 85,854	\$ 58,590	\$ 60,215
Marketable securities	64,174	117,259	128,492
Accounts receivable, net	74,408	80,164	91,929
Inventory	72,211	77,136	75,166
Prepaid expenses and other current assets	13,122	17,449	18,957
Total current assets	<u>309,769</u>	<u>350,598</u>	<u>374,759</u>
Property and equipment, net	20,103	19,663	20,960
Right-of-use operating leases	11,015	10,983	10,841
Deferred tax assets	-	-	161,968
Goodwill	116,175	116,175	116,175
Other assets	11,073	10,416	11,014
Total assets	<u>\$ 468,135</u>	<u>\$ 507,835</u>	<u>\$ 695,717</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 29,224	\$ 34,971	\$ 31,340
Accrued liabilities	56,031	58,627	61,444
Deferred revenue	24,127	23,951	24,217
Total current liabilities	<u>109,382</u>	<u>117,549</u>	<u>117,001</u>
Long-term portion of deferred revenue	20,329	21,307	21,568
Operating leases	12,167	11,920	11,516
Other long-term liabilities	11,542	11,421	10,006
Stockholders' equity:			
Common stock	1,572	1,580	1,594
Additional paid-in capital	961,846	972,259	984,833
Accumulated other comprehensive loss	(226)	(182)	(206)
Accumulated deficit	(648,477)	(628,019)	(450,595)
Total stockholders' equity	<u>314,715</u>	<u>345,638</u>	<u>535,626</u>
Total liabilities and stockholders' equity	<u>\$ 468,135</u>	<u>\$ 507,835</u>	<u>\$ 695,717</u>

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statement of Cash Flows 2021
(\$ in thousands)

	Qtr Ending 4/3/2021	Qtr Ending 7/3/2021	Qtr Ending 10/2/2021	Ytd Ending 10/2/2021
Operating activities				
Net income	\$ 20,615	\$ 20,458	\$ 177,424	\$ 218,497
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation	5,171	6,223	6,661	18,055
Depreciation and amortization	4,077	3,660	3,614	11,351
Reversal of valuation allowance on deferred tax assets	-	-	(161,995)	(161,995)
Changes in operating assets and liabilities:				
Accounts receivable, net	(4,989)	(5,755)	(11,766)	(22,510)
Inventory	(19,943)	(4,925)	1,971	(22,897)
Prepaid expenses and other assets	(1,321)	(5,069)	(3,386)	(9,776)
Accounts payable	16,156	5,762	(3,607)	18,311
Accrued liabilities	(12,856)	2,672	3,176	(7,008)
Deferred revenue	5,362	802	527	6,691
Other long-term liabilities	(2,374)	(368)	(1,802)	(4,544)
Net cash provided by operating activities	<u>9,898</u>	<u>23,460</u>	<u>10,817</u>	<u>44,175</u>
Investing activities:				
Purchases of property and equipment	(2,274)	(1,654)	(3,343)	(7,271)
Purchases of marketable securities	(54,192)	(93,085)	(53,232)	(200,509)
Maturities of marketable securities	43,000	40,000	42,000	125,000
Net cash used in investing activities	<u>(13,466)</u>	<u>(54,739)</u>	<u>(14,575)</u>	<u>(82,780)</u>
Financing activities				
Proceeds from common stock issuances related to employee benefit plans	8,639	4,198	5,927	18,764
Payments related to financing arrangements	-	(212)	(511)	(723)
Net cash provided by financing activities	<u>8,639</u>	<u>3,986</u>	<u>5,416</u>	<u>18,041</u>
Effect of exchange rate changes on cash and cash equivalents	(24)	30	(34)	(28)
Net increase (decrease) in cash and cash equivalents	5,047	(27,263)	1,624	(20,592)
Cash and cash equivalents at beginning of period	80,807	85,854	58,591	80,807
Cash and cash equivalents at end of period	<u>\$ 85,854</u>	<u>\$ 58,591</u>	<u>\$ 60,215</u>	<u>\$ 60,215</u>