

Calix, Inc.

Historical Financial Statements

GAAP and Non-GAAP Statements of Income 2023

(\$ in thousands)

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending 4/1/2023	Qtr Ending 4/1/2023	Qtr Ending 7/1/2023	Qtr Ending 7/1/2023	Qtr Ending 9/30/2023	Qtr Ending 9/30/2023	Ytd Ending 9/30/2023	Ytd Ending 9/30/2023
Revenue	\$ 250,008	\$ 250,008	\$ 261,016	\$ 261,016	\$ 263,835	\$ 263,835	\$ 774,859	\$ 774,859
Cost of revenue ^{(1) (5)}	121,957	120,499	124,546	123,108	123,286	121,894	369,789	365,501
Gross profit	128,051	129,509	136,470	137,908	140,549	141,941	405,070	409,358
Gross margin %	51.2%	51.8%	52.3%	52.8%	53.3%	53.8%	52.3%	52.8%
Sales and marketing ⁽²⁾	51,865	47,433	54,596	49,543	52,356	48,023	158,817	144,999
Research and development ⁽³⁾	43,173	38,861	45,341	40,481	46,963	42,718	135,477	122,060
General and administrative ⁽⁴⁾	23,077	16,401	24,722	17,571	25,301	18,587	73,100	52,559
Total operating expenses	118,115	102,695	124,659	107,595	124,620	109,328	367,394	319,618
Operating income	9,936	26,814	11,811	30,313	15,929	32,613	37,676	89,740
Interest income, net	1,640	1,640	2,255	2,255	2,658	2,658	6,553	6,553
Other income (expense), net	(167)	(167)	163	163	(444)	(444)	(448)	(448)
Total interest income and other income (expense), net	1,473	1,473	2,418	2,418	2,214	2,214	6,105	6,105
Income Taxes ⁽⁶⁾	1,811	6,789	4,856	7,528	1,190	3,831	7,857	18,148
Net income	\$ 9,598	\$ 21,498	\$ 9,373	\$ 25,203	\$ 16,953	\$ 30,996	\$ 35,924	\$ 77,697
<u>Non-GAAP bridge to GAAP</u>								
(1) Cost of revenue (stock-based compensation)		\$ 800		\$ 780		\$ 734		\$ 2,314
(2) Sales and marketing (stock-based compensation)		4,432		5,053		4,333		13,818
(3) Research and development (stock-based compensation)		4,312		4,860		4,245		13,417
(4) General and administrative (stock-based compensation)		6,676		7,151		6,714		20,541
(5) Intangible asset amortization		658		658		658		1,974
(6) Income tax effect of non-GAAP adjustments		(4,978)		(2,672)		(2,641)		(10,291)
Total non-GAAP expenses		\$ 11,900		\$ 15,830		\$ 14,043		\$ 41,773
GAAP net income		\$ 9,598		\$ 9,373		\$ 16,953		\$ 35,924

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 2023
(\$ in thousands)

	4/1/2023	7/1/2023	9/30/2023
Assets			
Current assets:			
Cash and cash equivalents	\$ 94,186	\$ 90,187	\$ 135,675
Marketable securities	162,864	173,941	114,417
Accounts receivable, net	92,209	96,980	80,661
Inventory	156,513	153,394	150,033
Prepaid expenses and other current assets	<u>70,302</u>	<u>84,782</u>	<u>106,839</u>
Total current assets	576,074	599,284	587,625
Property and equipment, net	27,419	28,836	29,123
Right-of-use operating leases	10,060	10,754	9,964
Deferred tax assets	167,918	166,331	162,901
Goodwill	116,175	116,175	116,175
Other assets	<u>17,181</u>	<u>20,388</u>	<u>20,872</u>
Total assets	<u>\$ 914,827</u>	<u>\$ 941,768</u>	<u>\$ 926,660</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 35,376	\$ 35,358	\$ 22,134
Accrued liabilities	80,838	85,275	82,078
Deferred revenue	<u>44,497</u>	<u>41,814</u>	<u>34,944</u>
Total current liabilities	160,711	162,447	139,156
Long-term portion of deferred revenue	25,121	25,425	25,413
Operating leases	8,825	9,504	8,446
Other long-term liabilities	2,331	2,622	2,700
Stockholders' equity:			
Common stock	1,656	1,658	1,649
Additional paid-in capital	1,097,596	1,112,434	1,104,435
Accumulated other comprehensive loss	(1,307)	(1,589)	(1,359)
Accumulated deficit	<u>(380,106)</u>	<u>(370,733)</u>	<u>(353,780)</u>
Total stockholders' equity	717,839	741,770	750,945
Total liabilities and stockholders' equity	<u>\$ 914,827</u>	<u>\$ 941,768</u>	<u>\$ 926,660</u>

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statement of Cash Flows 2023
(\$ in thousands)

	Qtr Ending 4/1/2023	Qtr Ending 7/1/2023	Qtr Ending 9/30/2023	Ytd Ending 9/30/2023
Operating activities				
Net income	\$ 9,598	\$ 9,373	\$ 16,953	\$ 35,924
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation	16,220	17,844	16,026	50,090
Depreciation and amortization	3,723	4,192	4,266	12,181
Deferred income taxes	(681)	1,565	3,410	4,294
Net accretion of available-for-sale securities	(708)	(1,189)	(1,222)	(3,119)
Changes in operating assets and liabilities:				
Accounts receivable, net	1,595	(4,771)	16,319	13,143
Inventory	(7,353)	3,119	3,361	(873)
Prepaid expenses and other assets	(7,083)	(19,040)	(22,409)	(48,532)
Accounts payable	(5,899)	(406)	(13,451)	(19,756)
Accrued liabilities	(8,688)	8,186	361	(141)
Deferred revenue	11,005	(2,379)	(6,881)	1,745
Other long-term liabilities	(3,617)	970	(982)	(3,629)
Net cash provided by operating activities	<u>8,112</u>	<u>17,464</u>	<u>15,751</u>	<u>41,327</u>
Investing activities:				
Purchases of property and equipment	(4,618)	(5,489)	(3,776)	(13,883)
Purchases of marketable securities	(54,908)	(50,980)	(27,633)	(133,521)
Maturities of marketable securities	56,248	40,975	88,665	185,888
Net cash provided by (used in) investing activities	<u>(3,278)</u>	<u>(15,494)</u>	<u>57,256</u>	<u>38,484</u>
Financing activities				
Proceeds from common stock issuances related to employee benefit plans	12,471	5,813	8,375	26,659
Repurchases of common stock	(1,183)	(8,817)	(32,409)	(42,409)
Payments related to financing arrangements	(1,066)	(3,022)	(3,472)	(7,560)
Net cash provided by (used in) financing activities	<u>10,222</u>	<u>(6,026)</u>	<u>(27,506)</u>	<u>(23,310)</u>
Effect of exchange rate changes on cash and cash equivalents	57	57	(13)	101
Net increase (decrease) in cash and cash equivalents	15,113	(3,999)	45,488	56,602
Cash and cash equivalents at beginning of period	79,073	94,186	90,187	79,073
Cash and cash equivalents at end of period	<u>\$ 94,186</u>	<u>\$ 90,187</u>	<u>\$ 135,675</u>	<u>\$ 135,675</u>