Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2020

Revenue:   Systems	(\$ in thousands)	GAAP	Non-GAAP
Revenue:   Systems   S		Qtr Ending	Qtr Ending
Systems         \$ 94,509         \$ 94,509           Services         7,173         7,173           Total revenue:         101,682         101,682           Cost of revenue:         50,708         48,884           Services (2)         50,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44,99         46,7%           Research and development <sup>(8)</sup> 20,671         19,661           Sales and marketing <sup>(8)</sup> 20,624         19,668           General and administrative <sup>(8)</sup> 20,624         19,668           General and administrative <sup>(8)</sup> 10,669         9,873           Total operating expenses         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         (1) Cost of revenue -systems (stock-based compensation)         15         <		3/28/2020	3/28/2020
Systems         \$ 94,509         \$ 94,509           Services         7,173         7,173           Total revenue:         101,682         101,682           Cost of revenue:         50,708         48,884           Services (2)         50,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44,99         46,7%           Research and development <sup>(8)</sup> 20,671         19,661           Sales and marketing <sup>(8)</sup> 20,624         19,668           General and administrative <sup>(8)</sup> 20,624         19,668           General and administrative <sup>(8)</sup> 10,669         9,873           Total operating expenses         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         (1) Cost of revenue -systems (stock-based compensation)         15         <			
Services         7,173         7,173           Total revenue         101,682         101,682           Cost of revenue:         \$\$\$\$\$ 101,682         101,682           Systems (11,607)         50,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44,9%         46,7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         (1) Cost of revenue -systems (stock-based compensation)         115           (2) Cost of revenue -systems (stock-based compensation)         956 <td>Revenue:</td> <td></td> <td></td>	Revenue:		
Total revenue         101,682         101,682           Cost of revenue:         5,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44.9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (6)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         (1) Cost of revenue - systems (stock-based compensation)         \$ (5,944)         \$ (2,343)           Non-GAAP search and administrative (stock-based compensation)         956         1,010           (4) Sales and mark	Systems	\$ 94,509	\$ 94,509
Cost of revenue:         595tems (1)(6)(7)         50,708         48,984           Services (3)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44,9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         (1) Cost of revenue - services (stock-based compensation)         115           (2) Cost of revenue - services (stock-based compensation)         95           (3) Research and development (stock-based compensation)         956	Services	7,173	7,173
Systems (1) (6) (7)         50,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44.9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (1)         \$ (2,044)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (2,044)         \$ (2,343)         \$ (2,044)         \$ (2,343)	Total revenue	101,682	101,682
Systems (1) (6) (7)         50,708         48,984           Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44.9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (1)         \$ (2,044)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (2,044)         \$ (2,343)         \$ (2,044)         \$ (2,343)			
Services (2)         5,350         5,235           Total cost of revenue         56,058         54,219           Gross profit         45,624         47,463           Gross margin %         44,9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         115         15           (1) Cost of revenue - systems (stock-based compensation)         115         15           (2) Cost of revenue - services (stock-based compensation)         956         10           (3) Research and development (stock-based compensation)			
Total cost of revenue		,	48,984
Gross profit		5,350	
Gross margin %         44.9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944) \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944) \$ (2,343)           1) Cost of revenue - services (stock-based compensation)         115           (2) Cost of revenue - services (stock-based compensation)         1,010           (4) Sales and marketing (stock-based compensation)         956           (5) General and administrative (stock-based compensation)         956           (6) U.S. tariff and tariff-related costs         959           (7) Intangible asset amortization         658           Total non-GAAP expenses         \$ 4,601	Total cost of revenue	56,058	54,219
Gross margin %         44.9%         46.7%           Research and development (3)         20,671         19,661           Sales and marketing (4)         20,624         19,668           General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944) \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944) \$ (2,343)           1) Cost of revenue - services (stock-based compensation)         115           (2) Cost of revenue - services (stock-based compensation)         1,010           (4) Sales and marketing (stock-based compensation)         956           (5) General and administrative (stock-based compensation)         956           (6) U.S. tariff and tariff-related costs         959           (7) Intangible asset amortization         658           Total non-GAAP expenses         \$ 4,601	Cross profit	45 624	47.462
Research and development (3)  Sales and marketing (4)  Sales and marketing (4)  Ceneral and administrative (5)  Total operating expenses  10,669  9,873  Total operating expenses  10,669  51,964  49,202  Loss from operations  (6,340)  Chyray  Interest expense, net  (290)  Cypo)  Cyp	Gross profit	45,624	47,463
Research and development (3)  Sales and marketing (4)  Sales and marketing (4)  Ceneral and administrative (5)  Total operating expenses  10,669  9,873  Total operating expenses  10,669  51,964  49,202  Loss from operations  (6,340)  Chyray  Interest expense, net  (290)  Cypo)  Cyp	Gross margin %	44.9%	46.7%
Sales and marketing <sup>(4)</sup> 20,624         19,668           General and administrative <sup>(5)</sup> 10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ (6,944)         \$ (2,343)           1) Cost of revenue - services (stock-based compensation)         \$ 107           (2) Cost of revenue - services (stock-based compensation)         \$ 107           (3) Research and development (stock-based compensation)         \$ 1,010           (4) Sales and marketing (stock-based compensation)         \$ 796           (5) General and administrative (stock-based compensation)         \$ 796           (6) U.S. tariff and tariff-related costs         \$ 959           (7) Intangible asset amortization         \$ 658           Total non-GAAP expenses         \$ 4,601			
General and administrative (5)         10,669         9,873           Total operating expenses         51,964         49,202           Loss from operations         (6,340)         (1,739)           Interest expense, net         (290)         (290)           Other income, net         15         15           Total interest expense and other income, net         (275)         (275)           Provision for income taxes         329         329           Net loss         \$ (6,944)         \$ (2,343)           Non-GAAP bridge to GAAP         \$ 107           (2) Cost of revenue - systems (stock-based compensation)         \$ 107           (2) Cost of revenue - services (stock-based compensation)         115           (3) Research and development (stock-based compensation)         956           (4) Sales and marketing (stock-based compensation)         956           (5) General and administrative (stock-based compensation)         956           (6) U.S. tariff and tariff-related costs         959           (7) Intangible asset amortization         658           Total non-GAAP expenses         \$ 4,601	Research and development (3)	20,671	19,661
Total operating expenses   \$1,964   49,202	Sales and marketing (4)	20,624	19,668
Total operating expenses	General and administrative (5)	10,669	9,873
Interest expense, net (290) (290) Other income, net 15 15 Total interest expense and other income, net (275) (275)  Provision for income taxes 329 329  Net loss \$ (6,944) \$ (2,343)  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) \$ 107 (2) Cost of revenue - services (stock-based compensation) 1,010 (4) Sales and marketing (stock-based compensation) 956 (5) General and administrative (stock-based compensation) 976 (6) U.S. tariff and tariff-related costs 959 (7) Intangible asset amortization 658 Total non-GAAP expenses \$ 4,601	Total operating expenses		
Interest expense, net (290) (290) Other income, net 15 15 Total interest expense and other income, net (275) (275)  Provision for income taxes 329 329  Net loss \$ (6,944) \$ (2,343)  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) \$ 107 (2) Cost of revenue - services (stock-based compensation) 1,010 (4) Sales and marketing (stock-based compensation) 956 (5) General and administrative (stock-based compensation) 976 (6) U.S. tariff and tariff-related costs 959 (7) Intangible asset amortization 658 Total non-GAAP expenses \$ 4,601			
Other income, net Total interest expense and other income, net  Total interest expense and other income, net  Total interest expense and other income, net  (275)  (275)  Provision for income taxes  329 329  Net loss  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses	Loss from operations	(6,340)	(1,739)
Other income, net Total interest expense and other income, net  Total interest expense and other income, net  Total interest expense and other income, net  (275)  (275)  Provision for income taxes  329 329  Net loss  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses			
Total interest expense and other income, net  (275) (275)  Provision for income taxes  329 329  Net loss  S (6,944) \$ (2,343)  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses  (275) (275)  \$ \$ (275)  \$ \$ (275)  \$ \$ (275)  \$ \$ (6,944) \$ (2,343)  \$ \$ (6,944) \$ (2,343)  \$ \$ (107)  \$ \$ 107  \$ 107  \$ 107  \$ 1			
Provision for income taxes  S (6,944) \$ (2,343)  Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses			
Net loss \$\( \) \(	Total interest expense and other income, net	(275)	(275)
Net loss \$\( \) \(	Provision for income taxes	329	329
Non-GAAP bridge to GAAP  (1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses  \$ 4,601	Thorself for modific takes	023	525
(1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses  \$ 107  1,010  956  956  957  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,0	Net loss	\$ (6,944)	\$ (2,343)
(1) Cost of revenue -systems (stock-based compensation) (2) Cost of revenue - services (stock-based compensation) (3) Research and development (stock-based compensation) (4) Sales and marketing (stock-based compensation) (5) General and administrative (stock-based compensation) (6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses  \$ 107  1,010  956  956  957  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,010  956  958  959  1,010  1,0			
(2) Cost of revenue - services (stock-based compensation)     115       (3) Research and development (stock-based compensation)     1,010       (4) Sales and marketing (stock-based compensation)     956       (5) General and administrative (stock-based compensation)     796       (6) U.S. tariff and tariff-related costs     959       (7) Intangible asset amortization     658       Total non-GAAP expenses     \$ 4,601	Non-GAAP bridge to GAAP		
(2) Cost of revenue - services (stock-based compensation)     115       (3) Research and development (stock-based compensation)     1,010       (4) Sales and marketing (stock-based compensation)     956       (5) General and administrative (stock-based compensation)     796       (6) U.S. tariff and tariff-related costs     959       (7) Intangible asset amortization     658       Total non-GAAP expenses     \$ 4,601	(1) Cost of rayanua -systems (stock-based compensation)		\$ 107
(3) Research and development (stock-based compensation)     1,010       (4) Sales and marketing (stock-based compensation)     956       (5) General and administrative (stock-based compensation)     796       (6) U.S. tariff and tariff-related costs     959       (7) Intangible asset amortization     658       Total non-GAAP expenses     \$ 4,601			-
(4) Sales and marketing (stock-based compensation)     956       (5) General and administrative (stock-based compensation)     796       (6) U.S. tariff and tariff-related costs     959       (7) Intangible asset amortization     658       Total non-GAAP expenses     \$ 4,601	· · · · · · · · · · · · · · · · · · ·		
(5) General and administrative (stock-based compensation) 796 (6) U.S. tariff and tariff-related costs 959 (7) Intangible asset amortization 658 Total non-GAAP expenses \$ 4,601			-
(6) U.S. tariff and tariff-related costs (7) Intangible asset amortization Total non-GAAP expenses  Second			
(7) Intangible asset amortization 658 Total non-GAAP expenses \$ 4,601			
Total non-GAAP expenses \$ 4,601			
	• • •		
GAAP net loss \$ (6,944)	. III. III. Sien Capelloco		,001
	GAAP net loss		\$ (6,944)

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 co 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
Assets	
Current assets:	
Cash and cash equivalents	\$ 46,18
Restricted cash	62
	67,13
Accounts receivable, net	30,53
Inventory	
Prepaid expenses and other current assets	11,22
Total current assets	155,71
Property and equipment, net	20,40
Right-of-use operating leases	15,21
Goodwill	116,17
Other assets	16,55
Total assets	\$ 324,05
Liabilities and stockholders' equity	
Current liabilities:	
Accounts payable	\$ 20,46
Accrued liabilities	57,97
Deferred revenue	19,91
Line of credit	30,00
Total current liabilities	128,35
Long-term portion of deferred revenue	17,65
Operating leases	13,64
Other long-term liabilities	13,49
Stockholders' equity:	
Common stock	1,54
Additional paid-in capital	899,97
Accumulated other comprehensive loss	(1,10
Accumulated deficit	(709,52
Treasury stock	(39,98
Total stockholders' equity	150,91
Total liabilities and stockholders' equity	\$ 324,05
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## Calix, Inc. Historical Financial Statements Condensed Consolidated Statements of Cash Flows 2020 (\$ in thousands)

(7 III tilousullus)	Qtr Ending 3/28/2020
Operating activities	
Net loss	\$ (6,944)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Stock-based compensation	2,984
Depreciation and amortization	3,544
Changes in operating assets and liabilities:	
Accounts receivable, net	(20,627)
Inventory	9,614
Prepaid expenses and other assets	758
Accounts payable	9,472
Accrued liabilities	1,367
Deferred revenue	2,071
Other long-term liabilities	(990)
Net cash provided by operating activities	1,249
Investing activities	
Purchases of property and equipment	(1,729)
Net cash used in investing activities	(1,729)
Financing activities	
Proceeds from exercise of stock options	1,099
Payments related to financing arrangements	(842)
Proceeds from line of credit	30,000
Repayment of line of credit	(30,000)
Payments to originate the line of credit	(177)
Net cash provided by financing activities	80
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(240)
Net decrease in cash, cash equivalents and restricted cash	(640)
Cash, cash equivalents and restricted cash at beginning of period	47,457
Cash, cash equivalents and restricted cash at end of period	\$ 46,817