

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP Statements of Operations 2019
(\$ in thousands)

| | GAAP | Non-GAAP |
|---|-------------------------|-------------------------|
| | Qtr Ending 3/30/2019 | Qtr Ending 3/30/2019 |
| Revenue: | | |
| Systems | \$ 82,360 | \$ 82,360 |
| Services | 6,990 | 6,990 |
| Total revenue | 89,350 | 89,350 |
| Cost of revenue: | | |
| Systems ⁽¹⁾ ⁽⁶⁾ | 44,601 | 42,295 |
| Services ⁽²⁾ | 6,406 | 6,307 |
| Total cost of revenue | 51,007 | 48,602 |
| Gross profit | 38,343 | 40,748 |
| Gross margin % | 42.9% | 45.6% |
| Research and development ⁽³⁾ | 19,330 | 18,314 |
| Sales and marketing ⁽⁴⁾ | 19,339 | 18,265 |
| General and administrative ⁽⁵⁾ | 8,787 | 7,986 |
| Total operating expenses | 47,456 | 44,565 |
| Loss from operations | (9,113) | (3,817) |
| Interest expense, net | (108) | (108) |
| Other expense, net | (391) | (391) |
| Total interest and other expense, net | (499) | (499) |
| Provision for income taxes | 155 | 155 |
| Net loss | \$ (9,767) | \$ (4,471) |
| <u>Non-GAAP bridge to GAAP</u> | | |
| (1) Cost of revenue -systems (stock-based compensation) | \$ 155 | |
| (2) Cost of revenue - services (stock-based compensation) | 99 | |
| (3) Research and development (stock-based compensation) | 1,016 | |
| (4) Sales and marketing (stock-based compensation) | 1,074 | |
| (5) General and administrative (stock-based compensation) | 801 | |
| (6) U.S. tariff and tariff-related costs | 2,151 | |
| Total non-GAAP expenses | \$ 5,296 | |
| GAAP net loss | \$ (9,767) | |

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 Statements of Cash Flows 2019
(\$ in thousands)

| | Qtr Ending 3/30/2019 |
|---|-------------------------|
| Operating activities | |
| Net loss | \$ (9,767) |
| Adjustments to reconcile net loss to net cash used in operating activities: | |
| Stock-based compensation | 3,145 |
| Depreciation and amortization | 2,281 |
| Loss on retirement of property and equipment | 95 |
| Changes in operating assets and liabilities: | |
| Accounts receivable, net | 11,823 |
| Inventory | 2,925 |
| Prepaid expenses and other assets | (1,935) |
| Accounts payable | (6,349) |
| Accrued liabilities | (1,614) |
| Deferred revenue | 719 |
| Other long-term liabilities | (1,696) |
| Net cash used in operating activities | <u>(373)</u> |
| Investing activities | |
| Purchases of property and equipment | (5,039) |
| Net cash used in investing activities | <u>(5,039)</u> |
| Financing activities | |
| Proceeds from exercise of stock options | 290 |
| Taxes paid for awards vested under equity incentive plans | (27) |
| Payments related to financing arrangements | (653) |
| Proceeds from line of credit | 30,000 |
| Repayment of line of credit | (30,000) |
| Net cash used in financing activities | <u>(390)</u> |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 223 |
| Net decrease in cash, cash equivalents and restricted cash | (5,579) |
| Cash, cash equivalents and restricted cash at beginning of period | 50,274 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 44,695</u> |