Ribbon Communications

First Quarter 2022 Results

April 27, 2022

Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including without limitation statements regarding the projected financial results for the second quarter 2022 and beyond, costs and savings associated with our strategic restructuring, customer engagement and momentum, expected supply-chain related costs; our capital structure and credit facility; plans and objectives for future operations; and plans for future product development and manufacturing, are forward-looking statements. Without limiting the foregoing, the words "believes", "estimates", "expects", "expectations", "intends", "may", "plans", "projects" and other similar language, are intended to identify forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated in these forward-looking statements due to various risks, uncertainties and other important factors, including, among others, risks related to supply chain disruptions resulting from component availability; the effects of geopolitical instabilities and disputes, including between Russia and Ukraine, the impact of sanctions imposed as a result thereof; risks related to the continuing COVID-19 pandemic, including delays in customer deployments as a result of rises in cases; risks that we will not realize the anticipated benefits from the acquisition of ECI; risks that we will not realize the estimated cost savings and/or anticipated benefits from our strategic restructuring; the impact of restructuring and cost-containment activities; declines in the value of our ongoing investment in AVCT, the purchaser of our Kandy Communications business ("Kandy"); unpredictable fluctuations in quarterly revenue and operating results; risks related to the terms of our credit agreement including compliance with the financial covenants; risks related to cybersecurity and data intrusion; failure to compete successfully against telecommunications equipment and networking companies; failure to grow our customer base or generate recurring business from our existing customers; credit risks; the timing of customer purchasing decisions and our recognition of revenues; macroeconomic conditions; litigation; market acceptance of our products and services; rapid technological and market change; our ability to protect our intellectual property rights and obtain necessary licenses; our ability to maintain partner, reseller, distribution and vendor support and supply relationships; the potential for defects in our products; increases in tariffs, trade restrictions or taxes on our products; and currency fluctuations.

Any forward-looking statements represent our views only as of the date on which such statement is made and should not be relied upon as representing our views as of any subsequent date. While we may elect to update forward-looking statements at some point, we specifically disclaim any obligation to do so, except as may be required by law.

This presentation also includes certain non-GAAP financial measures in addition to the U.S. GAAP financials. Our management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding our operating results and may enhance investors' ability to analyze financial and business trends including the ability to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in a given financial period. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with U.S. GAAP. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate our business.

Please note that as part of the basis of presentation, totals may not sum due to rounding.

First Quarter 2022 Business Overview

Bruce McClelland, President & CEO

Mick Lopez, Executive Vice President & CFO

First Quarter 2022 New Market Activity

Customers & Partners

IP and Optical

Cloud & Edge Enterprise

Cloud & Edge Telco Cloud

Awards

2021 Global Sustainability Award Winner

Active IP Optical RFPs with 12 major mobile and telecom carriers around the globe

First Quarter 2022 Business Highlights

	Ribbon now supports Microsoft's Operator Connect using our Ribbon Connect platform by extending our multi-tenant SaaS Ribbon Connect capability to support service provider deployments of Operator Connect. Our first customer, Switch Connect in Australia, now offers this turnkey Microsoft Teams service, leveraging the same proven carrier-grade security products and services already trusted and deployed in the world's largest telecom networks.
	Google now supports SIP trunking for their Google Voice offering leveraging certified SBCs from Ribbon. Colt selects Ribbon's cloud-based SBC solution to deliver a complete, secure Microsoft Teams communications service across Japan.
	Solid Enterprise momentum with major businesses choosing Ribbon for their most demanding voice communication requirements.
	Turkcell, the leading mobile operator in Turkey, selected Ribbon to digitize their mobile / fixed voice network interconnect platform, using our virtualized, cloud-based SBC, Policy and routing management, and element management platforms.
	SNCF, the second largest European railway operator, selected Ribbon for a 5-year project to replace obsolete SDH equipment with our OTN WDM optical platforms, and our MPLS IP routing solutions.
	MTN Group in Africa, a top-10 mobile network operator, awarded Ribbon with 2 major projects in the region.

First Quarter 2022 Financial Highlights

1Q22 Revenue

$173M; down 10% YoY
International 56% of Sales
Enterprise 27% of Sales

Balance Sheet

$95M Ending Cash
Amended credit facility
Average interest rate **3.40%**

Profitability Metrics

($9M) Adjusted EBITDA
($0.08) Non-GAAP EPS

Cloud and Edge

Unified Communications Strength

31% YoY growth in NTR Gateway product revenue

Software 44% of total Cloud and Edge product revenue

Continued Profitability

62% Non-GAAP Gross Margin

Reduced OPEX YoY

15% Adj. EBITDA

IP Optical Networks

Americas Growth

North America revenues **up 193% YoY**

Customer Momentum

12 **major RFPs** in progress

Strong bookings quarter with major carrier wins in APAC & Africa

1.27x book to revenue ratio

First Quarter 2022 GAAP Financial Summary

	1Q21	4Q21	1Q22
Revenue	$193M	$231M	$173M
Gross margin	52%	50%	45%
OPEX	$113M	$235M	$117M
Loss from operations	($13M)	($120M)	($39M)
Other expense, net	($25M)	($9M)	($29M)
Net loss	($45M)	($96M)	($70M)
Diluted EPS	($0.31)	($0.65)	($0.47)

4Q21 Opex includes $116 million impairment against our IP Optical Networks goodwill carrying value

1Q22 includes a $27M non-cash loss associated with the quarterly mark-to-market of the AVCT investment and an EPS impact of ($0.18), similar to adjustments in previous quarters

First Quarter 2022 Non-GAAP Financial Summary

	1Q21	4Q21	1Q22
Revenue	$193M	$231M	$173M
Gross margin	57%	54%	50%
OPEX	$95M	$102M	$99M
Operating margin	8%	9%	(7%)
Adjusted EBITDA	$20M	$26M	($9M)
Diluted EPS	$0.03	$0.01	($0.08)

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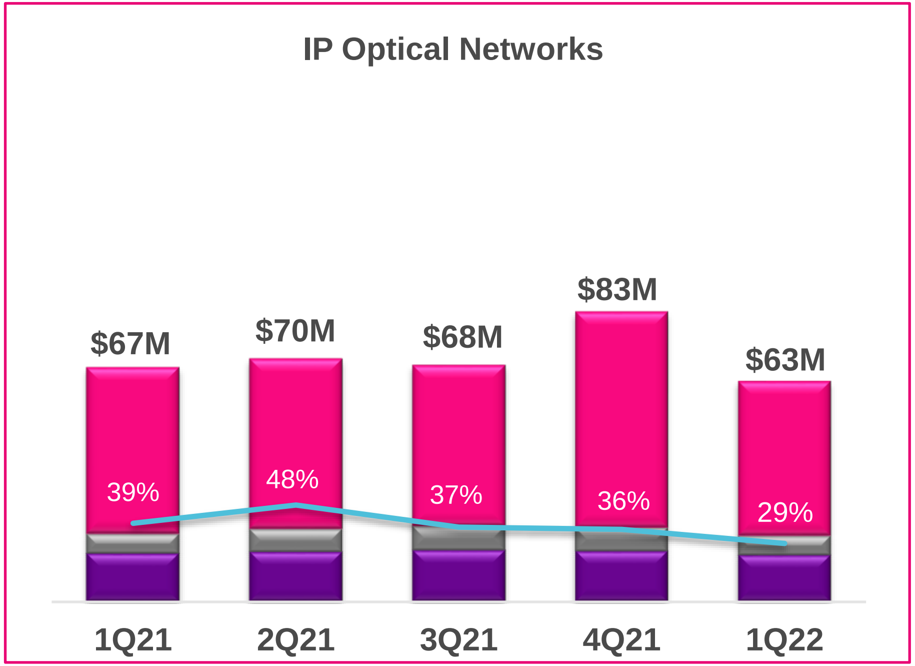
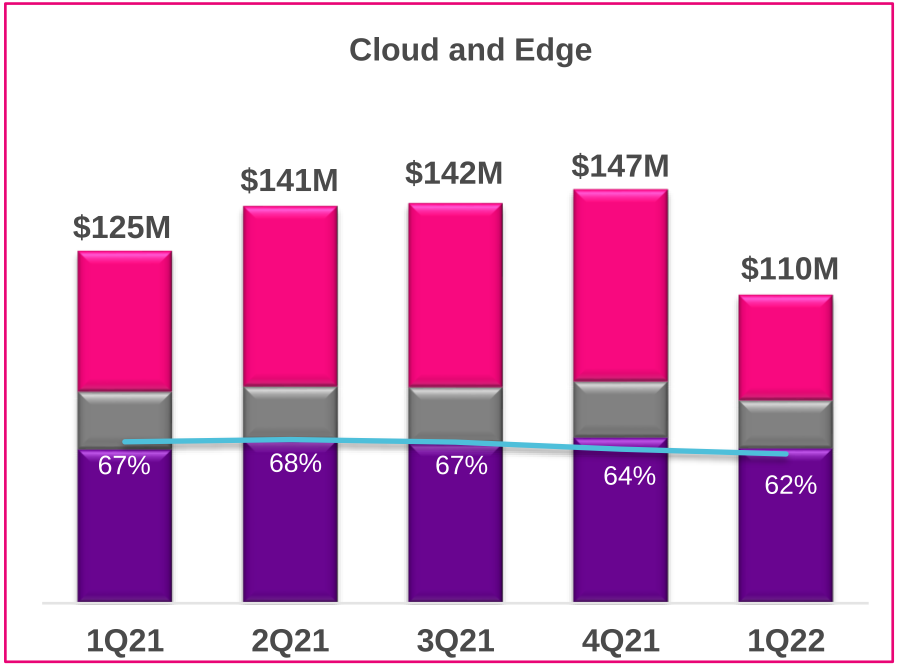
First Quarter 2022 Non-GAAP Segment Summary

	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$110M	$63M	$173M
Gross margin	62%	29%	50%
Adjusted EBITDA	$16M	($25M)	($9M)

Quarterly Performance: Revenue & Non-GAAP Gross Margins





Maintenance Product Professional Services Non-GAAP Gross Margin

First Quarter 2022 Key Metrics

Pipeline

1Q22 Book to Revenue[1] Ratio of 1.20, up 5% YoY

80% of 2022 maintenance renewals completed as at mid-April

Revenue Mix

26% Software Revenue[2]

40% Maintenance Revenue[3]

Top 10 Customers Revenue 44%[3]

Enterprise 27%[2]
Service Provider 73%[2]

Domestic 44%[3]
International 56%[3]

Balance Sheet

Cash Balance $95M

Debt[5] $355M

Current Annualized Weighted Interest Rate 3.4%

Covenant Ratio Metrics[4]
Leverage 3.54x vs 4.25x max.
FCCR 2.12x vs 1.25x min.

Cash Flow

$15M Cash from Operations

$20M principal debt paydown (includes $15M voluntary prepayment)

$3M Capex

Notes:

1. Product and Professional Services (excluding maintenance) Bookings divided by Product and Profession Services Revenue (excluding maintenance) for the three months ended March 31, 2022.
2. As a percentage of total product revenue.
3. As a percentage of total revenue.
4. Calculated in accordance with the Amended and Restated Credit Agreement.
5. Principal balance outstanding.

Key Trends and Outlook

New Product Highlights

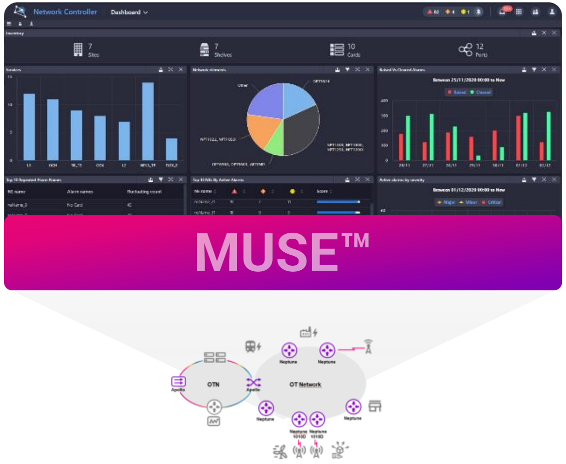
Cloud & Edge

- Ribbon Automation & Management Platform (RAMP)
- Ribbon SBC Software Edition Edge (SWe Edge)
- Enterprise Edge 8000 Voice & Data SBC
- Microsoft Operator Connect Integration

Deploy Cloud-based Teams Telephony Services Faster

IP Optical Networks

- IP Routing Protocols Suite
- Apollo Gen2 400G ZR+ OpenROADM Transponder
- Neptune 2000 Series IP Routers
- Muse — multi-domain, multi-vendor management & orchestration platform



Second Quarter and Full Year 2022 Business Outlook

	FY21 (Actual)	2Q22	FY22
Revenue	$845M	$200M to $215M	$850M to $880M
Non-GAAP Gross Margin	57%	53.5% to 54.5%	55% to 56%
Non-GAAP Adjusted EBITDA	$120M	$17M to $23M	$110M to $120M
Non-GAAP Diluted EPS	$0.32	$0.03 to $0.06	$0.30 to $0.34
Interest & Other Expense	($22M)	~($6M)	~($23M)
Non-GAAP Income Taxes	39%	~35%	~35%
Diluted Share Count	155M	~156M	~157M

Appendix

Ribbon Condensed Statements of Operations

USD Millions except percentages and EPS	1Q21	2Q21	3Q21	4Q21	FY21	1Q22
GAAP FINANCIAL MEASURES						
Product Revenue	98	113	112	130	453	82
Service Revenue	95	98	99	100	392	91
Total Revenue	**193**	**211**	**210**	**231**	**845**	**173**
Gross Profit	**100**	**119**	**111**	**115**	**445**	**78**
Gross Margin %	*52%*	*56%*	*53%*	*50%*	*53%*	*45%*
Research and development	47	47	49	52	195	53
Selling, general and administrative	53	48	48	55	204	50
Amortization of acquired intangible assets	6	7	8	7	28	7
Integration and restructuring-related expenses	7	4	4	5	19	7
Impairment of goodwill	-	-	-	116	116	-
Total Operating Expenses	**113**	**106**	**109**	**235**	**562**	**117**
Income/(Loss) from Operations	**(13)**	**13**	**2**	**(120)**	**(118)**	**(39)**
Operating Margin %	*-7%*	*6%*	*1%*	*-52%*	*-14%*	*-23%*
Net Income/(Loss)	**(45)**	**23**	**(59)**	**(96)**	**(177)**	**(70)**
Diluted EPS	**($0.31)**	**$0.15**	**($0.40)**	**($0.65)**	**($1.20)**	**($0.47)**
Shares used to compute GAAP diluted earnings (loss) per share	146	154	148	149	148	149
Cash Flow from Operating Activities	**(6)**	**14**	**-**	**11**	**19**	**15**
NON-GAAP FINANCIAL MEASURE						
Adjusted EBITDA	**20**	**43**	**32**	**26**	**120**	**(9)**

Ribbon Condensed Balance Sheets

USD Millions	1Q21	2Q21	3Q21	4Q21	1Q22
ASSETS					
Cash and cash equivalents[1]	109	115	104	106	95
Accounts receivable, net	209	220	236	283	221
Inventory	45	47	45	54	62
Property and equipment, net	49	49	49	48	48
Intangible assets, net and Goodwill	818	801	784	652	636
Investment (AVCT)	93	106	50	44	17
Other Assets	129	121	120	161	185
Total Assets	**1,453**	**1,459**	**1,387**	**1,348**	**1,264**
LIABILITIES AND EQUITY					
Liabilities	301	287	287	321	311
Deferred revenue	125	124	111	130	128
Debt[2]	384	379	375	370	350
Stockholders' Equity	643	669	614	527	474
Total Liabilities and Equity	**1,453**	**1,459**	**1,387**	**1,348**	**1,264**

Notes:
1. Includes cash, cash equivalents, and restricted cash.
2. Net of debt issuance costs and associated amortization.

Ribbon Condensed Statements of Cash Flows

USD Millions	1Q21	2Q21	3Q21	4Q21	FY21	1Q22
Cash from Operations	(6)	14	-	11	19	15
Purchases of property and equipment	(5)	(5)	(4)	(3)	(17)	(3)
Proceeds from sale of business	-	3	-	-	3	-
Borrowings, net	(4)	(5)	(5)	(5)	(19)	(21)
Other	(12)	(1)	(2)	(1)	(15)	(2)
Net Change	**(27)**	**6**	**(11)**	**3**	**(29)**	**(11)**
Cash[1] Beginning of Period	**136**	**109**	**115**	**104**	**136**	**106**
Cash[1] End of Period	**109**	**115**	**104**	**106**	**106**	**95**

Note:
1. Includes cash, cash equivalents, and restricted cash.

Ribbon Key Revenue Statistics

USD Millions except for percentages	1Q21	2Q21	3Q21	4Q21	FY21	1Q22
Revenue						
Product	98	113	112	130	453	82
Service	95	98	99	100	392	91
Total Revenue	**193**	**211**	**210**	**231**	**845**	**173**
% of Total Revenue:						
Revenue Mix						
Product	51%	54%	53%	57%	54%	47%
Services	49%	46%	47%	43%	46%	53%
Revenue by Geography						
Domestic	41%	48%	44%	45%	45%	44%
International	59%	52%	56%	55%	55%	56%
Revenue by Channel						
Direct	79%	76%	77%	66%	74%	71%
Indirect	21%	24%	23%	34%	26%	29%
Product Revenue By Market						
Enterprise	23%	22%	18%	34%	25%	27%
Service Providers	77%	78%	82%	66%	75%	73%
10% Total Revenue Customers	Verizon	Verizon	Verizon	Verizon	Verizon	Verizon

Discussion of Non-GAAP Financial Measures

The Company's management uses several different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of its business, making operating decisions, planning and forecasting future periods, and determining payments under compensation programs. The Company considers the use of non-GAAP financial measures helpful in assessing the core performance of its continuing operations and when planning and forecasting future periods. The Company's annual financial plan is prepared on a non-GAAP basis and is approved by its board of directors. In addition, budgeting and forecasting for revenue and expenses are conducted on a non-GAAP basis, and actual results on a non-GAAP basis are assessed against the annual financial plan. The Company defines continuing operations as the ongoing results of its business adjusted for certain expenses and credits, as described below. The Company believes that providing non-GAAP information to investors will allow investors to view the financial results in the way its management views them and helps investors to better understand the Company's core financial and operating performance and evaluate the efficacy of the methodology and information used by its management to evaluate and measure such performance.

While the Company's management uses non-GAAP financial measures as tools to enhance its understanding of certain aspects of the Company's financial performance, its management does not consider these measures to be a substitute for, or superior to, GAAP measures. In addition, the Company's presentations of these measures may not be comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered alternatives for, or in isolation from, the financial information prepared and presented in accordance with GAAP. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures. In particular, many of the adjustments to the Company's financial measures reflect the exclusion of items that are recurring and will be reflected in its financial results for the foreseeable future.

Discussion of Non-GAAP Financial Measures (continued)

Stock-Based Compensation

The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. The Company believes that presenting non-GAAP operating results that exclude stock-based compensation provides investors with visibility and insight into its management's method of analysis and its core operating performance.

Amortization of Acquired Technology; Amortization of Acquired Intangible Assets

Amortization amounts are inconsistent in frequency and amount and are significantly impacted by the timing and size of acquisitions. Amortization of acquired technology is reported separately within Cost of revenue and Amortization of acquired intangible assets is reported separately within Operating expenses. These items are reported collectively as Amortization of acquired intangible assets in the accompanying reconciliations of non-GAAP and GAAP financial measures. The Company believes that excluding non-cash amortization of these intangible assets facilitates the comparison of its financial results to its historical operating results and to other companies in its industry as if the acquired intangible assets had been developed internally rather than acquired.

Impairment of Goodwill

The Company performs its annual testing for impairment of goodwill in the fourth quarter of each year. For the purpose of testing goodwill for impairment, all goodwill has been assigned to one of the Company's two operating segments. The Company performs a fair value analysis using both an income and market approach, which encompasses a discounted cash flow analysis and a guideline public company analysis using selected multiples. Based on the results of its recently completed impairment test, the Company determined that the carrying value of its IP Optical Networks segment exceeded its fair value, and accordingly, recorded a non-cash impairment charge of $116 million in the fourth quarter of 2021. There was no impairment of the Company's Cloud and Edge segment. The Company believes that such non-cash costs are not part of its core business or ongoing operations. Accordingly, the Company believes that excluding the goodwill impairment charge facilitates the comparison of the Company's financial results to its historical operating results and to other companies in its industry.

Discussion of Non-GAAP Financial Measures (continued)

Acquisition-, Disposal- and Integration-Related

The Company considers certain acquisition-, disposal- and integration-related costs to be unrelated to the organic continuing operations of its acquired businesses and the Company. Such costs are generally not relevant to assessing or estimating the long-term performance of the acquired assets. The Company excludes such acquisition-, disposal- and integration-related costs to allow more accurate comparisons of its financial results to its historical operations and the financial results of less acquisitive peer companies and allows management and investors to consider the ongoing operations of the business both with and without such expenses.

Restructuring and Related

The Company has recorded restructuring and related expense to streamline operations and reduce operating costs by closing and consolidating certain facilities and reducing its worldwide workforce. The Company believes that excluding restructuring and related expense facilitates the comparison of its financial results to its historical operating results and to other companies in its industry, as there are no future revenue streams or other benefits associated with these costs.

Interest Income on Debentures

The Company recorded paid-in-kind interest income on the Debentures through September 8, 2021, when the Debentures were converted to the Debenture Shares, which increased their fair value. The Company excludes this interest income because it believes that such a gain is not part of its core business or ongoing operations.

Discussion of Non-GAAP Financial Measures (continued)

Gain on Sale of Business

On May 12, 2021, the Company sold its QualiTech business, which it had acquired as part of the ECI Acquisition, to Hermon Laboratories, Ltd. As consideration, the Company received $2.9 million of cash and recorded a gain on the sale of $2.8 million. On December 1, 2020, the Company completed the sale of Kandy to AVCT. As consideration, the Company received units of AVCT securities, comprised of AVCT's Series A-1 convertible debentures ("Debentures") and warrants to purchase shares of AVCT's common stock ("Warrants"), with an aggregate fair value approximating $84 million on the date of sale. The Debentures were converted to shares of AVCT common stock (the "Debenture Shares") on September 8, 2021 (the "Debenture Conversion Date"). The Company excludes these gains because it believes that such gains are not part of its core business or ongoing operations.

Decrease (Increase) in Fair Value of Investments

The Company calculates the fair values of the Debentures and the Warrants (prior to September 8, 2021) and the Debenture Shares and Warrants (effective September 8, 2021) at each quarter-end and records any adjustments to their fair values in Other (expense) income, net. The Company excludes these and any subsequent gains and losses from the change in fair value of this investment because it believes that such gains or losses are not part of its core business or ongoing operations.

Tax Effect of Non-GAAP Adjustments

The Non-GAAP income tax benefit (provision) is presented based on an estimated tax rate applied against forecasted annual non-GAAP income. The Non-GAAP income tax benefit (provision) assumes no available net operating losses or valuation allowances for the U.S. because of reporting significant cumulative non-GAAP income over the past several years. The Company is reporting its non-GAAP quarterly income taxes by computing an annual rate for the Company and applying that single rate (rather than multiple rates by jurisdiction) to its consolidated quarterly results. The Company expects that this methodology will provide a consistent rate throughout the year and allow investors to better understand the impact of income taxes on its results. Due to the methodology applied to its estimated annual tax rate, the Company's estimated tax rate on non-GAAP income will differ from its GAAP tax rate and from its actual tax liabilities.

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Discussion of Non-GAAP Financial Measures (continued)

Adjusted EBITDA

The Company uses Adjusted EBITDA as a supplemental measure to review and assess its performance. The Company calculates Adjusted EBITDA by excluding from Income (loss) from operations: depreciation; amortization of acquired intangible assets; stock-based compensation; impairment of goodwill; acquisition-, disposal- and integration-related expense; and restructuring and related expense. In general, the Company excludes the expenses that considerate considers to be non-cash and/or not part of its ongoing operations. The Company may exclude other items in the future that have those characteristics. Adjusted EBITDA is a non-GAAP financial measure that is used by the investing community for comparative and valuation purposes. The Company discloses this metric to support and facilitate dialogue with research analysts and investors. Other companies may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

GAAP to Non-GAAP Reconciliation

$000's	1Q21			2Q21			3Q21			4Q21			FY21		
	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$125,422	$ 67,350	$ 192,772	$141,421	$ 69,789	$ 211,210	$142,437	$ 67,961	$ 210,398	$147,376	$ 83,201	$ 230,577	$556,656	$ 288,301	$ 844,957
GAAP Gross profit	$ 77,523	$ 22,963	$ 100,486	$ 88,836	$ 29,891	$ 118,727	$ 89,000	$ 21,654	$ 110,654	$ 88,105	$ 26,688	$ 114,793	$343,464	$ 101,196	$ 444,660
GAAP Gross margin (Gross profit/Revenue)	61.8%	34.1%	52.1%	62.8%	42.8%	56.2%	62.5%	31.9%	52.6%	59.8%	32.1%	49.8%	61.7%	35.1%	52.6%
Stock-based compensation	0.1%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%
Amortization of acquired technology	5.3%	5.1%	5.2%	4.7%	4.4%	4.6%	4.6%	4.5%	4.6%	3.9%	3.7%	3.8%	4.6%	4.4%	4.6%
Non-GAAP Gross margin	67.2%	39.3%	57.5%	67.8%	47.5%	61.1%	67.4%	36.7%	57.5%	64.0%	36.0%	53.9%	66.5%	39.7%	57.4%
GAAP Income (loss) from operations	$ 4,693	$ (17,297)	$ (12,604)	$ 24,931	$ (11,979)	$ 12,952	$ 26,361	$ (24,369)	$ 1,992	$ 20,371	$ (140,507)	$ (120,136)	$ 76,356	$ (194,152)	$ (117,796)
Depreciation	3,137	1,089	4,226	3,142	1,107	4,249	3,018	1,191	4,209	2,972	1,306	4,278	12,269	4,693	16,962
Amortization of acquired intangible assets	11,305	4,518	15,823	11,300	5,881	17,181	11,340	5,881	17,221	10,519	5,882	16,401	44,464	22,162	66,626
Stock-based compensation	3,334	1,726	5,060	3,039	1,751	4,790	2,936	1,625	4,561	3,199	1,808	5,007	12,508	6,910	19,418
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	116,000	116,000	-	116,000	116,000
Acquisition-, disposal- and integration-related	241	956	1,197	29	1,023	1,052	165	1,790	1,955	46	3,382	3,428	481	7,151	7,632
Restructuring and related	5,620	330	5,950	1,095	1,735	2,830	1,125	642	1,767	215	891	1,106	8,055	3,598	11,653
Non-GAAP Adjusted EBITDA	$ 28,330	$ (8,678)	$ 19,652	$ 43,536	$ (482)	$ 43,054	$ 44,945	$ (13,240)	$ 31,705	$ 37,322	$ (11,238)	$ 26,084	$154,133	$ (33,638)	$ 120,495
Adjusted EBITDA Margin (Adjusted EBITDA/Revenue):															
GAAP Income (loss) from operations	3.7%	-25.7%	-6.5%	17.6%	-17.2%	6.1%	18.5%	-35.9%	0.9%	13.8%	-168.9%	-52.1%	13.7%	-67.3%	-13.9%
Depreciation	2.5%	1.6%	2.2%	2.2%	1.6%	2.0%	2.1%	1.8%	2.0%	2.0%	1.6%	1.9%	2.2%	1.6%	2.0%
Amortization of acquired intangible assets	9.0%	6.7%	8.2%	8.1%	8.4%	8.2%	8.0%	8.7%	8.3%	7.2%	7.0%	7.0%	8.1%	7.7%	7.9%
Stock-based compensation	2.7%	2.6%	2.6%	2.1%	2.5%	2.3%	2.1%	2.4%	2.2%	2.2%	2.2%	2.2%	2.2%	2.4%	2.3%
Impairment of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	139.4%	50.3%	0.0%	40.2%	13.7%
Acquisition-, disposal- and integration-related	0.2%	1.4%	0.6%	*	1.5%	0.5%	0.1%	2.6%	0.9%	*	4.1%	1.5%	0.1%	2.5%	0.9%
Restructuring and related	4.5%	0.5%	3.1%	0.8%	2.5%	1.3%	0.8%	0.9%	0.8%	0.1%	1.1%	0.5%	1.4%	1.2%	1.4%
Non-GAAP Adjusted EBITDA Margin	22.6%	-12.9%	10.2%	30.8%	-0.7%	20.4%	31.6%	-19.5%	15.1%	25.3%	-13.5%	11.3%	27.7%	-11.7%	14.3%

* Less than 0.1% impact on non-GAAP Adjusted EBITDA margin

GAAP to Non-GAAP Reconciliation (Continued)

$000's	1Q22		
	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$ 109,806	$ 63,392	$ 173,198
GAAP Gross profit	$ 62,732	$ 15,323	$ 78,055
GAAP Gross margin (Gross profit/Revenue)	57.1%	24.2%	45.1%
Stock-based compensation	0.4%	0.0%	0.3%
Amortization of acquired technology	4.7%	4.9%	4.8%
Non-GAAP Gross margin	62.2%	29.1%	50.2%
GAAP Loss from operations	$ (2,347)	$ (36,707)	$ (39,054)
Depreciation	2,715	1,170	3,885
Amortization of acquired intangible assets	9,528	6,014	15,542
Stock-based compensation	2,665	1,590	4,255
Acquisition-, disposal- and integration-related	44	1,805	1,849
Restructuring and related	3,366	1,448	4,814
Non-GAAP Adjusted EBITDA	$ 15,971	$ (24,680)	$ (8,709)
Adjusted EBITDA Margin (Adjusted EBITDA/Revenue):			
GAAP Loss from operations	-2.1%	-57.9%	-22.5%
Depreciation	2.5%	1.8%	2.2%
Amortization of acquired intangible assets	8.6%	9.6%	8.9%
Stock-based compensation	2.4%	2.5%	2.5%
Acquisition-, disposal- and integration-related	*	2.8%	1.1%
Restructuring and related	3.1%	2.3%	2.8%
Non-GAAP Adjusted EBITDA Margin	14.5%	-38.9%	-5.0%

* Less than 0.1% impact on non-GAAP Adjusted EBITDA margin

GAAP to Non-GAAP Reconciliation (Continued)

$000s	1Q21	2Q21	3Q21	4Q21	FY21	1Q22
GAAP Operating expenses	$ 113,090	$ 105,775	$ 108,662	$ 234,929	$ 562,456	$ 117,109
Stock-based compensation	(4,798)	(4,228)	(3,973)	(4,422)	(17,421)	(3,675)
Amortization of acquired intangible assets	(5,762)	(7,481)	(7,547)	(7,493)	(28,283)	(7,275)
Impairment of goodwill	-	-	-	(116,000)	(116,000)	-
Acquisition-, disposal- and integration-related	(1,197)	(1,052)	(1,955)	(3,428)	(7,632)	(1,849)
Restructuring and related	(5,950)	(2,830)	(1,767)	(1,106)	(11,653)	(4,814)
Non-GAAP Operating expenses	$ 95,383	$ 90,184	$ 93,420	$ 102,480	$ 381,467	$ 99,496
(Loss) income from operations as a percentage of revenue ("Operating margin"):						
GAAP Operating margin	-6.5%	6.1%	0.9%	-52.1%	-13.9%	-22.5%
Stock-based compensation	2.6%	2.3%	2.2%	2.2%	2.3%	2.5%
Amortization of acquired intangible assets	8.2%	8.2%	8.3%	7.1%	7.9%	8.9%
Impairment of goodwill	0.0%	0.0%	0.0%	50.3%	13.7%	0.0%
Acquisition-, disposal- and integration-related	0.6%	0.5%	0.9%	1.5%	0.9%	1.1%
Restructuring and related	3.1%	1.3%	0.8%	0.5%	1.4%	2.7%
Non-GAAP Operating margin	8.0%	18.4%	13.1%	9.5%	12.3%	-7.3%

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GAAP to Non-GAAP Reconciliation (Continued)

	1Q21	2Q21	3Q21	4Q21	FY21	1Q22
GAAP Diluted (loss) earnings per share	$ (0.31)	$ 0.15	$ (0.40)	$ (0.65)	$ (1.20)	$ (0.47)
Stock-based compensation	0.03	0.03	0.03	0.03	0.14	0.03
Amortization of acquired intangible assets	0.11	0.11	0.12	0.12	0.44	0.11
Impairment of goodwill	-	-	-	0.77	0.77	-
Acquisition-, disposal- and integration-related	0.01	0.01	0.01	0.02	0.05	0.01
Restructuring and related	0.05	0.02	0.01	0.01	0.08	0.03
Interest income on debentures	(0.01)	(0.01)	(0.01)	-	(0.02)	-
Gain on sale of business	-	(0.02)	-	-	(0.02)	-
Decrease (increase) in fair value of investments	0.16	(0.08)	0.38	0.04	0.50	0.18
Tax effect of non-GAAP adjustments	(0.01)	(0.04)	(0.03)	(0.33)	(0.42)	0.03
Non-GAAP Diluted earnings (loss) per share	$ 0.03	$ 0.17	$ 0.11	$ 0.01	$ 0.32	$ (0.08)
Weighted average shares used to compute diluted earnings (loss) per share (000's):						
Shares used to compute **GAAP** diluted (loss) earnings per share	145,936	154,160	148,184	148,675	147,575	149,167
Shares used to compute **non-GAAP** diluted earnings (loss) per share	155,032	154,160	154,061	153,898	154,527	149,167

GAAP to Non-GAAP Reconciliation (Continued)

Outlook	Three months ending June 30, 2022 Range		Year ending December 31, 2022 Range	
Revenue ($ millions)	$ 200	$ 215	$ 850	$ 880
Gross margin:				
GAAP outlook	49.2%	50.5%	51.1%	52.2%
Stock-based compensation	0.3%	0.3%	0.3%	0.3%
Amortization of acquired technology	4.0%	3.7%	3.6%	3.5%
Non-GAAP outlook	53.5%	54.5%	55.0%	56.0%
Earnings (loss) per share:				
GAAP outlook	$ (0.14)	$ (0.09)	$ (0.52)	$ (0.46)
Stock-based compensation	0.03	0.03	0.13	0.13
Amortization of acquired intangible assets	0.10	0.10	0.39	0.39
Acquisition-, disposal- and integration-related	0.01	0.01	0.02	0.02
Restructuring and related	0.01	0.01	0.13	0.13
Decrease in fair value of investments	-	-	0.17	0.17
Tax effect of non-GAAP adjustments	0.02	-	(0.02)	(0.04)
Non-GAAP outlook	$ 0.03	$ 0.06	$ 0.30	$ 0.34
Weighted average shares used to compute GAAP diluted loss per share (in thousands)	150,000	150,000	151,000	151,000
Weighted average shares used to compute Non-GAAP diluted earnings per share (in thousands)	156,000	156,000	157,000	157,000
Adjusted EBITDA ($ millions):				
GAAP income from operations	$ (10.1)	$ (4.1)	$ (10.5)	$ (0.5)
Depreciation	4.1	4.1	16.5	16.5
Amortization of acquired intangible assets	15.4	15.4	60.4	60.4
Stock-based compensation	4.7	4.7	19.8	19.8
Acquisition-, disposal- and integration-related	1.2	1.2	3.8	3.8
Restructuring and related	1.7	1.7	20.0	20.0
Non-GAAP outlook	$ 17.0	$ 23.0	$ 110.0	$ 120.0

Thank You