

**CUBIC CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
(amounts in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Net sales:				
Products	\$ 200,428	\$ 187,494	\$ 381,917	\$ 388,098
Services	142,980	133,988	280,285	262,223
	<u>343,408</u>	<u>321,482</u>	<u>662,202</u>	<u>650,321</u>
Costs and expenses:				
Products	149,671	153,002	287,690	319,845
Services	98,879	88,420	182,309	171,068
Selling, general and administrative expenses	83,141	78,294	146,801	144,209
Research and development	14,368	11,360	26,514	19,782
Amortization of purchased intangibles	15,033	16,493	31,140	26,582
(Gain) loss on sale of property, plant and equipment	125	40	125	(130)
Restructuring costs	7,746	3,807	11,881	5,382
	<u>368,963</u>	<u>351,416</u>	<u>686,460</u>	<u>686,738</u>
Operating loss	(25,555)	(29,934)	(24,258)	(36,417)
Other income (expenses):				
Interest and dividend income	1,946	1,693	3,735	3,911
Interest expense	(6,734)	(8,219)	(14,905)	(13,582)
Loss on extinguishment of debt	—	(16,090)	—	(16,090)
Other income (expense), net	14,543	(19,664)	15,839	(19,791)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss from continuing operations before income taxes	(15,800)	(72,214)	(19,589)	(81,969)
Income tax provision (benefit)	3,440	(19,784)	6,929	(13,538)
Loss from continuing operations	(19,240)	(52,430)	(26,518)	(68,431)
Net income (loss) from discontinued operations	—	129	—	(455)
Net loss	(19,240)	(52,301)	(26,518)	(68,886)
Less noncontrolling interest in net income (loss) of VIE	16,777	(13,178)	22,494	(9,188)
Net loss attributable to Cubic	<u>\$ (36,017)</u>	<u>\$ (39,123)</u>	<u>\$ (49,012)</u>	<u>\$ (59,698)</u>
Amounts attributable to Cubic:				
Net loss from continuing operations	\$ (36,017)	\$ (39,252)	\$ (49,012)	\$ (59,243)
Net loss from discontinued operations	—	129	—	(455)
Net loss attributable to Cubic	<u>\$ (36,017)</u>	<u>\$ (39,123)</u>	<u>\$ (49,012)</u>	<u>\$ (59,698)</u>
Net loss per share:				
Basic				
Continuing operations attributable to Cubic	\$ (1.14)	\$ (1.25)	\$ (1.55)	\$ (1.89)
Discontinued operations	\$ —	\$ —	\$ —	\$ (0.01)
Basic earnings per share attributable to Cubic	<u>\$ (1.14)</u>	<u>\$ (1.25)</u>	<u>\$ (1.55)</u>	<u>\$ (1.91)</u>
Diluted				
Continuing operations attributable to Cubic	\$ (1.14)	\$ (1.25)	\$ (1.55)	\$ (1.89)
Discontinued operations	\$ —	\$ —	\$ —	\$ (0.01)
Diluted earnings per share attributable to Cubic	<u>\$ (1.14)</u>	<u>\$ (1.25)</u>	<u>\$ (1.55)</u>	<u>\$ (1.91)</u>
Weighted average shares used in per share calculations:				
Basic	31,633	31,296	31,598	31,284
Diluted	31,633	31,296	31,598	31,284

**CUBIC CORPORATION**  
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(amounts in thousands)

	<u>March 31,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 133,817	\$ 128,619
Cash of consolidated VIE	1,546	1,065
Restricted cash	28,580	25,478
Restricted cash of consolidated VIE	7,322	1,822
Accounts receivable:		
Billed	109,604	161,473
Allowance for doubtful accounts	(1,450)	(1,498)
	<u>108,154</u>	<u>159,975</u>
Contract assets	321,545	268,773
Recoverable income taxes	20,502	17,434
Inventories	132,803	127,251
Other current assets	41,926	32,626
Other current assets of consolidated VIE	—	31
Total current assets	<u>796,195</u>	<u>763,074</u>
Long-term contracts financing receivables	72,605	64,642
Long-term contracts financing receivables of consolidated VIE	257,185	221,245
Property, plant and equipment, net	168,783	166,301
Operating lease right-of-use asset	83,076	87,167
Financing lease right-of-use asset, net	12,766	—
Deferred income taxes	5,483	4,790
Goodwill	788,027	784,882
Purchased intangibles, net	179,460	210,361
Other assets	25,424	21,759
Other assets of consolidated VIE	12,454	—
Total assets	<u>\$ 2,401,458</u>	<u>\$ 2,324,221</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term borrowings	\$ 279,000	\$ 215,716
Trade accounts payable	147,223	156,953
Trade accounts payable of consolidated VIE	35	49
Contract liabilities	74,779	75,546
Accrued compensation and current liabilities	131,465	126,388
Other current liabilities of consolidated VIE	108	85
Income taxes payable	719	799
Current portion of long-term debt	11,250	11,250
Total current liabilities	<u>644,579</u>	<u>586,786</u>
Long-term debt	425,498	430,115
Long-term debt of consolidated VIE	208,594	163,348
Operating lease liability	76,971	80,568
Financing lease liability	10,002	395
Other noncurrent liabilities	58,163	68,939
Other noncurrent liabilities of consolidated VIE	—	5,890
Shareholders' equity:		
Common stock	304,293	295,986
Retained earnings	797,190	850,472
Accumulated other comprehensive loss	(132,408)	(149,603)
Treasury stock at cost - 9,031 shares at March 31, 2021 and 8,945 at September 30, 2020	(41,321)	(36,078)
Shareholders' equity related to Cubic	<u>927,754</u>	<u>960,777</u>
Noncontrolling interest in VIE	49,897	27,403
Total shareholders' equity	<u>977,651</u>	<u>988,180</u>
Total liabilities and shareholders' equity	<u>\$ 2,401,458</u>	<u>\$ 2,324,221</u>

**CUBIC CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(amounts in thousands)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Operating Activities:</b>				
Net loss	\$ (19,240)	\$ (52,301)	\$ (26,518)	\$ (68,886)
Net income (loss) from discontinued operations	—	(129)	—	455
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	25,055	23,414	49,716	40,364
Share-based compensation expense	6,472	5,382	11,151	9,859
Change in fair value of contingent consideration	1,260	(1,473)	684	(4,478)
Change in fair value of interest rate swap of consolidated VIE	(15,091)	15,819	(18,343)	11,482
Deferred income taxes	161	2,909	(977)	2,909
Loss on extinguishment of debt	—	16,090	—	16,090
Other items	2,094	13	5,705	4,308
Changes in operating assets and liabilities, net of effects from acquisitions	(37,150)	(36,281)	(80,027)	(86,222)
<b>NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS</b>	<b>(36,439)</b>	<b>(26,557)</b>	<b>(58,609)</b>	<b>(74,119)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS</b>	<b>—</b>	<b>129</b>	<b>—</b>	<b>85</b>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(36,439)</b>	<b>(26,428)</b>	<b>(58,609)</b>	<b>(74,034)</b>
<b>Investing Activities:</b>				
Acquisition of businesses, net of cash acquired	—	(234,538)	—	(234,538)
Purchases of property, plant and equipment	(13,389)	(13,478)	(20,053)	(25,311)
Purchase of non-marketable debt and equity securities	(1,446)	—	(1,446)	—
Receipt of withheld proceeds from sale of trade receivables	641	—	2,483	5,521
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(14,194)</b>	<b>(248,016)</b>	<b>(19,016)</b>	<b>(254,328)</b>
<b>Financing Activities:</b>				
Proceeds from short-term borrowings	104,786	727,000	186,644	884,500
Principal payments on short-term borrowings	(32,956)	(616,500)	(123,646)	(743,000)
Proceeds from long-term borrowings	1,008	450,000	1,008	450,000
Principal payments on long-term borrowings	(3,653)	(199,833)	(5,625)	(199,833)
Proceeds from long-term borrowings of consolidated VIE	18,967	3,036	41,501	23,222
Debt extinguishment make-whole payment	—	(15,856)	—	(15,856)
Deferred financing fees	—	(2,517)	—	(2,517)
Principal payments on finance lease liability	(673)	—	(691)	—
Proceeds from stock issued under employee stock purchase plan	1,170	—	1,170	1,169
Purchase of common stock	(1,004)	(39)	(4,014)	(3,660)
Shares repurchased for tax withholdings	(5,243)	—	(5,243)	—
Dividends paid	(4,270)	(4,225)	(4,270)	(4,225)
Contingent consideration payments related to acquisitions of businesses	(1,006)	—	(1,006)	—
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>77,126</b>	<b>341,066</b>	<b>85,828</b>	<b>389,800</b>
Effect of exchange rates on cash	(2,448)	(11,224)	6,078	(7,203)
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>24,045</b>	<b>55,398</b>	<b>14,281</b>	<b>54,235</b>
Cash, cash equivalents and restricted cash at the beginning of the period	147,220	94,458	156,984	95,621
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF THE PERIOD</b>	<b>\$ 171,265</b>	<b>\$ 149,856</b>	<b>\$ 171,265</b>	<b>\$ 149,856</b>
<b>Supplemental disclosure of non-cash investing and financing activities:</b>				
Receivable recognized in connection with the acquisition of PIXIA, net	—	1,214	—	1,214
Contingent consideration liability incurred with the acquisition of Delerok	—	1,600	—	1,600