## Motorola Solutions, Inc. and Subsidiaries Consolidated Statements of Operations (In millions, except per share amount)

	 Three Mon		
	ber 31, 2022		<u>11, 2021 nber 31, 2021 nber 3</u>
Net sales from products	\$ 1,671	\$	1,358
Net sales from services	 1,035		962
Net sales	2,706		2,320
Costs of products sales	751		589
Costs of services sales	 604		548
Costs of sales	 1,355		1,137
Gross margin	 1,351		1,183
Selling, general and administrative expenses	381		368
Research and development expenditures	201		189
Other charges	14		13
Intangibles amortization	 63		64
Operating earnings	692		549
Other income (expense):			
Interest expense, net	(54)		(54
Gains on sales of investments and businesses, net	—		1
Other, net	25		22
Total other expense	(29)		(31
Net earnings before income taxes	663		518
Income tax expense	 73		116
Net earnings	590		402
Less: Earnings attributable to noncontrolling interests	1		1
Net earnings attributable to Motorola Solutions, Inc.	\$ 589	\$	401
Earnings per common share:			
Basic:	\$ 3.52	\$	2.38
Diluted:	\$ 3.43	\$	2.30
Weighted average common shares outstanding:			
Basic	167.4		168.8
Diluted	171.9		174.2
	Percentage	of Net Sal	les*
Net sales from products	 61.8 %	<u></u>	58.5 %
Net sales from services	38.2 %		41.5 %
Net sales	 100.0 %		100.0 %
Costs of products sales	44.9 %		43.4 %
Costs of services sales	58.4 %		57.0 %
Costs of sales	 50.1 %		49.0 %
Gross margin	 49.9 %	-	51.0 %
Selling, general and administrative expenses	 14.1 %		15.9 %
Research and development expenditures	7.4 %		8.1 %
Other charges	0.5 %		0.6 %
Intangibles amortization	2.3 %		2.8 %
Operating earnings	 25.6 %		23.7 %
Other income (expense):	 20.0 /0		20.1 /
Interest expense, net	(2.0)%		(2.3)%
Gains on sales of investments and businesses, net	(2.0)% — %		(2.0)7 — %
Other, net	0.9 %		0.9 %
Total other expense	(1.1)%		(1.3)%
Net earnings before income taxes	24.5 %		22.3 %
Income tax expense	24.5 % 2.7 %		
Net earnings	2.7 %		5.0 % 17.3 %
Less: Earnings attributable to noncontrolling interests			
Net earnings attributable to Motorola Solutions, Inc.	 <u> </u>		<u> </u>
	/1 × V/-		17.3 %

## Motorola Solutions, Inc. and Subsidiaries Consolidated Statements of Operations (In millions, except per share amounts)

	_		Years Ended		
	Decen	nber 31, 2022	December 31, 2021	December 31	, 2020
Net sales from products	\$	5,368	\$ 4,606	\$	4,087
Net sales from services		3,744	3,565		3,327
Net sales		9,112	8,171		7,414
Costs of products sales		2,595	2,104		1,872
Costs of services sales		2,288	2,027		1,934
Costs of sales		4,883	4,131		3,806
Gross margin		4,229	4,040		3,608
Selling, general and administrative expenses		1,450	1,353		1,293
Research and development expenditures		779	734		686
Other charges		82	50		31
Intangibles amortization		257	236		215
Operating earnings		1,661	1,667		1,383
Other income (expense):					
Interest expense, net		(226)	(208)		(220)
Gains (losses) on sales of investments and businesses, net		3	1		(2)
Other, net		77	92		13
Total other expense		(146)	(115)		(209)
Net earnings before income taxes		1,515	1,552		1,174
Income tax expense		148	302		221
Net earnings		1,367	1,250		953
Less: Earnings attributable to noncontrolling interests		4	5		4
Net earnings attributable to Motorola Solutions, Inc.	\$	1,363	\$ 1,245	\$	949
			<u> </u>		
Earnings per common share: Basic:					
Diluted:	\$	8.14	\$ 7.36	\$	5.58
Weighted average common shares outstanding:	\$	7.93	\$ 7.17	\$	5.45
Basic			(		
Diluted		167.5	169.2		170.0
Diluted		171.9	173.6		174.1
			Percentage of Net Sales		
Net sales from products		58.9 %	56.4 %		55.1 %
Net sales from services		41.1 %	43.6 %		44.9 %
Net sales		100.0 %	100.0 %		00.0 %
Costs of products sales		48.3 %	45.7 %		45.8 %
Costs of services sales		61.1 %	56.9 %		58.1 %
Costs of sales		53.6 %	50.6 %		51.3 %
Gross margin		46.4 %	49.4 %		48.7 %
Selling, general and administrative expenses		15.9 %	16.6 %		17.4 %
Research and development expenditures		8.5 %	9.0 %		9.3 %
Other charges		0.9 %	0.6 %		0.4 %
Intangibles amortization		2.8 %	2.9 %		2.9 %
Operating earnings		18.2 %	20.4 %		18.7 %
Other income (expense):					
Interest expense, net		(2.5)%	(2.5)%		(3.0)%
Gains (losses) on sales of investments and businesses, net		— %	— %		— %
Other, net		0.8 %	1.1 %		0.2 %
Total other expense		(1.6)%	(1.4)%		(2.8)%
Net earnings before income taxes		16.6 %	19.0 %		15.8 %
Income tax expense		1.6 %	3.7 %		3.0 %
Net earnings		15.0 %	15.3 %		12.9 %
Less: Earnings attributable to noncontrolling interests		<u> </u>	0.1 %		0.1 %
Net earnings attributable to Motorola Solutions, Inc. * Percentages may not add up due to rounding		15.0 %	<u> </u>		12.8 %

## Motorola Solutions, Inc. and Subsidiaries Consolidated Balance Sheets (In millions)

	Decem	oer 31, 2022	December 31, 2021			
Assets						
Cash and cash equivalents	\$	1,325	\$	1,874		
Accounts receivable, net		1,518		1,386		
Contract assets		974		1,105		
Inventories, net		1,055		788		
Other current assets		383		259		
Total current assets		5,255		5,412		
Property, plant and equipment, net		927		1,042		
Operating lease assets		485		382		
Investments		147		209		
Deferred income taxes		1,036		916		
Goodwill		3,312		2,565		
Intangible assets, net		1,342		1,105		
Other assets		310		558		
Total assets	\$	12,814	\$	12,189		
Liabilities and Stockholders' Equity (Deficit)						
Current portion of long-term debt	\$	1	\$	5		
Accounts payable		1,062		851		
Contract liabilities		1,859		1,650		
Accrued liabilities		1,638		1,557		
Total current liabilities		4,560		4,063		
Long-term debt		6,013		5,688		
Operating lease liabilities		419		313		
Other liabilities		1,691		2,148		
Total Motorola Solutions, Inc. stockholders' equity (deficit)		116		(40)		
Noncontrolling interests		15		17		
Total liabilities and stockholders' equity (deficit)	\$	12,814	\$	12,189		

### Motorola Solutions, Inc. and Subsidiaries Consolidated Statements of Cash Flows (In millions)

		nths Ended
Operating	December 31, 2022	December 31, 2021
Net earnings	\$ 590	\$ 402
Adjustments to reconcile Net earnings to Net cash provided by operating activities:		
Depreciation and amortization	109	113
Non-cash other charges (income)	4	9
Share-based compensation expense	46	35
Gains on sales of investments and businesses, net	—	(1)
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	(117)	(186)
Inventories	118	(185)
Other current assets and contract assets	37	(69)
Accounts payable, accrued liabilities, and contract liabilities	634	617
Other assets and liabilities	(26)	(64)
Deferred income taxes	(122)	32
Net cash provided by operating activities	1,273	703
Investing		
Acquisitions and investments, net	(587)	(161)
Proceeds from sales of investments	8	12
Capital expenditures	(73)	(68)
Net cash used for investing activities	(652)	(217)
Financing		
Repayment of debt	(2)	(2)
Issuances of common stock	19	3
Purchases of common stock	(87)	(131)
Payment of dividends	(132)	(120)
Net cash used for financing activities	(202)	(250)
Effect of exchange rate changes on cash and cash equivalents	84	(15)
Net increase in cash and cash equivalents	503	221
Cash and cash equivalents, beginning of period	822	1,653
Cash and cash equivalents, end of period	\$ 1,325	\$ 1,874

## Motorola Solutions, Inc. and Subsidiaries Consolidated Statements of Cash Flows (In millions)

Operating    S    1,367    S    1,250    S    953      Adjustments to reconcile Net earnings to Net cash provided by operating activities:     943    9453      Depreciation and amortization    440    438    409      Net-cash other charges (income)    23    3    (13)      Loss on ESN fixed asset impairment    147    —    —      Share-based compensation expense    172    129    129      Losses (gains) on sales of investments and businesses, net    (3)    (1)    22      Losses (gains) on sales of investment of long-term debt    6    18    56      Charges in assets and itabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:    (112)    3    90      Accounts provible    (112)    3    90    (1426)    (255)      Other current assets and contract assets    (1)    (205)    167    (264)    (146)      Other current assets and itabilities    (451    57.8    (116)    (126)    (225)      Net cash provided by operating activities    1,823		Years Ended						
Net earnings    \$    1,367    \$    1,250    \$    953      Adjustments to reconcile Net earnings to Net cash provided by operating activities     440    438    409      Depreciation and amortization    440    438    409      Non-cash other charges (income)    23    3    (13)      Loss on ESN fixed asset impairment    147    -    -      Share-based compensation expense    172    129    129      Losses (gains) on sales of investments and businesses, net    (3)    (1)    22      Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:    (112)    3    900      Inventories    (242)    (284)    (144      Other current assets and contract assets    (11)    (205)    167      Accounts payable, accrued liabilities, and contract liabilities    (451    578    (116      Other current assets and liabilities    (147)    (621)    (257      Deferred income taxes    (334)    34    (256      Net cash provided by operating activitites <td< th=""><th></th><th>December 31, 2022</th><th>December 31, 2021</th><th>December 31, 2020</th></td<>		December 31, 2022	December 31, 2021	December 31, 2020				
Adjustments to reconcile Net earnings to Net cash provided by operating activities: Depreciation and amortization 440 438 409 Non-cash other charges (income) 23 3 (1) Loss on ESN fixed asset impairment 172 129 129 Losses (gains) on sales of investments and businesses, net 3(3) (1) 2 Losses (gains) on sales of investments and businesses, net 3(3) (1) 2 Losses (gains) on sales of investment of long-term debt 6 18 56 Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments: Accounts receivable (112) 3 90 Inventories (242) (284) (144 Other current assets and contract assets (1) (205) 167 Accounts receivable (1) (205) 167 Accounts news (334) 34 (252 Net cash provided by operating activities (1,177) (521) (287 Proceeds from sales of investments, net (1,177) (521) (287 Proceeds from sales of property, plant and equipment — 6 565 Net cash used for investing (1) (205) (243) (247) Financing Net cash used for investing activities (1),387) (742) (437 Financing Net cash used for investing activities (1),387) (742) (437 Financing Net cash used for investing activities (1),387) (742) (437 Financing Net cash used for investing activities (255) (353) (914) Proceeds from sales of opporty, plant and equipment — 6 (56 Net cash used for investing activities (1),387) (742) (437 Financing Net cash used revolving credit facility draw — — — 800 Repayment of dust active revolving credit facility draw — — — (7) — 18 Issuances of common stock (363) (528) (612) Payment of dividends to noncontrolling interest (6) (5) (44 Payment of dividends to noncontrolling interest (6) (5) (445 Payment of dividends to noncontrolling interest (6) (51) (445 Payment of dividends to noncontrolling interest (530) (482) (45	Operating							
activities:    Automation      Depreciation and amorization    440    438    409      Non-cash other charges (income)    23    3    (13)      Loss on ESN fixed asset impairment    147    —    —      Share-based compensation expense    172    129    129      Losses (gains) on sales of investments and businesses, net    (3)    (1)    2      Losses (gains) on sales of investments    6    18    56      Changes in assets and liabilities, not of effects of acquisitions, dispositions, and foreign currency translation adjustments:    (112)    3    90      Inventories    (112)    3    90    (112)    3    90      Inventories    (242)    (284)    (14    (15    (11)    (15    (15    (14)    (14)    (14)	Net earnings	\$ 1,367	\$ 1,250	\$ 953				
Non-cash other charges (income)    23    3    (13)      Loss on ESN fixed asset impairment    147    -    -      Share-based compensation expense    172    129    129      Losses (gains) on sales of investments and businesses, net    (3)    (1)    2      Losses (gains) on sales of investments and businesses, net    (3)    (1)    2      Losses (gains) on sales of investments    6    18    56      Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:    (112)    3    900      Inventories    (112)    2    (284)    (14      Other current assets and liabilities, net of effects of acquisitions, dispositions and contract liabilities    (91)    (126)    (255)      Deferred income taxes    (334)    34    (252)    (251)    (267)      Investing    .    .    .    .    .    .    .      Accounts provided by operating activities    .    .    .    .    .    .    .    .    .    .    .    <								
The distribution of the set of t	Depreciation and amortization	440	438	409				
Share-based compensation expense    172    129    129      Losses (gains) on sales of investments and businesses, net    (3)    (1)    2      Losses from the extinguishment of long-term debt    6    18    56      Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:    (112)    3    90      Inventories    (112)    3    90    (114)    25    (116)      Accounts receivable    (112)    3    90    (116)    (116)    (116)    (117)    (116)	Non-cash other charges (income)	23	3	(13)				
Losses (gains) on sales of investments and businesses, net    (3)    (1)    2      Losses (gains) on sales of investment of long-term debt    6    18    56      Changes in assets and liabilities, not offects of acquisitions, and foreign currency translation adjustments:    6    18    56      Accounts receivable    (112)    3    90    90      Inventories    (242)    (284)    (14      Other current assets and inabilities, and contract liabilities    451    578    (116      Other assets and liabilities, and contract liabilities    (334)    34    (255      Deferred income taxes    (334)    34    (256    (243)    (217      Proceeds from sales of investments, net    (1,177)    (521)    (287    Proceeds from sales of investments    46    16    11      Captitions and investments, net    (1,177)    (521)    (287    Proceeds from sales of investments    46    16    11      Captitions and investments    (256)    (243)    (217    Proceeds from sales of property, plant and equipment    —    6    56      Net	Loss on ESN fixed asset impairment	147	—	—				
Losses from the extinguishment of long-term debt    6    18    56      Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:    112    3    90      Inventories    (112)    3    90      Inventories    (242)    (284)    (14      Other current assets and contract sests    (11)    (205)    167      Accounts payable, accrued liabilities, and contract liabilities    451    578    (116)      Other assets and liabilities, and contract liabilities    (91)    (126)    (255)      Deferred income taxes    (334)    34    (252)      Net cash provided by operating activities    1,823    1,837    1,613      Investing    (256)    (243)    (217      Proceeds from sales of investments, net    (1,387)    (742)    (437      Proceeds from sales of property, plant and equipment    —    6    56      Net proceeds from issuance of debt    595    844    892      Repayment of debt    595    844    892      Repayment of unsecured revolving cre	Share-based compensation expense	172	129	129				
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:  (112)  3  90    Accounts receivable  (112)  3  90    Inventories  (242)  (284)  (14    Other current assets and contract assets  (1)  (205)  167    Accounts payable, accrued liabilities, and contract liabilities  (91)  (126)  (25    Deferred income taxes  (334)  34  (25    Net cash provided by operating activities  1,823  1,837  1,613    Investing  (11,177)  (521)  (287    Proceeds from sales of investments, net  (1,177)  (521)  (287    Proceeds from sales of property, plant and equipment  —  6  566    Net cash used for investing activities  (1,387)  (742)  (437    Financing       800    Net proceeds from issuance of debt  595  844  892        Repayment of usecured revolving credit facility draw  —  —	Losses (gains) on sales of investments and businesses, net	(3)	(1)	2				
dispositions, and foreign currency translation adjustments:  (112)  3  90    Inventories  (112)  3  90    Inventories  (242)  (284)  (14    Other current assets and contract assets  (1)  (205)  167    Accounts payable, accrued liabilities, and contract liabilities  451  578  (116    Other assets and liabilities  (91)  (126)  (25    Deferred income taxes  (334)  34  (22    Net cash provided by operating activities  1,823  1,837  1,613    Investing  1,823  1,837  1,613    Acquisitions and investments, net  (1,177)  (521)  (287    Proceeds from sales of property, plant and equipment  —  6  56    Net cash used for investing activities  (1,387)  (742)  (437    Proceeds from issuance of debt  595  844  892    Repayment of debt  595  844  892    Repayment of usecured revolving credit facility draw  —  —  800    Proceeds from inscured revolving credit facility draw  —  —  (	Losses from the extinguishment of long-term debt	6	18	56				
Invention    (242)    (284)    (14      Other current assets and contract assets    (1)    (205)    167      Accounts payable, accrued liabilities, and contract liabilities    451    578    (116      Other assets and liabilities    (91)    (126)    (255      Deferred income taxes    (334)    34    (25      Net cash provided by operating activities    1,823    1,837    1,613      Investing    (1,177)    (521)    (287      Proceeds from sales of investments, net    (1,177)    (521)    (287      Proceeds from sales of investments    46    16    11      Capital expenditures    (256)    (243)    (217      Proceeds from sales of property, plant and equipment    —    —    6      Net cash used for investing activities    (1,387)    (742)    (437      Proceeds from issuance of debt    595    844    892      Repayment of unsecured revolving credit facility draw    —    —    800      Repayment of unsecured revolving credit facility draw    —    —    (800)<								
Other current assets and contract assets    (1)    (205)    167      Accounts payable, accrued liabilities, and contract liabilities    451    578    (116      Other assets and liabilities    (91)    (126)    (255      Deferred income taxes    (334)    34    (255      Net cash provided by operating activities    1,823    1,837    1,613      Investing    (1,177)    (521)    (287      Acquisitions and investments, net    (1,177)    (521)    (287      Proceeds from sales of property, plant and equipment    —    6    566      Net cash used for investing activities    (1,387)    (742)    (437      Financing      955    844    892      Repayment of debt    595    844    892    (800    (800)    (800)    (800)    (928)    (912)    108      Proceeds from issuance of debt    595    844    892    (800)    (800)    (800)    (800)    (900)    (914)    900    (900)    (900)    (900)    (900) </td <td>Accounts receivable</td> <td>(112)</td> <td>3</td> <td>90</td>	Accounts receivable	(112)	3	90				
Accounts payable, accrued liabilities, and contract liabilities451578(116Other assets and liabilities(91)(126)(25Deferred income taxes(334)34(25Net cash provided by operating activities1,8231,8371,613Investing1(1,177)(521)(287Acquisitions and investments, net(1,177)(521)(287Proceeds from sales of investments461611Capital expenditures(256)(243)(217Proceeds from sales of property, plant and equipment—6566Net cash used for investing activities(1,387)(742)(437Financing(285)(353)(914Proceeds from issuance of debt595844892892Repayment of debt(285)(353)(914914Proceeds from unsecured revolving credit facility draw———600Revolving credit facility draw———(800)162Purchases of common stock156102108102108Purchases of common stock(530)(482)(436)(432)Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(422)(906)Effect of exchange rate changes on cash and cash equivalents(79)(46)433Net cash used for financing activities(549)6202253Ca	Inventories	(242)	(284)	(14)				
Other assets and liabilities    (91)    (126)    (25      Deferred income taxes    (334)    34    (25      Net cash provided by operating activities    1,823    1,837    1,613      Investing     1    (1,177)    (521)    (287      Proceeds from sales of investments, net    (1,177)    (521)    (287    (217      Proceeds from sales of investments    46    16    11    (256)    (243)    (217      Proceeds from sales of property, plant and equipment    —    6    566    (1,387)    (742)    (437      Financing     (1,387)    (742)    (437    (457)    (46)    16    11      Proceeds from issuance of debt    595    844    892    (825)    (353)    (914)      Proceeds from unsecured revolving credit facility draw    —    —    800    (825)    (353)    (914)      Proceeds from unsecured revolving credit facility draw    —    —    (800)    (825)    (816)    102    108      Repaymen	Other current assets and contract assets	(1)	(205)	167				
Deferred income taxes    (334)    34    (25      Net cash provided by operating activities    1,823    1,837    1,613      Investing	Accounts payable, accrued liabilities, and contract liabilities	451	578	(116)				
Net cash provided by operating activities1,8231,8371,613InvestingAcquisitions and investments, net(1,177)(521)(287Proceeds from sales of investments461611Capital expenditures(256)(243)(217Proceeds from sales of property, plant and equipment—6566Net cash used for investing activities(1,387)(742)(437Financing	Other assets and liabilities	(91)	(126)	(25)				
InvestingAcquisitions and investments, net(1,177)(521)(287Proceeds from sales of investments461611Capital expenditures(256)(243)(217Proceeds from sales of property, plant and equipment—656Net cash used for investing activities(1,387)(742)(437Financing—6595844892Net proceeds from issuance of debt595844892Repayment of debt(285)(353)(914Proceeds from unsecured revolving credit facility draw——6Repayment of unsecured revolving credit facility draw——(800)Revolving credit facility draw——(800)(800)Revolving credit facility draw——(800)(800)Revolving credit facility draw——(60)(612)Payment of dividends to noncontrolling interest(6)(53)(442)Payment of dividends to noncontrolling interest(6)(55)(44)Net cash used for financing activities(906)(429)(966)Effect of exchange rate changes on cash and cash equivalents(79)(46)433Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Deferred income taxes	(334)	34	(25)				
Acquisitions and investments, net  (1,177)  (521)  (287    Proceeds from sales of investments  46  16  11    Capital expenditures  (256)  (243)  (217    Proceeds from sales of property, plant and equipment  —  6  56    Net cash used for investing activities  (1,387)  (742)  (437    Financing	Net cash provided by operating activities	1,823	1,837	1,613				
Proceeds from sales of investments461611Capital expenditures(256)(243)(217Proceeds from sales of property, plant and equipment—656Net cash used for investing activities(1,387)(742)(437Financing—6595844892Repayment of debt(285)(353)(914Proceeds from unsecured revolving credit facility draw——800Repayment of unsecured revolving credit facility draw——(800Revolving credit facility draw——(800Purchases of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Investing							
Capital expenditures(256)(243)(217Proceeds from sales of property, plant and equipment—656Net cash used for investing activities(1,387)(742)(437Financing	Acquisitions and investments, net	(1,177)	(521)	(287)				
Proceeds from sales of property, plant and equipment—656Net cash used for investing activities(1,387)(742)(437Financing	Proceeds from sales of investments	46	16	11				
Net cash used for investing activities(1,387)(742)(437)Financing1595844892Repayment of debt595844892Repayment of debt(285)(353)(914)Proceeds from unsecured revolving credit facility draw800Repayment of unsecured revolving credit facility draw800Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Capital expenditures	(256)	(243)	(217)				
FinancingNet proceeds from issuance of debt595844892Repayment of debt(285)(353)(914Proceeds from unsecured revolving credit facility draw800Repayment of unsecured revolving credit facility draw800Revolving credit facility renewal fees(800Revolving credit facility renewal fees(800Purchases of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Proceeds from sales of property, plant and equipment		6	56				
Net proceeds from issuance of debt595844892Repayment of debt(285)(353)(914Proceeds from unsecured revolving credit facility draw800Repayment of unsecured revolving credit facility draw(800Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966)Effect of exchange rate changes on cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Net cash used for investing activities	(1,387)	(742)	(437)				
Repayment of debt(285)(353)(914Proceeds from unsecured revolving credit facility draw800Repayment of unsecured revolving credit facility draw(800Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Financing							
Proceeds from unsecured revolving credit facility draw800Repayment of unsecured revolving credit facility draw(800Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Net proceeds from issuance of debt	595	844	892				
Repayment of unsecured revolving credit facility draw(800Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Repayment of debt	(285)	(353)	(914)				
Revolving credit facility renewal fees-(7)-Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Proceeds from unsecured revolving credit facility draw	—	—	800				
Issuances of common stock156102108Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Repayment of unsecured revolving credit facility draw	—	—	(800)				
Purchases of common stock(836)(528)(612Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Revolving credit facility renewal fees	—	(7)	—				
Payment of dividends(530)(482)(436Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Issuances of common stock	156	102	108				
Payment of dividends to noncontrolling interest(6)(5)(4Net cash used for financing activities(906)(429)(966)Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Purchases of common stock	(836)	(528)	(612)				
Net cash used for financing activities(906)(429)(966)Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Payment of dividends	(530)	(482)	(436)				
Effect of exchange rate changes on cash and cash equivalents(79)(46)43Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Payment of dividends to noncontrolling interest	(6)	(5)	(4)				
Net increase (decrease) in cash and cash equivalents(549)620253Cash and cash equivalents, beginning of period1,8741,2541,001	Net cash used for financing activities	(906)	(429)	(966)				
Cash and cash equivalents, beginning of period 1,874 1,254 1,001	Effect of exchange rate changes on cash and cash equivalents	(79)	(46)	43				
	Net increase (decrease) in cash and cash equivalents	(549)	620	253				
Cash and each equivalents and of paried $\$$ 1 325 $\$$ 1 874 $\$$ 1 254	Cash and cash equivalents, beginning of period	1,874	1,254	1,001				
Cash and cash equivalents, end of period $\frac{\psi}{1,254}$	Cash and cash equivalents, end of period	\$ 1,325	\$ 1,874	\$ 1,254				

### Motorola Solutions, Inc. and Subsidiaries Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (In millions)

		Three Mon	ths	Ended	Years Ended						
	December 31, December 31, 2022 2021				December 31, 2022			December 31, 2021			
Net cash provided by operating activities	\$	1,273	\$	703	\$	1,823	\$	1,837			
Capital expenditures		(73)		(68)		(256)		(243)			
Free cash flow	\$	1,200	\$	635	\$	1,567	\$	1,594			

## Motorola Solutions, Inc. and Subsidiaries Reconciliation of Net Earnings Attributable to MSI to Non-GAAP Net Earnings Attributable to MSI (In millions)

		Three Months Ended				Years Ended					
	Statement Line		cember , 2022		ecember 31, 2021		)ecember 31, 2022	_	ecember 81, 2021		
Net earnings attributable to MSI		\$	589	\$	401	\$	1,363	\$	1,245		
Non-GAAP adjustments before income taxes:											
Intangible assets amortization expense	Intangibles amortization	\$	63	\$	64	\$	257	\$	236		
Share-based compensation expenses	Cost of sales, SG&A and R&D		46		35		172		129		
Loss on ESN fixed asset impairment	Cost of sales		_		_		147		_		
Reorganization of business charges	Cost of sales and Other charges (income)		5		3		36		32		
Fair value adjustments to equity investments	Other (income) expense		(5)		3		30		8		
Hytera-related legal expenses	SG&A		3		8		28		26		
Operating lease asset impairments	Other charges (income)		8		3		24		10		
Legal settlements	Other charges (Income)		_		_		23		3		
Acquisition-related transaction fees	Other charges (income)		7		9		23		15		
Fixed asset impairments	Other charges (income)		_		_		12		_		
Loss from extinguishment of long-term debt	Other (income) expense		_		_		6		18		
Investment impairments	Other (income) expense		_		_		1		_		
Adjustments to uncertain tax positions	Interest income, net		(2)		(1)		(3)		(10)		
Gain on sales of investments	(Gain) or loss on sales of investments and businesses, net		_		(1)		(3)		(1)		
Gain on Hytera legal settlement	Other charges (income)		(2)		_		(15)		_		
Gain on TETRA Ireland equity method investment	Other (income) expense		_		_		(21)		_		
Total Non-GAAP adjustments before income taxes	. , .	\$	123	\$	123	\$	717	\$	466		
Income tax expense on Non-GAAP adjustments			94		27		300		122		
Total Non-GAAP adjustments after income taxes			29		96		417		344		
Non-GAAP Net earnings attributable to MSI		\$	618	\$	497	\$	1,780	\$	1,589		

# Calculation of Non-GAAP Tax Rate

(In millions)

	Three M	Three Months Ended				Years Ended				
	December 31, 2022	December    December      31, 2022    31, 2021			ecember 31, 2022		cember 1, 2021			
Net earnings before income taxes	\$ 663	\$	518	\$	1,515	\$	1,552			
Total Non-GAAP adjustments before income taxes*	123		123		717		466			
Non-GAAP Net earnings before income taxes	786		641		2,232		2,018			
Income tax expense	73		116		148		302			
Income tax expense on Non-GAAP adjustments**	94		27		300		122			
Total Non-GAAP Income tax expense	167		143		448		424			
Non-GAAP Tax rate	21.2	%	22.3 %		20.1 %		21.0 %			
*San reconciliation on Non CAAD 2 table above for detail on Non CA	AD adjustments before inco	mo to	(00							

\*See reconciliation on Non-GAAP-2 table above for detail on Non-GAAP adjustments before income taxes

\*\*Income tax impact of highlighted items

## Reconciliation of Earnings Per Share to Non-GAAP Earnings Per Share\*

		Three Months Ended			Years I	Ende	d	
	Statement Line		ecember 1, 2022		ecember 1, 2021	ecember 31, 2022		cember , 2021
Net earnings attributable to MSI		\$	3.43	\$	2.30	\$ 7.93	\$	7.17
Non-GAAP adjustments before income taxes:								
Intangible assets amortization expense	Intangibles amortization	\$	0.36	\$	0.36	\$ 1.50	\$	1.36
Share-based compensation expenses	Cost of sales, SG&A and R&D		0.27		0.20	1.00		0.74
Loss on ESN fixed asset impairment	Cost of sales		—		—	0.86		—
Reorganization of business charges	Cost of sales and Other charges (income)		0.03		0.02	0.21		0.18
Fair value adjustments to equity investments	Other (income) expense		(0.03)		0.02	0.18		0.05
Hytera-related legal expenses	SG&A		0.02		0.05	0.16		0.15
Operating lease asset impairments	Other charges (income)		0.05		0.02	0.14		0.06
Legal settlements	Other charges (Income)		—		—	0.14		0.02
Acquisition-related transaction fees	Other charges (income)		0.04		0.05	0.13		0.09
Fixed asset impairments	Other charges (income)		—		—	0.07		_
Loss from extinguishment of long-term debt	Other (income) expense		_		—	0.03		0.10
Investment impairments	Other (income) expense		_		_	0.01		_
Adjustments to uncertain tax positions	Interest income, net		(0.01)		(0.01)	(0.02)		(0.06
Gain on sales of investments	(Gain) or loss on sales of investments and businesses, net		_		(0.01)	(0.02)		(0.01)
Gain on Hytera legal settlement	Other charges (income)		(0.01)		—	(0.09)		_
Gain on TETRA Ireland equity method investment	Other (income) expense		_		_	 (0.12)		
Total Non-GAAP adjustments before income taxes		\$	0.72	\$	0.70	\$ 4.18	\$	2.68
Income tax expense on Non-GAAP adjustments			0.55		0.15	 1.75		0.70
Total Non-GAAP adjustments after income taxes			0.17		0.55	2.43		1.98
Non-GAAP Net earnings attributable to MSI		\$	3.60	\$	2.85	\$ 10.36	\$	9.15
Diluted Weighted Average Common Shares			171.9		174.2	171.9		173.6
*Indicates Non-GAAP Diluted EPS								

### Motorola Solutions, Inc. and Subsidiaries

### Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin

(In millions)

	Three Months Ended											
		De	cen	nber 31, 2	De	December 31, 2021						
	S	roducts and ystems egration	-	oftware and ervices		Total	S	roducts and ystems egration		oftware and ervices		Total
Net sales	\$	1,810	\$	896	\$	2,706	\$	1,495	\$	825	\$	2,320
Operating earnings	\$	454	\$	238	\$	692	\$	320	\$	229	\$	549
Above OE non-GAAP adjustments:												
Intangible assets amortization expense		15		48		63		15		49		64
Share-based compensation expenses		34		12		46		28		7		35
Operating lease asset impairments		5		3		8		2		1		3
Acquisition-related transaction fees		1		6		7		3		6		9
Reorganization of business charges		4		1		5		3		_		3
Hytera-related legal expenses		3		_		3		8		_		8
Gain on sales of investments		_		—		—		(1)		—		(1)
Gain on Hytera legal settlement		(2)		—		(2)		—		—		—
Total above-OE non-GAAP adjustments		60		70		130		58		63		121
Operating earnings after non-GAAP adjustments	\$	514	\$	308	\$	822	\$	378	\$	292	\$	670
Operating earnings as a percentage of net sales - GAAP		25.1 %		26.6 %		25.6 %		21.4 %		27.8 %		23.7 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments		28.4 %		34.4 %		30.4 %		25.3 %		35.4 %		28.9 %

### Motorola Solutions, Inc. and Subsidiaries

### Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin

(In millions)

	Years Ended											
		De	cen	nber 31, 2	022			De	cen	nber 31, 2	021	
	S	roducts and systems tegration		oftware and Services		Total	s	roducts and ystems tegration	-	oftware and Services		Total
Net sales	\$	5,728	\$	3,384	\$	9,112	\$	5,033	\$	3,138	\$	8,171
Operating earnings ("OE")	\$	913	\$	748	\$	1,661	\$	760	\$	907	\$	1,667
Above OE non-GAAP adjustments:												
Intangible assets amortization expense		60		197		257		54		182		236
Share-based compensation expenses		126		46		172		99		30		129
Loss on ESN fixed asset impairment		—		147		147		_		_		_
Reorganization of business charges		21		15		36		25		7		32
Hytera-related legal expenses		28		—		28		26		_		26
Operating lease asset impairments		18		6		24		7		3		10
Acquisition-related transaction fees		9		14		23		4		11		15
Legal settlements		3		20		23		2		1		3
Fixed asset impairments		9		3		12		—		—		—
Gain on Hytera legal settlement		(15)		—		(15)		—		—		—
Gain on sales of investments						_		(1)		—		(1)
Total above-OE non-GAAP adjustments		259		448		707		216		234		450
Operating earnings after non-GAAP adjustments	\$	1,172	\$	1,196	\$	2,368	\$	976	\$	1,141	\$	2,117
Operating earnings as a percentage of net sales - GAAP		15.9 %		22.1 %		18.2 %		15.1 %		28.9 %		20.4 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments		20.5 %		35.3 %		26.0 %		19.4 %		36.4 %		25.9 %

## Motorola Solutions, Inc. and Subsidiaries Reconciliation of Revenue to Non-GAAP Organic Revenue (In millions)

		Three Months Ended									
	Decembe	er 31, 2022	Decem	ber 31, 2021	% Change						
Net sales	\$	2,706	\$	2,320	17 %						
Non-GAAP adjustments:											
Sales from acquisitions		44		5							
Organic revenue	\$	2,662	\$	2,315	15 %						

	Years Ended				
	December 31, 2022		December 31, 2021		% Change
Net sales	\$	9,112	\$	8,171	12 %
Non-GAAP adjustments:					
Sales from acquisitions		127		6	
Organic revenue	\$	8,985	\$	8,165	10 %