

**F5 Networks, Inc.**  
**Consolidated Statements of Cash Flows**  
(unaudited, in thousands)

**Years Ended**  
**September 30,**

|  | <u>2021</u>       | <u>2020</u>       |
|--|-------------------|-------------------|
| <b>Operating activities</b>  |                   |                   |
| Net income.....  | \$ 331,241        | \$ 307,441        |
| Adjustments to reconcile net income to net cash provided by operating activities:  |                   |                   |
| Stock-based compensation.....  | 243,279           | 201,948           |
| Depreciation and amortization.....   | 115,424           | 95,857            |
| Non-cash operating lease costs.....  | 38,375            | 39,139            |
| Deferred income taxes.....   | (76,930)          | 7,293             |
| Impairment of assets.....  | 40,698            | 9,673             |
| Other.....   | 737               | 2,122             |
| Changes in operating assets and liabilities:                                       |                   |                   |
| Accounts receivable.....   | (46,289)          | 46,502            |
| Inventories.....   | 5,843             | 6,503             |
| Other current assets.....  | (84,328)          | (49,895)          |
| Other assets.....  | (110,653)         | (25,690)          |
| Accounts payable and accrued liabilities.....                                      | 22,933            | 34,742            |
| Deferred revenue.....  | 216,431           | 35,514            |
| Lease liabilities.....   | (51,565)          | (50,251)          |
| Net cash provided by operating activities.....                                     | <u>645,196</u>    | <u>660,898</u>    |
| <b>Investing activities</b>  |                   |                   |
| Purchases of investments.....  | (472,165)         | (584,240)         |
| Maturities of investments.....   | 197,279           | 543,065           |
| Sales of investments.....  | 271,521           | 309,687           |
| Acquisition of businesses, net of cash acquired.....                               | (411,319)         | (955,574)         |
| Purchases of property and equipment.....   | (30,651)          | (59,940)          |
| Net cash used in investing activities.....   | <u>(445,335)</u>  | <u>(747,002)</u>  |
| <b>Financing activities</b>  |                   |                   |
| Proceeds from the exercise of stock options and                                    |                   |                   |
| purchases of stock under employee stock purchase plan.....                         | 65,752            | 52,835            |
| Repurchase of common stock.....  | (500,000)         | (100,016)         |
| Proceeds from term debt agreement.....   | -                 | 400,000           |
| Payments on term debt agreement.....   | (20,000)          | (10,000)          |
| Payments for debt issuance costs.....  | -                 | (3,040)           |
| Taxes paid related to net share settlement of equity awards.....                   | (14,032)          | (2,536)           |
| Net cash provided by (used in) financing activities.....                           | <u>(468,280)</u>  | <u>337,243</u>    |
| Net increase in cash, cash equivalents and restricted cash.....                    | (268,419)         | 251,139           |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash..... | (74)              | (567)             |
| Cash, cash equivalents and restricted cash, beginning of period.....               | 852,826           | 602,254           |
| Cash, cash equivalents and restricted cash, end of period.....                     | <u>\$ 584,333</u> | <u>\$ 852,826</u> |
| <b>Supplemental disclosures of cash flow information</b>                           |                   |                   |
| Cash paid for taxes, net of refunds.....   | \$ 99,378         | \$ 80,236         |
| Cash paid for amounts included in the measurement of lease liabilities.....        | 61,504            | 60,564            |
| Cash paid for interest on long-term debt.....                                      | 5,280             | 6,568             |
| <b>Supplemental disclosures of non-cash activities</b>                             |                   |                   |
| Right-of-use assets obtained in exchange for lease obligations.....                | \$ 13,051         | \$ 402,007        |