

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

| | Three Months Ended December 31, | |
|--|------------------------------------|---------------------|
| | 2021 | 2020 |
| Operating activities | | |
| Net income..... | \$ 93,559 | \$ 87,678 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Stock-based compensation..... | 63,757 | 58,069 |
| Depreciation and amortization..... | 30,260 | 27,660 |
| Non-cash operating lease costs..... | 9,663 | 9,698 |
| Deferred income taxes..... | (6,407) | (694) |
| Impairment of assets..... | 6,175 | 6,873 |
| Other..... | (1,123) | 307 |
| Changes in operating assets and liabilities (excluding effects of the acquisition of businesses): | | |
| Accounts receivable..... | (77,223) | (54,416) |
| Inventories..... | 1,260 | 1,443 |
| Other current assets..... | (44,286) | (23,250) |
| Other assets..... | (21,774) | (26,654) |
| Accounts payable and accrued liabilities..... | (25,387) | (23,925) |
| Deferred revenue..... | 76,065 | 86,193 |
| Lease liabilities..... | (14,173) | (11,619) |
| Net cash provided by operating activities..... | <u>90,366</u> | <u>137,363</u> |
| Investing activities | | |
| Purchases of investments..... | (36,205) | (42,765) |
| Maturities of investments..... | 38,138 | 69,352 |
| Sales of investments..... | 34,549 | - |
| Acquisition of businesses, net of cash acquired..... | (67,911) | (1,247) |
| Purchases of property and equipment..... | (10,564) | (4,697) |
| Net cash (used in) provided by investing activities..... | <u>(41,993)</u> | <u>20,643</u> |
| Financing activities | | |
| Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan..... | 27,581 | 27,196 |
| Repurchase of common stock..... | (125,011) | - |
| Payments on term debt agreement..... | (5,000) | (5,000) |
| Taxes paid related to net share settlement of equity awards..... | (13,595) | (4,481) |
| Net cash (used in) provided by financing activities..... | <u>(116,025)</u> | <u>17,715</u> |
| Net (decrease) increase in cash, cash equivalents and restricted cash..... | (67,652) | 175,721 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash..... | (861) | 1,655 |
| Cash, cash equivalents and restricted cash, beginning of period..... | 584,333 | 852,826 |
| Cash, cash equivalents and restricted cash, end of period..... | <u>\$ 515,820</u> | <u>\$ 1,030,202</u> |
| Supplemental disclosures of cash flow information | | |
| Cash paid for amounts included in the measurement of lease liabilities..... | \$ 16,500 | \$ 15,032 |
| Cash paid for interest on long-term debt..... | 1,252 | 1,370 |
| Supplemental disclosures of non-cash activities | | |
| Right-of-use assets obtained in exchange for lease obligations..... | \$ 818 | \$ 1,614 |