### ZSCALER, INC. Supplemental Financial Information Explanation of Non-GAAP Financial Measures

In addition to our results determined in accordance with generally accepted accounting principles in the United States of America (GAAP), we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In particular, free cash flow is not a substitute for cash provided by operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation of our historical non-GAAP financial measures to their most directly comparable financial measures stated in accordance with GAAP has been included in this Supplemental Financial Information. Investors are cautioned that there are a number of limitations associated with the use of non-GAAP financial measures and key metrics as analytical tools. Investors are encouraged to review these reconciliations, and not to rely on any single financial measure to evaluate our business.

### **Expenses Excluded from Non-GAAP Measures**

Stock-based compensation expense is excluded primarily because it is a non-cash expense that management believes is not reflective of our ongoing operational performance. Effective August 1, 2020, the beginning of our fiscal year ended July 31, 2021, we have presented employer payroll taxes related to stock-based compensation, which is a cash expense, as part of stock-based compensation expense in our non-GAAP results. These payroll taxes have been excluded from our non-GAAP measures as these are tied to the timing and size of the exercise or vesting of the underlying equity awards and the price of our common stock at the time of vesting or exercise, which may vary from period to period independent of the operating performance of our business. Prior period amounts have been recasted to conform to this presentation. Amortization expense of intangible assets acquired in business acquisitions and related income tax effects, if applicable, are excluded because these are considered by management to be outside of our core business operating performance. Asset impairments related to facility exit costs are excluded because such charges are not reflective of our ongoing operational performance. Amortization of debt discount and issuance costs from our convertible senior notes are excluded because these are non-cash expenses and are not reflective of our ongoing operational performance. We also exclude certain litigation-related expenses consisting of professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, actual losses and accruals related to estimated losses in connection with these claims. There are many uncertainties and potential outcomes associated with any litigation, including the expense of litigation, timing of such expenses, court rulings, unforeseen developments, complications and delays, each of which may affect our results of operations from period, as well as the unknown magnitude of the potential loss relating to any lawsuit, all of which are inherently subject to change, difficult to predict and could adversely affect our results of operations. We estimate the tax effect of these items on our non-GAAP results and may adjust our GAAP provision for income taxes, if such effects have a material impact to our non-GAAP results.

### **Non-GAAP Financial Measures**

Non-GAAP Gross Profit and Non-GAAP Gross Margin. We define non-GAAP gross profit as GAAP gross profit excluding stock-based compensation expense and related employer payroll taxes and amortization expense of acquired intangible assets. We define non-GAAP gross margin as non-GAAP gross profit as a percentage of revenue.

Non-GAAP Income from Operations and Non-GAAP Operating Margin. We define non-GAAP income from operations as GAAP loss from operations excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets, asset impairment related to facility exit and certain litigation-related expenses. We define non-GAAP operating margin as non-GAAP income from operations as a percentage of revenue.

Non-GAAP Net Income per Share, Diluted. We define non-GAAP net income as GAAP net loss excluding stock-based compensation expense and related employer payroll taxes, amortization expense of acquired intangible assets, asset impairment related to facility exit, amortization of debt discount and issuance costs, certain litigation-related expenses, income tax effects generated by the effects of stock-based compensation expense recognized in foreign jurisdictions, any income tax benefits associated with business combinations and refunds of certain foreign withholding taxes related to prior fiscal periods. We define non-GAAP net income per share, diluted, as non-GAAP net income divided by the weighted-average diluted shares outstanding, which includes the effect of potentially diluted common stock equivalents outstanding during the period and the antidilutive impact of the capped call transactions entered into in connection with our convertible senior notes.

*Free Cash Flow and Free Cash Flow Margin.* We define free cash flow as net cash provided by operating activities less purchases of property, equipment and other assets and capitalized internal-use software. We define free cash flow margin as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are meaningful indicators of liquidity information to management and investors about the amount of cash generated from our operations that, after the investments in property, equipment and other assets and capitalized internal-use software, can be used for strategic initiatives.

**Calculated Billings**. We define calculated billings as total revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services for our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

# **Condensed Consolidated Statements of Operations**

*(in thousands, except per share amounts) (unaudited)* 

Fiscal Quarter	Q4 FY	20	Q	1 FY21	Q	2 FY21	Q	23 FY21	Ç	)4 FY21	Ç	Q1 FY22	Q	2 FY22	Q	3 FY22
End of Fiscal Quarter	7/31/2	020	10	/31/2020	1/	31/2021	4/	/30/2021	7.	/31/2021	10	/31/2021	1/	31/2022	4/	30/2022
Beginning of Fiscal Quarter	5/1/20	020	8	/1/2020	11	1/1/2020	2	/1/2021	5	5/1/2021	8	8/1/2021	1	1/1/2021	2	/1/2022
Revenue	\$ 125,	887	\$	142,578	\$	157,044	\$	176,404	\$	197,074	\$	230,517	\$	255,563	\$	286,807
Cost of revenue <sup>(1) (2)</sup>	31,	358		31,727		34,135		38,977		45,478		52,169		57,783		64,022
Gross profit	94,	529		110,851		122,909		137,427		151,596		178,348		197,780		222,785
Operating expenses:																
Sales and marketing (1)(2)	89,	222		96,889		110,403		115,730		136,385		153,786		175,073		192,132
Research and development (1) (2)	32,	785		35,770		41,751		40,952		56,180		65,216		69,195		76,578
General and administrative (1) (3) (4)	17,	409		20,859		24,653		24,595		26,428		33,717		37,444		40,672
Total operating expenses	139,	416		153,518		176,807		181,277		218,993		252,719		281,712		309,382
Loss from operations	(44,	887)		(42,667)		(53,898)		(43,850)		(67,397)		(74,371)		(83,932)		(86,597)
Interest income	1,	072		940		755		593		524		473		557		949
Interest expense <sup>(5)</sup>	(5,	025)		(13,049)		(13,245)		(13,436)		(13,634)		(13,835)		(14,040)		(14,246)
Other income (expense), net	(	252)		268		518		71		329		(589)		(844)		(2,001)
Loss before income taxes	(49,	092)		(54,508)		(65,870)		(56,622)		(80,178)		(88,322)		(98,259)		(101,895)
Provision (benefit) for income taxes		457		498		1,671		1,837		845		2,479		2,161		(490)
Net loss	\$ (49,	549)	\$	(55,006)	\$	(67,541)	\$	(58,459)	\$	(81,023)	\$	(90,801)	\$	(100,420)	\$ (	(101,405)
Net loss per share, basic and diluted	\$ ((	0.38)	\$	(0.41)	\$	(0.50)	\$	(0.43)	\$	(0.59)	\$	(0.65)	\$	(0.71)	\$	(0.72)
Weighted-average shares used in computing net loss per share, basic and diluted <sup>(6)</sup>	131,	660		133,452		135,024		136,385		137,778		139,296	_	140,515		141,422
(1) Includes stock-based compensation expense	and relate	ed pay	yroll	l taxes as f	follo	ws:										
Cost of revenue	\$ 3	,117	\$	3,266	\$	3,308	\$	3,665	\$	5,033	\$	5,319	\$	5,766	\$	6,511
Sales and marketing	32	,054		32,654		33,864		34,798		42,957		43,464		47,666		53,576
Research and development	13	,458		14,900		17,747		15,033		25,558		28,570		30,000		31,366
General and administrative	7	,351		9,509		12,194		11,681		12,395		18,741		20,613		20,113
Total	\$ 55	,980	\$	60,329	\$	67,113	\$	65,177	\$	85,943	\$	96,094	\$	104,045	\$	111,566
<sup>(2)</sup> Includes amortization expense of acquired	d intangil	ole as	sets	as follow	vs:											
Cost of revenue	\$ 1,2	272	\$	1,504	\$	1,503	\$	1,503	\$	1,958	\$	2,056	\$	2,000	\$	1,980
Sales and marketing		50		73		73		73		108		170		178		178
Research and development				_		_		_		_		_		53		80
Total	\$ 1,	322	\$	1,577	\$	1,576	\$	1,576	\$	2,066	\$	2,226	\$	2,231	\$	2,238
<sup>(3)</sup> Includes asset impairment related to facility exit as follows:	\$	<u> </u>	\$	416	\$		\$	_	\$		\$			s —	\$	_
<sup>(4)</sup> Includes litigation-related expenses as follows:	\$	3	\$		\$		\$	_	\$	_	\$		- 5	s —	\$	_
<sup>(5)</sup> Includes amortization of debt discount and issuance costs as follows:	\$ 4,8	385	\$	12,690	\$	12,882	\$	13,077	\$	13,274	9	5 13,470	6	\$ 13,680	\$	13,887

<sup>(6)</sup> Since we have reported GAAP net losses for all periods presented, we have excluded all potentially dilutive securities from the calculation of the diluted net loss per share attributable to common stockholders as their effect is antidilutive and accordingly, basic net loss per share equals diluted net loss per share for all periods presented.

### Non-GAAP Condensed Consolidated Statements of Operations

(in thousands, except per share amounts) (unaudited)

<b>Fiscal Quarter</b> End of Fiscal Quarter Beginning of Fiscal Quarter	<b>Q4 FY20</b> 7/31/2020 5/1/2020	<b>Q1 FY21</b> 10/31/2020 8/1/2020	<b>Q2 FY21</b> 1/31/2021 11/1/2020	<b>Q3 FY21</b> 4/30/2021 2/1/2021	<b>Q4 FY21</b> 7/31/2021 5/1/2021	<b>Q1 FY22</b> 10/31/2021 8/1/2021	<b>Q2 FY22</b> 1/31/2022 11/1/2021	<b>Q3 FY22</b> 4/30/2022 2/1/2022
Revenue	\$ 125,887	\$ 142,578	\$ 157,044	\$ 176,404	\$ 197,074	\$ 230,517	\$ 255,563	\$ 286,807
Cost of revenue	26,969	26,957	29,324	33,809	38,487	44,794	50,017	55,531
Gross profit	98,918	115,621	127,720	142,595	158,587	185,723	205,546	231,276
Operating expenses:								
Sales and marketing	57,118	64,162	76,466	80,859	93,320	110,152	127,229	138,378
Research and development	19,327	20,870	24,004	25,919	30,622	36,646	39,142	45,132
General and administrative	10,055	10,934	12,459	12,914	14,033	14,976	16,831	20,559
Total operating expenses	86,500	95,966	112,929	119,692	137,975	161,774	183,202	204,069
Income from operations	12,418	19,655	14,791	22,903	20,612	23,949	22,344	27,207
Interest income	1,072	940	755	593	524	473	557	949
Interest expense	(140)	(359)	(363)	(359)	(360)	(359)	(360)	(359)
Other income (expense), net	(252)	268	518	71	329	(589)	(844)	(2,001)
Income before income taxes	13,098	20,504	15,701	23,208	21,105	23,474	21,697	25,796
Provision for income taxes <sup>(1)</sup>	1,077	498	1,671	1,837	845	2,479	2,522	1,064
Non-GAAP net income	\$ 12,021	\$ 20,006	\$ 14,030	\$ 21,371	\$ 20,260	\$ 20,995	\$ 19,175	\$ 24,732
Non-GAAP net income per share, diluted	\$ 0.08	\$ 0.14	\$ 0.10	\$ 0.15	\$ 0.14	\$ 0.14	\$ 0.13	\$ 0.17
Weighted-average shares used in computing non-GAAP net income per share, diluted	141,465	143,372	144,623	144,913	145,674	147,541	148,801	146,915

<sup>(1)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP income tax expense represents the effects of stock-based compensation expense recognized in foreign jurisdictions and any income tax benefits associated with business combinations. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarter ended July 31, 2020 and January 31, 2022, we recorded a tax benefit of \$0.6 million and \$0.4 million, respectively, associated with intangible assets recognized as a result of our business acquisitions. In the fiscal quarter ended April 30, 2022, we recorded a tax benefit of \$1.6 million associated with a refund of certain foreign withholding taxes relating to the prior fiscal year.

# **Condensed Consolidated Balance Sheets**

(in thousands)

(unaudited)

Fiscal Quarter	O4 FY20	Q1 FY21	<b>Q2 FY21</b>	<b>O3 FY21</b>	O4 FY21	Q1 FY22	Q2 FY22	<b>O3 FY22</b>
End of Fiscal Quarter	7/31/2020	10/31/2020	1/31/2021	4/30/2021	7/31/2021	10/31/2021	1/31/2022	4/30/2022
Assets								
Current assets:								
Cash and cash equivalents	\$ 141,851	\$ 102,016	\$ 95,347	\$ 106,590	\$ 275,898	\$ 371,696	\$ 409,819	\$ 594,893
Short-term investments	1,228,722	1,313,938	1,349,402	1,361,019	1,226,654	1,212,946	1,211,390	1,062,981
Accounts receivable, net	147,584	105,942	170,412	164,923	257,109	172,028	269,449	272,092
Deferred contract acquisition costs	32,240	35,589	39,902	44,541	57,373	62,067	69,025	75,897
Prepaid expenses and other current assets	31,396	22,040	23,586	28,428	31,269	36,699	29,482	41,182
Total current assets	1,581,793	1,579,525	1,678,649	1,705,501	1,848,303	1,855,436	1,989,165	2,047,045
Property and equipment, net	75,734	83,976	90,527	106,812	108,576	112,999	121,195	141,692
Operating lease right-of-use assets	36,119	45,586	45,942	49,727	44,339	44,153	42,837	45,185
Deferred contract acquisition costs, noncurrent	77,675	83,690	95,044	107,927	149,657	154,036	165,480	181,402
Acquired intangible assets, net	24,024	22,447	20,871	26,495	32,129	29,903	29,272	27,034
Goodwill	30,059	30,059	30,059	53,291	58,977	58,977	59,823	59,823
Other noncurrent assets	8,054	7,664	8,325	12,523	15,650	15,614	14,249	22,363
Total assets	\$ 1,833,458	\$ 1,852,947	\$ 1,969,417	\$ 2,062,276	\$ 2,257,631	\$ 2,271,118	\$ 2,422,021	\$ 2,524,544
Liabilities and stockholders' equity								
Current liabilities:								
Accounts payable	\$ 5,233	\$ 7,663	\$ 13,170	\$ 20,172	\$ 12,547	\$ 14,961	\$ 13,499	\$ 15,234
Accrued expenses and other current liabilities	16,361	13,871	14,208	16,622	22,908	22,859	31,096	43,160
Accrued compensation	49,444	37,097	47,861	61,276	93,622	72,667	83,863	102,678
Deferred revenue	337,263	340,035	406,184	445,835	571,286	584,325	687,919	731,904
Operating lease liabilities	15,600	17,796	20,152	20,974	19,842	20,488	19,665	19,600
Total current liabilities	423,901	416,462	501,575	564,879	720,205	715,300	836,042	912,576
Convertible senior notes, net	861,615	874,359	887,186	900,263	913,538	927,014	940,692	954,578
Deferred revenue, noncurrent	32,504	31,865	40,633	49,599	59,315	63,491	72,012	86,839
Operating lease liabilities, noncurrent	28,023	35,266	33,829	35,472	31,225	30,534	29,280	31,028
Other noncurrent liabilities	2,586	2,890	3,490	3,956	4,453	4,580	4,628	7,946
Total liabilities	1,348,629	1,360,842	1,466,713	1,554,169	1,728,736	1,740,919	1,882,654	1,992,967
Stockholders' equity								
Common stock	133	134	136	137	139	140	141	142
Additional paid-in capital	823,804	886,815	964,214	1,027,888	1,131,006	1,225,224	1,341,346	1,450,139
Accumulated other comprehensive income (loss)	463	(267)	472	659	(650)	(2,764)	(9,299)	(24,478)
Accumulated deficit	(339,571)	(394,577)	(462,118)	(520,577)	(601,600)	(692,401)	(792,821)	(894,226)
Total stockholders' equity	484,829	492,105	502,704	508,107	528,895	530,199	539,367	531,577
Total liabilities and stockholders' equity	\$ 1,833,458	\$ 1,852,947	\$ 1,969,417	\$ 2,062,276	\$ 2,257,631	\$ 2,271,118	\$ 2,422,021	\$ 2,524,544

# ZSCALER, INC. Condensed Consolidated Statements of Cash flows

(in thousands)

(unaudited)

by operation and materia acquisition costs 1,222 1,577 1,576 1,576 2,067 2,228 2,228 2,228 Anontziation of defored contral acquisition costs 1,229 1,877 1,576 1,576 1,576 2,067 2,226 2,228 2,238 Anontziation of defored contral acquisition costs 1,229 1,877 1,576 1,576 1,575 1,376 1,5275 1,37,67 1,568 0,538 0,031 6,537 1,586 0,538 0,031 6,537 1,586 0,538 0,031 6,537 1,586 0,538 0,597 3,7997 8,9909 99,988 1,558 Anontziation (accention) of newtennets purchased at premium (finceme taxes 1,617) 1,520 1,518 1,5	<b>Fiscal Quarter</b> End of Fiscal Quarter	<b>Q4 FY20</b> 7/31/2020	<b>Q1 FY21</b> 10/31/2020	<b>Q2 FY21</b> 1/31/2021	<b>Q3 FY21</b> 4/30/2021	<b>Q4 FY21</b> 7/31/2021	<b>Q1 FY22</b> 10/31/2021	<b>Q2 FY22</b> 1/31/2022	<b>Q3 FY22</b> 4/30/2022
Naclos         \$         (49,549)         \$         (53,000)         \$         (61,23)         \$         (90,000)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         \$         (10,402)         (10,402)         (10,402)         (10,402)         (10,402)         (10,412)	5 5 X	5/1/2020	8/1/2020	11/1/2020	2/1/2021	5/1/2021	8/1/2021	11/1/2021	2/1/2022
Adjubanesis to recording and some provided by ponaring activities in a serie of a space of analysis of standards of a space of a space of analysis of a space of a space of analysis of a space o		¢ (40.540)	¢ (55.00()	Ф ( <b>(7.5.41</b> )	¢ (50.450)	¢ (01.000)	¢ (00.001)	¢ (100.4 <b>2</b> 0)	¢ (101.405)
Amontization expense of acquired intangible asets       1,322       1,577       1,576       1,576       2,066       2,226       2,231       2,238         Amontization of deferred contrat acquisition costs       7,249       8,678       9,445       10,404       11,981       14,912       16,125       17,758         Non-cask operating lease costs       3,996       4,813       4,987       5,666       5,389       6,330       6,578         Non-cask operating lease costs       3,996       4,513       4,987       5,666       5,389       6,330       6,578         Montrization (section) of mesteness purchased       5,1383       57,185       61,300       (461)       (521)       (994)       (223)       (450)       1,388         Deferred incorne taces       (617)       (520)       (461)       (55)       304       (13)       308       354         Charges in operating seases and labilities, net of effects obstess acquisition costs       (22,824)       (14,042)       (25,112)       (22,976)       (66,543)       (23,985)       (44,528)       (49,559)         Deferred countar acquisition costs       (22,824)       (14,042)       (25,112)       (22,976)       (15,257)       (35,24       (12)       5,2521       (5,252)         Defe	Adjustments to reconcile net loss to cash provided by operating activities:	\$ (49,549)	\$ (55,006)	\$ (67,541)	\$ (58,459)	\$ (81,023)	\$ (90,801)	\$ (100,420)	\$ (101,405)
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Depreciation and amortization expense	5,456	6,092	7,235	8,074	8,262	9,017	9,988	10,432
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Amortization expense of acquired intangible assets	1,322	1,577	1,576	1,576	2,066	2,226	2,231	2,238
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Amortization of deferred contract acquisition costs	7,249	8,678	9,445	10,454	11,981	14,912	16,126	17,755
Sack-and compensation opense         51,383         57,185         61,380         59,973         79,997         89,083         98,988         105,854           Amountation (accention) of investments purchased Deferred income tares         513         2,005         2,841         3,154         3,115         2,071         1,991         1,200           Impairment of ascess         617         (520)         (461)         (521)         (00)         (223)         (436)         138           Changes in opensing assets and liabilities, net of effects of balances acquisition costs         (32,824)         (18,042)         (25,112)         (27,976)         (66,51)         34,929         (97,549)         (23,27)           Deferred contract acquisition costs         (32,824)         (18,042)         (27,176)         (10,83)         98,988         (15,357)           Accende requess, other current and noncurrent liabilities         (10,61)         76         4,551         1,794         1,030         (10,88)         98,983         (16,842)         (12,87)           Accende compensation         16,229         (12,347)         1,704         1,316         32,241         (42,017)         (7,241)         (7,242)           Operating tarket and noncurrent liabilities         (12,22)         (4,241)         (4,751)	Amortization of debt discount and issuance costs	4,885	12,690	12,882	13,076	13,275	13,476	13,680	13,887
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Non-cash operating lease costs	3,906	4,513	4,987	5,656	5,839	6,031	6,380	6,577
at a premum (discount)       513       2,005       2,841       3,154       3,15       2,071       1,991       1,280         Impairment fasses       —       416       —       …	Stock-based compensation expense	51,383	57,185	61,380	59,973	79,997	89,903	98,988	105,854
$ \begin{array}{  l                                  $	Amortization (accretion) of investments purchased at a premium (discount)	513	2,605	2,841	3,154	3,115	2,671	1,991	1,280
Other         16         29         30         (56)         304         (13)         308         554           Changes in oparting assets and liables, net of effects of business acquisitions         (42.004)         41.634         (66.515)         4.553         (91,477)         84.927         (45.549)         (25.277)           Deferred contract acquisition costs         (22.924)         (18.042)         (25.112)         (27.976)         (66.543)         (23.985)         (44.528)         (40.549)           Prepaid expenses, other current and noncurrent liabilities         (1.041)         76         4.551         1,794         1.000         (1.088)         985         3.060           Accounds prepais, other current and noncurrent liabilities         1.632         (1.243)         2.976         1.275         3.524         (102)         5.211         1.48.15           Deferred revenue         68.46         2.133         76.751         49.530         163.4011         17.381         112.13         59.001           Operating lease liabilities         (2.122)         (4.21)         (4.424)         (6.976)         (5.830)         (7.141)         (7.242)           Act cas provided by operating activities         11.635         2.1724         (2.480)         (4.241)         (2.401)	Deferred income taxes	(617)	. ,	(461)	(521)	(904)	(223)	(436)	138
Changes in operating assets and liabilities, net of effects of business acquisitions costs (22,824) (18,042) (25,112) (27,976) (66,543) (23,985) (34,528) (40,549) Projeid expenses, other current and noncurrent liabilities (215) 7,883 (1,161) (4,925) (5,185) (4,126) 9,029 (15,257) Accounds payable (10,611) 76 (4,551) 1,794 (1,030) (10,88) 985 3,069 Accounds expenses, other current and noncurrent liabilities (1,632) (1,243) 2,976 1,275 3,524 (192) 5,221 5,121 Accrust expension (15,229) (2,347) 10,764 (13,166 32,294 (20,955) 11,196 18,815 Deferred revenue $68,436 (2,1347) (10,764 (13,166) (4,230) (13,880) (7,141) (7,242) Precises liabilities (2,122) (4,821) (4,424) (6,976) (5,830) (5,890) (7,141) (7,242) Precises liabilities (2,122) (4,821) (4,424) (6,976) (5,830) (5,890) (7,141) (7,242) Precises of property, equipment and other asset (18,279) (8,904) (10,499) (14,812) (13,950) (6,454) (13,988) (27,604) Capitalitie and other asset (18,279) (8,904) (10,499) (14,812) (13,950) (6,454) (13,988) (27,604) Payments for business acquisitions, net of cash queries (10,52,56) (174,663) (24,975) (3,085) (3,450) (4,825) (5,892) Payments for business acquisitions, net of cash queries (10,52,86) (7,582) (27,233) 278,929 (22,473) 322,677 306,734 325,868 Proceeds from sature disc of short-term investments (10,52,86) (174,663) (24,475) (304,834) (91,099) (10,120) (677) (23,873) 106,515 Cash flow stop disc of common stock upon exercise of toxic options acquived (10,52,86) (174,663) (24,475) (24,653) (24,675) (24,656) (2$					(56)	304	(13)	308	354
	Changes in operating assets and liabilities, net of effects of business acquisitions	10	2)	50	(50)	504	(15)	500	554
Perpaid expenses, other current and noncurrent sasets(215)7.83(1.161)(4.925)(5,185)(4,126)9.029(15,257)Accounts payable(1.061)764.5511.7941.030(1.088)9853.069Accounts payable(1.061)764.5511.7941.030(1.088)9853.069Accounts payable1.632(1.243)2.9761.2753.524(192)5.2215.121Accounts compensation15.229(1.243)7.077149,530134,01117.381112,21359,001Operating lease liabilities(2.122)(4.821)(4.424)(6.976)(6.830)(6.849)(7.141)(7.242)Net cash provided by operating activities31,63553,53230,40473,36844,73693,27148,26277,241Cash flows from investing activities(1.877)(8.904)(10.497)(1.871)(2.755)(3.450)(6.454)(13.988)(2.7604)Capitalized internal-use software(2.441)(2.401)(1.871)(2.775)(3.085)(3.450)(4.825)(5.892)Payments for business acquisitions, net of cash acquired(30,683)(2.877)(200)Purchase of short-term investments(1.052,865)(17.463)(244,975)(34.834)(91,008)(31.2,840)(31.414)(18.857)Proceeds from sale of short-term investments7.0881.500 <td>Accounts receivable</td> <td>(42,004)</td> <td>41,634</td> <td>(66,315)</td> <td>4,553</td> <td>(91,477)</td> <td>84,927</td> <td>(97,549)</td> <td>(2,827)</td>	Accounts receivable	(42,004)	41,634	(66,315)	4,553	(91,477)	84,927	(97,549)	(2,827)
assets(215)7.883(1,161)(4,925)(5,185)(4,126)9.029(15,257)Accounts payable(1,061)764,5511,7941.030(1,088)9853,069Accrued expenses, other current and noncurrent16,52(1,243)2,9761,2753,524(192)5,2215,121Accrued compensation15,229(12,347)10,76413,16632,294(20,955)11,19618,815Deferred revenue68,4362,13376,75149,530134,01117,381112,21359,001Operating lease liabilities(2,122)(4,821)(4,424)(6,676)(5,890)(7,141)(7,242)Net cash provided by operating activities31,63535,53230,40473,36844,73692,27148,202(7,242)Purchases of properly, equipment and other assets(18,279)(8,904)(10,499)(14,812)(13,950)(6,454)(13,988)(27,604)Patagic investments(2,000)——(2,9420)(11,110)—(380)—Purchases of short-term investments(1,052,865)(174,663)(244,975)(30,4834)(91,008)(312,840)(31,1414)(185,557)Proceeds from subarce of short-term investments70,0811,000—10,999————Proceeds from subarce of short-term investments70,0811,00010,999—————Proceeds from subarce of short-term investments	Deferred contract acquisition costs	(32,824)	(18,042)	(25,112)	(27,976)	(66,543)	(23,985)	(34,528)	(40,549)
Accrued expenses, other current and noncurrent liabilities1.632(1,243)2.9761.2753.524(192)5.2215.121Accrued compensation15,229(1,243)10,76413,16632,294(20,955)11,19618,815Deferred revenue68,4362,13376,75149,530134,01117,381112,21359,001Operating lease liabilities(2,122)(4,821)(4,424)(6,676)(5,830)(5,890)(7,141)(7,242)Net cash provided by operating activities:11,63553,53230,40473,36844,73693,27148,26277,241Purchases of property, equipment and other assets(18,279)(8,904)(10,499)(14,812)(13,950)(6,454)(13,988)(27,004)Capitalized internal-use software(2,441)(2,401)(1,871)(2,775)(3,085)(3,450)(4,825)(5,892)Pyments for business acquisitions, net of cash acquired(30,683)(29,420)(11,110)-(380)-Proceeds from stauce of short-term investments(1,052,865)(174,663)(24,4775)(30,4834)(91,008)(312,840)(311,414)(185,857)Proceeds from suace of short-term investments7,00811,500-10,999Net cash provided by (used in) investing activities(1,018,700)(97,886)(50,112)(67,70)(30,120)(67)(23,873)106,515Proceeds from isuance of common stoc	Prepaid expenses, other current and noncurrent assets	, ,		( ) )		,	,		,
liabilities1.632(1.243)2.9761.2753.524(192)5.2215.121Accrued compensation15.229(12,347)10,76413,16632,294(20,955)11,19618,815Deferred revenue68,4662,13376,75149,530134,01117,381112,21359,001Operating lease liabilities(2,122)(4,821)(4,424)(6,976)(5,830)(5,890)(7,141)(7,242)Net ash provided by operating activities31,63553,53230,40473,36844,73693,27148,26277,241Cash flows from investing activities:TT(10,499)(14,812)(13,950)(6,6454)(13,988)(27,604)Capitalized internal-use software(2,441)(2,401)(1,871)(2,775)(3,085)(3,450)(4,825)(5,892)Payments for business acquisitions, net of cash acquired(30,683)(29,420)(11,110)-(380)Purchases of short-term investments(1,052,865)(174,663)(24,975)(3,0434)(91,008)(312,840)(31,1414)(185,857)Proceeds from sale of short-term investments7,00811,500Net cash provided by (used in) investing activities(0,018,700)(97,886)(50,112)(64,790)103,120(67)(23,873)106,515Cash flows from financing activities9,0484,5196,7262,6654,3112,6442,2271		(1,061)	76	4,551	1,794	1,030	(1,088)	985	3,069
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	liabilities	1,632	(1,243)	2,976	1,275	3,524	(192)	5,221	5,121
Operating lease liabilities $(2,122)$ $(4,821)$ $(4,424)$ $(6,976)$ $(5,830)$ $(5,890)$ $(7,141)$ $(7,242)$ Net cash provided by operating activities31,635 $53,532$ $30,404$ $73,368$ $44,736$ $93,271$ $48,262$ $77,241$ Cash flows from investing activities: $73,368$ $44,736$ $93,271$ $48,262$ $77,241$ Cash flows from investing activities: $18,279$ $(8,904)$ $(10,499)$ $(14,812)$ $(13,950)$ $(6,454)$ $(13,988)$ $(27,604)$ Capitalized internal-use software $(2,441)$ $(2,401)$ $(1,871)$ $(2,775)$ $(3,085)$ $(3,450)$ $(4,825)$ $(5,892)$ Payments for business acquisitions, net of cash acquired $(30,683)$ $  (29,420)$ $(11,110)$ $ (380)$ $-$ Purchases of short-term investments $(1,025,865)$ $(174,663)$ $(224,975)$ $(304,834)$ $(91,008)$ $(312,840)$ $(311,414)$ $(185,857)$ Proceeds from matrities of short-term investments $7,008$ $11,500$ $ 10,999$ $  -$ Net cash provided by (used in) investing activities: $7,008$ $11,500$ $ 10,999$ $  -$ Proceeds from fisuance of common stock upon exercise of stock options $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of condenator mether sumses acquisitions $     -$	Accrued compensation	15,229	(12,347)	10,764	13,166	32,294	(20,955)	11,196	18,815
Net cash provided by operating activities $31,635$ $53,532$ $30,404$ $73,368$ $44,736$ $93,271$ $48,262$ $77,241$ Cash flows from investing activities: $1000000000000000000000000000000000000$	Deferred revenue	68,436	2,133	76,751	49,530	134,011	17,381	112,213	59,001
Cash flows from investing activities: $(18,279)$ $(8,904)$ $(10,499)$ $(14,812)$ $(13,950)$ $(6,454)$ $(13,988)$ $(27,604)$ Capitalized internal-use software $(2,411)$ $(2,401)$ $(1,871)$ $(2,775)$ $(3,085)$ $(3,450)$ $(4,825)$ $(5,892)$ Payments for business acquisitions, net of cash acquired $(30,683)$ -         - $(29,420)$ $(11,110)$ - $(380)$ -           Purchases of short-term investments $(2,000)$ -         - $(28,77)$ $(200)$ -         - <td>Operating lease liabilities</td> <td>(2,122)</td> <td>(4,821)</td> <td>(4,424)</td> <td>(6,976)</td> <td>(5,830)</td> <td>(5,890)</td> <td>(7,141)</td> <td>(7,242)</td>	Operating lease liabilities	(2,122)	(4,821)	(4,424)	(6,976)	(5,830)	(5,890)	(7,141)	(7,242)
Purchases of property, equipment and other assets $(18,279)$ $(8,904)$ $(10,499)$ $(14,812)$ $(13,950)$ $(6,454)$ $(13,988)$ $(27,004)$ Capitalized internal-use software $(2,441)$ $(2,401)$ $(1,871)$ $(2,775)$ $(3,085)$ $(3,450)$ $(4,825)$ $(5,892)$ Payments for business acquisitions, net of cash acquired $(30,683)$ —— $(2,9,420)$ $(11,110)$ — $(380)$ —Strategic investments $(2,000)$ —— $(2,877)$ $(200)$ ———Purchases of short-term investments $(1,052,865)$ $(174,663)$ $(244,975)$ $(30,4834)$ $(91,008)$ $(312,840)$ $(311,414)$ $(185,857)$ Proceeds from sale of short-term investments $7,008$ $11,500$ — $10,999$ —————Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock upon exercise of stock options $     -$ Proceeds from issuance of convertible senior notes ent or tistance of convertible senior notes ent or tistance of convertible senior notes ent or tistance of convertible senior notes int or tistance of capped calls related to convertible senior notes $    -$	Net cash provided by operating activities	31,635	53,532	30,404	73,368	44,736	93,271	48,262	77,241
Capitalized internal-use software $(2,441)$ $(2,401)$ $(1,871)$ $(2,775)$ $(3,085)$ $(3,450)$ $(4,825)$ $(5,892)$ Payments for business acquisitions, net of cash acquired $(30,683)$ —— $(29,420)$ $(11,110)$ — $(380)$ —Strategic investments $(2,000)$ —— $(28,77)$ $(200)$ ————Purchases of short-term investments $(1,052,865)$ $(174,663)$ $(244,975)$ $(304,844)$ $(91,008)$ $(312,840)$ $(311,414)$ $(185,857)$ Proceeds from maturities of short-term investments $7,008$ $11,500$ — $10,999$ —————Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities: $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock upon excrise of stock options $9,999$ — $8,563$ — $17,141$ — $11,509$ —Proceeds from issuance of convertible senior notes, net of sisuance costs $-$ — $        -$ Purchases of capped calls related to convertible senior notes, ent of issuance costs $1,130,522$ $              -$ <	Cash flows from investing activities:								
Payments for business acquisitions, net of cash acquired(30,683) $ -$ (29,420)(11,110) $-$ (380) $-$ Strategic investments(2,000) $ -$ (2,877)(200) $  -$ Purchases of short-term investments(1,052,865)(174,663)(244,975)(304,834)(91,008)(312,840)(311,414)(185,857)Proceeds from maturities of short-term investments7,00811,500 $-$ 10,999 $   -$ Net cash provided by (used in) investing activities(1,018,700)(97,886)(50,112)(64,790)103,120(67)(23,873)106,515Cash flows from financing activities: $         -$ Proceeds from issuance of common stock upon exercise of stock putinas $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock upon exercise of convertible senior notes, not of issuance of convertible senior notes, not of issuance of convertible senior notes, not of susance ocast $     -$ Purchases of capped calls related to convertible senior notes $           -$ Other $               -$	Purchases of property, equipment and other assets	(18,279)	(8,904)	(10,499)	(14,812)	(13,950)	(6,454)	(13,988)	(27,604)
acquired(30,683)(29,420)(11,110)(380)Strategic investments(2,000)(2,877)(200)Purchases of short-term investments(1,052,865)(174,663)(244,975)(304,834)(91,008)(312,840)(311,414)(185,857)Proceeds from maturities of short-term investments80,56076,582207,233278,929222,473322,677306,734325,868Proceeds from sale of short-term investments7,00811,50010,999Net cash provided by (used in) investing activities(1,018,700)(97,886)(50,112)(64,790)103,120(67)(23,873)106,515Cash flows from financing activities:8,56317,14111,509Proceeds from issuance of common stock upon exercise of stock options9,0484,5196,7262,6654,3112,6442,2271,319Proceeds from issuance of common stock upon exercise of capped calls related to business acquisitionsProceeds from issuance of convertible senior notes, entor issuance of capped calls related to convertible senior notes <td>Capitalized internal-use software</td> <td>(2,441)</td> <td>(2,401)</td> <td>(1,871)</td> <td>(2,775)</td> <td>(3,085)</td> <td>(3,450)</td> <td>(4,825)</td> <td>(5,892)</td>	Capitalized internal-use software	(2,441)	(2,401)	(1,871)	(2,775)	(3,085)	(3,450)	(4,825)	(5,892)
Purchases of short-term investments $(1,052,865)$ $(174,663)$ $(244,975)$ $(304,834)$ $(91,008)$ $(312,840)$ $(311,414)$ $(185,857)$ Proceeds from maturities of short-term investments $80,560$ $76,582$ $207,233$ $278,929$ $222,473$ $322,677$ $306,734$ $325,868$ Proceeds from sale of short-term investments $7,008$ $11,500$ — $10,999$ —————Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities: $Proceeds$ from issuance of common stock upon exercise of stock options $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock under the employee stock purchase plan $9,999$ $ 8,563$ $ 17,141$ $ 11,509$ $-$ Payment of deferred consideration related to business acquisitions $  (2,250)$ $    -$ Proceeds from issuance of convertible senior notes, net of issuance of convertible senior notes $1,130,522$ $                                   -$	acquired		_	_			_	(380)	_
Proceeds from maturities of short-term investments $80,560$ $76,582$ $207,233$ $278,929$ $222,473$ $322,677$ $306,734$ $325,868$ Proceeds from sale of short-term investments $7,008$ $11,500$ $ 10,999$ $   -$ Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities: $Proceeds$ from issuance of common stock upon exercise of stock options $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock under the employee stock purchase plan $9,999$ $ 8,563$ $ 17,141$ $ 11,509$ $-$ Proceeds from issuance of convertible senior notes, net of issuance of the convertible senior notes, net of issuance of the convertible senior notes, net of issuance of the convertible senior notes, net of issuance in convertible senior	Strategic investments								—
Proceeds from sale of short-term investments $7,008$ $11,500$ $ 10,999$ $    -$ Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities: $   -$ <	Purchases of short-term investments	(1,052,865)	(174,663)	(244,975)	(304,834)	(91,008)	(312,840)	(311,414)	(185,857)
Net cash provided by (used in) investing activities $(1,018,700)$ $(97,886)$ $(50,112)$ $(64,790)$ $103,120$ $(67)$ $(23,873)$ $106,515$ Cash flows from financing activities:Proceeds from issuance of common stock upon exercise of stock options $9,048$ $4,519$ $6,726$ $2,665$ $4,311$ $2,644$ $2,227$ $1,319$ Proceeds from issuance of common stock under the employee stock purchase plan $9,999$ $ 8,563$ $ 17,141$ $ 11,509$ $-$ Payment of deferred consideration related to business acquisitions $  (2,250)$ $  (50)$ $ -$ Proceeds from issuance of convertible senior notes, net of issuance costs $1,130,522$ $     -$ Purchases of capped calls related to convertible senior notes $(145,245)$ $      -$ Other $          -$ Net cash provided by financing activities $1,004,324$ $4,519$ $13,039$ $2,665$ $21,452$ $2,594$ $13,734$ $1,318$ Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> $124,592$ $141,851$ $102,016$ $95,347$ $106,590$ $275,898$ $371,696$ $409,819$			76,582	207,233		222,473	322,677	306,734	325,868
Cash flows from financing activities: $(2, 3, 4, 5)$ $(2, $	Proceeds from sale of short-term investments	7,008	11,500		10,999				
Proceeds from issuance of common stock upon exercise of stock options9,0484,5196,7262,6654,3112,6442,2271,319Proceeds from issuance of common stock under the employee stock purchase plan9,999 $-$ 8,563 $-$ 17,141 $-$ 11,509 $-$ Payment of deferred consideration related to business acquisitions $ -$ (2,250) $ -$ (50) $ -$ Proceeds from issuance of convertible senior notes, net of issuance costs $        -$ Purchases of capped calls related to convertible senior notes(145,245) $        -$ Other $           -$ Net cash provided by financing activities1,004,3244,51913,0392,66521,4522,59413,7341,318Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> 17,259(39,835)(6,669)11,243169,30895,79838,123185,074Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592141,851102,01695,347106,590275,898371,696409,819	Net cash provided by (used in) investing activities	(1,018,700)	(97,886)	(50,112)	(64,790)	103,120	(67)	(23,873)	106,515
exercise of stock options9,0484,5196,7262,6654,3112,6442,2271,319Proceeds from issuance of common stock under the employee stock purchase plan9,999 $-$ 8,563 $-$ 17,141 $-$ 11,509 $-$ Payment of deferred consideration related to business acquisitions $ -$ (2,250) $ -$ (50) $ -$ Proceeds from issuance of convertible senior notes, net of issuance costs $        -$ Purchases of capped calls related to convertible senior notes(145,245) $        -$ Other $          -$ Net cash provided by financing activities1,004,3244,51913,0392,66521,4522,59413,7341,318Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> 17,259(39,835)(6,669)11,243169,30895,79838,123185,074Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592141,851102,01695,347106,590275,898371,696409,819	Cash flows from financing activities:								
employee stock purchase plan9,999 $-$ 8,563 $-$ 17,141 $-$ 11,509 $-$ Payment of deferred consideration related to business acquisitions $  (2,250)$ $  (50)$ $ -$ Proceeds from issuance of convertible senior notes, net of issuance costs $1,130,522$ $     -$ Purchases of capped calls related to convertible senior notes $(145,245)$ $     -$ Other $        -$ Net cash provided by financing activities $1,004,324$ $4,519$ $13,039$ $2,665$ $21,452$ $2,594$ $13,734$ $1,318$ Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> $17,259$ $(39,835)$ $(6,669)$ $11,243$ $169,308$ $95,798$ $38,123$ $185,074$ Cash and cash equivalents at beginning of period <sup>(1)</sup> $124,592$ $141,851$ $102,016$ $95,347$ $106,590$ $275,898$ $371,696$ $409,819$	exercise of stock options	9,048	4,519	6,726	2,665	4,311	2,644	2,227	1,319
business acquisitions $  (2,250)$ $  (50)$ $ -$ Proceeds from issuance of convertible senior notes, net of issuance costs $1,130,522$ $  -$	employee stock purchase plan	9,999	_	8,563	_	17,141	_	11,509	_
net of issuance costs       1,130,522       - <t< td=""><td></td><td>_</td><td>_</td><td>(2,250)</td><td>_</td><td>_</td><td>(50)</td><td>_</td><td></td></t<>		_	_	(2,250)	_	_	(50)	_	
senior notes       (145,245)	net of issuance costs	1,130,522	_	_	_	_	_	_	_
Net cash provided by financing activities         1,004,324         4,519         13,039         2,665         21,452         2,594         13,734         1,318           Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> 17,259         (39,835)         (6,669)         11,243         169,308         95,798         38,123         185,074           Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592         141,851         102,016         95,347         106,590         275,898         371,696         409,819	senior notes	(145,245)	_	_	_	_	_	_	_
Net increase (decrease) in cash and cash equivalents <sup>(1)</sup> 17,259         (39,835)         (6,669)         11,243         169,308         95,798         38,123         185,074           Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592         141,851         102,016         95,347         106,590         275,898         371,696         409,819	Other							(2)	(1)
Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592 141,851 102,016 95,347 106,590 275,898 371,696 409,819	Net cash provided by financing activities	1,004,324	4,519	13,039	2,665	21,452	2,594	13,734	1,318
Cash and cash equivalents at beginning of period <sup>(1)</sup> 124,592 141,851 102,016 95,347 106,590 275,898 371,696 409,819	Net increase (decrease) in cash and cash equivalents (1)	17,259	(39,835)	(6,669)	11,243	169,308	95,798	38,123	185,074
	Cash and cash equivalents at beginning of period <sup>(1)</sup>	124,592	141,851	102,016	95,347	106,590	275,898	371,696	409,819
	Cash and cash equivalents at end of period <sup>(1)</sup>	\$ 141,851	\$ 102,016	\$ 95,347	\$ 106,590	\$ 275,898	\$ 371,696	\$ 409,819	\$ 594,893

<sup>(1)</sup> We did not hold restricted cash for any periods presented.

# GAAP to Non-GAAP Reconciliations

(in thousands, except percentages and per share amounts)(unaudited)

(in mousulus, except per contages and per share amounts)(undudited)														
Fiscal Quarter	Q4 F	<b>7</b> 20	Q1 FY21		Q2 FY21		Q3 FY21	(	Q4 FY21		Q1 FY22	Q2 FY22	(	Q3 FY22
End of Fiscal Quarter	7/31/2	020	10/31/2020		1/31/2021	4	4/30/2021	7	7/31/2021	1	0/31/2021	1/31/2022	4	/30/2022
Beginning of Fiscal Quarter	5/1/20	)20	8/1/2020		11/1/2020		2/1/2021		5/1/2021		8/1/2021	 11/1/2021	2	2/1/2022
GAAP gross profit	\$ 94,	529 \$	5 110,851	\$	122,909	\$	137,427	\$	151,596	\$	178,348	\$ 197,780	\$	222,785
Stock-based compensation expense and related payroll taxes	3,	117	3,266		3,308		3,665		5,033		5,319	5,766		6,511
Amortization expense of acquired intangible assets	1,	272	1,504	_	1,503		1,503		1,958		2,056	2,000		1,980
Non-GAAP gross profit	\$ 98,	918 \$	5 115,621	\$	127,720	\$	142,595	\$	158,587	\$	185,723	\$ 205,546	\$	231,276
Non-GAAP gross margin		79 %	81 %	6	81 %		81 %		80 %		81 %	80 %		81 %
GAAP sales and marketing expense	\$ 89,	222 \$	5 96,889	\$	110,403	\$	115,730	\$	136,385	\$	153,786	\$ 175,073	\$	192,132
Stock-based compensation expense and related payroll taxes	32,	054	32,654		33,864		34,798		42,957		43,464	47,666		53,576
Amortization expense of acquired intangible assets		50	73	_	73		73		108		170	178		178
Non-GAAP sales and marketing expense	\$ 57,	118 \$	64,162	\$	76,466	\$	80,859	\$	93,320	\$	110,152	\$ 127,229	\$	138,378
Non-GAAP sales and marketing expense as a percentage of revenue		45 %	45 %	6	49 %		46 %		47 %		48 %	50 %		48 %
GAAP research and development expense	\$ 32,	785 §	35,770	\$	41,751	\$	40,952	\$	56,180	\$	65,216	\$ 69,195	\$	76,578
Stock-based compensation expense and related payroll taxes	13,	458	14,900		17,747		15,033		25,558		28,570	30,000		31,366
Amortization expense of acquired intangible assets			_	_	_				_		—	53		80
Non-GAAP research and development expense	\$ 19,	327 \$	5 20,870	\$	24,004	\$	25,919	\$	30,622	\$	36,646	\$ 39,142	\$	45,132
Non-GAAP research and development expense as a percentage of revenue		15 %	15 %	6	15 %	_	15 %		16 %		16 %	15 %		16 %
GAAP general and administrative expense	\$ 17,	409 \$	5 20,859	\$	24,653	\$	24,595	\$	26,428	\$	33,717	\$ 37,444	\$	40,672
Stock-based compensation expense and related payroll taxes	7,	351	9,509		12,194		11,681		12,395		18,741	20,613		20,113
Litigation-related expenses		3	—		—		—		—		—	—		—
Asset impairment related to facility exit <sup>(1)</sup>			416		_		_		_		—	—		—
Non-GAAP general and administrative expense	\$ 10,	055 \$	5 10,934	\$	12,459	\$	12,914	\$	14,033	\$	14,976	\$ 16,831	\$	20,559
Non-GAAP general and administrative expense as a percentage of revenue		8 %	8 %	ó	8 %		7 %		7 %		6 %	7 %		7 %
GAAP total operating expenses	\$ 139,	416 \$	5 153,518	\$	176,807	\$	181,277	\$	218,993	\$	252,719	\$ 281,712	\$	309,382
Stock-based compensation expense and related payroll taxes	52,	863	57,063		63,805		61,512		80,910		90,775	98,279		105,055
Litigation-related expenses		3	_		_				_		_	_		
Amortization expense of acquired intangible assets		50	73		73		73		108		170	231		258
Asset impairment related to facility exit <sup>(1)</sup>			416				_					_		_
Non-GAAP total operating expenses	\$ 86,	500 \$	5 95,966	\$	112,929	\$	119,692	\$	137,975	\$	161,774	\$ 183,202	\$	204,069
Non-GAAP total operating expenses as a percentage of revenue		69 %	67 %	6	72 %		68 %		70 %		70 %	72 %		71 %

Fiscal Quarter	Q	4 FY20		Q1 FY21		Q2 FY21		Q3 FY21		Q4 FY21		Q1 FY22		Q2 FY22	(	Q3 FY22
End of Fiscal Quarter	7.	31/2020	1	0/31/2020	]	/31/2021	2	4/30/2021	-	7/31/2021	1	0/31/2021		1/31/2022	4	/30/2022
Beginning of Fiscal Quarter	5	/1/2020		8/1/2020	1	1/1/2020		2/1/2021		5/1/2021		8/1/2021		11/1/2021		2/1/2022
GAAP loss from operations	\$	(44,887)	\$	(42,667)	\$	(53,898)	\$	(43,850)	\$	(67,397)	\$	(74,371)	\$	(83,932)	\$	(86,597)
Stock-based compensation expense and related payroll taxes		55,980		60,329		67,113		65,177		85,943		96,094		104,045		111,566
Litigation-related expenses		3		_				_		_		_		_		_
Amortization expense of acquired intangible assets		1,322		1,577		1,576		1,576		2,066		2,226		2,231		2,238
Asset impairment related to facility exit <sup>(1)</sup>				416		—		—		_		_		_		
Non-GAAP income from operations	\$	12,418	\$	19,655	\$	14,791	\$	22,903	\$	20,612	\$	23,949	\$	22,344	\$	27,207
Non-GAAP operating margin	-	10 %		14 %		9 %		13 %		10 %		10 %	_	9 %		9 %
GAAP interest expense	\$	(5,025)	\$	(13,049)	\$	(13,245)	\$	(13,436)	\$	(13,634)	\$	(13,835)	\$	(14,040)	\$	(14,246)
Amortization of debt discount and issuance costs		4,885		12,690		12,882		13,077		13,274		13,476		13,680		13,887
Non-GAAP interest expense	\$	(140)	\$	(359)	\$	(363)	\$	(359)	\$	(360)	\$	(359)	\$	(360)	\$	(359)
GAAP net loss	\$	(49,549)	\$	(55,006)	\$	(67,541)	\$	(58,459)	\$	(81,023)	\$	(90,801)	\$	(100,420)	\$	(101,405)
Stock-based compensation expense and related payroll taxes		55,980		60,329		67,113		65,177		85,943		96,094		104,045		111,566
Amortization expense of acquired intangible assets		1,322		1,577		1,576		1,576		2,066		2,226		2,231		2,238
Asset impairment related to facility exit <sup>(1)</sup>		—		416		—		—		_		—		—		_
Litigation-related expenses		3		—		—		—		_		—		—		—
Amortization of debt discount and issuance costs		4,885		12,690		12,882		13,077		13,274		13,476		13,680		13,887
Benefit for income taxes <sup>(2)</sup>	_	(620)		—		—		_		_		—		(361)		(1,554)
Non-GAAP net income	\$	12,021	\$	20,006	\$	14,030	\$	21,371	\$	20,260	\$	20,995	\$	19,175	\$	24,732
Non-GAAP net income as a percentage of revenue		10 %		14 %		9 %		12 %		10 %		9 %		8 %		9 %
GAAP net loss per share, basic and diluted	\$	(0.38)	\$	(0.41)	\$	(0.50)	\$	(0.43)	\$	(0.59)	\$	(0.65)	\$	(0.71)	\$	(0.72)
Stock-based compensation expense and related payroll taxes		0.40		0.42		0.46		0.45		0.59		0.65		0.70		0.76
Amortization expense of acquired intangible assets		0.01		0.01		0.01		0.01		0.01		0.02		0.01		0.02
Asset impairment related to facility exit <sup>(1)</sup>		_		—		—		—		—		—		—		—
Litigation-related expenses		—		—		—		—		_		—		—		—
Amortization of debt discount and issuance costs		0.03		0.09		0.09		0.09		0.09		0.09		0.09		0.09
Benefit for income taxes <sup>(2)</sup>		—		—		—		—		_		—		—		(0.01)
Adjustment to total fully diluted earnings per share (3)		0.02		0.03		0.04		0.03		0.04		0.03		0.04		0.03
Non-GAAP net income per share, diluted	\$	0.08	\$	0.14	\$	0.10	\$	0.15	\$	0.14	\$	0.14	\$	0.13	\$	0.17
							_						_			
Weighted-average shares used in computing GAAP net loss per share, basic and diluted		131,660		133,452		135,024		136,385		137,778		139,296		140,515		141,422
Potentially diluted shares		9,805		9,920		10,719		10,220		9,869		10,944		10,687		8,233
Antidilutive impact of capped call transactions (4)						(1,120)		(1,692)		(1,973)		(2,699)		(2,401)		(2,740)
Weighted-average shares used in computing non-GAAP net income per share, diluted		141,465		143,372		144,623		144,913		145,674	_	147,541	: =	148,801	_	146,915

<sup>(1)</sup> Consists of asset impairment charges related to the relocation of our corporate headquarters.

<sup>(2)</sup> We use our GAAP provision for income taxes for purposes of determining our non-GAAP income tax expense. The difference between our GAAP and non-GAAP income tax expense represents the effects of stock-based compensation expense recognized in foreign jurisdictions and any income tax benefits associated with business combinations. The income tax benefit related to stock-based compensation expense included in the GAAP provision for income taxes was not material for all periods presented. In the fiscal quarter ended July 31, 2020 and January 31, 2022 we recorded a tax benefit of \$0.6 million and \$0.4 million, respectively, associated with intangible assets recognized as a result of our business acquisitions. In the fiscal quarter ended April 30, 2022, we recorded a tax benefit of \$1.6 million associated with a refund of certain foreign withholding taxes relating to the prior fiscal year.

<sup>(3)</sup> The sum of the fully diluted earnings per share impact of individual reconciling items may not total to fully diluted non-GAAP net income per share due to the weighted-average shares used in computing the GAAP net loss per share differs from the weighted-average shares used in computing the non-GAAP net income per share, and due to rounding of the individual reconciling items. The GAAP net loss per share calculation uses a lower share count as it excludes potentially dilutive shares, which are included in calculating the non-GAAP income per share.

<sup>(4)</sup> We exclude the in-the-money portion of our convertible senior notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP but are expected to mitigate the dilutive effect of our convertible notes and therefore are included in the calculations of non-GAAP diluted shares outstanding.

# Free Cash Flow and Free Cash Flow Margin

(in thousands, except percentages) (unaudited)

Fiscal Quarter End of Fiscal Quarter	7	<b>Q4 FY20</b> 7/31/2020	<b>Q1 FY21</b> 10/31/2020		<b>Q2 FY21</b> 1/31/2021	4	<b>Q3 FY21</b> 4/30/2021	<b>Q4 FY21</b> 7/31/2021	1	<b>Q1 FY22</b> 0/31/2021		<b>Q2 FY22</b> 1/31/2022		<b>Q3 FY22</b> 4/30/2022
Beginning of Fiscal Quarter		5/1/2020	 8/1/2020		11/1/2020		2/1/2021	 5/1/2021		8/1/2021	_	11/1/2021	· —	2/1/2022
Revenue	\$	125,887	\$ 142,578	\$	157,044	\$	176,404	\$ 197,074	\$	230,517	\$	255,563	\$	286,807
Free cash flows														
Net cash provided by operating activities	\$	31,635	\$ 53,532	\$	30,404	\$	73,368	\$ 44,736	\$	93,271	\$	48,262	\$	77,241
Less: Purchases of property, equipment and other assets		(18,279)	(8,904)		(10,499)		(14,812)	(13,950)		(6,454)		(13,988)		(27,604)
Less: Capitalized internal-use software		(2,441)	 (2,401)		(1,871)		(2,775)	 (3,085)		(3,450)		(4,825)		(5,892)
Free cash flow	\$	10,915	\$ 42,227	\$	18,034	\$	55,781	\$ 27,701	\$	83,367	\$	29,449	\$	43,745
Year-over-year growth	_	45 %	348 %	_	(1035)%		(513)%	154 %		97 %		63 %		(22)%
Free cash flow margin														
Net cash provided by operating activities, as a percentage of revenue		25 %	38 %		19 %		42 %	23 %		40 %		19 %		27 %
Less: Purchases of property, equipment and other assets, as a percentage of revenue		(14)%	(6)%		(7)%		(8)%	(7)%		(3)%		(5)%		(10)%
Less: Capitalized internal-use software, as a percentage of revenue		(2)%	(2)%		(1)%		(2)%	(2)%		(1)%		(2)%		(2)%
Free cash flow margin		9 %	 30 %		11 %		32 %	 14 %		36 %		12 %		15 %

# Calculated Billings and Other Selected Key Metrics

(in thousands, except percentages and customer data) (unaudited)

Fiscal Quarter	O4 FY20	Q1 FY21	<b>O2 FY21</b>	<b>O3 FY21</b>	O4 FY21	Q1 FY22	<b>O2 FY22</b>	<b>O3 FY22</b>
riscal Quarter	-			-	-			-
End of Fiscal Quarter	7/31/2020	10/31/2020	1/31/2021	4/30/2021	7/31/2021	10/31/2021	1/31/2022	4/30/2022
Beginning of Fiscal Quarter	5/1/2020	8/1/2020	11/1/2020	2/1/2021	5/1/2021	8/1/2021	11/1/2021	2/1/2022
Calculated billings								
Revenue	\$ 125,887	\$ 142,578	\$ 157,044	\$ 176,404	\$ 197,074	\$ 230,517	\$ 255,563	\$ 286,807
Add: Total deferred revenue, end of period	369,767	371,900	446,817	495,434	630,601	647,816	759,931	818,743
Less: Total deferred revenue, beginning of period	(300,791)	(369,767)	(371,900)	(446,817)	(495,434)	(630,601)	(647,816)	(759,931)
Calculated billings	\$ 194,863	\$ 144,711	\$ 231,961	\$ 225,021	\$ 332,241	\$ 247,732	\$ 367,678	\$ 345,619
Year-over-year growth	55 %	64 %	71 %	6 71 %	70 %	71 %	59 %	54 %
Other key business metrics								
Customers with equal or greater than \$100,000 annualized recurring revenue ("ARR")	973	1,057	1,182	1,314	1,480	1,616	1,751	1,891
Customers with equal or greater than \$1 million ARR	108	120	136	163	202	224	251	288