Non-GAAP Financial Measures

GitLab believes non-GAAP measures are useful in evaluating its operating performance. GitLab uses this supplemental information to evaluate its ongoing operations and for internal planning and forecasting purposes. GitLab believes that non-GAAP financial information, when taken collectively with its GAAP financial information, 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. Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included is this supplemental. We define non-GAAP financial measures as GAAP measures, excluding certain items such as stock-based compensation expense, amortization of acquired intangible assets, foreign exchange (gain) loss, equity method investment loss and impairment, acquisition related expenses, changes in the fair value of acquisition related contingent consideration, charitable donation of common stock, restructuring charges, a nonrecurring income tax adjustment related to bilateral advance pricing agreement ("BAPA") negotiations, and other expenses that the Company believes are not indicative of its ongoing operations. Shares used for net income per share on a non-GAAP basis include incremental dilutive shares related to restricted stock units, options, and shares issuable under GitLab Inc.'s 2021 Employee Stock Purchase Plan that are anti-dilutive on a GAAP basis. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

Adjusted Free Cash Flow

Adjusted free cash flow is a non-GAAP financial measure that we calculate as net cash provided by (used in) operating activities less cash used for purchases of property and equipment, plus any non-recurring income tax payments related to BAPA. We believe that adjusted free cash flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash generated from our operations that, after the investments in property and equipment and any non-recurring income tax payments related to BAPA, can be used for strategic initiatives, including investing in our business, and strengthening our financial position. One limitation of adjusted free cash flow is that it does not reflect our future contractual commitments. Additionally, adjusted free cash flow does not represent the total increase or decrease in our cash balance for a given period.

GitLab Inc. Condensed Consolidated Balance Sheets (in thousands) (unaudited)

	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023	October 31, 2022
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 315,933	\$ 295,402	\$ 372,169
Short-term investments	644,488	641,173	748,289	704,325	713,058	621,706	641,249	555,583
Accounts receivable, net	165,001	135,195	166,731	135,614	105,815	126,079	130,479	97,580
Deferred contract acquisition costs, current	33,841	31,034	32,300	27,196	25,069	25,093	26,505	23,599
Prepaid expenses and other current assets	32,410	35,319	45,601	29,892	26,053	26,409	24,327	20,454
Total current assets	1,314,356	1,263,043	1,280,917	1,182,336	1,143,220	1,115,220	1,117,962	1,069,385
Property and equipment, net	2,899	2,820	2,954	3,690	4,080	4,936	5,797	5,560
Operating lease right-of-use assets	482	543	405	533	673	1,300	998	_
Goodwill	16,017	16,070	8,145	15,104	14,743	15,014	15,628	14,240
Intangible assets, net	21,867	16,637	1,733	8,145	8,145	8,145	8,145	8,145
Deferred contract acquisition costs, non-current	15,753	17,738	19,317	2,254	2,774	3,321	3,901	4,484
Equity method investment	_	_	_	9,634	10,574	11,735	12,682	13,624
Other non-current assets	4,888	4,776	4,390	5,200	4,860	4,437	4,087	4,803
TOTAL ASSETS	\$ 1,376,262	\$ 1,321,627	\$ 1,317,861	\$ 1,226,896	\$ 1,189,069	\$ 1,164,108	\$ 1,169,200	\$ 1,120,241
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Accounts payable	\$ 3,219	\$ 3,230	\$ 1,738	\$ 5,023	\$ 4,165	\$ 3,029	\$ 5,184	\$ 6,233
Accrued expenses and other current liabilities	272,164	306,734	286,178	269,980	24,643	28,885	25,954	23,753
Accrued compensation and benefits	29,117	22,743	35,809	23,272	23,504	15,716	20,776	16,716
Deferred revenue, current	362,348	341,830	338,348	287,647	268,883	263,423	254,382	217,777
Total current liabilities	666,848	674,537	662,073	585,922	321,195	311,053	306,296	264,479
Deferred revenue, non-current	14,732	15,267	23,794	23,016	25,860	28,043	28,355	28,946
Other non-current liabilities	6,678	17,465	14,060	24,776	10,774	9,411	9,824	12,125
TOTAL LIABILITIES	688,258	707,269	699,927	633,714	357,829	348,507	344,475	305,550
STOCKHOLDERS' EQUITY:								
Additional paid-in capital	1,833,786	1,768,947	1,718,661	1,658,375	1,610,072	1,542,603	1,497,373	1,453,349
Accumulated deficit	(1,191,517)	(1,204,466)	(1,149,822)	(1,113,355)	(828,197)	(778,117)	(725,648)	(686,915)
Accumulated other comprehensive income (loss)	570	3,360	2,335	1,547	1,782	1,003	(705)	(2,874)
Total GitLab stockholders' equity	642,839	567,841	571,174	546,567	783,657	765,489	771,020	763,560
Noncontrolling interests	45,165	46,517	46,760	46,615	47,583	50,112	53,705	51,131
TOTAL STOCKHOLDERS' EQUITY	688,004	614,358	617,934	593,182	831,240	815,601	824,725	814,691
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,376,262	\$ 1,321,627	\$ 1,317,861	\$ 1,226,896	\$ 1,189,069	\$ 1,164,108	\$ 1,169,200	\$ 1,120,241

GitLab Inc. Condensed Consolidated Statements of Operations (in thousands, except per share data) (unaudited)

Three Months Ended

Revenue:		July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023	October 31, 2022
Page	Revenue:								
Total revenue	Subscription—self-managed and SaaS	\$ 163,181	\$ 151,179	\$ 142,026	\$ 130,993	\$ 122,096	\$ 111,191	\$ 105,055	\$ 98,435
Subscription — Subscription—self-managed and SaaS 16,800 16,	License—self-managed and other	19,403	18,008	21,753	18,675	17,485	15,687	17,852	14,546
Subscription—self-managed and SaaS 16,630 13,839 12,165 11,559 10,871 10,881 11,124 11,113 License—self-managed and other 4,740 4,937 13,878 15,889 15,084 3,525 3,825 3,045 3,143 3,451 Gross profit 1616,124 150,411 147,790 134,584 124,885 112,939 108,669 98,417 Operating expenses 79,7778 79,242 79,762 86,978 92,116 86,537 81,513 81,080 Research and development 61,273 54,140 52,88 49,068 49,007 50,387 43,680 41,113 General administrative 43,168 57,487 39,523 38,815 37,819 34,248 29,750 31,180 General administrative 43,168 57,487 39,523 38,815 37,819 34,248 29,750 31,180 Total operating expenses 202,219 204,051 182,673 174,851 178,942 171,172 154,943 185,379 Loss from operations 12,227 12,039 11,813 10,874 19,142 171,172 154,943 185,379 Chierinome (expense), net 13,323 16,323 16,324 18,333 18,334 18,334 18,334 Loss before income taxes and loss from equity method investment, net of tax 27,445 12,334 12,345 12,345 12,345 12,345 12,345 Loss from equity method investment, net of tax 27,445 12,345 12,345 12,345 12,345 12,345 12,345 12,345 12,345 Loss from equity method investment, net of tax 27,445 12,34	Total revenue	182,584	169,187	163,779	149,668	139,581	126,878	122,907	112,981
Pubme	Cost of revenue:								
Total cost of revenue 21,377 18,776 15,989 15,084 14,696 13,393 14,238 14,586 13,009 14,208 14,586 13,009 14,208 14,586 13,009 14,208 14,5	Subscription—self-managed and SaaS	16,630	13,839	12,165	11,559	10,871	10,891	11,124	11,113
Gross profit 161,214 150,411 147,790 134,584 124,885 112,939 108,669 98,417 Operating expenses: Sales and marketing 97,778 92,424 90,762 86,978 92,116 86,537 43,680 41,118 General and administrative 43,168 57,487 39,523 38,815 37,819 34,248 29,750 33,186 Total operating expenses 202,219 204,051 182,673 174,851 178,942 171,72 154,940 155,379 Loss from operations (41,005) (53,640) (34,883) (40,267) (54,057) (58,233) (46,274) (56,982) Loss from operations 12,827 12,030 11,813 10,874 9,112 7,315 62,249 4,667 Unter stit income (expense), net 1,032 (56,677) (1,818) 1,624 (46,275) (50,665) (11,049) 4,684 Loss from equity method investment, net of tax (27,146) (42,177) (34,388) (28,824) (46,275) (50	License—self-managed and other	4,740	4,937	3,824	3,525	3,825	3,048	3,114	3,451
Operating expenses: Sales and mackinging and scheding an	Total cost of revenue	21,370	18,776	15,989	15,084	14,696	13,939	14,238	14,564
Sales and marketing 97,778 92,424 90,762 86,978 92,116 86,537 81,513 81,000 Research and development 61,273 54,140 52,388 49,058 49,007 50,347 43,680 41,113 General and administrative 43,188 57,487 39,523 38,815 37,819 34,248 29,750 33,186 Total operating expenses 202,219 204,051 182,673 174,851 178,942 171,172 154,943 155,379 Loss from operations (41,005) (55,640) (34,883) (40,267) (54,657) (58,233) (46,274) (56,962) Interest income 12,827 12,030 11,813 10,874 9,112 7,315 62,433 (46,274) 65,065 Other income (expense), net 1,032 (650) (11,318) 56,969 (1,330) 253 (1,044) 2,667 Other income (expense), net 3,034 (42,177) (34,388) (28,24) (46,275) (50,665) (11,044)	Gross profit	161,214	150,411	147,790	134,584	124,885	112,939	108,669	98,417
Research and development 61,273 54,140 52,388 49,058 49,007 50,387 43,680 41,113 General and administrative 43,168 57,487 39,523 33,815 37,819 34,248 29,750 33,186 Total operating expenses 200,219 204,051 182,673 174,851 178,942 171,172 154,943 155,379 Loss from operations 41,005 63,640 63,640 64,883 40,267 64,057 65,057 65,823 46,274 656,962 Interest income 12,827 12,030 11,813 10,874 9,112 7,315 6,249 4,657 Other income (expense), net 1,032 (567) (11,318) 569 (13,30) 253 (1,024) 2,661 Loss from equity method investment (27,146) (42,177) (34,388) (28,824) (46,275) (50,665) (41,049) (49,444) Loss from equity method investment, net of tax 7 - 1 (1,416) (743) (917) (748) (693) (756) Provision for (benefit from) income taxes and loss from equity method investment (27,146) (42,177) (1,416) (743) (917) (748) (693) (756) Provision for (benefit from) income taxes (39,420) 12,771 (1,548) (30,575) (266,55) (51,208) (52,899) (42,121) (50,465) Net income (loss) attributable to noncontrolling interest (675) (243) (1,104) (1,197) (1,128) (30,30) (33,381) (20,465) Net income (loss) attributable to Gittab Class A and Class B common stockholders: Basic 5,008 5,00	Operating expenses:								
Conceral and administrative 43,168 57,487 39,523 38,815 37,819 34,248 29,750 33,186 10,000	Sales and marketing	97,778	92,424	90,762	86,978	92,116	86,537	81,513	81,080
Total operating expenses 202_219 204_051 182_673 174_851 178_942 171_172 154_943 155_379 Loss from operations (41_005) (53_640) (34_883) (40_267) (54_057) (58_233) (46_274) (56_962) Interest income 12_827 12_030 11_813 10.874 9.112 7.315 6.249 4.657 Other income (expense), net 1.032 (567) (11_318) 569 (11_330) 253 (1_024) 2_661 Loss before income taxes and loss from equity method investment (27_146) (42_177) (34_388) (28_824) (46_275) (50_665) (41_049) (49_644) Loss from equity method investment, net of tax (27_146) (42_177) (34_388) (28_824) (46_275) (50_665) (41_049) (49_644) Loss from equity method investment, net of tax (27_146) (42_177) (17_476) (26_578) (40_775) (74_8) (69_3) (75_676) Net income (loss) 12_274 (54_887) (37_571) (26_578) (50_578) (51_208) (52_589) (42_121) (50_465) Net income (loss) attributable to noncontrolling interest (67_575) (24_395) (1,104) (1,197) (1,128) (43_30) (3,388) (2,010) Net income (loss) pershare attributable to GitLab Class A and Class B common stockholders: Basic 5_08 5_08 (0.33) (0.23) (0.23) (1,84) (0.33) (0.33) (0.35) (0.26) (0.33) Neighted-average shares used to compute net income (loss) pershare attributable to GitLab Class A and Class B common stockholders: Basic 5_08 5_08 (0.33) (0.23) (Research and development	61,273	54,140	52,388	49,058	49,007	50,387	43,680	41,113
Loss from operations (41,005) (53,640) (34,883) (40,267) (54,057) (58,233) (46,274) (56,962) (16,274) (16,968) (16,974)	General and administrative	43,168	57,487	39,523	38,815	37,819	34,248	29,750	33,186
Net income (cose) 12,827 12,030 11,813 10,874 9,112 7,315 6,249 4,657 12,056 11,	Total operating expenses	202,219	204,051	182,673	174,851	178,942	171,172	154,943	155,379
Other income (expense), net 1,032 (567) (11,318) 569 (1,330) 253 (1,024) 2,661 Loss before income taxes and loss from equity method investment. (27,146) (42,177) (34,388) (28,824) (46,275) (50,665) (41,049) (49,644) Loss form equity method investment, net of tax — — — (1,416) (743) (917) (748) (693) (756) Provision for (benefit from) income taxes (39,420) 12,710 1,767 256,788 4,016 1,486 379 65 Net income (loss) (39,420) (54,887) (54,887) (37,571) (286,355) (51,208) (52,899) (42,121) (50,465) Net income (loss) per share attributable to GitLab (675) (243) (1,104) (1,197) (1,128) (52,469) (38,733) (48,455) Net income (loss) per share attributable to GitLab Class A and Class A and Class B common stockholders: S 0.08 (0.35) (0.23) (1,84) (0.33) (0.35) (0.26) (0.33)	Loss from operations	(41,005)	(53,640)	(34,883)	(40,267)	(54,057)	(58,233)	(46,274)	(56,962)
Loss before income taxes and loss from equity method investment, net of tax C27,146 (42,177) (34,388) (28,824) (46,275) (50,665) (41,049) (49,644)	Interest income	12,827	12,030	11,813	10,874	9,112	7,315	6,249	4,657
Loss from equity method investment, net of tax	Other income (expense), net	1,032	(567)	(11,318)	569	(1,330)	253	(1,024)	2,661
Provision for (benefit from) income taxes (39,420) 12,710 1,767 256,788 4,016 1,486 379 655 Net income (loss) 12,274 158,687 158	Loss before income taxes and loss from equity method investment	(27,146)	(42,177)	(34,388)	(28,824)	(46,275)	(50,665)	(41,049)	(49,644)
Net income (loss) \$ 12,274 \$ (54,887) \$ (37,571) \$ (286,355) \$ (51,208) \$ (52,899) \$ (42,121) \$ (50,465) \$ (11,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,104) \$ (11,107) \$ (11,128) \$ (13,107) \$ (13	Loss from equity method investment, net of tax	_	_	(1,416)	(743)	(917)	(748)	(693)	(756)
Net loss attributable to noncontrolling interest (675) (243) (1,104) (1,197) (1,128) (430) (3,388) (2,010) Net income (loss) attributable to GitLab (51,469) (52,469) (38,733) (48,455) Net income (loss) per share attributable to GitLab Class A and Class B common stockholders: Basic (9,08) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) Diluted (1,84) (0,33) (0,33) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) (0,35) Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders: Basic (15,08) (1,84) (0,33) (0,33) (0,35) (Provision for (benefit from) income taxes	(39,420)	12,710	1,767	256,788	4,016	1,486	379	65
Net income (loss) attributable to GitLab Class A and Class B common stockholders: Basic \$ 0.08 \$ (0.35) \$ (0.35) \$ (0.23) \$ (0.23) \$ (0.23) \$ (0.33) \$ (0.35) \$ (0.33) \$ (0.35) \$ (0.3	Net income (loss)	\$ 12,274	\$ (54,887)	\$ (37,571)	\$ (286,355)	\$ (51,208)	\$ (52,899)	\$ (42,121)	\$ (50,465)
Net income (loss) per share attributable to GitLab Class A and Class B common stockholders: Basic \$ 0.08 \$ (0.35) \$ (0.23) \$ (1.84) \$ (0.33) \$ (0.35) \$ (0.25) \$ (0.35) \$ (0.26) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.36) \$ (0.	Net loss attributable to noncontrolling interest	(675)	(243)	(1,104)	(1,197)	(1,128)	(430)	(3,388)	(2,010)
Class B common stockholders: Basic \$ 0.08 \$ (0.35) \$ (0.23) \$ (0.23) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) Diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ (0.23) \$ (0.23) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders: Basic 159,677 158,157 156,601 155,123 153,644 151,692 150,133 148,883	Net income (loss) attributable to GitLab	\$ 12,949	\$ (54,644)	\$ (36,467)	\$ (285,158)	\$ (50,080)	\$ (52,469)	\$ (38,733)	\$ (48,455)
Diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ (1.84) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.33) Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders: 8 (0.35) 158,157 156,601 155,123 153,644 151,692 150,133 148,883	Net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders: Basic 159,677 158,157 156,601 155,123 153,644 151,692 150,133 148,883	Basic	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)	\$ (0.33)
share attributable to GitLab Class A and Class B common stockholders: 159,677 158,157 156,601 155,123 153,644 151,692 150,133 148,883	Diluted	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)	\$ (0.33)
	share attributable to GitLab Class A and Class B common								
Diluted 166,346 158,157 156,601 155,123 153,644 151,692 150,133 148,883	Basic	159,677	158,157	156,601	155,123	153,644	151,692	150,133	148,883
	Diluted	166,346	158,157	156,601	155,123	153,644	151,692	150,133	148,883

GitLab Inc. Reconciliation of GAAP to Non-GAAP (in thousands, except per share data) (unaudited)

Three Months Ended

	J	uly 31, 2024		April 30, 2024	J	anuary 31, 2024	(October 31, 2023		July 31, 2023	A	pril 30, 2023	Ja	nuary 31, 2023	Oct	ober 31, 2022
Gross profit on GAAP basis	\$	161,214	\$	150,411	\$	147,790	\$	134,584	\$	124,885	\$	112,939	\$	108,669	\$	98,417
Stock-based compensation expense		2,076		1,855		1,640		1,648		1,698		1,414		1,455		1,248
Amortization of acquired intangibles		2,333		1,087		521		521		521		504		521		521
Restructuring charges		_		_		_		_		46		417		_		_
Gross profit on non-GAAP basis	\$	165,623	\$	153,353	\$	149,951	\$	136,753	\$	127,150	\$	115,274	\$	110,645	\$	100,186
Gross margin on non-GAAP basis		91 %	,	91 %		92 %		91 %	,	91 %		91 %	,	90 %		89 %
Sales and marketing on GAAP basis	\$	97,778	\$	92,424	\$	90,762	\$	86,978	\$	92,116	\$	86,537	\$	81,513	\$	81,080
Stock-based compensation expense		(19,881)		(17,397)		(17,184)		(16,523)		(21,295)		(13,764)		(13,194)		(12,905)
Restructuring charges		(266)		(730)		(188)		54		(118)		(3,559)		_		_
Sales and marketing on non-GAAP basis	\$	77,631	\$	74,297	\$	73,390	\$	70,509	\$	70,703	\$	69,214	\$	68,319	\$	68,175
Research and development on GAAP basis	\$	61.273	\$	54.140	\$	52.388	\$	49.058	\$	49.007	\$	50.387	\$	43,680	\$	41,113
Stock-based compensation expense		(16,114)	•	(12,336)	•	(13,887)	Ť	(12,738)	•	(12,477)	,	(11,702)	•	(9,920)	•	(10,030)
Restructuring charges		(393)						(72)		12		(2,059)				
Research and development on non-GAAP basis	\$	44,766	\$	41,804	\$	38,501	\$		\$	36,542	\$	36,626	\$	33,760	\$	31,083
General and administrative on GAAP basis	\$	43,168	\$	57,487	\$	39,523	\$	38,815	\$	37,819	\$	34,248	\$	29,750	\$	33,186
Stock-based compensation expense	*	(10,898)		(10,664)	Ť	(10,306)		(10,425)	· ·	(10,898)	*	(5,450)	Ť	(9,072)	· ·	(9,525)
Amortization of acquired intangibles		(10,000)		(10,001)		(10,000)		(10, 120)		(25)		(75)		(74)		(70)
Restructuring charges		(112)		(276)		_		4		(20)		(1,618)		_		_
Charitable donation of common stock		(2,957)		(2,957)		(2,675)		(2,675)		(2,675)		(2,675)		_		_
Changes in the fair value of acquisition related contingent consideration		(3,750)		_		_		_		_		_		1,722		(1,063)
Acquisition related expenses	• •	(658)		(2,051)		(1,314)		_		_		_		_		_
Other non-recurring charges		261		(473)		(404)		(413)		_		_		_		_
General and administrative on non-GAAP basis	\$	25,054	\$	41,066	\$	24,824	\$	25,306	\$	24,201	\$	24,430	\$	22,326	\$	22,528
Loss from operations on GAAP basis	\$	(41,005)	\$	(53,640)	\$	(34,883)	\$	(40,267)	\$	(54,057)	\$	(58,233)	\$	(46,274)	\$	(56,962)
Stock-based compensation expense		48,969		42,252		43,017		41,334		46,368		32,330		33,641		33,708
Amortization of acquired intangibles	• •	2,333		1,087		521		521		546		579		595		591
Restructuring charges		771		1,006		188		14		172		7,653		_		_
Charitable donation of common stock		2,957		2,957		2,675		2,675		2,675		2,675		_		
Changes in the fair value of acquisition related contingent consideration		3,750		_		_		_		_		_		(1,722)		1,063

Other non-recurring charges (261) 473 404 Income (loss) from operations on non-GAAP basis \$ 18,172 \$ (3,814) \$ 13,236 \$ Other income (expense), net on GAAP basis \$ 1,032 \$ (567) \$ (11,318) \$ Foreign exchange gains (losses), net method investment — — 8,858 - - 8,858 Other income (expense), net on non-GAAP basis \$ 165 \$ 70 \$ 191 \$ Net income (loss) attributable to GitLab common stockholders on GAAP basis \$ 12,949 \$ (54,644) \$ (36,467) \$ Stock-based compensation expense 48,969 42,252 43,017 \$ 191 \$ Amortization of acquired intangibles 2,333 1,087 \$	
Other income (expense), net on GAAP basis \$ 1,032 \$ (567) \$ (11,318) \$ Foreign exchange gains (losses), net (867) 637 2,651 Impairment of equity method investment — — — 8,858 Other income (loss) attributable to GitLab common stockholders on GAAP basis \$ 165 \$ 70 \$ 191 \$ Net income (loss) attributable to GitLab common stockholders on GAAP basis \$ 12,949 \$ (54,644) \$ (36,467) \$ Stock-based compensation expense 48,969 42,252 43,017 Amortization of acquired intangibles 2,333 1,087 521 Amortization of acquired intangibles 2,957 2,957 2,957 2,675 Charlasble donation of common stock 2,957 2,957 2,675 Changes in the fair value of acquisition related contingent consideration 3,750 — — 1,416 Injustry Acquisition related expenses 658 2,051 1,314	413
Foreign exchange gains (losses), net	\$ 4,690 \$ (4,296) \$ (14,996) \$ (13,760) \$ (21,60)
Foreign exchange gains (losses), net (867) 637 2,651 Impairment of equity method investment 8,858	\$ 569 \$ (1,330) \$ 253 \$ (1,024) \$ 2,6
Impairment of equity method investment	(488) 1,268 (274) 997 (2,8
Other income (expense), net on non-GAAP basis \$ 165 \$ 70 \$ 191 \$ Net income (loss) attributable to GitLab common stockholders on GAAP basis \$ 12,949 \$ (54,644) \$ (36,467) \$ Stock-based compensation expense 48,969 42,252 43,017 Amortization of acquired intangibles 2,333 1,087 521 Amortization of acquired intangibles 2,333 1,087 521 2,675 Charges in the fair value of acquisition related contingent consideration 3,750 — — Changes in the fair value of acquisition related contingent consideration 3,750 — — Acquisition related expenses 658 2,051 1,314 Loss from equity method investment, net of tax — — — 8,858 Foreign exchange gains (losses), net (867) 637 2,651 1,416 Impairment of equity method investment — — — 9,858 Foreign exchange gains (losses), net (867) 637 2,651 Income (loss) attributable to GitLab common stockholders on non-GAPP basis (261) 473 <td></td>	
GAAP basis \$ 12,949 \$ (54,644) \$ (36,667) \$ Stock-based compensation expense 48,969 42,252 43,017 Amortization of acquired intangibles 2,333 1,087 521 Restructuring charges 771 1,006 188 Charitable donation of common stock 2,957 2,957 2,675 Changes in the fair value of acquisition related contingent consideration 3,750 — — Acquisition related expenses 658 2,051 1,314 Loss from equity method investment, net of tax — — — 1,416 Impairment of equity method investment — — — 8,858 Foreign exchange gains (losses), net (867) 637 2,651 Income tax adjustment (46,737) 8,655 467 Other non-recurring charges (261) 473 404 Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 24,522 \$ 4,474 \$ 25,044 \$ GAAP net income (loss) per share, basic \$ 0.08	\$ 81 \$ (62) \$ (21) \$ (27) \$ (19)
Amortization of acquired intangibles 2,333 1,087 521 Restructuring charges 771 1,006 188 Charitable donation of common stock 2,957 2,957 2,675 Changes in the fair value of acquisition related contingent consideration 3,750 — — Acquisition related expenses 658 2,051 1,314 Loss from equity method investment, net of tax — — — 1,416 Impairment of equity method investment — — — 8,858 Foreign exchange gains (losses), net (867) 637 2,651 Income tax adjustment (46,737) 8,655 467 Other non-recurring charges (261) 473 404 Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 0.08 \$ (0.35) \$ (0.23) \$ GAAP net income (loss) per share, basic \$ 0.08 \$ (0.35) \$ (0.23) \$ When the common of the	\$ (285,158) \$ (50,080) \$ (52,469) \$ (38,733) \$ (48,4)
Restructuring charges	41,334 46,368 32,330 33,641 33,70
Charitable donation of common stock 2,957 2,957 2,675 Changes in the fair value of acquisition related contingent consideration 3,750 — — Acquisition related expenses 658 2,051 1,314 Loss from equity method investment, net of tax — — 1,416 Impairment of equity method investment — — 8,858 Foreign exchange gains (losses), net (867) 637 2,651 Income tax adjustment (46,737) 8,655 467 Other non-recurring charges (261) 473 404 Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 24,522 \$ 4,474 \$ 25,044 \$ GAAP net income (loss) per share, basic \$ 0.08 (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$	521 546 579 595 5
Changes in the fair value of acquisition related contingent consideration 3,750 — — Acquisition related expenses 658 2,051 1,314 Loss from equity method investment, net of tax — — 1,416 Impairment of equity method investment — — 8,858 Foreign exchange gains (losses), net (867) 637 2,651 Income tax adjustment (46,737) 8,655 467 Other non-recurring charges (261) 473 404 Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 24,522 \$ 4,474 \$ 25,044 \$ GAAP net income (loss) per share, basic \$ 0.08 (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03	14 172 7,653 —
Consideration 3,750	2,675
Loss from equity method investment, net of tax	
Impairment of equity method investment	
Foreign exchange gains (losses), net	743 917 748 693 75
Income tax adjustment	
Other non-recurring charges (261) 473 404 Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 24,522 \$ 4,474 \$ 25,044 \$ GAAP net income (loss) per share, basic \$ 0.08 \$ (0.35) \$ (0.23) \$ GAAP net income (loss) per share, diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	(488) 1,268 (274) 997 (2,8)
Net income (loss) attributable to GitLab common stockholders on non-GAAP basis \$ 24,522 \$ 4,474 \$ 25,044 \$ GAAP net income (loss) per share, basic \$ 0.08 \$ (0.35) \$ (0.23) \$ GAAP net income (loss) per share, diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 \$ 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 \$ 165,421	254,392 — — — —
Section Sect	413 — — — —
GAAP net income (loss) per share, diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 \$ Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421	\$ 14,446 \$ 1,866 \$ (8,758) \$ (4,529) \$ (15,19)
GAAP net income (loss) per share, diluted \$ 0.08 \$ (0.35) \$ (0.23) \$ Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 \$ Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421	
Non-GAAP net income (loss) per share, basic \$ 0.15 \$ 0.03 \$ 0.16 \$ Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	\$ (1.84) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.5)
Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	\$ (1.84) \$ (0.33) \$ (0.35) \$ (0.26) \$ (0.35)
Non-GAAP net income (loss) per share, diluted \$ 0.15 \$ 0.03 \$ 0.15 \$ Shares used in per share calculation - basic on GAAP basis 159,677 158,157 156,601 Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	\$ 0.09 \$ 0.01 \$ (0.06) \$ (0.03) \$ (0.
Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	
Effect of dilutive securities 6,669 8,767 8,820 Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	155,123 153,644 151,692 150,133 148,8
Shares used in per share calculation - diluted on non-GAAP basis 166,346 166,924 165,421 Adjusted free cash flow	7,671 7,473 — —
	162,794 161,117 151,692 150,133 148,80
	\$ (5,961) \$ 27,109 \$ (10,961) \$ (11,720) \$ (1,1)
Less: Purchases of property and equipment (851) (700)	(736) (277) (256) (1,052) (1,752)
Adjusted free cash flow \$ 10,846 \$ 37,438 \$ 24,524 \$	

GitLab Inc. Condensed Consolidated Statements of Cash Flows (in thousands) (unaudited)

Three Months Ended

		T	hree Months Ended					
	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023	October 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss), including amounts attributable to noncontrolling interest	\$ 12,274	\$ (54,887)	\$ (37,571)	\$ (286,355) \$	(51,208) \$	(52,899)	\$ (42,121)	\$ (50,465)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Stock-based compensation expense	48,969	42,252	43,017	41,334	46,368	32,330	33,641	33,708
Change in fair value of acquisition related contingent consideration	3,750	_	_	_	_	_	(1,722)	_
Charitable donation of common stock	2,957	2,957	2,675	2,675	2,675	2,675	_	_
Amortization of intangible assets	2,333	1,087	521	521	546	579	595	591
Depreciation expense	744	937	1,039	1,123	1,114	1,092	1,033	912
Amortization of deferred contract acquisition costs	11,837	11,109	12,397	10,447	10,070	10,549	12,265	11,075
Loss from equity method investment	_	_	776	940	1,161	947	942	957
Impairment of equity method investment	_	_	8,858	_	_	_	_	_
Net amortization of premiums or discounts on short-term investments	(4,241)	(4,900)	(5,988)	(5,867)	(4,898)	(3,596)	(2,731)	(2,053)
Unrealized foreign exchange loss (gain), net	(803)	545	4,396	(573)	1,087	(262)	354	(2,509)
Other non-cash expense (income), net	(111)	412	1,013	420	(44)	(59)	717	(30)
Changes in assets and liabilities:								
Accounts receivable	(29,847)	31,072	(31,050)	(30,572)	20,441	4,840	(32,006)	(8,595)
Prepaid expenses and other current assets	2,917	10,354	(15,671)	(3,935)	(2,161)	(2,087)	(3,589)	168
Deferred contract acquisition costs	(12,415)	(8,540)	(21,340)	(13,623)	(9,640)	(8,497)	(15,410)	(11,935)
Other non-current assets	(78)	(419)	865	(453)	(419)	(302)	962	(650)
Accounts payable	14	1,336	(3,219)	799	1,135	(2,158)	(1,106)	865
Accrued expenses and other current liabilities	(41,250)	19,617	12,436	244,674	(1,606)	2,789	1,370	3,159
Accrued compensation and benefits	6,250	(13,152)	12,331	231	7,732	(5,121)	3,457	1,530
Deferred revenue	19,286	(4,448)	50,189	17,983	2,792	8,383	32,803	22,651
Other non-current liabilities	(10,889)	2,806	(10,821)	14,270	1,964	(164)	(1,174)	(576)
Net cash provided by (used in) operating activities	11,697	38,138	24,853	(5,961)	27,109	(10,961)	(11,720)	(1,197)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of short-term investments	(118,866)	(144,392)	(242,021)	(238,680)	(276,132)	(58,864)	(189,671)	(111,287)
Proceeds from maturities of short-term investments	121,412	254,687	207,028	253,995	189,484	83,500	108,925	72,670
Purchases of property and equipment	(851)	(700)	(329)	(736)	(277)	(256)	(1,052)	(1,784)
Payments for business combination, net of cash acquired	_	(20,210)	_	_	_	_	_	_
Payments for asset acquisition	(7,314)	_	_	_	_	_	_	_

Escrow payment related to business combination, after acquisition date	_	_	_	_	(2,500)	_	_	_
Other investing activities	457	_	(450)	_	_			
Net cash provided by (used in) investing activities	(5,162)	89,385	(35,772)	14,579	(89,425)	24,380	(81,798)	(40,401)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from the issuance of common stock upon exercise of stock options, including early exercises, net of repurchases	4,980	5,093	9,810	4,715	10,264	7,513	7,061	6,143
Issuance of common stock under employee stock purchase plan	7,932	_	5,182	_	7,751	_	4,824	_
Contributions received from noncontrolling interests, net of issuance costs	_	_	_	_	_	_	_	4,053
Partial settlement of acquisition related contingent cash consideration	_							(3,137)
Net cash provided by financing activities	12,912	5,093	14,992	4,715	18,015	7,513	11,885	7,059
Impact of foreign exchange on cash and cash equivalents	(1,153)	(290)	(1,386)	(1,249)	(907)	(401)	4,866	(4,049)
Net increase (decrease) in cash and cash equivalents	18,294	132,326	2,687	12,084	(45,208)	20,531	(76,767)	(38,588)
Cash, cash equivalents, and restricted cash at beginning of period	420,322	287,996	285,309	273,225	318,433	297,902	374,669	413,257
Cash, cash equivalents, and restricted cash at end of period	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 318,433	\$ 297,902	\$ 374,669
Reconciliation of cash, cash equivalents and restricted cash within the condensed consolidated balance sheets to the amounts shown in the statements of cash flows above:								
Cash and cash equivalents	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 315,933	\$ 295,402	\$ 372,169
Restricted cash, included in prepaid expenses and other current assets	_	_	_		_	2,500	2,500	2,500
Total cash, cash equivalents and restricted cash	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 318,433	\$ 297,902	\$ 374,669