

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 in 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 non-recurring 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)

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 176,632	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 315,933	\$ 295,402
Short-term investments	740,340	644,488	641,173	748,289	704,325	713,058	621,706	641,249
Accounts receivable, net	197,555	165,001	135,195	166,731	135,614	105,815	126,079	130,479
Deferred contract acquisition costs, current	34,518	33,841	31,034	32,300	27,196	25,069	25,093	26,505
Prepaid expenses and other current assets	43,120	32,410	35,319	45,601	29,892	26,053	26,409	24,327
Total current assets	1,192,165	1,314,356	1,263,043	1,280,917	1,182,336	1,143,220	1,115,220	1,117,962
Property and equipment, net	3,563	2,899	2,820	2,954	3,690	4,080	4,936	5,797
Operating lease right-of-use assets	444	482	543	405	533	673	1,300	998
Goodwill	16,131	16,017	16,070	8,145	15,104	14,743	15,014	15,628
Intangible assets, net	19,536	21,867	16,637	1,733	8,145	8,145	8,145	8,145
Deferred contract acquisition costs, non-current	17,248	15,753	17,738	19,317	2,254	2,774	3,321	3,901
Equity method investment	—	—	—	—	9,634	10,574	11,735	12,682
Other non-current assets	3,552	4,888	4,776	4,390	5,200	4,860	4,437	4,087
TOTAL ASSETS	\$ 1,252,639	\$ 1,376,262	\$ 1,321,627	\$ 1,317,861	\$ 1,226,896	\$ 1,189,069	\$ 1,164,108	\$ 1,169,200
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Accounts payable	\$ 2,224	\$ 3,219	\$ 3,230	\$ 1,738	\$ 5,023	\$ 4,165	\$ 3,029	\$ 5,184
Accrued expenses and other current liabilities	51,821	272,164	306,734	286,178	269,980	24,643	28,885	25,954
Accrued compensation and benefits	27,274	29,117	22,743	35,809	23,272	23,504	15,716	20,776
Deferred revenue, current	383,183	362,348	341,830	338,348	287,647	268,883	263,423	254,382
Total current liabilities	464,502	666,848	674,537	662,073	585,922	321,195	311,053	306,296
Deferred revenue, non-current	14,138	14,732	15,267	23,794	23,016	25,860	28,043	28,355
Other non-current liabilities	3,776	6,678	17,465	14,060	24,776	10,774	9,411	9,824
TOTAL LIABILITIES	482,416	688,258	707,269	699,927	633,714	357,829	348,507	344,475
STOCKHOLDERS' EQUITY:								
Additional paid-in capital	1,891,653	1,833,786	1,768,947	1,718,661	1,658,375	1,610,072	1,542,603	1,497,373
Accumulated deficit	(1,161,952)	(1,191,517)	(1,204,466)	(1,149,822)	(1,113,355)	(828,197)	(778,117)	(725,648)
Accumulated other comprehensive income (loss)	(4,996)	570	3,360	2,335	1,547	1,782	1,003	(705)
Total GitLab stockholders' equity	724,705	642,839	567,841	571,174	546,567	783,657	765,489	771,020
Noncontrolling interests	45,518	45,165	46,517	46,760	46,615	47,583	50,112	53,705
TOTAL STOCKHOLDERS' EQUITY	770,223	688,004	614,358	617,934	593,182	831,240	815,601	824,725
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,252,639	\$ 1,376,262	\$ 1,321,627	\$ 1,317,861	\$ 1,226,896	\$ 1,189,069	\$ 1,164,108	\$ 1,169,200

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

Three Months Ended

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Revenue:								
Subscription—self-managed and SaaS	\$ 175,257	\$ 163,181	\$ 151,179	\$ 142,026	\$ 130,993	\$ 122,096	\$ 111,191	\$ 105,055
License—self-managed and other	20,790	19,403	18,008	21,753	18,675	17,485	15,687	17,852
Total revenue	196,047	182,584	169,187	163,779	149,668	139,581	126,878	122,907
Cost of revenue:								
Subscription—self-managed and SaaS	17,170	16,630	13,839	12,165	11,559	10,871	10,891	11,124
License—self-managed and other	4,955	4,740	4,937	3,824	3,525	3,825	3,048	3,114
Total cost of revenue	22,125	21,370	18,776	15,989	15,084	14,696	13,939	14,238
Gross profit	173,922	161,214	150,411	147,790	134,584	124,885	112,939	108,669
Operating expenses:								
Sales and marketing	95,340	97,778	92,424	90,762	86,978	92,116	86,537	81,513
Research and development	61,354	61,273	54,140	52,388	49,058	49,007	50,387	43,680
General and administrative	45,960	43,168	57,487	39,523	38,815	37,819	34,248	29,750
Total operating expenses	202,654	202,219	204,051	182,673	174,851	178,942	171,172	154,943
Loss from operations	(28,732)	(41,005)	(53,640)	(34,883)	(40,267)	(54,057)	(58,233)	(46,274)
Interest income	12,586	12,827	12,030	11,813	10,874	9,112	7,315	6,249
Other income (expense), net	4,992	1,032	(567)	(11,318)	569	(1,330)	253	(1,024)
Loss before income taxes and loss from equity method investment	(11,154)	(27,146)	(42,177)	(34,388)	(28,824)	(46,275)	(50,665)	(41,049)
Loss from equity method investment, net of tax	—	—	—	(1,416)	(743)	(917)	(748)	(693)
Provision for (benefit from) income taxes	(39,421)	(39,420)	12,710	1,767	256,788	4,016	1,486	379
Net income (loss)	\$ 28,267	\$ 12,274	\$ (54,887)	\$ (37,571)	\$ (286,355)	\$ (51,208)	\$ (52,899)	\$ (42,121)
Net loss attributable to noncontrolling interest	(1,298)	(675)	(243)	(1,104)	(1,197)	(1,128)	(430)	(3,388)
Net income (loss) attributable to GitLab	\$ 29,565	\$ 12,949	\$ (54,644)	\$ (36,467)	\$ (285,158)	\$ (50,080)	\$ (52,469)	\$ (38,733)
Net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	\$ 0.18	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)
Diluted	\$ 0.18	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)
Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	161,317	159,677	158,157	156,601	155,123	153,644	151,692	150,133
Diluted	167,436	166,346	158,157	156,601	155,123	153,644	151,692	150,133

Acquisition related expenses	140	658	2,051	1,314	—	—	—	—
Other non-recurring charges	872	(261)	473	404	413	—	—	—
Income (loss) from operations on non-GAAP basis	\$ 25,909	\$ 18,172	\$ (3,814)	\$ 13,236	\$ 4,690	\$ (4,296)	\$ (14,996)	\$ (13,760)
Other income (expense), net on GAAP basis	\$ 4,992	\$ 1,032	\$ (567)	\$ (11,318)	\$ 569	\$ (1,330)	\$ 253	\$ (1,024)
Foreign exchange gains (losses), net	(5,096)	(867)	637	2,651	(488)	1,268	(274)	997
Impairment of equity method investment	—	—	—	8,858	—	—	—	—
Other income (expense), net on non-GAAP basis	\$ (104)	\$ 165	\$ 70	\$ 191	\$ 81	\$ (62)	\$ (21)	\$ (27)
Net income (loss) attributable to GitLab common stockholders on GAAP basis	\$ 29,565	\$ 12,949	\$ (54,644)	\$ (36,467)	\$ (285,158)	\$ (50,080)	\$ (52,469)	\$ (38,733)
Stock-based compensation expense	48,042	48,969	42,252	43,017	41,334	46,368	32,330	33,641
Amortization of acquired intangibles	2,511	2,333	1,087	521	521	546	579	595
Restructuring charges	119	771	1,006	188	14	172	7,653	—
Charitable donation of common stock	2,957	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)
Acquisition related expenses	140	658	2,051	1,314	—	—	—	—
Loss from equity method investment, net of tax	—	—	—	1,416	743	917	748	693
Impairment of equity method investment	—	—	—	8,858	—	—	—	—
Foreign exchange gains (losses), net	(5,096)	(867)	637	2,651	(488)	1,268	(274)	997
Income tax adjustment	(39,965)	(46,737)	8,655	467	254,392	—	—	—
Other non-recurring charges	872	(261)	473	404	413	—	—	—
Net income (loss) attributable to GitLab common stockholders on non-GAAP basis	\$ 39,145	\$ 24,522	\$ 4,474	\$ 25,044	\$ 14,446	\$ 1,866	\$ (8,758)	\$ (4,529)
GAAP net income (loss) per share, basic	\$ 0.18	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)
GAAP net income (loss) per share, diluted	\$ 0.18	\$ 0.08	\$ (0.35)	\$ (0.23)	\$ (1.84)	\$ (0.33)	\$ (0.35)	\$ (0.26)
Non-GAAP net income per share, basic	\$ 0.24	\$ 0.15	\$ 0.03	\$ 0.16	\$ 0.09	\$ 0.01	\$ (0.06)	\$ (0.03)
Non-GAAP net income per share, diluted	\$ 0.23	\$ 0.15	\$ 0.03	\$ 0.15	\$ 0.09	\$ 0.01	\$ (0.06)	\$ (0.03)
Shares used in per share calculation - basic on GAAP basis	161,317	159,677	158,157	156,601	155,123	153,644	151,692	150,133
Effect of dilutive securities	6,119	6,669	8,767	8,820	7,671	7,473	—	—
Shares used in per share calculation - diluted on non-GAAP basis	167,436	166,346	166,924	165,421	162,794	161,117	151,692	150,133
Computation of adjusted free cash flow								
GAAP net cash provided by (used in) operating activities	\$ (177,028)	\$ 11,697	\$ 38,138	\$ 24,853	\$ (5,961)	\$ 27,109	\$ (10,961)	\$ (11,720)
Less: Purchases of property and equipment	(1,057)	(851)	(700)	(329)	(736)	(277)	(256)	(1,052)
Add: Income tax payments related to BAPA	187,735	—	—	—	—	—	—	—
Non-GAAP adjusted free cash flow	\$ 9,650	\$ 10,846	\$ 37,438	\$ 24,524	\$ (6,697)	\$ 26,832	\$ (11,217)	\$ (12,772)

Escrow payment related to business combination, after acquisition date	—	—	—	—	—	(2,500)	—	—
Other investing activities	—	457	—	(450)	—	—	—	—
Net cash provided by (used in) investing activities	(92,776)	(5,162)	89,385	(35,772)	14,579	(89,425)	24,380	(81,798)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from the issuance of common stock upon exercise of stock options, including early exercises, net of repurchases	7,822	4,980	5,093	9,810	4,715	10,264	7,513	7,061
Issuance of common stock under employee stock purchase plan	—	7,932	—	5,182	—	7,751	—	4,824
Settlement of acquisition related contingent cash consideration	(4,900)	—	—	—	—	—	—	—
Net cash provided by financing activities	2,922	12,912	5,093	14,992	4,715	18,015	7,513	11,885
Impact of foreign exchange on cash and cash equivalents	4,898	(1,153)	(290)	(1,386)	(1,249)	(907)	(401)	4,866
Net increase (decrease) in cash and cash equivalents	(261,984)	18,294	132,326	2,687	12,084	(45,208)	20,531	(76,767)
Cash, cash equivalents, and restricted cash at beginning of period	438,616	420,322	287,996	285,309	273,225	318,433	297,902	374,669
Cash, cash equivalents, and restricted cash at end of period	\$ 176,632	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 318,433	\$ 297,902
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	\$ 176,632	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 315,933	\$ 295,402
Restricted cash, included in prepaid expenses and other current assets	—	—	—	—	—	—	2,500	2,500
Total cash, cash equivalents and restricted cash	\$ 176,632	\$ 438,616	\$ 420,322	\$ 287,996	\$ 285,309	\$ 273,225	\$ 318,433	\$ 297,902