

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 at the end of this press release following the accompanying financial data. 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, charitable donation of common stock, restructuring charges, a non-recurring income tax adjustment related to bilateral advance pricing agreement (“BAPA”) negotiations, non-recurring charges associated with the formation of our GitLab Information Technology (Hubei) Co., LTD Joint Venture in China (“JiHu”), and other expenses that the Company believes are not indicative of its ongoing operations. In addition to these exclusions, effective Q1 FY26 we utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision which reflects the new location of GitLab’s intellectual property in the U.S. following the conclusion of our bilateral advance pricing agreements. For FY26 and FY27, we have determined the projected non-GAAP tax rate to be 22%. 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 operating activities less cash used for purchases of property and equipment, plus any non-recurring income tax payments related to the BAPA or minus any non-recurring income tax refunds related to the BAPA, plus any non-recurring payments related to the formation of JiHu. 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, any non-recurring income tax payments or refunds related to the BAPA, and any non-recurring payments related to the formation of JiHu, 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)

	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 229,576	\$ 224,231	\$ 261,371	\$ 255,719	\$ 227,649	\$ 176,632	\$ 438,616	\$ 420,322
Short-term investments	1,030,327	980,077	903,806	849,113	764,728	740,340	644,488	641,173
Accounts receivable, net	304,301	221,140	197,775	201,408	264,565	197,555	165,001	135,195
Deferred contract acquisition costs, current	42,676	36,522	35,306	35,455	38,964	34,518	33,841	31,034
Prepaid expenses and other current assets	48,899	44,979	37,912	39,066	40,411	46,641	35,879	38,853
Total current assets	1,655,779	1,506,949	1,436,170	1,380,761	1,336,317	1,195,686	1,317,825	1,266,577
Property and equipment, net	11,815	10,193	7,642	4,856	4,013	3,563	2,899	2,820
Goodwill	17,379	16,919	16,634	16,029	16,139	16,131	16,017	16,070
Intangible assets, net	9,774	11,789	13,804	15,819	17,834	19,536	21,867	16,637
Deferred contract acquisition costs, non-current	23,705	20,288	18,961	19,830	20,142	17,248	15,753	17,738
Other non-current assets	4,295	4,701	4,976	4,695	4,818	3,996	5,370	5,319
TOTAL ASSETS	\$ 1,722,747	\$ 1,570,839	\$ 1,498,187	\$ 1,441,990	\$ 1,399,263	\$ 1,256,160	\$ 1,379,731	\$ 1,325,161
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Accounts payable	\$ 9,205	\$ 9,187	\$ 11,395	\$ 11,288	\$ 7,519	\$ 2,224	\$ 3,219	\$ 3,230
Accrued expenses and other current liabilities	58,185	58,406	52,339	66,308	54,680	68,137	287,811	322,224
Accrued compensation and benefits	39,657	33,402	30,164	28,119	40,233	27,274	29,117	22,743
Deferred revenue, current	545,096	464,813	459,459	450,668	442,599	383,183	362,348	341,830
Total current liabilities	652,143	565,808	553,357	556,383	545,031	480,818	682,495	690,027
Deferred revenue, non-current	26,994	28,977	25,749	25,981	26,369	14,138	14,732	15,267
Other non-current liabilities	7,362	8,057	7,499	7,029	6,557	3,776	6,678	17,465
TOTAL LIABILITIES	686,499	602,842	586,605	589,393	577,957	498,732	703,905	722,759
STOCKHOLDERS' EQUITY:								
Additional paid-in capital	2,207,361	2,141,732	2,080,759	2,013,228	1,952,031	1,891,653	1,833,786	1,768,947
Accumulated deficit	(1,223,570)	(1,220,973)	(1,212,697)	(1,203,489)	(1,167,614)	(1,174,506)	(1,203,609)	(1,216,521)
Accumulated other comprehensive income (loss)	6,877	1,956	(1,511)	(1,459)	(8,508)	(5,098)	623	3,598
Total GitLab stockholders' equity	990,668	922,715	866,551	808,280	775,909	712,049	630,800	556,024
Noncontrolling interests	45,580	45,282	45,031	44,317	45,397	45,379	45,026	46,378
TOTAL STOCKHOLDERS' EQUITY	1,036,248	967,997	911,582	852,597	821,306	757,428	675,826	602,402
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,722,747	\$ 1,570,839	\$ 1,498,187	\$ 1,441,990	\$ 1,399,263	\$ 1,256,160	\$ 1,379,731	\$ 1,325,161

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

Three Months Ended

	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
Revenue:								
Subscription—self-managed and SaaS	\$ 234,277	\$ 223,262	\$ 212,684	\$ 194,481	\$ 185,562	\$ 175,257	\$ 163,181	\$ 151,179
License—self-managed and other	26,125	21,091	23,276	20,028	25,869	20,790	19,403	18,008
Total revenue	260,402	244,353	235,960	214,509	211,431	196,047	182,584	169,187
Cost of revenue:								
Subscription—self-managed and SaaS	28,297	25,184	21,753	19,268	17,277	17,170	16,630	13,839
License—self-managed and other	6,685	7,037	6,752	5,767	5,592	4,955	4,740	4,937
Total cost of revenue	34,982	32,221	28,505	25,035	22,869	22,125	21,370	18,776
Gross profit	225,420	212,132	207,455	189,474	188,562	173,922	161,214	150,411
Operating expenses:								
Sales and marketing	112,581	104,974	109,583	107,587	98,753	95,340	97,778	92,424
Research and development	68,961	68,715	71,488	65,410	62,885	61,354	61,273	54,140
General and administrative	49,042	50,799	44,735	51,087	46,262	45,960	43,168	57,487
Total operating expenses	230,584	224,488	225,806	224,084	207,900	202,654	202,219	204,051
Loss from operations	(5,164)	(12,356)	(18,351)	(34,610)	(19,338)	(28,732)	(41,005)	(53,640)
Interest income	11,630	11,704	11,511	10,862	10,292	12,586	12,827	12,030
Other income (expense), net	(6,075)	(6,334)	(911)	(9,971)	4,017	4,799	1,260	(889)
Income (loss) before income taxes	391	(6,986)	(7,751)	(33,719)	(5,029)	(11,347)	(26,918)	(42,499)
Provision for (benefit from) income taxes	3,904	1,811	2,245	2,539	(11,344)	(39,152)	(39,155)	12,977
Net income (loss)	\$ (3,513)	\$ (8,797)	\$ (9,996)	\$ (36,258)	\$ 6,315	\$ 27,805	\$ 12,237	\$ (55,476)
Net loss attributable to noncontrolling interest	(916)	(521)	(788)	(383)	(577)	(1,298)	(675)	(243)
Net income (loss) attributable to GitLab	\$ (2,597)	\$ (8,276)	\$ (9,208)	\$ (35,875)	\$ 6,892	\$ 29,103	\$ 12,912	\$ (55,233)
Net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.22)	\$ 0.04	\$ 0.18	\$ 0.08	\$ (0.35)
Diluted	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.22)	\$ 0.04	\$ 0.17	\$ 0.08	\$ (0.35)
Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	169,231	167,407	165,953	164,491	163,055	161,317	159,677	158,157
Diluted	169,231	167,407	165,953	164,491	170,094	167,436	166,346	158,157

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

Three Months Ended

	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
Gross profit on GAAP basis	\$ 225,420	\$ 212,132	\$ 207,455	\$ 189,474	\$ 188,562	\$ 173,922	\$ 161,214	\$ 150,411
Stock-based compensation expense	3,823	2,300	2,261	1,929	1,998	1,993	2,076	1,855
Amortization of acquired intangibles	2,015	2,015	2,015	2,020	2,195	2,511	2,333	1,087
Restructuring charges	153	—	—	—	—	—	—	—
Gross profit on non-GAAP basis	<u>\$ 231,411</u>	<u>\$ 216,447</u>	<u>\$ 211,731</u>	<u>\$ 193,423</u>	<u>\$ 192,755</u>	<u>\$ 178,426</u>	<u>\$ 165,623</u>	<u>\$ 153,353</u>
Gross margin on non-GAAP basis	89 %	89 %	90 %	90 %	91 %	91 %	91 %	91 %
Sales and marketing on GAAP basis	\$ 112,581	\$ 104,974	\$ 109,583	\$ 107,587	\$ 98,753	\$ 95,340	\$ 97,778	\$ 92,424
Stock-based compensation expense	(19,572)	(17,354)	(19,950)	(22,091)	(18,664)	(17,012)	(19,881)	(17,397)
Restructuring charges	(1,493)	—	—	—	—	(130)	(266)	(730)
Sales and marketing on non-GAAP basis	<u>\$ 91,516</u>	<u>\$ 87,620</u>	<u>\$ 89,633</u>	<u>\$ 85,496</u>	<u>\$ 80,089</u>	<u>\$ 78,198</u>	<u>\$ 77,631</u>	<u>\$ 74,297</u>
Research and development on GAAP basis	\$ 68,961	\$ 68,715	\$ 71,488	\$ 65,410	\$ 62,885	\$ 61,354	\$ 61,273	\$ 54,140
Stock-based compensation expense	(14,725)	(15,560)	(19,197)	(14,272)	(15,478)	(14,384)	(16,114)	(12,336)
Restructuring charges	—	—	—	—	—	—	(393)	—
Research and development on non-GAAP basis	<u>\$ 54,236</u>	<u>\$ 53,155</u>	<u>\$ 52,291</u>	<u>\$ 51,138</u>	<u>\$ 47,407</u>	<u>\$ 46,970</u>	<u>\$ 44,766</u>	<u>\$ 41,804</u>
General and administrative on GAAP basis	\$ 49,042	\$ 50,799	\$ 44,735	\$ 51,087	\$ 46,262	\$ 45,960	\$ 43,168	\$ 57,487
Stock-based compensation expense	(15,038)	(16,468)	(12,876)	(17,535)	(10,496)	(14,653)	(10,898)	(10,664)
Restructuring charges	—	—	—	—	—	11	(112)	(276)
Charitable donation of common stock	(1,597)	(1,970)	(1,787)	(1,739)	(2,957)	(2,957)	(2,957)	(2,957)
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	—	—	(3,750)	—
Acquisition related expenses	(216)	(321)	(157)	(183)	(391)	(140)	(658)	(2,051)
Other non-recurring charges	77	(48)	320	(963)	(4,538)	(872)	261	(473)
General and administrative on non-GAAP basis	<u>\$ 32,268</u>	<u>\$ 31,992</u>	<u>\$ 30,235</u>	<u>\$ 30,667</u>	<u>\$ 27,880</u>	<u>\$ 27,349</u>	<u>\$ 25,054</u>	<u>\$ 41,066</u>
Loss from operations on GAAP basis	\$ (5,164)	\$ (12,356)	\$ (18,351)	\$ (34,610)	\$ (19,338)	\$ (28,732)	\$ (41,005)	\$ (53,640)
Stock-based compensation expense	53,158	51,682	54,284	55,827	46,636	48,042	48,969	42,252
Amortization of acquired intangibles	2,015	2,015	2,015	2,020	2,195	2,511	2,333	1,087
Restructuring charges	1,646	—	—	—	—	119	771	1,006
Charitable donation of common stock	1,597	1,970	1,787	1,739	2,957	2,957	2,957	2,957
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	—	—	3,750	—
Acquisition related expenses	216	321	157	183	391	140	658	2,051

Other non-recurring charges	(77)	48	(320)	963	4,538	872	(261)	473
Income (loss) from operations on non-GAAP basis	\$ 53,391	\$ 43,680	\$ 39,572	\$ 26,122	\$ 37,379	\$ 25,909	\$ 18,172	\$ (3,814)
Other income (expense), net on GAAP basis	\$ (6,075)	\$ (6,334)	\$ (911)	\$ (9,971)	\$ 4,017	\$ 4,799	\$ 1,260	\$ (889)
Foreign exchange gains (losses), net	6,032	2,362	1,117	9,954	(3,860)	(5,074)	(1,267)	785
Other non-recurring charges	178	3,714	172	170	173	171	172	174
Other income (expense), net on non-GAAP basis	\$ 135	\$ (258)	\$ 378	\$ 153	\$ 330	\$ (104)	\$ 165	\$ 70
Net income (loss) attributable to GitLab common stockholders on GAAP basis	\$ (2,597)	\$ (8,276)	\$ (9,208)	\$ (35,875)	\$ 6,892	\$ 29,103	\$ 12,912	\$ (55,233)
Stock-based compensation expense	53,158	51,682	54,284	55,827	46,636	48,042	48,969	42,252
Amortization of acquired intangibles	2,015	2,015	2,015	2,020	2,195	2,511	2,333	1,087
Restructuring charges	1,646	—	—	—	—	119	771	1,006
Charitable donation of common stock	1,597	1,970	1,787	1,739	2,957	2,957	2,957	2,957
Changes in the fair value of acquisition related contingent consideration	—	—	—	—	—	—	3,750	—
Acquisition related expenses	216	321	157	183	391	140	658	2,051
Foreign exchange gains (losses), net	6,032	2,362	1,117	9,954	(3,860)	(5,074)	(1,267)	785
Income tax adjustment	(10,428)	(10,318)	(9,077)	(5,631)	(3,222)	(39,696)	(46,472)	8,922
Other non-recurring charges	101	3,762	(148)	1,133	4,711	1,043	(89)	647
Net income attributable to GitLab common stockholders on non-GAAP basis	\$ 51,740	\$ 43,518	\$ 40,927	\$ 29,350	\$ 56,700	\$ 39,145	\$ 24,522	\$ 4,474
GAAP net income (loss) per share, basic	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.22)	\$ 0.04	\$ 0.18	\$ 0.08	\$ (0.35)
GAAP net income (loss) per share, diluted	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.22)	\$ 0.04	\$ 0.17	\$ 0.08	\$ (0.35)
Non-GAAP net income per share, basic	\$ 0.31	\$ 0.26	\$ 0.25	\$ 0.18	\$ 0.35	\$ 0.24	\$ 0.15	\$ 0.03
Non-GAAP net income per share, diluted	\$ 0.30	\$ 0.25	\$ 0.24	\$ 0.17	\$ 0.33	\$ 0.23	\$ 0.15	\$ 0.03
Shares used in per share calculation - basic on GAAP basis	169,231	167,407	165,953	164,491	163,055	161,317	159,677	158,157
Effect of dilutive securities	2,882	4,324	4,535	5,669	7,039	6,119	6,669	8,767
Shares used in per share calculation - diluted on non-GAAP basis	172,113	171,731	170,488	170,160	170,094	167,436	166,346	166,924
Computation of adjusted free cash flow								
GAAP net cash provided by (used in) operating activities	\$ 45,757	\$ 31,428	\$ 49,369	\$ 106,302	\$ 63,222	\$ (177,028)	\$ 11,697	\$ 38,138
Less: Additions to property and equipment	(3,973)	(3,038)	(2,904)	(912)	(1,157)	(1,057)	(851)	(700)
Add: Income tax payments (refunds) related to BAPA	(28)	(1,146)	(12)	(1,293)	—	187,735	—	—
Non-GAAP adjusted free cash flow	\$ 41,756	\$ 27,244	\$ 46,453	\$ 104,097	\$ 62,065	\$ 9,650	\$ 10,846	\$ 37,438

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

	Three Months Ended							
	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss), including amounts attributable to noncontrolling interest	\$ (3,513)	\$ (8,797)	\$ (9,996)	\$ (36,258)	\$ 6,315	\$ 27,805	\$ 12,237	\$ (55,476)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Stock-based compensation expense, net of amounts capitalized	53,158	51,682	54,284	55,827	46,636	48,042	48,969	42,252
Change in fair value of acquisition related contingent consideration	—	—	—	—	—	—	3,750	—
Charitable donation of common stock	1,597	1,970	1,787	1,739	2,956	2,957	2,957	2,957
Amortization of intangible assets	2,015	2,015	2,015	2,020	2,195	2,511	2,333	1,087
Depreciation and amortization	1,096	869	759	556	499	680	744	937
Amortization of deferred contract acquisition costs	14,139	13,478	13,370	13,899	14,064	12,704	11,837	11,109
Net amortization of premiums or discounts on short-term investments	(861)	(1,741)	(2,609)	(2,996)	(3,813)	(3,792)	(4,241)	(4,900)
Unrealized foreign exchange loss (gain), net	5,425	2,416	1,069	9,901	(4,083)	(5,175)	(988)	720
Other non-cash expense (income), net	367	231	192	208	162	467	(111)	412
Changes in assets and liabilities:								
Accounts receivable	(82,033)	(23,472)	3,859	65,928	(67,991)	(32,883)	(29,847)	31,072
Prepaid expenses and other current assets	(3,832)	(7,036)	1,219	1,527	5,927	(10,847)	2,982	10,362
Deferred contract acquisition costs	(22,966)	(15,898)	(12,304)	(8,126)	(22,421)	(14,751)	(12,415)	(8,540)
Other non-current assets	395	233	(198)	379	(1,034)	1,348	(78)	(419)
Accounts payable	794	(2,302)	(472)	3,586	5,472	(1,317)	14	1,336
Accrued expenses and other current liabilities	(624)	6,140	(14,257)	9,979	(12,755)	(219,544)	(41,093)	20,023
Accrued compensation and benefits	5,765	3,168	2,021	(13,084)	13,558	(1,913)	6,250	(13,152)
Deferred revenue	75,781	8,011	8,284	1,205	74,240	19,665	19,286	(4,448)
Other non-current liabilities	(946)	461	346	12	3,295	(2,985)	(10,889)	2,806
Net cash provided by (used in) operating activities	45,757	31,428	49,369	106,302	63,222	(177,028)	11,697	38,138
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of short-term investments	(213,209)	(314,385)	(237,946)	(245,952)	(204,304)	(240,136)	(118,866)	(144,392)
Proceeds from maturities of short-term investments	164,139	241,641	184,280	163,606	183,520	148,763	121,412	254,687
Proceeds from sales of short-term investments	—	—	—	1,367	—	—	—	—
Additions to property and equipment	(3,973)	(3,038)	(2,904)	(912)	(1,157)	(1,057)	(851)	(700)
Payments for business combination, net of cash acquired	—	—	—	—	—	—	—	(20,210)
Payments for asset acquisition	—	—	—	—	—	(346)	(7,314)	—

Other investing activities	—	—	—	—	—	—	457	—
Net cash provided by (used in) investing activities	(53,043)	(75,782)	(56,570)	(81,891)	(21,941)	(92,776)	(5,162)	89,385
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from the issuance of common stock upon exercise of stock options, including early exercises, net of repurchases	6,324	8,182	3,947	3,328	6,069	7,822	4,980	5,093
Issuance of common stock under employee stock purchase plan	5,571	—	8,404	—	5,624	—	7,932	—
Payments for taxes related to net share settlement of equity awards	(416)	(529)	—	—	—	—	—	—
Settlement of acquisition related contingent cash consideration	—	—	—	—	—	(4,900)	—	—
Net cash provided by financing activities	11,479	7,653	12,351	3,328	11,693	2,922	12,912	5,093
Impact of foreign exchange on cash and cash equivalents	1,152	(439)	502	331	(1,957)	4,898	(1,153)	(290)
Net increase (decrease) in cash and cash equivalents	5,345	(37,140)	5,652	28,070	51,017	(261,984)	18,294	132,326
Cash and cash equivalents at beginning of period	224,231	261,371	255,719	227,649	176,632	438,616	420,322	287,996
Cash, and cash equivalents at end of period	<u>\$ 229,576</u>	<u>\$ 224,231</u>	<u>\$ 261,371</u>	<u>\$ 255,719</u>	<u>\$ 227,649</u>	<u>\$ 176,632</u>	<u>\$ 438,616</u>	<u>\$ 420,322</u>