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, 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, repurchasing shares of our common stock 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, 2026	April 30, 2026	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	$ 226,491	$ 335,395	$ 229,576	$ 224,231	$ 261,371	$ 255,719	$ 227,649	$ 176,632
Short-term investments	1,030,495	1,022,117	1,030,327	980,077	903,806	849,113	764,728	740,340
Accounts receivable, net	257,343	200,302	304,301	221,140	197,775	201,408	264,565	197,555
Deferred contract acquisition costs, current	39,588	39,108	42,676	36,522	35,306	35,455	38,964	34,518
Prepaid expenses and other current assets	41,138	42,483	48,899	44,979	37,912	39,066	40,411	46,641
Total current assets	1,595,055	1,639,405	1,655,779	1,506,949	1,436,170	1,380,761	1,336,317	1,195,686
Property and equipment, net	11,093	12,777	11,815	10,193	7,642	4,856	4,013	3,563
Goodwill	17,446	17,798	17,379	16,919	16,634	16,029	16,139	16,131
Intangible assets, net	5,744	7,759	9,774	11,789	13,804	15,819	17,834	19,536
Deferred contract acquisition costs, non-current	27,431	23,810	23,705	20,288	18,961	19,830	20,142	17,248
Other non-current assets	5,063	3,984	4,295	4,701	4,976	4,695	4,818	3,996
TOTAL ASSETS	$ 1,661,832	$ 1,705,533	$ 1,722,747	$ 1,570,839	$ 1,498,187	$ 1,441,990	$ 1,399,263	$ 1,256,160
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Accounts payable	$ 9,955	$ 8,847	$ 9,205	$ 9,187	$ 11,395	$ 11,288	$ 7,519	$ 2,224
Accrued expenses and other current liabilities	51,580	72,680	58,185	58,406	52,339	66,308	54,680	68,137
Accrued compensation and benefits	46,932	28,538	39,657	33,402	30,164	28,119	40,233	27,274
Deferred revenue and customer advances, current	553,844	532,983	545,096	464,813	459,459	450,668	442,599	383,183
Total current liabilities	662,311	643,048	652,143	565,808	553,357	556,383	545,031	480,818
Deferred revenue, non-current	20,829	23,991	26,994	28,977	25,749	25,981	26,369	14,138
Other non-current liabilities	7,205	7,108	7,362	8,057	7,499	7,029	6,557	3,776
TOTAL LIABILITIES	690,345	674,147	686,499	602,842	586,605	589,393	577,957	498,732
STOCKHOLDERS' EQUITY:								
Additional paid-in capital	2,190,455	2,209,247	2,207,361	2,141,732	2,080,759	2,013,228	1,952,031	1,891,653
Accumulated deficit	(1,265,386)	(1,228,542)	(1,223,570)	(1,220,973)	(1,212,697)	(1,203,489)	(1,167,614)	(1,174,506)
Accumulated other comprehensive income (loss)	460	4,499	6,877	1,956	(1,511)	(1,459)	(8,508)	(5,098)
Total GitLab stockholders' equity	925,529	985,204	990,668	922,715	866,551	808,280	775,909	712,049
Noncontrolling interests	45,958	46,182	45,580	45,282	45,031	44,317	45,397	45,379
TOTAL STOCKHOLDERS' EQUITY	971,487	1,031,386	1,036,248	967,997	911,582	852,597	821,306	757,428
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,661,832	$ 1,705,533	$ 1,722,747	$ 1,570,839	$ 1,498,187	$ 1,441,990	$ 1,399,263	$ 1,256,160

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

	Three Months Ended							
	July 31, 2026	April 30, 2026	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Revenue:								
Subscription—self-managed and SaaS	$ 258,311	$ 239,306	$ 234,277	$ 223,262	$ 212,684	$ 194,481	$ 185,562	$ 175,257
License—self-managed and other	27,943	24,852	26,125	21,091	23,276	20,028	25,869	20,790
Total revenue	286,254	264,158	260,402	244,353	235,960	214,509	211,431	196,047
Cost of revenue:								
Subscription—self-managed and SaaS	38,258	30,591	28,297	25,184	21,753	19,268	17,277	17,170
License—self-managed and other	7,380	6,897	6,685	7,037	6,752	5,767	5,592	4,955
Total cost of revenue	45,638	37,488	34,982	32,221	28,505	25,035	22,869	22,125
Gross profit	240,616	226,670	225,420	212,132	207,455	189,474	188,562	173,922
Operating expenses:								
Sales and marketing	134,363	119,358	112,581	104,974	109,583	107,587	98,753	95,340
Research and development	94,980	71,482	68,961	68,715	71,488	65,410	62,885	61,354
General and administrative	68,208	51,579	49,042	50,799	44,735	51,087	46,262	45,960
Total operating expenses	297,551	242,419	230,584	224,488	225,806	224,084	207,900	202,654
Loss from operations	(56,935)	(15,749)	(5,164)	(12,356)	(18,351)	(34,610)	(19,338)	(28,732)
Interest income	12,202	11,947	11,630	11,704	11,511	10,862	10,292	12,586
Other income (expense), net	5,406	255	(6,075)	(6,334)	(911)	(9,971)	4,017	4,799
Income (loss) before income taxes	(39,327)	(3,547)	391	(6,986)	(7,751)	(33,719)	(5,029)	(11,347)
Provision for (benefit from) income taxes	(3,195)	2,032	3,904	1,811	2,245	2,539	(11,344)	(39,152)
Net income (loss)	$ (36,132)	$ (5,579)	$ (3,513)	$ (8,797)	$ (9,996)	$ (36,258)	$ 6,315	$ 27,805
Net income (loss) attributable to noncontrolling interest	712	(607)	(916)	(521)	(788)	(383)	(577)	(1,298)
Net income (loss) attributable to GitLab	$ (36,844)	$ (4,972)	$ (2,597)	$ (8,276)	$ (9,208)	$ (35,875)	$ 6,892	$ 29,103
Net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	$ (0.22)	$ (0.03)	$ (0.02)	$ (0.05)	$ (0.06)	$ (0.22)	$ 0.04	$ 0.18
Diluted	$ (0.22)	$ (0.03)	$ (0.02)	$ (0.05)	$ (0.06)	$ (0.22)	$ 0.04	$ 0.17
Weighted-average shares used to compute net income (loss) per share attributable to GitLab Class A and Class B common stockholders:								
Basic	168,703	169,948	169,231	167,407	165,953	164,491	163,055	161,317
Diluted	168,703	169,948	169,231	167,407	165,953	164,491	170,094	167,436

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

	Three Months Ended							
	July 31, 2026	April 30, 2026	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Gross profit on GAAP basis	$ 240,616	$ 226,670	$ 225,420	$ 212,132	$ 207,455	$ 189,474	$ 188,562	$ 173,922
Stock-based compensation expense	3,891	2,864	3,823	2,300	2,261	1,929	1,998	1,993
Amortization of acquired intangibles	2,015	2,015	2,015	2,015	2,015	2,020	2,195	2,511
Restructuring charges	1,023	—	153	—	—	—	—	—
Gross profit on non-GAAP basis	$ 247,545	$ 231,549	$ 231,411	$ 216,447	$ 211,731	$ 193,423	$ 192,755	$ 178,426
Gross margin on non-GAAP basis	*86 %*	*88 %*	*89 %*	*89 %*	*90 %*	*90 %*	*91 %*	*91 %*
Sales and marketing on GAAP basis	$ 134,363	$ 119,358	$ 112,581	$ 104,974	$ 109,583	$ 107,587	$ 98,753	$ 95,340
Stock-based compensation expense	(25,327)	(17,445)	(19,572)	(17,354)	(19,950)	(22,091)	(18,664)	(17,012)
Restructuring charges	(5,220)	—	(1,493)	—	—	—	—	(130)
Sales and marketing on non-GAAP basis	$ 103,816	$ 101,913	$ 91,516	$ 87,620	$ 89,633	$ 85,496	$ 80,089	$ 78,198
Research and development on GAAP basis	$ 94,980	$ 71,482	$ 68,961	$ 68,715	$ 71,488	$ 65,410	$ 62,885	$ 61,354
Stock-based compensation expense	(21,803)	(13,630)	(14,725)	(15,560)	(19,197)	(14,272)	(15,478)	(14,384)
Restructuring charges	(8,011)	—	—	—	—	—	—	—
Research and development on non-GAAP basis	$ 65,166	$ 57,852	$ 54,236	$ 53,155	$ 52,291	$ 51,138	$ 47,407	$ 46,970
General and administrative on GAAP basis	$ 68,208	$ 51,579	$ 49,042	$ 50,799	$ 44,735	$ 51,087	$ 46,262	$ 45,960
Stock-based compensation expense	(23,985)	(16,122)	(15,038)	(16,468)	(12,876)	(17,535)	(10,496)	(14,653)
Restructuring charges	(5,168)	—	—	—	—	—	—	11
Charitable donation of common stock	(1,166)	(821)	(1,597)	(1,970)	(1,787)	(1,739)	(2,957)	(2,957)
Acquisition related expenses	(607)	(310)	(216)	(321)	(157)	(183)	(391)	(140)
Other non-recurring charges	(1,285)	(76)	77	(48)	320	(963)	(4,538)	(872)
General and administrative on non-GAAP basis	$ 35,997	$ 34,250	$ 32,268	$ 31,992	$ 30,235	$ 30,667	$ 27,880	$ 27,349
Loss from operations on GAAP basis	$ (56,935)	$ (15,749)	$ (5,164)	$ (12,356)	$ (18,351)	$ (34,610)	$ (19,338)	$ (28,732)
Stock-based compensation expense	75,006	50,061	53,158	51,682	54,284	55,827	46,636	48,042
Amortization of acquired intangibles	2,015	2,015	2,015	2,015	2,015	2,020	2,195	2,511
Restructuring charges	19,422	—	1,646	—	—	—	—	119
Charitable donation of common stock	1,166	821	1,597	1,970	1,787	1,739	2,957	2,957
Acquisition related expenses	607	310	216	321	157	183	391	140
Other non-recurring charges	1,285	76	(77)	48	(320)	963	4,538	872
Income from operations on non-GAAP basis	$ 42,566	$ 37,534	$ 53,391	$ 43,680	$ 39,572	$ 26,122	$ 37,379	$ 25,909

Other income (expense), net on GAAP basis	$ 5,406	$ 255	$ (6,075)	$ (6,334)	$ (911)	$ (9,971)	$ 4,017	$ 4,799
Foreign exchange gains (losses), net	(1,817)	(536)	6,032	2,362	1,117	9,954	(3,860)	(5,074)
Other non-recurring charges	(3,679)	182	178	3,714	172	170	173	171
Other income (expense), net on non-GAAP basis	$ (90)	$ (99)	$ 135	$ (258)	$ 378	$ 153	$ 330	$ (104)
Net income (loss) attributable to GitLab common stockholders on GAAP basis	$ (36,844)	$ (4,972)	$ (2,597)	$ (8,276)	$ (9,208)	$ (35,875)	$ 6,892	$ 29,103
Stock-based compensation expense	75,006	50,061	53,158	51,682	54,284	55,827	46,636	48,042
Amortization of acquired intangibles	2,015	2,015	2,015	2,015	2,015	2,020	2,195	2,511
Restructuring charges	19,422	—	1,646	—	—	—	—	119
Charitable donation of common stock	1,166	821	1,597	1,970	1,787	1,739	2,957	2,957
Acquisition related expenses	607	310	216	321	157	183	391	140
Foreign exchange gains (losses), net	(1,817)	(536)	6,032	2,362	1,117	9,954	(3,860)	(5,074)
Income tax adjustment	(15,068)	(8,966)	(10,428)	(10,318)	(9,077)	(5,631)	(3,222)	(39,696)
Other non-recurring charges	(2,394)	258	101	3,762	(148)	1,133	4,711	1,043
Net income attributable to GitLab common stockholders on non-GAAP basis	$ 42,093	$ 38,991	$ 51,740	$ 43,518	$ 40,927	$ 29,350	$ 56,700	$ 39,145
GAAP net income (loss) per share, basic	$ (0.22)	$ (0.03)	$ (0.02)	$ (0.05)	$ (0.06)	$ (0.22)	$ 0.04	$ 0.18
GAAP net income (loss) per share, diluted	$ (0.22)	$ (0.03)	$ (0.02)	$ (0.05)	$ (0.06)	$ (0.22)	$ 0.04	$ 0.17
Non-GAAP net income per share, basic	$ 0.25	$ 0.23	$ 0.31	$ 0.26	$ 0.25	$ 0.18	$ 0.35	$ 0.24
Non-GAAP net income per share, diluted	$ 0.24	$ 0.23	$ 0.30	$ 0.25	$ 0.24	$ 0.17	$ 0.33	$ 0.23
Shares used in per share calculation - basic on GAAP basis	168,703	169,948	169,231	167,407	165,953	164,491	163,055	161,317
Effect of dilutive securities	5,246	1,567	2,882	4,324	4,535	5,669	7,039	6,119
Shares used in per share calculation - diluted on non-GAAP basis	173,949	171,515	172,113	171,731	170,488	170,160	170,094	167,436
Computation of adjusted free cash flow								
GAAP net cash provided by (used in) operating activities	$ (3,092)	$ 149,197	$ 45,757	$ 31,428	$ 49,369	$ 106,302	$ 63,222	$ (177,028)
Less: Additions to property and equipment	(213)	(2,393)	(3,973)	(3,038)	(2,904)	(912)	(1,157)	(1,057)
Add (Less): Income tax payment (refunds) related to BAPA	(981)	(77)	(28)	(1,146)	(12)	(1,293)	—	187,735
Add: Non-recurring payments related to the formation of JiHu	14,036	—	—	—	—	—	—	—
Non-GAAP adjusted free cash flow	$ 9,750	$ 146,727	$ 41,756	$ 27,244	$ 46,453	$ 104,097	$ 62,065	$ 9,650

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

	Three Months Ended							
	July 31, 2026	April 30, 2026	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss), including amounts attributable to noncontrolling interest	$ (36,132)	$ (5,579)	$ (3,513)	$ (8,797)	$ (9,996)	$ (36,258)	$ 6,315	$ 27,805
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Stock-based compensation expense, net of amounts capitalized	75,006	50,061	53,158	51,682	54,284	55,827	46,636	48,042
Charitable donation of common stock	1,166	821	1,597	1,970	1,787	1,739	2,956	2,957
Amortization of intangible assets	2,015	2,015	2,015	2,015	2,015	2,020	2,195	2,511
Depreciation and amortization	1,345	1,295	1,096	869	759	556	499	680
Amortization of deferred contract acquisition costs	10,580	12,924	14,139	13,478	13,370	13,899	14,064	12,704
Net amortization of premiums or discounts on short-term investments	(364)	(324)	(861)	(1,741)	(2,609)	(2,996)	(3,813)	(3,792)
Unrealized foreign exchange loss (gain), net	(2,249)	(1,011)	5,425	2,416	1,069	9,901	(4,083)	(5,175)
Other non-cash expense (income), net	451	189	367	231	192	208	162	467
Changes in assets and liabilities:								
Accounts receivable	(57,325)	103,356	(82,033)	(23,472)	3,859	65,928	(67,991)	(32,883)
Prepaid expenses and other current assets	1,303	6,387	(3,832)	(7,036)	1,219	1,527	5,927	(10,847)
Deferred contract acquisition costs	(15,002)	(9,745)	(22,966)	(15,898)	(12,304)	(8,126)	(22,421)	(14,751)
Other non-current assets	(1,147)	228	395	233	(198)	379	(1,034)	1,348
Accounts payable	1,115	(353)	794	(2,302)	(472)	3,586	5,472	(1,317)
Accrued expenses and other current liabilities	(21,419)	14,451	(624)	6,140	(14,257)	9,979	(12,755)	(219,544)
Accrued compensation and benefits	18,575	(10,970)	5,765	3,168	2,021	(13,084)	13,558	(1,913)
Deferred revenue and customer advances	18,754	(14,288)	75,781	8,011	8,284	1,205	74,240	19,665
Other non-current liabilities	236	(260)	(946)	461	346	12	3,295	(2,985)
Net cash provided by (used in) operating activities	(3,092)	149,197	45,757	31,428	49,369	106,302	63,222	(177,028)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of short-term investments	(199,621)	(222,196)	(213,209)	(314,385)	(237,946)	(245,952)	(204,304)	(240,136)
Proceeds from maturities of short-term investments	139,823	218,824	164,139	241,641	184,280	163,606	183,520	148,763
Proceeds from sales of short-term investments	50,476	9,922	—	—	—	1,367	—	—
Additions to property and equipment	(213)	(2,393)	(3,973)	(3,038)	(2,904)	(912)	(1,157)	(1,057)
Payments for asset acquisition	—	—	—	—	—	—	—	(346)
Net cash provided by (used in) investing activities	(9,535)	4,157	(53,043)	(75,782)	(56,570)	(81,891)	(21,941)	(92,776)
CASH FLOWS FROM FINANCING ACTIVITIES:								

Proceeds from the issuance of common stock upon exercise of stock options, including early exercises, net of repurchases	2,988	2,373	6,324	8,182	3,947	3,328	6,069	7,822
Issuance of common stock under employee stock purchase plan	6,886	—	5,571	—	8,404	—	5,624	—
Common stock repurchased	(104,637)	(50,048)	—	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	(748)	(160)	(416)	(529)	—	—	—	—
Settlement of acquisition related contingent cash consideration	—	—	—	—	—	—	—	(4,900)
Net cash provided by (used in) financing activities	(95,511)	(47,835)	11,479	7,653	12,351	3,328	11,693	2,922
Impact of foreign exchange on cash and cash equivalents	(766)	300	1,152	(439)	502	331	(1,957)	4,898
Net increase (decrease) in cash and cash equivalents	(108,904)	105,819	5,345	(37,140)	5,652	28,070	51,017	(261,984)
Cash and cash equivalents at beginning of period	335,395	229,576	224,231	261,371	255,719	227,649	176,632	438,616
Cash and cash equivalents at end of period	$ 226,491	$ 335,395	$ 229,576	$ 224,231	$ 261,371	$ 255,719	$ 227,649	$ 176,632