

Explanation of Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles (“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.

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. In addition, the utility of free cash flow as a measure of our financial performance and liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period.

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.

Non-GAAP Subscription Gross Profit and Non-GAAP Subscription Gross Margin

We define non-GAAP subscription gross profit and non-GAAP subscription gross margin as GAAP subscription gross profit and GAAP subscription gross margin, respectively, excluding stock-based compensation expense and amortization of acquired intangible assets. We believe non-GAAP subscription gross profit and non-GAAP subscription gross margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations, as these measures eliminate the effects of certain variables unrelated to our overall operating performance.

Non-GAAP Income (Loss) from Operations

We define non-GAAP income (loss) from operations as GAAP loss from operations excluding stock-based compensation expense, amortization of acquired intangible assets, and acquisition-related expenses. We believe non-GAAP income (loss) from operations provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this metric generally eliminates the effects of certain variables unrelated to our overall operating performance.

Non-GAAP Net Income (Loss)

We define non-GAAP net income (loss) as GAAP income (loss) excluding stock-based compensation expense, amortization of acquired intangible assets, acquisition-related expenses, amortization of debt issuance costs and discount, and gain or loss on the settlement of lawsuits. We believe non-GAAP income (loss) provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons, as this metric generally eliminates the effects of certain variables unrelated to our overall performance.

Non-GAAP Net Income (Loss) per Share Attributable to Common Stockholders, Basic and Diluted

We define non-GAAP net income (loss) per share attributable to common stockholders, as non-GAAP net income (loss) divided by the weighted-average shares outstanding, which includes the dilutive effect of potentially diluted common stock equivalents outstanding during the period. We may periodically incur charges or receive payments in connection with litigation settlements. We exclude these charges and payments received from non-GAAP net income (loss) when associated with a significant settlement because we do not believe they are reflective of ongoing business and operating results.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that we define as net cash provided by (used in) operating activities less purchases of property and equipment and capitalized internal-use software. We monitor free cash flow as one measure of our overall business performance, which enables us to analyze our future performance without the effects of non-cash items and allow us to better understand the cash needs of our business. While we believe that free cash flow is useful in evaluating our business, free cash flow is a non-GAAP financial measure that has limitations as an analytical tool, and free cash flow should not be considered as an alternative to, or substitute for, net cash provided by (used in) operating activities in accordance with GAAP. 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 any given period. In addition, other companies, including companies in our industry, may calculate free cash flow differently or not at all, which reduces the usefulness of free cash flow as a tool for comparison.

Explanation of Operational Measures

Annual Recurring Revenue

ARR is calculated as the annualized value of our customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms. To the extent that we are negotiating a renewal with a customer after the expiration of the subscription, we continue to include that revenue in ARR if we are actively in discussion with such an organization for a new subscription or renewal, or until such organization notifies us that it is not renewing its subscription.

Magic Number

Magic Number is calculated by performing the following calculation for the most recent four quarters and taking the average: annualizing the difference between a quarter's Subscription Revenue and the prior quarter's Subscription Revenue, and then dividing the resulting number by the previous quarter's Non-GAAP Sales & Marketing Expense. Magic Number = Average of previous four quarters: $((\text{Quarter Subscription Revenue} - \text{Prior Quarter Subscription Revenue}) \times 4) / \text{Prior Quarter Non-GAAP Sales \& Marketing Expense}$.

CROWDSTRIKE HOLDINGS, INC.

Condensed Consolidated Statements of Operations

(in thousands, except per share data)

	<u>Q1 FY20</u>	<u>Q2 FY20</u>	<u>Q3 FY20</u>	<u>Q4 FY20</u>	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
	(unaudited)										
Revenue											
Subscription	\$ 85,990	\$ 97,575	\$ 114,221	\$ 138,537	\$ 162,222	\$ 184,256	\$ 213,530	\$ 244,662	\$ 219,401	\$ 436,323	\$ 804,670
Professional services	10,087	10,533	10,898	13,572	15,856	14,715	18,930	20,267	30,423	45,090	69,768
Total revenue	<u>96,077</u>	<u>108,108</u>	<u>125,119</u>	<u>152,109</u>	<u>178,078</u>	<u>198,971</u>	<u>232,460</u>	<u>264,929</u>	<u>249,824</u>	<u>481,413</u>	<u>874,438</u>
Cost of revenue											
Subscription	23,691	24,946	29,221	34,616	37,244	44,037	49,583	54,348	69,208	112,474	185,212
Professional services	5,582	6,636	8,134	8,801	9,651	10,354	11,944	12,384	18,030	29,153	44,333
Total cost of revenue	<u>29,273</u>	<u>31,582</u>	<u>37,355</u>	<u>43,417</u>	<u>46,895</u>	<u>54,391</u>	<u>61,527</u>	<u>66,732</u>	<u>87,238</u>	<u>141,627</u>	<u>229,545</u>
Gross profit											
Subscription	62,299	72,629	85,000	103,921	124,978	140,219	163,947	190,314	150,193	323,849	619,458
Professional services	4,505	3,897	2,764	4,771	6,205	4,361	6,986	7,883	12,393	15,937	25,435
Total gross profit	<u>66,804</u>	<u>76,526</u>	<u>87,764</u>	<u>108,692</u>	<u>131,183</u>	<u>144,580</u>	<u>170,933</u>	<u>198,197</u>	<u>162,586</u>	<u>339,786</u>	<u>644,893</u>
Operating expenses											
Sales and marketing	56,843	65,274	68,675	75,803	88,138	95,127	105,602	112,449	172,682	266,595	401,316
Research and development	23,875	31,630	35,992	38,691	40,578	50,483	57,539	66,070	84,551	130,188	214,670
General and administrative	11,861	30,261	21,615	25,331	25,043	28,961	31,951	35,481	42,217	89,068	121,436
Total operating expenses	<u>92,579</u>	<u>127,165</u>	<u>126,282</u>	<u>139,825</u>	<u>153,759</u>	<u>174,571</u>	<u>195,092</u>	<u>214,000</u>	<u>299,450</u>	<u>485,851</u>	<u>737,422</u>
Loss from operations	<u>(25,775)</u>	<u>(50,639)</u>	<u>(38,518)</u>	<u>(31,133)</u>	<u>(22,576)</u>	<u>(29,991)</u>	<u>(24,159)</u>	<u>(15,803)</u>	<u>(136,864)</u>	<u>(146,065)</u>	<u>(92,529)</u>
Interest expense	(1)	(164)	(132)	(145)	(143)	(174)	(193)	(1,049)	(428)	(442)	(1,559)
Other income (expense), net	394	(451)	3,579	3,203	4,533	732	272	682	(1,418)	6,725	6,219
Loss before provision for income taxes	<u>(25,382)</u>	<u>(51,254)</u>	<u>(35,071)</u>	<u>(28,075)</u>	<u>(18,186)</u>	<u>(29,433)</u>	<u>(24,080)</u>	<u>(16,170)</u>	<u>(138,710)</u>	<u>(139,782)</u>	<u>(87,869)</u>
Provision for income taxes	595	635	434	333	1,036	441	451	2,832	1,367	1,997	4,760
Net loss	<u>\$ (25,977)</u>	<u>\$ (51,889)</u>	<u>\$ (35,505)</u>	<u>\$ (28,408)</u>	<u>\$ (19,222)</u>	<u>\$ (29,874)</u>	<u>\$ (24,531)</u>	<u>\$ (19,002)</u>	<u>\$ (140,077)</u>	<u>\$ (141,779)</u>	<u>\$ (92,629)</u>
Net loss attributable to Class A and Class B common stockholders, basic and diluted	<u>\$ (0.55)</u>	<u>\$ (0.40)</u>	<u>\$ (0.17)</u>	<u>\$ (0.14)</u>	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>	<u>\$ (3.12)</u>	<u>\$ (0.96)</u>	<u>\$ (0.43)</u>
Weighted-average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	<u>47,205</u>	<u>130,091</u>	<u>204,096</u>	<u>207,565</u>	<u>213,129</u>	<u>216,695</u>	<u>219,401</u>	<u>221,700</u>	<u>44,863</u>	<u>148,062</u>	<u>217,756</u>

CROWDSTRIKE HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	<u>Q1 FY20</u>	<u>Q2 FY20</u>	<u>Q3 FY20</u>	<u>Q4 FY20</u>	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>As of January 31, 2019</u>	<u>As of January 31, 2020</u>	<u>As of January 31, 2021</u>
Assets											
Current assets:											
Cash and cash equivalents	\$ 92,993	\$ 732,808	\$ 743,605	\$ 264,798	\$ 1,004,991	\$ 1,064,734	\$ 1,059,926	\$ 1,918,608	\$ 88,408	\$ 264,798	\$ 1,918,608
Marketable securities	82,066	94,003	90,083	647,266	—	—	—	—	103,247	647,266	—
Accounts receivable, net of allowance for doubtful accounts	87,355	115,256	145,694	164,987	144,187	149,236	172,775	239,199	92,476	164,987	239,199
Deferred contract acquisition costs, current	26,193	34,017	35,924	42,971	53,410	53,837	62,422	80,850	28,847	42,971	80,850
Prepaid expenses and other current assets	22,644	29,348	37,914	51,614	45,874	48,174	45,673	53,617	18,410	51,614	53,617
Total current assets	<u>311,251</u>	<u>1,005,432</u>	<u>1,053,220</u>	<u>1,171,636</u>	<u>1,248,462</u>	<u>1,315,981</u>	<u>1,340,796</u>	<u>2,292,274</u>	<u>331,388</u>	<u>1,171,636</u>	<u>2,292,274</u>
Strategic investments	—	—	—	1,000	1,000	2,000	2,500	2,500	—	1,000	2,500
Property and equipment, net	86,349	107,989	129,504	136,078	139,096	153,303	162,371	167,014	73,735	136,078	167,014
Operating lease right-of-use assets	—	—	—	—	35,738	40,454	38,376	36,484	—	—	36,484
Deferred contract acquisition costs, noncurrent	38,004	41,766	58,260	71,235	69,908	81,186	91,585	117,906	9,918	71,235	117,906
Goodwill	7,809	7,780	7,794	7,722	7,652	8,131	83,132	83,566	7,947	7,722	83,566
Intangible assets, net	879	738	637	527	419	347	16,356	15,677	1,048	527	15,677
Other assets	13,069	7,881	6,639	16,708	17,121	15,550	14,393	17,112	9,183	16,708	17,112
Total assets	<u>\$ 457,361</u>	<u>\$ 1,171,586</u>	<u>\$ 1,256,054</u>	<u>\$ 1,404,906</u>	<u>\$ 1,519,396</u>	<u>\$ 1,616,952</u>	<u>\$ 1,749,509</u>	<u>\$ 2,732,533</u>	<u>\$ 433,219</u>	<u>\$ 1,404,906</u>	<u>\$ 2,732,533</u>
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit)											
Current liabilities:											
Accounts payable	\$ 9,915	\$ 1,126	\$ 5,244	\$ 1,345	\$ 6,528	\$ 10,118	\$ 7,494	\$ 12,065	\$ 6,855	\$ 1,345	\$ 12,065
Accrued expenses	31,185	32,568	29,460	30,355	26,396	19,211	39,975	51,117	32,541	30,355	51,117
Accrued payroll and benefits	12,683	20,057	36,905	36,810	37,458	36,099	56,468	71,907	19,284	36,810	71,907
Operating lease liabilities	—	—	—	—	6,673	8,643	8,646	8,977	—	—	8,977
Deferred revenue	244,271	279,951	335,801	412,985	465,569	515,081	579,671	701,988	218,700	412,985	701,988
Other current liabilities	4,667	8,079	8,194	11,601	13,020	14,140	9,785	17,499	4,040	11,601	17,499
Total current liabilities	<u>302,721</u>	<u>341,781</u>	<u>415,604</u>	<u>493,096</u>	<u>555,644</u>	<u>603,292</u>	<u>702,039</u>	<u>863,553</u>	<u>281,420</u>	<u>493,096</u>	<u>863,553</u>
Long-term debt	—	—	—	—	—	—	—	738,029	—	—	738,029
Deferred revenue, noncurrent	70,941	89,811	111,838	158,183	170,404	174,759	183,003	209,907	71,367	158,183	209,907
Operating lease liabilities, noncurrent	—	—	—	—	32,907	36,134	34,006	—	—	—	31,986
Other liabilities, noncurrent	10,964	11,897	11,570	11,020	7,288	10,752	15,676	17,184	10,313	11,020	17,184
Total liabilities	<u>384,626</u>	<u>443,489</u>	<u>539,012</u>	<u>662,299</u>	<u>766,243</u>	<u>824,937</u>	<u>934,724</u>	<u>1,860,659</u>	<u>363,100</u>	<u>662,299</u>	<u>1,860,659</u>
Redeemable Convertible Preferred Stock											
Redeemable convertible preferred stock	557,912	—	—	—	—	—	—	—	557,912	—	—
Stockholders' Equity (Deficit)											
Common stock	24	103	103	106	108	110	111	112	24	106	112
Additional paid-in capital	36,670	1,302,098	1,326,116	1,378,479	1,409,758	1,476,323	1,523,873	1,598,259	31,211	1,378,479	1,598,259
Accumulated deficit	(521,685)	(573,574)	(609,079)	(637,487)	(656,709)	(686,583)	(711,114)	(730,116)	(519,126)	(637,487)	(730,116)
Accumulated other comprehensive income (loss)	(186)	(530)	(98)	1,009	(1,004)	1,115	615	2,319	98	1,009	2,319
Total CrowdStrike Holdings, Inc. stockholders' equity (deficit)	<u>(485,177)</u>	<u>728,097</u>	<u>717,042</u>	<u>742,107</u>	<u>752,153</u>	<u>790,965</u>	<u>813,485</u>	<u>870,574</u>	<u>(487,793)</u>	<u>742,107</u>	<u>870,574</u>
Non-controlling interest	—	—	—	500	1,000	1,050	1,300	1,300	—	500	1,300
Total stockholders' equity (deficit)	<u>(485,177)</u>	<u>728,097</u>	<u>717,042</u>	<u>742,607</u>	<u>753,153</u>	<u>792,015</u>	<u>814,785</u>	<u>871,874</u>	<u>(487,793)</u>	<u>742,607</u>	<u>871,874</u>
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	<u>\$ 457,361</u>	<u>\$ 1,171,586</u>	<u>\$ 1,256,054</u>	<u>\$ 1,404,906</u>	<u>\$ 1,519,396</u>	<u>\$ 1,616,952</u>	<u>\$ 1,749,509</u>	<u>\$ 2,732,533</u>	<u>\$ 433,219</u>	<u>\$ 1,404,906</u>	<u>\$ 2,732,533</u>

CROWDSTRIKE HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY19	FY20	FY21
Operating activities											
Net loss	\$ (25,977)	\$ (51,889)	\$ (35,505)	\$ (28,408)	\$ (19,222)	\$ (29,874)	\$ (24,531)	\$ (19,002)	\$ (140,077)	\$ (141,779)	\$ (92,629)
Adjustments to reconcile net loss to net cash provided by operating activities:											
Depreciation and amortization	4,873	5,320	5,830	7,003	8,202	9,419	10,107	10,967	14,815	23,026	38,695
Loss on disposal of fixed assets	—	—	—	—	—	—	—	15	191	—	15
Amortization of intangible assets	146	139	100	102	103	104	372	869	583	487	1,448
Amortization of deferred contract acquisition costs	7,345	7,731	9,049	11,334	13,451	14,720	16,769	21,485	28,642	35,459	66,425
Non-cash operating lease cost	—	—	—	—	2,283	2,656	2,727	120	—	—	7,786
Change in fair value of redeemable convertible preferred stock warrant liability	1,167	4,855	—	—	—	—	—	—	3,576	6,022	—
Provision for bad debts	(254)	276	391	143	149	(418)	(179)	(96)	551	556	(544)
Stock-based compensation expense	3,752	29,859	21,966	24,363	23,638	37,713	40,610	47,792	20,505	79,940	149,675
Gain on sale of debt securities, net	—	—	—	—	(1,347)	—	—	—	—	—	(1,347)
Amortization (accretion) of marketable securities purchased at a discount	(513)	(447)	(353)	66	578	—	—	—	(1,152)	(1,247)	578
Non-cash interest expense	(424)	587	130	142	151	169	186	347	98	435	853
Other non-cash charges	—	—	—	(427)	—	—	—	—	—	(427)	—
Changes in operating assets and liabilities											
Accounts receivable	5,375	(28,177)	(30,829)	(19,436)	20,651	(4,631)	(22,175)	(66,323)	(33,413)	(73,067)	(72,478)
Deferred contract acquisition costs	(8,471)	(19,317)	(27,450)	(31,356)	(22,563)	(26,425)	(35,753)	(66,234)	(45,073)	(86,594)	(150,975)
Prepaid expenses and other assets	(4,049)	(8,456)	(7,378)	(23,584)	5,332	(7,285)	3,440	(284)	(5,819)	(43,467)	1,203
Accounts payable	2,818	(8,715)	2,124	(2,797)	4,736	4,898	(3,078)	4,769	(2,403)	(6,570)	11,325
Accrued expenses and other current liabilities	(2,407)	312	5,500	5,768	(1,095)	(7,017)	9,755	22,117	3,564	9,173	23,838
Accrued payroll and benefits	(6,601)	7,374	16,848	(95)	648	(1,359)	19,423	14,500	971	17,526	33,212
Operating lease liabilities	—	—	—	—	(2,975)	4,290	(2,749)	(6,671)	—	—	(8,105)
Deferred revenue	24,812	54,550	77,877	123,529	64,805	53,867	70,910	149,221	131,117	280,768	338,803
Other liabilities	(177)	(216)	335	(240)	1,052	4,198	2,667	871	356	(298)	8,788
Net cash provided by (used in) operating activities	1,415	(6,214)	38,635	66,107	98,577	55,025	88,501	114,463	(22,968)	99,943	356,566
Investing activities											
Purchases of property and equipment	(15,541)	(21,618)	(29,689)	(13,350)	(9,694)	(20,640)	(9,911)	(12,554)	(35,851)	(80,198)	(52,799)
Capitalized internal-use software	(1,984)	(1,326)	(1,898)	(2,081)	(1,882)	(1,968)	(2,495)	(4,519)	(6,794)	(7,289)	(10,864)
Business acquisition, net of cash acquired	—	—	—	—	—	—	(85,469)	(48)	—	—	(85,517)
Purchase of intangible assets	—	—	—	—	—	—	—	(180)	—	—	(180)
Purchase of strategic investments	—	—	—	(1,000)	—	(1,000)	(500)	—	—	(1,000)	(1,500)
Purchases of marketable securities	(51,805)	(65,767)	(70,125)	(592,004)	(84,904)	—	—	—	(199,335)	(779,701)	(84,904)
Proceeds from sales of marketable securities	4,473	—	—	5,108	639,586	—	—	—	—	9,581	639,586
Maturities of marketable securities	68,995	54,319	74,450	31,212	91,605	—	—	—	99,950	228,976	91,605
Net cash provided by (used in) investing activities	4,138	(34,392)	(27,262)	(572,115)	634,711	(23,608)	(98,375)	(17,301)	(142,030)	(629,631)	495,427
Financing activities											
Proceeds from the issuance of common stock upon initial public offering, net of underwriting discounts	—	665,092	—	—	—	—	—	—	—	665,092	—
Proceeds from the issuance of redeemable convertible preferred stock, net of issuance costs	—	—	—	—	—	—	—	—	206,896	—	—
Repayment of loan payable	—	—	—	—	—	—	—	—	(6,158)	—	—
Proceeds from revolving line of credit	—	—	—	—	—	—	—	—	10,000	—	—
Issuance costs related to debt	—	—	—	—	—	—	—	(3,328)	—	—	(3,328)
Repayment of revolving line of credit	—	—	—	—	—	—	—	—	(20,000)	—	—
Proceeds from issuance of Senior Notes	—	—	—	—	—	—	—	739,569	—	—	739,569
Repayment of notes receivable from related parties	—	—	—	—	—	—	—	—	198	—	—
Payments of contingent consideration	—	—	—	—	—	—	—	—	(242)	—	—
Payments of indemnity holdback	—	—	—	—	—	—	—	—	(1,887)	—	—
Repurchase of stock options	—	—	—	—	—	—	—	—	(2,330)	—	—
Payments of deferred offering costs	(2,392)	(1,688)	(1,792)	—	—	—	—	—	—	(5,872)	—
Proceeds from issuance of common stock upon exercise of stock options	1,510	7,016	824	12,162	6,393	10,208	4,921	7,309	3,912	21,512	28,831
options	—	10,264	—	—	—	—	—	—	—	10,264	—
Proceeds from issuance of common stock under the employee stock purchase plan	—	—	—	12,365	—	17,284	—	16,979	—	12,365	34,263
Settlement related to stockholder short-swing trade profit	—	—	—	2,283	—	—	—	—	—	2,283	—
Capital contributions from non-controlling interest holders	—	—	—	500	500	50	250	—	—	500	800
Net cash provided by (used in) financing activities	(882)	680,684	(968)	27,310	6,893	27,542	5,171	760,529	190,389	706,144	800,135
Effect of foreign exchange rates on cash and cash equivalents	(86)	(263)	392	(109)	12	784	(105)	991	(162)	(66)	1,682
Cash & Cash Equivalents											
Cash and cash equivalents, beginning of period	88,408	92,993	732,808	743,605	264,798	1,004,991	1,064,734	1,059,926	63,179	88,408	264,798
Net increase (decrease) in cash and cash equivalents	4,585	639,815	10,797	(478,807)	740,193	59,743	(4,808,000)	858,682	25,229	176,390	1,653,810
Cash and cash equivalents, end of period	\$ 92,993	\$ 732,808	\$ 743,605	\$ 264,798	\$ 1,004,991	\$ 1,064,734	\$ 1,059,926	\$ 1,918,608	\$ 88,408	\$ 264,798	\$ 1,918,608

CROWDSTRIKE HOLDINGS, INC.

Statements of Operations: GAAP to Non-GAAP Reconciliations

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

	<u>Q1 FY20</u>	<u>Q2 FY20</u>	<u>Q3 FY20</u>	<u>Q4 FY20</u>	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
GAAP cost of revenue	\$ 29,273	\$ 31,582	\$ 37,355	\$ 43,417	\$ 46,895	\$ 54,391	\$ 61,527	\$ 66,732	\$ 87,238	\$ 141,627	\$ 229,545
Less:											
Stock based compensation expense	368	1,877	2,450	3,017	2,966	4,060	4,777	5,907	894	7,712	17,710
Amortization of acquired intangible assets	104	97	61	61	62	63	272	660	327	323	1,057
Non-GAAP cost of revenue	<u>\$ 28,801</u>	<u>\$ 29,608</u>	<u>\$ 34,844</u>	<u>\$ 40,339</u>	<u>\$ 43,867</u>	<u>\$ 50,268</u>	<u>\$ 56,478</u>	<u>\$ 60,165</u>	<u>\$ 86,017</u>	<u>\$ 133,592</u>	<u>\$ 210,778</u>
GAAP subscription gross profit	\$ 62,299	\$ 72,629	\$ 85,000	\$ 103,921	\$ 124,978	\$ 140,219	\$ 163,947	\$ 190,314	\$ 150,193	\$ 323,849	\$ 619,458
Add:											
Stock based compensation expense	265	1,233	1,666	2,062	1,995	2,635	3,226	3,849	689	5,226	11,705
Amortization of acquired intangible assets	104	97	61	61	62	63	272	660	327	323	1,057
Non-GAAP subscription gross profit	<u>\$ 62,668</u>	<u>\$ 73,959</u>	<u>\$ 86,727</u>	<u>\$ 106,044</u>	<u>\$ 127,035</u>	<u>\$ 142,917</u>	<u>\$ 167,445</u>	<u>\$ 194,823</u>	<u>\$ 151,209</u>	<u>\$ 329,398</u>	<u>\$ 632,220</u>
GAAP professional services gross profit	\$ 4,505	\$ 3,897	\$ 2,764	\$ 4,771	\$ 6,205	\$ 4,361	\$ 6,986	\$ 7,883	\$ 12,393	\$ 15,937	\$ 25,435
Add:											
Stock based compensation expense	103	644	784	955	971	1,425	1,551	2,058	205	2,486	6,005
Non-GAAP professional services gross profit	<u>\$ 4,608</u>	<u>\$ 4,541</u>	<u>\$ 3,548</u>	<u>\$ 5,726</u>	<u>\$ 7,176</u>	<u>\$ 5,786</u>	<u>\$ 8,537</u>	<u>\$ 9,941</u>	<u>\$ 12,598</u>	<u>\$ 18,423</u>	<u>\$ 31,440</u>
GAAP Sales and marketing operating expenses	\$ 56,843	\$ 65,274	\$ 68,675	\$ 75,803	\$ 88,138	\$ 95,127	\$ 105,602	\$ 112,449	\$ 172,682	\$ 266,595	\$ 401,316
Less:											
Stock based compensation expense	1,518	6,638	7,355	8,408	8,687	13,603	12,811	15,456	5,175	23,919	50,557
Amortization of acquired intangible assets	30	32	30	31	31	31	91	209	143	123	362
Non-GAAP sales and marketing operating expenses	<u>\$ 55,295</u>	<u>\$ 58,604</u>	<u>\$ 61,290</u>	<u>\$ 67,364</u>	<u>\$ 79,420</u>	<u>\$ 81,493</u>	<u>\$ 92,700</u>	<u>\$ 96,784</u>	<u>\$ 167,364</u>	<u>\$ 242,553</u>	<u>\$ 350,397</u>
GAAP research and development operating expenses	\$ 23,875	\$ 31,630	\$ 35,992	\$ 38,691	\$ 40,578	\$ 50,483	\$ 57,539	\$ 66,070	\$ 84,551	\$ 130,188	\$ 214,670
Less:											
Stock based compensation expense	681	4,976	4,696	5,050	4,900	9,029	11,771	14,574	7,815	15,403	40,274
Amortization of acquired intangible assets	11	10	10	10	10	10	9	—	113	41	29
Non-GAAP research and development operating expenses	<u>\$ 23,183</u>	<u>\$ 26,644</u>	<u>\$ 31,286</u>	<u>\$ 33,631</u>	<u>\$ 35,668</u>	<u>\$ 41,444</u>	<u>\$ 45,759</u>	<u>\$ 51,496</u>	<u>\$ 76,623</u>	<u>\$ 114,744</u>	<u>\$ 174,367</u>
GAAP general and administrative operating expenses	\$ 11,861	\$ 30,261	\$ 21,615	\$ 25,331	\$ 25,043	\$ 28,961	\$ 31,951	\$ 35,481	\$ 42,217	\$ 89,068	\$ 121,436
Less:											
Stock based compensation expense	1,185	16,368	7,465	7,888	7,085	11,021	11,251	11,777	6,621	32,906	41,134
Acquisition-related expenses	—	—	—	—	—	—	2,119	1,639	—	—	3,758
Non-GAAP general and administrative operating expenses	<u>\$ 10,676</u>	<u>\$ 13,893</u>	<u>\$ 14,150</u>	<u>\$ 17,443</u>	<u>\$ 17,958</u>	<u>\$ 17,940</u>	<u>\$ 18,581</u>	<u>\$ 22,065</u>	<u>\$ 35,596</u>	<u>\$ 56,162</u>	<u>\$ 76,544</u>
GAAP loss from operations	\$ (25,775)	\$ (50,639)	\$ (38,518)	\$ (31,133)	\$ (22,576)	\$ (29,991)	\$ (24,159)	\$ (15,803)	\$ (136,864)	\$ (146,065)	\$ (92,529)
Add:											
Stock based compensation expense	3,752	29,859	21,966	24,363	23,638	37,713	40,610	47,714	20,505	79,940	149,675
Amortization of acquired intangible assets	145	139	101	102	103	104	372	869	583	487	1,448
Acquisition-related expenses	—	—	—	—	—	—	2,119	1,639	—	—	3,758
Non-GAAP income (loss) from operations	<u>\$ (21,878)</u>	<u>\$ (20,641)</u>	<u>\$ (16,451)</u>	<u>\$ (6,668)</u>	<u>\$ 1,165</u>	<u>\$ 7,826</u>	<u>\$ 18,942</u>	<u>\$ 34,419</u>	<u>\$ (115,776)</u>	<u>\$ (65,638)</u>	<u>\$ 62,352</u>

CROWDSTRIKE HOLDINGS, INC.

Statements of Operations: GAAP to Non-GAAP Reconciliations (continued)

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

	<u>Q1 FY20</u>	<u>Q2 FY20</u>	<u>Q3 FY20</u>	<u>Q4 FY20</u>	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
GAAP net loss	\$ (25,977)	\$ (51,889)	\$ (35,505)	\$ (28,408)	\$ (19,222)	\$ (29,874)	\$ (24,531)	\$ (19,002)	\$ (140,077)	\$ (141,779)	\$ (92,629)
Add:											
Stock based compensation expense	3,752	29,859	21,966	24,363	23,638	37,713	40,610	47,714	20,505	79,940	149,675
Amortization of acquired intangible assets	145	139	101	102	103	104	372	869	583	487	1,448
Acquisition-related expenses	—	—	—	—	—	—	2,119	1,639	—	—	3,758
Amortization of debt issuance costs and discount	—	—	—	—	—	—	—	347	—	—	347
Provision for income taxes ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—
Less:											
Gain on settlement of lawsuit	—	1,250	—	—	—	—	—	—	—	1,250	—
Non-GAAP net income (loss)	<u>\$ (22,080)</u>	<u>\$ (23,141)</u>	<u>\$ (13,438)</u>	<u>\$ (3,943)</u>	<u>\$ 4,519</u>	<u>\$ 7,943</u>	<u>\$ 18,570</u>	<u>\$ 31,567</u>	<u>\$ (118,989)</u>	<u>\$ (62,602)</u>	<u>\$ 62,599</u>
Weighted-average shares used in computing basic net income (loss) per share (GAAP and Non-GAAP)	<u>47,205</u>	<u>130,091</u>	<u>204,096</u>	<u>207,565</u>	<u>213,129</u>	<u>216,695</u>	<u>219,401</u>	<u>221,700</u>	<u>44,863</u>	<u>148,062</u>	<u>217,756</u>
GAAP basic net loss per share	<u>\$ (0.55)</u>	<u>\$ (0.40)</u>	<u>\$ (0.17)</u>	<u>\$ (0.14)</u>	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>	<u>\$ (3.12)</u>	<u>\$ (0.96)</u>	<u>\$ (0.43)</u>
Non-GAAP basic net income (loss) per share	<u>\$ (0.47)</u>	<u>\$ (0.18)</u>	<u>\$ (0.07)</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.14</u>	<u>\$ (2.65)</u>	<u>\$ (0.42)</u>	<u>\$ 0.29</u>
GAAP diluted loss per common share	\$ (0.55)	\$ (0.40)	\$ (0.17)	\$ (0.14)	\$ (0.09)	\$ (0.14)	\$ (0.11)	\$ (0.09)	\$ (3.12)	\$ (0.96)	\$ (0.43)
Stock-based compensation	0.08	0.23	0.11	0.12	0.10	0.16	0.17	0.20	0.46	0.54	0.64
Amortization of acquired intangible assets	—	—	—	—	—	—	—	—	0.01	—	0.01
Acquisition-related expenses	—	—	—	—	—	—	0.01	0.01	—	—	0.02
Amortization of debt issuance costs	—	—	—	—	—	—	—	—	—	—	—
Gain on settlement of lawsuit	—	(0.01)	—	—	—	—	—	—	—	(0.01)	—
Provision for income taxes ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—
Adjustment to fully diluted earnings per share ⁽²⁾	—	—	(0.01)	—	0.01	0.01	0.01	0.01	—	0.01	0.03
Non-GAAP diluted income (loss) per common share	<u>\$ (0.47)</u>	<u>\$ (0.18)</u>	<u>\$ (0.07)</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.08</u>	<u>\$ 0.13</u>	<u>\$ (2.65)</u>	<u>\$ (0.42)</u>	<u>\$ 0.27</u>
Weighted-average shares used in diluted earnings per common share calculation:											
GAAP	47,205	130,091	204,096	207,565	213,129	216,695	219,401	221,700	44,863	148,062	217,756
Non-GAAP	47,205	130,091	204,096	207,565	229,796	233,169	234,626	236,683	44,863	148,062	234,356

(1) We use our GAAP provision for income taxes for the purpose of determining our non-GAAP income tax expense. The income tax benefit related to stock-based compensation, amortization of intangibles, acquisition related expenses and gain on settlement of lawsuit included in the GAAP provision for income taxes was not material for all periods presented.

(2) For periods in which we had diluted non-GAAP net income per share, the sum of the impact of individual reconciling items may not total to diluted Non-GAAP net income per share because the basic share counts used to calculate GAAP net loss per share differ from the diluted share counts used to calculate non-GAAP net income per share and because of rounding differences. The GAAP net loss per share calculation uses a lower share count as it excludes dilutive shares which are included in calculating the non-GAAP net income per share.

CROWDSTRIKE HOLDINGS, INC.

Additional Metrics

(In thousands, except percentages and customer count)
(unaudited)

	<u>Q1 FY20</u>	<u>Q2 FY20</u>	<u>Q3 FY20</u>	<u>Q4 FY20</u>	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Annual recurring revenue	\$ 364,648	\$ 423,780	\$ 501,721	\$ 600,456	\$ 686,125	\$ 790,583	\$ 907,391	\$ 1,050,051	\$ 312,656	\$ 600,456	\$ 1,050,051
Year-over-year growth	114%	104%	97%	92%	88%	87%	81%	75%	121%	92%	75%
Deferred revenue	\$ 315,212	\$ 369,762	\$ 447,639	\$ 571,168	\$ 635,973	\$ 689,840	\$ 762,674	\$ 911,895	\$ 290,067	\$ 571,168	\$ 911,895
Backlog	70,366	85,206	129,527	192,785	181,495	235,629	310,471	448,157	55,610	192,785	448,157
Remaining performance obligations	<u>\$ 385,578</u>	<u>\$ 454,968</u>	<u>\$ 577,166</u>	<u>\$ 763,953</u>	<u>\$ 817,468</u>	<u>\$ 925,469</u>	<u>\$ 1,073,145</u>	<u>\$ 1,360,052</u>	<u>\$ 345,677</u>	<u>\$ 763,953</u>	<u>\$ 1,360,052</u>
Subscription customer count	3,059	3,789	4,561	5,431	6,261	7,230	8,416	9,896	2,516	5,431	9,896
Year-over-year growth	105%	111%	112%	116%	105%	91%	85%	82%	103%	116%	82%
Free cash flow reconciliation											
GAAP net cash provided by (used in) operating activities	\$ 1,415	\$ (6,214)	\$ 38,635	\$ 66,107	\$ 98,577	\$ 55,025	\$ 88,501	\$ 114,463	\$ (22,968)	\$ 99,943	\$ 356,566
Less: Purchases of property and equipment	(15,541)	(21,618)	(29,689)	(13,350)	(9,694)	(20,640)	(9,911)	(12,554)	(35,851)	(80,198)	(52,799)
Less: Capitalized internal-use software	(1,984)	(1,326)	(1,898)	(2,081)	(1,882)	(1,968)	(2,495)	(4,519)	(6,794)	(7,289)	(10,864)
Free cash flow	<u>\$ (16,110)</u>	<u>\$ (29,158)</u>	<u>\$ 7,048</u>	<u>\$ 50,676</u>	<u>\$ 87,001</u>	<u>\$ 32,417</u>	<u>\$ 76,095</u>	<u>\$ 97,390</u>	<u>\$ (65,613)</u>	<u>\$ 12,456</u>	<u>\$ 292,903</u>
Geographic breakdown of total revenue:											
United States	75%	74%	74%	73%	73%	71%	72%	71%	77%	74%	72%
International	25%	26%	26%	27%	27%	29%	28%	29%	23%	26%	28%
Non-GAAP gross margin	70%	73%	72%	73%	75%	75%	76%	77%	66%	72%	76%
Non-GAAP subscription gross margin	73%	76%	76%	77%	78%	78%	78%	80%	69%	75%	79%
Non-GAAP operating expenses	\$ 89,154	\$ 99,141	\$ 106,726	\$ 118,438	\$ 133,046	\$ 140,877	\$ 157,040	\$ 170,345	\$ 279,583	\$ 413,459	\$ 601,308
Non-GAAP operating expenses as a percentage of revenue	93%	92%	85%	78%	75%	71%	68%	64%	112%	86%	69%
Non-GAAP operating margin	(23)%	(19)%	(13)%	(4)%	1%	4%	8%	13%	(46)%	(14)%	7%