

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 Net Income (Loss) Attributable to CrowdStrike

We define non-GAAP net income (loss) attributable to CrowdStrike as GAAP net income (loss) attributable to CrowdStrike excluding stock-based compensation expense, amortization of acquired intangible assets, acquisition-related expenses, amortization of debt issuance costs and discount, gain or loss on strategic investments, legal reserve and settlement charges or benefits and the tax costs for intellectual property integration relating to the Humio acquisition. We believe non-GAAP net income (loss) attributable to CrowdStrike 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 CrowdStrike Common Stockholders, Basic and Diluted

We define non-GAAP net income (loss) per share attributable to CrowdStrike common stockholders, as non-GAAP net income (loss) attributable to CrowdStrike common stockholders 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 legal reserve and settlement charges or benefits. We exclude these charges or benefits from non-GAAP net income (loss) attributable to CrowdStrike common stockholders 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 operating activities less purchases of property and equipment and capitalized internal-use software and website development. 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 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 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>FY20</u>	<u>FY21</u>
	(unaudited)							
Revenue								
Subscription	\$ 162,222	\$ 184,256	\$ 213,530	\$ 244,662	\$ 281,228	\$ 315,836	\$ 436,323	\$ 804,670
Professional services	15,856	14,715	18,930	20,267	21,615	21,854	45,090	69,768
Total revenue	<u>178,078</u>	<u>198,971</u>	<u>232,460</u>	<u>264,929</u>	<u>302,843</u>	<u>337,690</u>	<u>481,413</u>	<u>874,438</u>
Cost of revenue								
Subscription	37,244	44,037	49,583	54,348	64,903	75,993	112,474	185,212
Professional services	9,651	10,354	11,944	12,384	13,602	14,439	29,153	44,333
Total cost of revenue	<u>46,895</u>	<u>54,391</u>	<u>61,527</u>	<u>66,732</u>	<u>78,505</u>	<u>90,432</u>	<u>141,627</u>	<u>229,545</u>
Gross profit								
Subscription	124,978	140,219	163,947	190,314	216,325	239,843	323,849	619,458
Professional services	6,205	4,361	6,986	7,883	8,013	7,415	15,937	25,435
Total gross profit	<u>131,183</u>	<u>144,580</u>	<u>170,933</u>	<u>198,197</u>	<u>224,338</u>	<u>247,258</u>	<u>339,786</u>	<u>644,893</u>
Operating expenses								
Sales and marketing	88,138	95,127	105,602	112,449	135,131	153,861	266,595	401,316
Research and development	40,578	50,483	57,539	66,070	78,180	90,455	130,188	214,670
General and administrative	25,043	28,961	31,951	35,481	42,374	50,345	89,068	121,436
Total operating expenses	<u>153,759</u>	<u>174,571</u>	<u>195,092</u>	<u>214,000</u>	<u>255,685</u>	<u>294,661</u>	<u>485,851</u>	<u>737,422</u>
Loss from operations	<u>(22,576)</u>	<u>(29,991)</u>	<u>(24,159)</u>	<u>(15,803)</u>	<u>(31,347)</u>	<u>(47,403)</u>	<u>(146,065)</u>	<u>(92,529)</u>
Interest expense	(143)	(174)	(193)	(1,049)	(6,230)	(6,296)	(442)	(1,559)
Other income, net	4,533	732	272	682	4,768	619	6,725	6,219
Loss before provision for income taxes	<u>(18,186)</u>	<u>(29,433)</u>	<u>(24,080)</u>	<u>(16,170)</u>	<u>(32,809)</u>	<u>(53,080)</u>	<u>(139,782)</u>	<u>(87,869)</u>
Provision for income taxes	1,036	441	451	2,832	50,062	4,238	1,997	4,760
Net loss	\$ (19,222)	\$ (29,874)	\$ (24,531)	\$ (19,002)	\$ (82,871)	\$ (57,318)	\$ (141,779)	\$ (92,629)
Net income attributable to noncontrolling interest	—	—	—	—	2,178	—	—	—
Net loss attributable to CrowdStrike	<u>\$ (19,222)</u>	<u>\$ (29,874)</u>	<u>\$ (24,531)</u>	<u>\$ (19,002)</u>	<u>\$ (85,049)</u>	<u>\$ (57,318)</u>	<u>\$ (141,779)</u>	<u>\$ (92,629)</u>
Net loss per share attributable to CrowdStrike common stockholders, basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>	<u>\$ (0.38)</u>	<u>\$ (0.25)</u>	<u>\$ (0.96)</u>	<u>\$ (0.43)</u>
Weighted-average shares used in computing net loss per share attributable to CrowdStrike common stockholders, basic and diluted	<u>213,129</u>	<u>216,695</u>	<u>219,401</u>	<u>221,700</u>	<u>224,153</u>	<u>226,362</u>	<u>148,062</u>	<u>217,756</u>

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

	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>As of January 31, 2020</u>	<u>As of January 31, 2021</u>
Assets								
Current assets:								
Cash and cash equivalents	\$ 1,004,991	\$ 1,064,734	\$ 1,059,926	\$ 1,918,608	\$ 1,684,997	\$ 1,787,051	\$ 264,798	\$ 1,918,608
Marketable securities	—	—	—	—	—	—	647,266	—
Accounts receivable, net of allowance for credit losses	144,187	149,236	172,775	239,199	211,233	266,540	164,987	239,199
Deferred contract acquisition costs, current	53,410	53,837	62,422	80,850	85,388	95,470	42,971	80,850
Prepaid expenses and other current assets	45,874	48,174	45,673	53,617	56,385	102,964	51,614	53,617
Total current assets	<u>1,248,462</u>	<u>1,315,981</u>	<u>1,340,796</u>	<u>2,292,274</u>	<u>2,038,003</u>	<u>2,252,025</u>	<u>1,171,636</u>	<u>2,292,274</u>
Strategic investments	1,000	2,000	2,500	2,500	8,165	14,165	1,000	2,500
Property and equipment, net	139,096	153,303	162,371	167,014	191,310	215,832	136,078	167,014
Operating lease right-of-use assets	35,738	40,454	38,376	36,484	36,683	34,854	—	36,484
Deferred contract acquisition costs, noncurrent	69,908	81,186	91,585	117,906	125,392	140,443	71,235	117,906
Goodwill	7,652	8,131	83,132	83,566	374,581	374,310	7,722	83,566
Intangible assets, net	419	347	16,356	15,677	88,851	85,580	527	15,677
Other assets	17,121	15,550	14,393	17,112	18,186	18,836	16,708	17,112
Total assets	<u>\$ 1,519,396</u>	<u>\$ 1,616,952</u>	<u>\$ 1,749,509</u>	<u>\$ 2,732,533</u>	<u>\$ 2,881,171</u>	<u>\$ 3,136,045</u>	<u>\$ 1,404,906</u>	<u>\$ 2,732,533</u>
Liabilities and Stockholders' Equity								
Current liabilities:								
Accounts payable	\$ 6,528	\$ 10,118	\$ 7,494	\$ 12,065	\$ 3,468	\$ 19,642	\$ 1,345	\$ 12,065
Accrued expenses	26,396	19,211	39,975	51,117	49,627	70,162	30,355	51,117
Accrued payroll and benefits	37,458	36,099	56,468	71,907	79,099	95,462	36,810	71,907
Operating lease liabilities	6,673	8,643	8,646	8,977	9,333	9,374	—	8,977
Deferred revenue	465,569	515,081	579,671	701,988	786,793	882,969	412,985	701,988
Other current liabilities	13,020	14,140	9,785	17,499	54,445	59,219	11,601	17,499
Total current liabilities	<u>555,644</u>	<u>603,292</u>	<u>702,039</u>	<u>863,553</u>	<u>982,765</u>	<u>1,136,828</u>	<u>493,096</u>	<u>863,553</u>
Long-term debt	—	—	—	738,029	738,400	738,772	—	738,029
Deferred revenue, noncurrent	170,404	174,759	183,003	209,907	235,198	281,388	158,183	209,907
Operating lease liabilities, noncurrent	32,907	36,134	34,006	31,986	31,458	29,378	—	31,986
Other liabilities, noncurrent	7,288	10,752	15,676	17,184	39,953	38,278	11,020	17,184
Total liabilities	<u>766,243</u>	<u>824,937</u>	<u>934,724</u>	<u>1,860,659</u>	<u>2,027,774</u>	<u>2,224,644</u>	<u>662,299</u>	<u>1,860,659</u>
Stockholders' Equity								
Common stock	108	110	111	112	113	114	106	112
Additional paid-in capital	1,409,758	1,476,323	1,523,873	1,598,259	1,662,199	1,775,087	1,378,479	1,598,259
Accumulated deficit	(656,709)	(686,583)	(711,114)	(730,116)	(815,165)	(872,483)	(637,487)	(730,116)
Accumulated other comprehensive income (loss)	(1,004)	1,115	615	2,319	2,117	1,550	1,009	2,319
Total CrowdStrike Holdings, Inc. stockholders' equity	<u>752,153</u>	<u>790,965</u>	<u>813,485</u>	<u>870,574</u>	<u>849,264</u>	<u>904,268</u>	<u>742,107</u>	<u>870,574</u>
Non-controlling interest	1,000	1,050	1,300	1,300	4,133	7,133	500	1,300
Total stockholders' equity	<u>753,153</u>	<u>792,015</u>	<u>814,785</u>	<u>871,874</u>	<u>853,397</u>	<u>911,401</u>	<u>742,607</u>	<u>871,874</u>
Total liabilities, redeemable convertible preferred stock, and stockholders' equity	<u>\$ 1,519,396</u>	<u>\$ 1,616,952</u>	<u>\$ 1,749,509</u>	<u>\$ 2,732,533</u>	<u>\$ 2,881,171</u>	<u>\$ 3,136,045</u>	<u>\$ 1,404,906</u>	<u>\$ 2,732,533</u>

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

	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>FY20</u>	<u>FY21</u>
Operating activities								
Net loss	\$ (19,222)	\$ (29,874)	\$ (24,531)	\$ (19,002)	\$ (82,871)	\$ (57,318)	\$ (141,779)	\$ (92,629)
Adjustments to reconcile net loss to net cash provided by operating activities:								
Depreciation and amortization	8,202	9,419	10,107	10,967	11,955	12,770	23,026	38,695
Loss on disposal of property and equipment	—	—	—	15	19	225	—	15
Amortization of intangible assets	103	104	372	869	2,417	3,318	487	1,448
Amortization of deferred contract acquisition costs	13,451	14,720	16,769	21,485	24,376	26,043	35,459	66,425
Non-cash operating lease cost	2,283	2,656	2,727	120	2,180	2,289	—	7,786
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	—	—	—	—	6,022	—
Provision for credit losses	149	(418)	(179)	(96)	274	80	556	(544)
Stock-based compensation expense	23,638	37,713	40,610	47,792	54,362	76,287	79,940	149,675
Gain on sale of debt securities, net	(1,347)	—	—	—	—	—	—	(1,347)
Amortization (accretion) of marketable securities purchased at a discount	578	—	—	—	—	—	(1,247)	578
Non-cash interest expense	151	169	186	347	595	604	435	853
Change in fair value of strategic investments	—	—	—	—	(4,356)	—	—	—
Other non-cash charges	—	—	—	—	—	—	(427)	—
Changes in operating assets and liabilities, net of impact of acquisition								
Accounts receivable	20,651	(4,631)	(22,175)	(66,323)	31,466	(55,723)	(73,067)	(72,478)
Deferred contract acquisition costs	(22,563)	(26,425)	(35,753)	(66,234)	(36,400)	(51,176)	(86,594)	(150,975)
Prepaid expenses and other assets	5,332	(7,285)	3,440	(284)	(769)	(47,114)	(43,467)	1,203
Accounts payable	4,736	4,898	(3,078)	4,769	(10,562)	15,945	(6,570)	11,325
Accrued expenses and other current liabilities	(1,095)	(7,017)	9,755	22,117	29,229	26,013	9,173	23,838
Accrued payroll and benefits	648	(1,359)	19,423	14,500	5,969	16,884	17,526	33,212
Operating lease liabilities	(2,975)	4,290	(2,749)	(6,671)	(2,555)	(2,467)	—	(8,105)
Deferred revenue	64,805	53,867	70,910	149,221	109,376	142,366	280,768	338,803
Other liabilities	1,052	4,198	2,667	871	12,828	(551)	(298)	8,788
Net cash provided by operating activities	98,577	55,025	88,501	114,463	147,533	108,475	99,943	356,566
Investing activities								
Purchases of property and equipment	(9,694)	(20,640)	(9,911)	(12,554)	(25,796)	(29,997)	(80,198)	(52,799)
Capitalized internal-use software and website development	(1,882)	(1,968)	(2,495)	(4,519)	(4,434)	(4,839)	(7,289)	(10,864)
Business acquisition, net of cash acquired	—	—	(85,469)	(48)	(353,407)	(339)	—	(85,517)
Purchase of intangible assets	—	—	—	(180)	—	—	—	(180)
Purchase of strategic investments	—	(1,000)	(500)	—	(1,309)	(6,000)	(1,000)	(1,500)
Purchases of marketable securities	(84,904)	—	—	—	—	—	(779,701)	(84,904)
Proceeds from sales of marketable securities	639,586	—	—	—	—	—	9,581	639,586
Maturities of marketable securities	91,605	—	—	—	—	—	228,976	91,605
Net cash provided by (used in) investing activities	634,711	(23,608)	(98,375)	(17,301)	(384,946)	(41,175)	(629,631)	495,427
Financing activities								
Proceeds from the issuance of common stock upon initial public offering, net of underwriting discounts	—	—	—	—	—	—	665,092	—
Payment of debt issuance costs related to revolving credit facility	—	—	—	(3,328)	(219)	—	—	(3,328)
Proceeds from issuance of Senior Notes, net of debt issuance costs	—	—	—	739,569	(1,581)	—	—	739,569
Payments of deferred offering costs	—	—	—	—	—	—	(5,872)	—
Proceeds from issuance of common stock upon exercise of stock options	6,393	10,208	4,921	7,309	3,754	5,738	21,512	28,831
Proceeds from the issuance of common stock upon exercise of early exercisable stock options	—	—	—	—	—	—	10,264	—
Proceeds from issuance of common stock under the employee stock purchase plan	—	17,284	—	16,979	—	27,452	12,365	34,263
Settlement related to stockholder short-swing trade profit	—	—	—	—	—	—	2,283	—
Capital contributions from non-controlling interest holders	500	50	250	—	655	3,000	500	800
Net cash provided by financing activities	6,893	27,542	5,171	760,529	2,609	36,190	706,144	800,135
Effect of foreign exchange rates on cash and cash equivalents	12	784	(105)	991	1,193	(1,436)	(66)	1,682
Cash & Cash Equivalents								
Cash and cash equivalents, beginning of period	264,798	1,004,991	1,064,734	1,059,926	1,918,608	1,684,997	88,408	264,798
Net increase (decrease) in cash and cash equivalents	740,193	59,743	(4,808)	858,682	(233,611)	102,054	176,390	1,653,810
Cash and cash equivalents, end of period	<u>\$ 1,004,991</u>	<u>\$ 1,064,734</u>	<u>\$ 1,059,926</u>	<u>\$ 1,918,608</u>	<u>\$ 1,684,997</u>	<u>\$ 1,787,051</u>	<u>\$ 264,798</u>	<u>\$ 1,918,608</u>

CROWDSTRIKE HOLDINGS, INC.

Statements of Operations: GAAP to Non-GAAP Reconciliations

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

	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>FY20</u>	<u>FY21</u>
GAAP cost of revenue	\$ 46,895	\$ 54,391	\$ 61,527	\$ 66,732	\$ 78,505	\$ 90,432	\$ 141,627	\$ 229,545
Less:								
Stock based compensation expense	2,966	4,060	4,777	5,907	6,313	7,683	7,712	17,710
Amortization of acquired intangible assets	62	63	272	660	1,995	2,771	323	1,057
Non-GAAP cost of revenue	<u>\$ 43,867</u>	<u>\$ 50,268</u>	<u>\$ 56,478</u>	<u>\$ 60,165</u>	<u>\$ 70,197</u>	<u>\$ 79,978</u>	<u>\$ 133,592</u>	<u>\$ 210,778</u>
GAAP subscription gross profit	\$ 124,978	\$ 140,219	\$ 163,947	\$ 190,314	\$ 216,325	\$ 239,843	\$ 323,849	\$ 619,458
Add:								
Stock based compensation expense	1,995	2,635	3,226	3,849	4,285	5,294	5,226	11,705
Amortization of acquired intangible assets	62	63	272	660	1,995	2,771	323	1,057
Non-GAAP subscription gross profit	<u>\$ 127,035</u>	<u>\$ 142,917</u>	<u>\$ 167,445</u>	<u>\$ 194,823</u>	<u>\$ 222,605</u>	<u>\$ 247,908</u>	<u>\$ 329,398</u>	<u>\$ 632,220</u>
GAAP professional services gross profit	\$ 6,205	\$ 4,361	\$ 6,986	\$ 7,883	\$ 8,013	\$ 7,415	\$ 15,937	\$ 25,435
Add:								
Stock based compensation expense	971	1,425	1,551	2,058	2,028	2,389	2,486	6,005
Non-GAAP professional services gross profit	<u>\$ 7,176</u>	<u>\$ 5,786</u>	<u>\$ 8,537</u>	<u>\$ 9,941</u>	<u>\$ 10,041</u>	<u>\$ 9,804</u>	<u>\$ 18,423</u>	<u>\$ 31,440</u>
GAAP Sales and marketing operating expenses	\$ 88,138	\$ 95,127	\$ 105,602	\$ 112,449	\$ 135,131	\$ 153,861	\$ 266,595	\$ 401,316
Less:								
Stock based compensation expense	8,687	13,603	12,811	15,456	17,414	25,265	23,919	50,557
Amortization of acquired intangible assets	31	31	91	209	422	547	123	362
Non-GAAP sales and marketing operating expenses	<u>\$ 79,420</u>	<u>\$ 81,493</u>	<u>\$ 92,700</u>	<u>\$ 96,784</u>	<u>\$ 117,295</u>	<u>\$ 128,049</u>	<u>\$ 242,553</u>	<u>\$ 350,397</u>
GAAP research and development operating expenses	\$ 40,578	\$ 50,483	\$ 57,539	\$ 66,070	\$ 78,180	\$ 90,455	\$ 130,188	\$ 214,670
Less:								
Stock based compensation expense	4,900	9,029	11,771	14,574	17,801	25,808	15,403	40,274
Amortization of acquired intangible assets	10	10	9	—	—	—	41	29
Non-GAAP research and development operating expenses	<u>\$ 35,668</u>	<u>\$ 41,444</u>	<u>\$ 45,759</u>	<u>\$ 51,496</u>	<u>\$ 60,379</u>	<u>\$ 64,647</u>	<u>\$ 114,744</u>	<u>\$ 174,367</u>
GAAP general and administrative operating expenses	\$ 25,043	\$ 28,961	\$ 31,951	\$ 35,481	\$ 42,374	\$ 50,345	\$ 89,068	\$ 121,436
Less:								
Stock based compensation expense	7,085	11,021	11,251	11,777	12,834	17,531	32,906	41,134
Acquisition-related expenses	—	—	2,119	1,639	4,345	596	—	3,758
Legal reserve and settlement charges	—	—	—	—	—	2,500	—	—
Non-GAAP general and administrative operating expenses	<u>\$ 17,958</u>	<u>\$ 17,940</u>	<u>\$ 18,581</u>	<u>\$ 22,065</u>	<u>\$ 25,195</u>	<u>\$ 29,718</u>	<u>\$ 56,162</u>	<u>\$ 76,544</u>
GAAP loss from operations	\$ (22,576)	\$ (29,991)	\$ (24,159)	\$ (15,803)	\$ (31,347)	\$ (47,403)	\$ (146,065)	\$ (92,529)
Add:								
Stock based compensation expense	23,638	37,713	40,610	47,714	54,362	76,287	79,940	149,675
Amortization of acquired intangible assets	103	104	372	869	2,417	3,318	487	1,448
Acquisition-related expenses	—	—	2,119	1,639	4,345	596	—	3,758
Legal reserve and settlement charges	—	—	—	—	—	2,500	—	—
Non-GAAP income (loss) from operations	<u>\$ 1,165</u>	<u>\$ 7,826</u>	<u>\$ 18,942</u>	<u>\$ 34,419</u>	<u>\$ 29,777</u>	<u>\$ 35,298</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 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY22</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>FY20</u>	<u>FY21</u>
GAAP net loss attributable to CrowdStrike	\$ (19,222)	\$ (29,874)	\$ (24,531)	\$ (19,002)	\$ (85,049)	\$ (57,318)	\$ (141,779)	\$ (92,629)
Stock based compensation expense	23,638	37,713	40,610	47,714	54,362	76,287	79,940	149,675
Amortization of acquired intangible assets	103	104	372	869	2,417	3,318	487	1,448
Acquisition-related expenses	—	—	2,119	1,639	4,345	596	—	3,758
Amortization of debt issuance costs and discount	—	—	—	347	547	546	—	347
Legal reserve and settlement charges or benefits	—	—	—	—	—	2,500	(1,250)	—
Provision for income taxes ⁽¹⁾	—	—	—	—	48,824	—	—	—
Gain on strategic investments attributable to CrowdStrike	—	—	—	—	(2,178)	—	—	—
Non-GAAP net income (loss) attributable to CrowdStrike	<u>\$ 4,519</u>	<u>\$ 7,943</u>	<u>\$ 18,570</u>	<u>\$ 31,567</u>	<u>\$ 23,268</u>	<u>\$ 25,929</u>	<u>\$ (62,602)</u>	<u>\$ 62,599</u>
Weighted-average shares used in computing basic net income (loss) per share attributable to CrowdStrike common stockholders (GAAP and Non-GAAP)	<u>213,129</u>	<u>216,695</u>	<u>219,401</u>	<u>221,700</u>	<u>224,153</u>	<u>226,362</u>	<u>148,062</u>	<u>217,756</u>
GAAP basic net loss per share attributable to CrowdStrike common stockholders	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>	<u>\$ (0.38)</u>	<u>\$ (0.25)</u>	<u>\$ (0.96)</u>	<u>\$ (0.43)</u>
Non-GAAP basic net income (loss) per share attributable to CrowdStrike common stockholders	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.14</u>	<u>\$ 0.10</u>	<u>\$ 0.11</u>	<u>\$ (0.42)</u>	<u>\$ 0.29</u>
GAAP diluted net loss per share attributable to CrowdStrike common stockholders	\$ (0.09)	(0.14)	(0.11)	(0.09)	(0.38)	(0.25)	(0.96)	(0.43)
Stock-based compensation	0.10	0.16	0.17	0.20	0.23	0.32	0.54	0.64
Amortization of acquired intangible assets	—	—	—	—	0.01	0.01	—	0.01
Acquisition-related expenses	—	—	0.01	0.01	0.02	—	—	0.02
Amortization of debt issuance costs and discount	—	—	—	—	—	—	—	—
Legal reserve and settlement charges or benefits	—	—	—	—	—	0.01	(0.01)	—
Gain on strategic investments attributable to CrowdStrike	—	—	—	—	(0.01)	—	—	—
Provision for income taxes ⁽¹⁾	—	—	—	—	0.21	—	—	—
Adjustment to fully diluted earnings per share ⁽²⁾	0.01	0.01	0.01	0.01	0.02	0.02	0.01	0.03
Non-GAAP diluted net income (loss) per share attributable to CrowdStrike common stockholders	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.08</u>	<u>\$ 0.13</u>	<u>\$ 0.10</u>	<u>\$ 0.11</u>	<u>\$ (0.42)</u>	<u>\$ 0.27</u>
Weighted-average shares used in diluted net income (loss) per share attributable to CrowdStrike common stockholders calculation:								
GAAP	213,129	216,695	219,401	221,700	224,153	226,362	148,062	217,756
Non-GAAP	229,796	233,169	234,626	236,683	237,363	238,043	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 tax costs for intellectual property integration relating to the Humio acquisition is included in the GAAP provision for income taxes during the first quarter of fiscal 2022. The income tax benefits related to stock-based compensation, amortization of intangibles, acquisition related expenses, amortization of debt issuance costs and discount, gain on strategic investments attributable to CrowdStrike and legal reserve and settlement charges or benefits 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 (loss) per share attributable to CrowdStrike common stockholders, the sum of the impact of individual reconciling items may not total to diluted Non-GAAP net income (loss) per share attributable to CrowdStrike common stockholders because the basic share counts used to calculate GAAP net loss per share attributable to CrowdStrike common stockholders differ from the diluted share counts used to calculate non-GAAP net income (loss) per share attributable to CrowdStrike common stockholders and because of rounding differences. The GAAP net loss per share attributable to CrowdStrike common stockholders calculation uses a lower share count as it excludes dilutive shares which are included in calculating the non-GAAP net income (loss) per share attributable to CrowdStrike common stockholders.

CROWDSTRIKE HOLDINGS, INC.

Additional Metrics

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

	<u>Q1 FY21</u>	<u>Q2 FY21</u>	<u>Q3 FY21</u>	<u>Q4 FY21</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>FY20</u>	<u>FY21</u>
Annual recurring revenue	\$ 686,125	\$ 790,583	\$ 907,391	\$ 1,050,051	\$ 1,193,889	\$ 1,344,451	\$ 600,456	\$ 1,050,051
Year-over-year growth	88%	87%	81%	75%	74%	70%	92%	75%
Deferred revenue	\$ 635,973	\$ 689,840	\$ 762,674	\$ 911,895	\$ 1,021,991	\$ 1,164,357	\$ 571,168	\$ 911,895
Backlog	181,495	235,629	310,471	448,157	449,682	512,848	192,785	448,157
Remaining performance obligations	<u>\$ 817,468</u>	<u>\$ 925,469</u>	<u>\$ 1,073,145</u>	<u>\$ 1,360,052</u>	<u>\$ 1,471,673</u>	<u>\$ 1,677,205</u>	<u>\$ 763,953</u>	<u>\$ 1,360,052</u>
Subscription customer count	6,261	7,230	8,416	9,896	11,420	13,080	5,431	9,896
Year-over-year growth	105%	91%	85%	82%	82%	81%	116%	82%
Free cash flow reconciliation								
GAAP net cash provided by operating activities	\$ 98,577	\$ 55,025	\$ 88,501	\$ 114,463	\$ 147,533	\$ 108,475	\$ 99,943	\$ 356,566
Less: Purchases of property and equipment	(9,694)	(20,640)	(9,911)	(12,554)	(25,796)	(29,997)	(80,198)	(52,799)
Less: Capitalized internal-use software and website development	(1,882)	(1,968)	(2,495)	(4,519)	(4,434)	(4,839)	(7,289)	(10,864)
Free cash flow	<u>\$ 87,001</u>	<u>\$ 32,417</u>	<u>\$ 76,095</u>	<u>\$ 97,390</u>	<u>\$ 117,303</u>	<u>\$ 73,639</u>	<u>\$ 12,456</u>	<u>\$ 292,903</u>
Geographic breakdown of total revenue:								
United States	73%	71%	72%	71%	73%	72%	74%	72%
International	27%	29%	28%	29%	27%	28%	26%	28%
Non-GAAP gross margin	75%	75%	76%	77%	77%	76%	72%	76%
Non-GAAP subscription gross margin	78%	78%	78%	80%	79%	78%	75%	79%
Non-GAAP operating expenses	\$ 133,046	\$ 140,877	\$ 157,040	\$ 170,345	\$ 202,869	\$ 222,414	\$ 413,459	\$ 601,308
Non-GAAP operating expenses as a percentage of revenue	75%	71%	68%	64%	67%	66%	86%	69%
Non-GAAP operating margin	1%	4%	8%	13%	10%	10%	(14)%	7%