

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 and facilitates period-to-period comparisons of operations, as these measures eliminate the effects of certain variables unrelated to our overall operating 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.

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.

Non-GAAP Income from Operations

We define non-GAAP income from operations as GAAP income (loss) from operations excluding stock-based compensation expense, amortization of acquired intangible assets (including purchased patents), acquisition-related expenses (credits), net, mark-to-market adjustments on deferred compensation liabilities, and legal reserve and settlement charges or benefits.

Non-GAAP Net Income Attributable to CrowdStrike

We define non-GAAP net income attributable to CrowdStrike as GAAP net income (loss) attributable to CrowdStrike excluding stock-based compensation expense, amortization of acquired intangible assets (including purchased patent), acquisition-related expenses (credits), net, amortization of debt issuance costs and discount, mark-to-market adjustments on deferred compensation liabilities, legal reserve and settlement charges or benefits, acquisition-related provision (benefit) for income taxes, losses (gains) and other income from strategic investments, losses (gains) on deferred compensation assets, and the tax costs for intellectual property integration relating to acquisitions.

Non-GAAP Net Income per Share Attributable to CrowdStrike Common Stockholders, Basic and Diluted

We define non-GAAP net income per share attributable to CrowdStrike common stockholders, as non-GAAP net income attributable to CrowdStrike common stockholders divided by the weighted-average shares outstanding, which includes the dilutive effect of potentially dilutive common stock equivalents outstanding during the period.

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, capitalized internal-use software and website development, and purchases of deferred compensation investments. 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: $((\text{Quarter Subscription Revenue} - \text{Prior Quarter Subscription Revenue}) \times 4) / \text{Prior Quarter Non-GAAP Sales \& Marketing Expense}$.

Free Cash Flow Rule of 40

Free cash flow rule of 40 is calculated by taking the current quarter total revenue year over year growth rate percentage and summing it with the current quarter free cash flow margin percentage.

CROWDSTRIKE HOLDINGS, INC.

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

	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>Q1 FY24</u>	<u>Q2 FY24</u>	<u>Q3 FY24</u>	<u>Q4 FY24</u>	<u>FY23</u>	<u>FY24</u>
Revenue										
Subscription	\$ 459,822	\$ 506,199	\$ 547,376	\$ 598,263	\$ 651,175	\$ 689,972	\$ 733,463	\$ 795,947	\$ 2,111,660	\$ 2,870,557
Professional services	28,012	28,954	33,506	39,104	41,405	41,654	52,551	49,388	129,576	184,998
Total revenue	<u>487,834</u>	<u>535,153</u>	<u>580,882</u>	<u>637,367</u>	<u>692,580</u>	<u>731,626</u>	<u>786,014</u>	<u>845,335</u>	<u>2,241,236</u>	<u>3,055,555</u>
Cost of revenue										
Subscription	107,942	120,087	134,229	149,426	142,100	153,306	159,830	175,509	511,684	630,745
Professional services	18,890	20,480	23,999	26,178	27,130	29,611	35,174	33,063	89,547	124,978
Total cost of revenue	<u>126,832</u>	<u>140,567</u>	<u>158,228</u>	<u>175,604</u>	<u>169,230</u>	<u>182,917</u>	<u>195,004</u>	<u>208,572</u>	<u>601,231</u>	<u>755,723</u>
Gross profit										
Subscription	351,880	386,112	413,147	448,837	509,075	536,666	573,633	620,438	1,599,976	2,239,812
Professional services	9,122	8,474	9,507	12,926	14,275	12,043	17,377	16,325	40,029	60,020
Total gross profit	<u>361,002</u>	<u>394,586</u>	<u>422,654</u>	<u>461,763</u>	<u>523,350</u>	<u>548,709</u>	<u>591,010</u>	<u>636,763</u>	<u>1,640,005</u>	<u>2,299,832</u>
Operating expenses										
Sales and marketing	193,532	224,766	239,672	246,439	281,107	282,916	286,186	290,357	904,409	1,140,566
Research and development	123,399	137,864	155,256	191,845	179,065	179,362	196,072	213,998	608,364	768,497
General and administrative	67,954	80,263	84,148	84,979	82,634	101,804	105,589	102,737	317,344	392,764
Total operating expenses	<u>384,885</u>	<u>442,893</u>	<u>479,076</u>	<u>523,263</u>	<u>542,806</u>	<u>564,082</u>	<u>587,847</u>	<u>607,092</u>	<u>1,830,117</u>	<u>2,301,827</u>
Income (loss) from operations	<u>(23,883)</u>	<u>(48,307)</u>	<u>(56,422)</u>	<u>(61,500)</u>	<u>(19,456)</u>	<u>(15,373)</u>	<u>3,163</u>	<u>29,671</u>	<u>(190,112)</u>	<u>(1,995)</u>
Interest expense	(6,298)	(6,335)	(6,334)	(6,352)	(6,387)	(6,444)	(6,503)	(6,422)	(25,319)	(25,756)
Interest income	1,507	7,727	16,245	27,016	30,521	36,638	40,086	41,685	52,495	148,930
Other income (expense)	1,705	3,380	750	(2,782)	230	(1,734)	(474)	3,616	3,053	1,638
Income (loss) before provision for income taxes	<u>(26,969)</u>	<u>(43,535)</u>	<u>(45,761)</u>	<u>(43,618)</u>	<u>4,908</u>	<u>13,087</u>	<u>36,272</u>	<u>68,550</u>	<u>(159,883)</u>	<u>122,817</u>
Provision for income taxes	3,440	4,778	8,870	5,314	4,409	4,611	9,603	13,609	22,402	32,232
Net income (loss)	<u>(30,409)</u>	<u>(48,313)</u>	<u>(54,631)</u>	<u>(48,932)</u>	<u>499</u>	<u>8,476</u>	<u>26,669</u>	<u>54,941</u>	<u>(182,285)</u>	<u>90,585</u>
Net income (loss) attributable to non-controlling interest	1,114	972	325	(1,451)	8	4	4	1,242	960	1,258
Net income (loss) attributable to CrowdStrike	<u>\$ (31,523)</u>	<u>\$ (49,285)</u>	<u>\$ (54,956)</u>	<u>\$ (47,481)</u>	<u>\$ 491</u>	<u>\$ 8,472</u>	<u>\$ 26,665</u>	<u>\$ 53,699</u>	<u>\$ (183,245)</u>	<u>\$ 89,327</u>
Net income (loss) per share attributable to CrowdStrike common stockholders:										
Basic	<u>\$ (0.14)</u>	<u>\$ (0.21)</u>	<u>\$ (0.24)</u>	<u>\$ (0.20)</u>	<u>\$ 0.00</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.22</u>	<u>\$ (0.79)</u>	<u>\$ 0.37</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ (0.21)</u>	<u>\$ (0.24)</u>	<u>\$ (0.20)</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.11</u>	<u>\$ 0.22</u>	<u>\$ (0.79)</u>	<u>\$ 0.37</u>
Weighted-average shares used in computing net income (loss) per share attributable to CrowdStrike common stockholders										
Basic	<u>231,179</u>	<u>232,554</u>	<u>233,785</u>	<u>235,027</u>	<u>236,414</u>	<u>237,911</u>	<u>239,297</u>	<u>240,856</u>	<u>233,139</u>	<u>238,637</u>
Diluted	<u>231,179</u>	<u>232,554</u>	<u>233,785</u>	<u>235,027</u>	<u>240,598</u>	<u>242,144</u>	<u>243,799</u>	<u>247,936</u>	<u>233,139</u>	<u>243,635</u>

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

	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>Q1 FY24</u>	<u>Q2 FY24</u>	<u>Q3 FY24</u>	<u>Q4 FY24</u>
Assets								
Current assets:								
Cash and cash equivalents	\$ 2,152,736	\$ 2,318,858	\$ 2,466,551	\$ 2,455,369	\$ 2,829,677	\$ 3,167,215	\$ 2,968,872	\$ 3,375,069
Short-term investments	—	—	—	250,000	100,000	—	197,522	99,591
Accounts receivable, net of allowance for credit losses	369,130	418,799	485,313	626,181	461,092	539,463	561,872	853,105
Deferred contract acquisition costs, current	135,681	148,125	162,260	186,855	186,901	197,111	209,216	246,370
Prepaid expenses and other current assets	75,511	90,198	89,489	121,862	131,100	146,597	141,651	183,172
Total current assets	<u>2,733,058</u>	<u>2,975,980</u>	<u>3,203,613</u>	<u>3,640,267</u>	<u>3,708,770</u>	<u>4,050,386</u>	<u>4,079,133</u>	<u>4,757,307</u>
Strategic investments	28,665	35,585	46,395	47,270	57,877	59,541	59,541	56,244
Property and equipment, net	316,309	383,012	430,030	492,335	523,721	561,587	581,037	620,172
Operating lease right-of-use assets	28,701	28,463	25,621	39,936	50,459	46,179	50,941	48,211
Deferred contract acquisition costs, noncurrent	197,261	202,441	218,635	260,233	254,397	261,574	273,859	335,933
Goodwill	416,228	416,066	430,285	430,645	430,755	430,697	637,678	638,041
Intangible assets, net	93,945	89,840	89,500	86,889	83,215	79,139	109,423	114,518
Other long-term assets	21,668	22,849	25,364	28,965	28,664	31,355	39,444	76,094
Total assets	<u>\$ 3,835,835</u>	<u>\$ 4,154,236</u>	<u>\$ 4,469,443</u>	<u>\$ 5,026,540</u>	<u>\$ 5,137,858</u>	<u>\$ 5,520,458</u>	<u>\$ 5,831,056</u>	<u>\$ 6,646,520</u>
Liabilities and Stockholders' Equity								
Current liabilities:								
Accounts payable	\$ 11,024	\$ 53,817	\$ 89,289	\$ 45,372	\$ 16,900	\$ 37,073	\$ 56,968	\$ 28,180
Accrued expenses	94,966	101,181	88,918	137,884	91,494	122,419	146,050	125,896
Accrued payroll and benefits	116,406	102,687	122,558	168,767	151,099	138,471	169,768	234,624
Operating lease liabilities	9,967	10,316	10,423	13,046	16,215	16,133	14,430	14,150
Deferred revenue	1,249,198	1,363,558	1,483,223	1,727,484	1,788,304	1,894,005	1,942,750	2,270,757
Other current liabilities	15,542	17,691	22,642	16,519	16,052	21,362	20,451	23,672
Total current liabilities	<u>1,497,103</u>	<u>1,649,250</u>	<u>1,817,053</u>	<u>2,109,072</u>	<u>2,080,064</u>	<u>2,229,463</u>	<u>2,350,417</u>	<u>2,697,279</u>
Long-term debt	739,889	740,261	740,633	741,005	741,377	741,750	742,122	742,494
Deferred revenue, noncurrent	443,399	480,594	532,316	627,629	615,487	613,637	600,366	783,342
Operating lease liabilities, noncurrent	22,197	21,340	17,984	29,567	36,774	32,688	38,371	36,230
Other liabilities, noncurrent	16,250	19,444	23,825	31,833	29,797	32,820	38,933	50,086
Total liabilities	<u>\$ 2,718,838</u>	<u>\$ 2,910,889</u>	<u>\$ 3,131,811</u>	<u>\$ 3,539,106</u>	<u>\$ 3,503,499</u>	<u>\$ 3,650,358</u>	<u>\$ 3,770,209</u>	<u>\$ 4,309,431</u>
Stockholders' Equity								
Common stock	\$ 116	\$ 116	\$ 117	\$ 118	\$ 118	\$ 119	\$ 120	\$ 121
Additional paid-in capital	2,103,054	2,276,704	2,424,038	2,612,705	2,752,716	2,976,375	3,146,645	3,364,328
Accumulated deficit	(996,441)	(1,045,726)	(1,100,682)	(1,148,163)	(1,147,672)	(1,139,200)	(1,112,535)	(1,058,836)
Accumulated other comprehensive income (loss)	(4,188)	(5,675)	(9,184)	(1,019)	139	913	(5,280)	(1,663)
Total CrowdStrike Holdings, Inc. stockholders' equity	<u>1,102,541</u>	<u>1,225,419</u>	<u>1,314,289</u>	<u>1,463,641</u>	<u>1,605,301</u>	<u>1,838,207</u>	<u>2,028,950</u>	<u>2,303,950</u>
Non-controlling interest	14,456	17,928	23,343	23,793	29,058	31,893	31,897	33,139
Total stockholders' equity	<u>1,116,997</u>	<u>1,243,347</u>	<u>1,337,632</u>	<u>1,487,434</u>	<u>1,634,359</u>	<u>1,870,100</u>	<u>2,060,847</u>	<u>2,337,089</u>
Total liabilities and stockholders' equity	<u>\$ 3,835,835</u>	<u>\$ 4,154,236</u>	<u>\$ 4,469,443</u>	<u>\$ 5,026,540</u>	<u>\$ 5,137,858</u>	<u>\$ 5,520,458</u>	<u>\$ 5,831,056</u>	<u>\$ 6,646,520</u>

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

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY23	FY24
Operating activities										
Net income (loss)	\$ (30,409)	\$ (48,313)	\$ (54,631)	\$ (48,932)	\$ 499	\$ 8,476	\$ 26,669	\$ 54,941	\$ (182,285)	\$ 90,585
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	16,341	17,805	19,476	23,623	26,409	29,775	33,788	36,866	77,245	126,838
Amortization of intangible assets	4,088	4,104	4,146	4,227	4,174	4,102	4,637	5,503	16,565	18,416
Amortization of deferred contract acquisition costs	37,592	39,962	43,996	49,258	55,322	57,555	60,281	65,743	170,808	238,901
Non-cash operating lease cost	2,237	2,287	2,294	2,622	3,092	3,239	3,394	3,673	9,440	13,398
Stock-based compensation expense	102,494	131,550	140,113	152,347	130,856	164,777	159,614	176,272	526,504	631,519
Deferred income taxes	1,752	(148)	682	(980)	(255)	(97)	(2,003)	(1,032)	1,306	(3,387)
Realized gains on strategic investments	—	—	—	—	—	—	—	(3,936)	—	(3,936)
Accretion of short-term investments purchased at a discount	—	—	—	—	—	—	(1,934)	(351)	—	(2,285)
Non-cash interest expense	669	697	711	736	754	777	806	836	2,813	3,173
Change in fair value of strategic investments	(2,208)	(1,920)	(629)	2,927	—	—	—	1,459	(1,830)	1,459
Changes in operating assets and liabilities, net of impact of acquisitions										
Accounts receivable, net	(1,058)	(49,670)	(66,512)	(140,869)	165,089	(78,371)	(20,860)	(283,557)	(258,109)	(217,699)
Deferred contract acquisition costs	(51,354)	(57,586)	(74,325)	(115,451)	(49,532)	(72,475)	(84,671)	(164,971)	(298,716)	(371,649)
Prepaid expenses and other assets	4,243	(15,181)	(3,183)	(32,686)	(8,542)	(17,796)	4,366	(80,548)	(46,807)	(102,520)
Accounts payable	(36,431)	37,225	24,213	(40,470)	(18,596)	15,614	5,343	(21,259)	(15,463)	(18,898)
Accrued expenses and other liabilities	(7,300)	13,023	16,097	37,103	(36,576)	41,511	28,662	(19,011)	58,923	14,586
Accrued payroll and benefits	13,235	(12,990)	21,390	43,591	(17,281)	(12,880)	31,971	63,292	65,226	65,102
Operating lease liabilities	(2,210)	(2,494)	(2,333)	(3,327)	(3,199)	(3,276)	(9,672)	2,112	(10,364)	(14,035)
Deferred revenue	163,276	151,555	171,346	339,574	48,678	103,850	33,127	510,984	825,751	696,639
Net cash provided by operating activities	214,957	209,906	242,851	273,293	300,892	244,781	273,518	347,016	941,007	1,166,207
Investing activities										
Purchases of property and equipment	(52,211)	(66,128)	(61,270)	(55,410)	(62,264)	(40,417)	(21,264)	(52,584)	(235,019)	(176,529)
Capitalized internal-use software and website development cost	(5,214)	(8,021)	(7,504)	(8,356)	(10,902)	(15,073)	(12,630)	(10,852)	(29,095)	(49,457)
Purchase of strategic investments	(2,825)	(5,000)	(10,181)	(3,802)	(10,513)	(1,664)	—	(5,000)	(21,808)	(17,177)
Proceeds from sales of strategic investments	—	—	—	—	—	—	—	2,000	—	2,000
Business acquisitions, net of cash acquired	—	—	(18,464)	115	—	—	(238,749)	(281)	(18,349)	(239,030)
Purchase of intangible assets	(700)	—	—	(1,623)	—	(500)	(26)	(10,600)	(2,323)	(11,126)
Purchases of investments	—	—	—	(250,000)	—	—	(195,581)	—	(250,000)	(195,581)
Proceeds from maturities and sales of short-term investments	—	—	—	—	150,000	100,000	—	98,281	—	348,281
Purchases of deferred compensation investments	—	—	—	(64)	(290)	(586)	(586)	(569)	(64)	(2,031)
Net cash provided by (used in) investing activities	(60,950)	(79,149)	(97,419)	(319,140)	66,031	41,760	(468,836)	20,395	(556,658)	(340,650)
Financing activities										
Repayment of loan payable	—	—	(1,591)	—	—	—	—	—	(1,591)	—
Proceeds from issuance of common stock upon exercise of stock options	3,106	1,813	1,477	2,259	2,651	1,474	2,053	2,517	8,655	8,695
Proceeds from issuance of common stock under the employee stock purchase plan	—	34,445	—	24,974	—	45,432	—	30,943	59,419	76,375
Capital contributions from non-controlling interest holders	1,462	2,501	5,090	1,901	5,257	2,831	—	—	10,954	8,088
Net cash provided by financing activities	4,568	38,759	4,976	29,134	7,908	49,737	2,053	33,460	77,437	93,158
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	(2,472)	(1,858)	(2,744)	5,579	(190)	1,273	(4,494)	5,369	(1,495)	1,958
Cash, Cash Equivalents & Restricted Cash										
Cash, cash equivalents and restricted cash, beginning of period	1,996,633	2,152,736	2,320,394	2,468,058	2,456,924	2,831,565	3,169,116	2,971,357	1,996,633	2,456,924
Net increase (decrease) in cash, cash equivalents and restricted cash	156,103	167,658	147,664	(11,134)	374,641	337,551	(197,759)	406,240	460,291	920,673
Cash, cash equivalents and restricted cash, end of period	\$ 2,152,736	\$ 2,320,394	\$ 2,468,058	\$ 2,456,924	\$ 2,831,565	\$ 3,169,116	\$ 2,971,357	\$ 3,377,597	\$ 2,456,924	\$ 3,377,597

CROWDSTRIKE HOLDINGS, INC.

Statements of Operations: GAAP to Non-GAAP Reconciliations

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

	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>Q1 FY24</u>	<u>Q2 FY24</u>	<u>Q3 FY24</u>	<u>Q4 FY24</u>	<u>FY23</u>	<u>FY24</u>
GAAP subscription gross profit	\$ 351,880	\$ 386,112	\$ 413,147	\$ 448,837	\$ 509,075	\$ 536,666	\$ 573,633	\$ 620,438	\$ 1,599,976	\$ 2,239,812
Stock based compensation expense	6,578	7,271	8,108	10,134	8,966	10,132	11,477	13,311	32,091	43,886
Amortization of acquired intangible assets	3,425	3,427	3,484	3,571	3,580	3,581	3,580	4,819	13,907	15,560
Non-GAAP subscription gross profit	<u>\$ 361,883</u>	<u>\$ 396,810</u>	<u>\$ 424,739</u>	<u>\$ 462,542</u>	<u>\$ 521,621</u>	<u>\$ 550,379</u>	<u>\$ 588,690</u>	<u>\$ 638,568</u>	<u>\$ 1,645,974</u>	<u>\$ 2,299,258</u>
GAAP professional services gross profit	\$ 9,122	8,474	\$ 9,507	\$ 12,926	\$ 14,275	\$ 12,043	\$ 17,377	\$ 16,325	\$ 40,029	\$ 60,020
Stock based compensation expense	3,001	3,502	4,093	5,096	4,630	5,745	5,645	6,282	15,692	22,302
Non-GAAP professional services gross profit	<u>\$ 12,123</u>	<u>\$ 11,976</u>	<u>\$ 13,600</u>	<u>\$ 18,022</u>	<u>\$ 18,905</u>	<u>\$ 17,788</u>	<u>\$ 23,022</u>	<u>\$ 22,607</u>	<u>\$ 55,721</u>	<u>\$ 82,322</u>
GAAP sales and marketing operating expenses	\$ 193,532	\$ 224,766	\$ 239,672	\$ 246,439	\$ 281,107	\$ 282,916	\$ 286,186	\$ 290,357	\$ 904,409	\$ 1,140,566
Stock based compensation expense	(26,710)	(40,567)	(41,895)	(42,747)	(35,739)	(51,442)	(42,544)	(46,083)	(151,919)	(175,808)
Amortization of acquired intangible assets	(649)	(648)	(641)	(619)	(531)	(446)	(506)	(602)	(2,557)	(2,085)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	(3)	(32)	68	(125)	—	(92)
Non-GAAP sales and marketing operating expenses	<u>\$ 166,173</u>	<u>\$ 183,551</u>	<u>\$ 197,136</u>	<u>\$ 203,073</u>	<u>\$ 244,834</u>	<u>\$ 230,996</u>	<u>\$ 243,204</u>	<u>\$ 243,547</u>	<u>\$ 749,933</u>	<u>\$ 962,581</u>
GAAP research and development operating expenses	\$ 123,399	\$ 137,864	\$ 155,256	\$ 191,845	\$ 179,065	\$ 179,362	\$ 196,072	\$ 213,998	\$ 608,364	\$ 768,497
Stock based compensation expense	(34,036)	(40,043)	(46,268)	(54,364)	(44,381)	(46,985)	(52,388)	(62,142)	(174,711)	(205,896)
Amortization of acquired intangible assets	—	—	—	—	—	—	(468)	—	—	(468)
Acquisition-related expenses, net	—	—	—	—	(371)	—	(379)	—	—	(750)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	(1)	(13)	34	(81)	—	(61)
Non-GAAP research and development operating expenses	<u>\$ 89,363</u>	<u>\$ 97,821</u>	<u>\$ 108,988</u>	<u>\$ 137,481</u>	<u>\$ 134,312</u>	<u>\$ 132,364</u>	<u>\$ 142,871</u>	<u>\$ 151,775</u>	<u>\$ 433,653</u>	<u>\$ 561,322</u>
GAAP general and administrative operating expenses	\$ 67,954	\$ 80,263	\$ 84,148	\$ 84,979	\$ 82,634	\$ 101,804	\$ 105,589	\$ 102,737	\$ 317,344	\$ 392,764
Stock based compensation expense	(32,169)	(40,167)	(39,749)	(40,006)	(37,140)	(50,473)	(47,560)	(48,454)	(152,091)	(183,627)
Acquisition-related credits (expenses), net	(301)	—	(1,886)	(477)	70	3	(3,277)	(428)	(2,664)	(3,632)
Amortization of acquired intangible assets	(14)	(29)	(22)	(36)	(63)	(75)	(83)	(82)	(101)	(303)
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	(1)	—	(7)	15	(31)	(1)	(23)
Legal reserve and settlement charges	—	—	—	—	—	(2,097)	(4,700)	(1,000)	—	(7,797)
Non-GAAP general and administrative operating expenses	<u>\$ 35,470</u>	<u>\$ 40,067</u>	<u>\$ 42,491</u>	<u>\$ 44,459</u>	<u>\$ 45,501</u>	<u>\$ 49,155</u>	<u>\$ 49,984</u>	<u>\$ 52,742</u>	<u>\$ 162,487</u>	<u>\$ 197,382</u>
GAAP income (loss) from operations	\$ (23,883)	\$ (48,307)	\$ (56,422)	\$ (61,500)	\$ (19,456)	\$ (15,373)	\$ 3,163	\$ 29,671	\$ (190,112)	\$ (1,995)
Stock based compensation expense	102,494	131,550	140,113	152,347	130,856	164,777	159,614	176,272	526,504	631,519
Amortization of acquired intangible assets	4,088	4,104	4,147	4,226	4,174	4,102	4,637	5,503	16,565	18,416
Acquisition-related expenses (credits), net	301	—	1,886	477	301	(3)	3,656	428	2,664	4,382
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	1	4	52	(117)	237	1	176
Legal reserve and settlement charges	—	—	—	—	—	2,097	4,700	1,000	—	7,797
Non-GAAP income from operations	<u>\$ 83,000</u>	<u>\$ 87,347</u>	<u>\$ 89,724</u>	<u>\$ 95,551</u>	<u>\$ 115,879</u>	<u>\$ 155,652</u>	<u>\$ 175,653</u>	<u>\$ 213,111</u>	<u>\$ 355,622</u>	<u>\$ 660,295</u>

CROWDSTRIKE HOLDINGS, INC.
Statements of Operations: GAAP to Non-GAAP Reconciliations (continued)
(in thousands, except per share data)
(unaudited)

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY23	FY24
GAAP net income (loss) attributable to CrowdStrike	\$ (31,523)	\$ (49,285)	\$ (54,956)	\$ (47,481)	\$ 491	\$ 8,472	\$ 26,665	\$ 53,699	\$ (183,245)	\$ 89,327
Stock based compensation expense	102,494	131,550	140,113	152,347	130,856	164,777	159,614	176,272	526,504	631,519
Amortization of acquired intangible assets	4,088	4,104	4,147	4,226	4,174	4,102	4,637	5,503	16,565	18,416
Acquisition-related credits (expenses), net	301	—	1,886	477	301	(3)	3,656	428	2,664	4,382
Amortization of debt issuance costs and discount	546	547	546	548	546	547	547	546	2,187	2,186
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	1	4	52	(117)	237	1	176
Legal reserve and settlement charges	—	—	—	—	—	2,097	4,700	1,000	—	7,797
Provision (benefit) for income taxes ⁽¹⁾	—	—	4,658	—	—	—	(615)	—	4,658	(615)
Losses (gains) and other income from strategic investments attributable to CrowdStrike	(1,114)	(972)	(325)	1,451	(8)	(4)	(4)	(1,242)	(960)	(1,258)
Loss (gains) on deferred compensation assets	—	—	—	(1)	(4)	(52)	117	(237)	(1)	(176)
Non-GAAP net income attributable to CrowdStrike	<u>\$ 74,792</u>	<u>\$ 85,944</u>	<u>\$ 96,069</u>	<u>\$ 111,568</u>	<u>\$ 136,360</u>	<u>\$ 179,988</u>	<u>\$ 199,200</u>	<u>\$ 236,206</u>	<u>\$ 368,373</u>	<u>\$ 751,754</u>
Weighted-average shares used in computing basic net income (loss) per share attributable to CrowdStrike common stockholders (GAAP)	<u>231,179</u>	<u>232,554</u>	<u>233,785</u>	<u>235,027</u>	<u>236,414</u>	<u>237,911</u>	<u>239,297</u>	<u>240,856</u>	<u>233,139</u>	<u>238,637</u>
GAAP basic net income (loss) per share attributable to CrowdStrike common stockholders	<u>\$ (0.14)</u>	<u>\$ (0.21)</u>	<u>\$ (0.24)</u>	<u>\$ (0.20)</u>	<u>\$ 0.00</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.22</u>	<u>\$ (0.79)</u>	<u>\$ 0.37</u>
GAAP diluted net income (loss) per share attributable to CrowdStrike common stockholders	<u>\$ (0.14)</u>	<u>\$ (0.21)</u>	<u>\$ (0.24)</u>	<u>\$ (0.20)</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.11</u>	<u>\$ 0.22</u>	<u>\$ (0.79)</u>	<u>\$ 0.37</u>
Stock-based compensation	0.43	0.55	0.59	0.64	0.54	0.68	0.65	0.71	2.20	2.59
Amortization of acquired intangible assets	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.07	0.08
Acquisition-related expenses, net	—	—	0.01	—	—	—	0.01	—	0.01	0.02
Amortization of debt issuance costs and discount	—	—	—	—	—	—	—	—	0.01	0.01
Mark-to-market adjustments on deferred compensation liabilities	—	—	—	—	—	—	—	—	—	—
Legal reserve and settlement charges	—	—	—	—	—	0.01	0.02	—	—	0.03
Provision (benefit) for income taxes ⁽¹⁾	—	—	0.02	—	—	—	—	—	0.02	—
Adjustment to fully diluted earnings per share ⁽²⁾	—	—	—	—	0.01	—	0.01	0.01	0.02	—
Losses (gains) and other income from strategic investments attributable to CrowdStrike	—	—	—	0.01	—	—	—	(0.01)	—	(0.01)
Gains on deferred compensation assets	—	—	—	—	—	—	—	—	—	—
Non-GAAP diluted net income per share attributable to CrowdStrike common stockholders	<u>\$ 0.31</u>	<u>\$ 0.36</u>	<u>\$ 0.40</u>	<u>\$ 0.47</u>	<u>\$ 0.57</u>	<u>\$ 0.74</u>	<u>\$ 0.82</u>	<u>\$ 0.95</u>	<u>\$ 1.54</u>	<u>\$ 3.09</u>
Weighted-average shares used in diluted net income (loss) per share attributable to CrowdStrike common stockholders calculation:										
GAAP	231,179	232,554	233,785	235,027	240,598	242,144	243,799	240,856	233,139	238,637
Non-GAAP	238,654	238,727	239,502	239,501	240,598	242,144	243,799	247,936	239,098	243,635

- (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 acquisitions are included in the GAAP provision for income taxes. The income tax benefits related to stock-based compensation, amortization of acquired intangible assets (including purchased patents), acquisition related expenses, amortization of debt issuance costs and discount, losses (gains) and other income from strategic investments attributable to CrowdStrike, mark-to-market adjustments on deferred compensation liabilities, gains on deferred compensation assets, and legal reserve and settlement charges included in the GAAP provision for income taxes were not material for all periods presented.
- (2) For periods in which we had diluted non-GAAP net income 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 per share attributable to CrowdStrike common stockholders because of rounding differences or 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 per share attributable to CrowdStrike common stockholders. 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 per share attributable to CrowdStrike common stockholders.

CROWDSTRIKE HOLDINGS, INC.

Additional Metrics

(In thousands, except percentages and remaining performance obligations)
(unaudited)

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY23	FY24
Annual recurring revenue	\$ 1,921,831	\$ 2,139,906	\$ 2,338,028	\$ 2,559,694	\$ 2,733,931	\$ 2,930,132	\$ 3,153,243	\$ 3,435,150	\$ 2,559,694	\$ 3,435,150
Year-over-year growth	61%	59%	54%	48%	42%	37%	35%	34%	48%	34%
Remaining performance obligations (in billions)	\$ 2.4	\$ 2.5	\$ 2.8	\$ 3.4	\$ 3.3	\$ 3.6	\$ 3.7	\$ 4.6	\$ 3.4	\$ 4.6
Free cash flow reconciliation:										
GAAP net cash provided by operating activities	\$ 214,957	\$ 209,906	\$ 242,851	\$ 273,293	\$ 300,892	\$ 244,781	\$ 273,518	\$ 347,016	\$ 941,007	\$ 1,166,207
Purchases of property and equipment	(52,211)	(66,128)	(61,270)	(55,410)	(62,264)	(40,417)	(21,264)	(52,584)	(235,019)	(176,529)
Capitalized internal-use software and website development	(5,214)	(8,021)	(7,504)	(8,356)	(10,902)	(15,073)	(12,630)	(10,852)	(29,095)	(49,457)
Purchases of deferred compensation investments	—	—	—	(64)	(290)	(586)	(586)	(569)	(64)	(2,031)
Free cash flow	\$ 157,532	\$ 135,757	\$ 174,077	\$ 209,463	\$ 227,436	\$ 188,705	\$ 239,038	\$ 283,011	\$ 676,829	\$ 938,190
Revenue by geographic regions:										
United States	\$ 345,593	\$ 374,258	\$ 403,302	\$ 440,414	\$ 474,825	\$ 500,864	\$ 537,880	\$ 574,485	\$ 1,563,567	\$ 2,088,054
Europe, Middle East, and Africa	70,625	77,096	85,665	94,543	104,552	111,909	119,158	132,309	327,929	467,928
Asia Pacific	48,079	54,623	60,011	65,411	72,219	75,198	81,459	86,648	228,124	315,524
Other	23,537	29,176	31,904	36,999	40,984	43,655	47,517	51,893	121,616	184,049
Total revenue	\$ 487,834	\$ 535,153	\$ 580,882	\$ 637,367	\$ 692,580	\$ 731,626	\$ 786,014	\$ 845,335	\$ 2,241,236	\$ 3,055,555
Geographic breakdown of total revenue:										
United States	71%	70%	69%	69%	69%	69%	69%	68%	70%	68%
Europe, Middle East, and Africa	14%	14%	15%	15%	15%	15%	15%	16%	15%	15%
Asia Pacific	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Other	5%	6%	6%	6%	6%	6%	6%	6%	5%	7%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Non-GAAP gross margin	77%	76%	75%	75%	78%	78%	78%	78%	76%	78%
Non-GAAP subscription gross margin	79%	78%	78%	77%	80%	80%	80%	80%	78%	80%
Non-GAAP operating expenses	\$ 291,006	\$ 321,439	\$ 348,615	\$ 385,013	\$ 424,647	\$ 412,515	\$ 436,059	\$ 448,064	\$ 1,346,073	\$ 1,721,285
Non-GAAP operating expenses as a percentage of revenue	60%	60%	60%	60%	61%	56%	55%	53%	60%	56%
Non-GAAP operating margin	17%	16%	15%	15%	17%	21%	22%	25%	16%	22%