



## SentinelOne Announces Second Quarter Fiscal Year 2023 Financial Results

***Revenue increased 124% year-over-year***  
***ARR up 122% year-over-year***

MOUNTAIN VIEW, Calif. - August 31, 2022 - SentinelOne, Inc. (NYSE: S) today announced financial results for the second quarter of fiscal year 2023 ended July 31, 2022.

“We delivered hyper growth and outperformance across all aspects of our business in Q2 - ARR, revenue, customer growth, net retention, and margins,” said Tomer Weingarten, CEO of SentinelOne. “I’m proud of our team’s execution despite an evolving macro environment. Through Singularity XDR, we’re delivering what enterprises need the most: best-in-class protection and superior platform value.”

“Our business momentum remains extremely strong. We once again delivered a combination of triple-digit growth while steadily moving towards long term profitability. ARR growth accelerated to 122% and non-GAAP operating margins expanded 42 percentage points year-over-year,” said Dave Bernhardt, CFO of SentinelOne. “We’re raising our full-year growth expectations above and beyond our Q2 outperformance.”

### Letter to Shareholders

We have also published a letter to shareholders on the Investor Relations section of our website at [investors.sentinelone.com](https://investors.sentinelone.com). The letter provides further discussion of our results for the second quarter of fiscal year 2023 as well as our full fiscal year 2023 financial outlook.

### Second Quarter Fiscal 2023 Highlights

*(All metrics are compared to the second quarter of fiscal year 2022 unless otherwise noted)*

- **Total revenue** increased 124% to \$102.5 million, compared to \$45.8 million.
- **Annualized recurring revenue (ARR)** increased 122% to \$438.6 million as of July 31, 2022.
- **Total customer count** grew about 60% to over 8,600 customers as of July 31, 2022. Customers with ARR over \$100K grew 117% to 755 as of July 31, 2022. Dollar-based net revenue retention rate was a record 137%.
- **Gross margin:** GAAP gross margin was 65%, compared to 59%. Non-GAAP gross margin was 72%, compared to 62%.
- **Operating margin:** GAAP operating margin was (106)%, compared to (147)%. Non-GAAP operating margin was (57)%, compared to (98)%.
- **Cash, cash equivalents and short-term investments** were \$1.2 billion as of July 31, 2022.

## Financial Outlook

We are providing the following guidance for the third quarter of fiscal year 2023, ending October 31, 2022, and for our full fiscal year 2023, ending January 31, 2023.

	<b>Q3FY23 Guidance</b>	<b>Full FY2023 Guidance</b>
Revenue	\$111 million	\$415-417 million
Non-GAAP gross margin	71%	70.5-71%
Non-GAAP operating margin	(57)%	(58)-(55)%

These statements are forward-looking and actual results may differ materially as a result of many factors. Refer to the Forward-looking statements safe harbor below for information on the factors that could cause our actual results to differ materially from these forward-looking statements.

Guidance for non-GAAP financial measures excludes stock-based compensation expense, employer payroll tax on employee stock transactions, amortization expense of acquired intangible assets, and acquisition-related compensation costs. We have not provided the most directly comparable GAAP measures because certain items are out of our control or cannot be reasonably predicted. Accordingly, a reconciliation of non-GAAP gross margin and non-GAAP operating margin is not available without unreasonable effort.

## Webcast information

We will host a live audio webcast for analysts and investors to discuss our earnings results for the second quarter of fiscal year 2023 and outlook for the third quarter of fiscal year 2023 and our full fiscal year 2023 today, August 31, 2022, at 2:00 p.m. Pacific time (5:00 p.m. Eastern time). The live webcast and a recording of the event will be available on the Investor Relations section of our website at [investors.sentinelone.com](https://investors.sentinelone.com).

We have used, and intend to continue to use, the Investor Relations section of our website at [investors.sentinelone.com](https://investors.sentinelone.com) as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

## Forward-looking statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve risks and uncertainties, including statements regarding our future growth, and future financial and operating performance, including our financial outlook for the third quarter of fiscal year 2023 and our full fiscal year 2023, including non-GAAP gross profit and non-GAAP operating margin, our impact of the acquisition of Attivo Networks, Inc. (“Attivo”) on our business and financial results; statements regarding total addressable market, business strategy, acquisitions and strategic investments, the COVID-19 pandemic, our reputation and performance in the market, general market trends, and our objectives are forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “target,” “plan,” “expect,” or the negative of these terms and similar expressions are intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words.

There are a significant number of factors that could cause our actual results to differ materially from statements made in this press release, including: our limited operating history; our history of losses; intense competition in the market we compete in; fluctuations in our operating results; network or security incidents against us; our ability to successfully integrate acquisitions and strategic investments; defects, errors or vulnerabilities in our platform; risks associated with managing our rapid growth; the continuing impact of the COVID-19 pandemic on our and our customers’ business; our ability to attract new and retain existing customers, or renew and expand our relationships with them; the ability of our platform to effectively interoperate within our customers IT infrastructure; disruptions

or other business interruptions that affect the availability of our platform; the failure to timely develop and achieve market acceptance of new products and subscriptions as well as existing products, subscriptions and support offerings; rapidly evolving technological developments in the market for security products and subscription and support offerings; length of sales cycles; risks of securities class action litigation; general market, political, economic, and business conditions, including those related to the continuing impact of COVID-19 and geopolitical uncertainty.

Additional risks and uncertainties that could affect our financial results are included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in our filings and reports with the Securities and Exchange Commission (“SEC”), including our most recently filed Annual Report on Form 10-K, dated April 7, 2022, subsequent Quarterly Reports on Form 10-Q and other filings and reports that we may file from time to time with the SEC, copies of which are available on our website at [investors.sentinelone.com](http://investors.sentinelone.com) and on the SEC’s website at [www.sec.gov](http://www.sec.gov).

You should not rely on these forward-looking statements, as actual outcomes and results may differ materially from those contemplated by these forward-looking statements as a result of such risks and uncertainties. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date of this press release or to reflect new information or the occurrence of unexpected events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

### **Non-GAAP Financial Measures**

In addition to our results determined in accordance with 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, with the financial information presented in accordance with GAAP, 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 liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period.

Reconciliations between non-GAAP financial measures to the most directly comparable financial measure stated in accordance with GAAP are contained below. 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.

As presented in the “Reconciliation of GAAP to Non-GAAP Financial Information” table below, each of the non-GAAP financial measures excludes one or more of the following items:

### ***Stock-based compensation expense***

Stock-based compensation expense is a non-cash expense that varies in amount from period to period and is dependent on market forces that are often beyond our control. As a result, management excludes this item from our internal operating forecasts and models. Management believes that non-GAAP measures adjusted for stock-based compensation expense provide investors with a basis to measure our core performance against the performance of other companies without the variability created by stock-based compensation as a result of the variety of equity awards used by other companies and the varying methodologies and assumptions used.

### ***Employer payroll tax on employee stock transactions***

Employer payroll tax expense related to employee stock transactions are tied to the vesting or exercise of underlying equity awards and the price of our common stock at the time of vesting, which varies in amount from period to period and is dependent on market forces that are often beyond our control. As a result, management excludes this item from our internal operating forecasts and models. Management believes that non-GAAP measures adjusted for employer payroll taxes on employee stock transactions provide investors with a basis to measure our core performance against the performance of other companies without the variability created by employer payroll taxes on employee stock transactions as a result of the stock price at the time of employee exercise.

### ***Amortization of acquired intangible assets***

Amortization of acquired intangible assets expense are tied to the intangible assets that were acquired in conjunction with acquisitions, which results in non-cash expenses that may not otherwise have been incurred. Management excludes the expense associated with intangible assets from non-GAAP measures to allow for a more accurate assessment of our ongoing operations and provides investors with a better comparison of period-over-period operating results.

### ***Acquisition-related compensation costs***

Acquisition-related compensation costs include cash-based compensation expense resulting from the employment retention of certain employees established in accordance with the terms of the Attivo acquisition. Acquisition-related compensation costs have been excluded as they were specifically negotiated as part of the Attivo acquisition in order to retain such employees and relate to cash compensation that was made either in lieu of stock-based compensation or where the grant of stock-based compensation awards was not practicable. In most cases, these acquisition-related compensation costs are not factored into management's evaluation of potential acquisitions or our performance after completion of acquisitions, because they are not related to our core operating performance. In addition, the frequency and amount of such charges can vary significantly based on the size and timing of acquisitions and the maturities of the businesses being acquired. Excluding acquisition-related compensation costs from non-GAAP measures provides investors with a basis to compare our results against those of other companies without the variability caused by purchase accounting.

### ***Income tax provision (benefit)***

We believe that excluding the tax benefit associated with the partial reversal of the valuation allowance against our deferred tax assets for the second quarter of fiscal year 2023 provides our senior management as well as other users of our financial statements with a valuable perspective on the performance and health of the business. This partial reversal relates to realization of our deferred tax assets used to offset deferred tax liabilities recorded in the Attivo acquisition. This one-time benefit is not indicative of current or future operations and expenses.

### ***Non-GAAP Cost of Revenue, Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Loss from Operations, Non-GAAP Operating Margin, Non-GAAP Net Loss and Non-GAAP Net Loss Per Share***

We define these non-GAAP financial measures as their respective GAAP measures, excluding the expenses referenced above. We use these non-GAAP financial measures as part of our overall assessment of our performance,

including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance.

### **Free Cash Flow**

We define free cash flow as cash used in operating activities less purchases of property and equipment and capitalized internal-use software costs. We believe free cash flow is a useful indicator of liquidity that provides our management, board of directors, and investors with information about our future ability to generate or use cash to enhance the strength of our balance sheet and further invest in our business and pursue potential strategic initiatives.

### **Key Business Metrics**

We monitor the following key metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions.

#### ***Annualized Recurring Revenue***

We believe that ARR is a key operating metric to measure our business because it is driven by our ability to acquire new subscription and capacity customers and to maintain and expand our relationship with existing customers. ARR represents the annualized revenue run rate of our subscription and capacity contracts at the end of a reporting period, assuming contracts are renewed on their existing terms for customers that are under contracts with us.

#### ***Customers with ARR of \$100,000 or More***

We believe that our ability to increase the number of customers with ARR of \$100,000 or more is an indicator of our market penetration and strategic demand for our platform. We define a customer as an entity that has an active subscription for access to our platform. We count MSPs, MSSPs, MDRs, and OEMs, who may purchase our products on behalf of multiple companies, as a single customer. We do not count our reseller or distributor channel partners as customers.

#### ***Dollar-Based Net Retention Rate***

We believe that our ability to retain and expand our revenue generated from our existing customers is an indicator of the long-term value of our customer relationships and our potential future business opportunities. Dollar-based net retention rate measures the percentage change in our ARR derived from our customer base at a point in time. To calculate these metrics, we first determine Prior Period ARR, which is ARR from the population of our customers as of 12 months prior to the end of a particular reporting period. We calculate Net Retention ARR as the total ARR at the end of a particular reporting period from the set of customers that is used to determine Prior Period ARR. Net Retention ARR includes any expansion, and is net of contraction and attrition associated with that set of customers. NRR is the quotient obtained by dividing Net Retention ARR by Prior Period ARR.

Source String: SentinelOne

Category: Investors

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**SENTINELONE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(unaudited)

	July 31, 2022	January 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents .....	\$ 269,493	\$ 1,669,304
Short-term investments .....	949,883	374
Accounts receivable, net .....	106,380	101,491
Deferred contract acquisition costs, current .....	30,894	27,546
Prepaid expenses and other current assets .....	33,348	18,939
Total current assets .....	1,389,998	1,817,654
Property and equipment, net .....	33,031	24,918
Operating lease right-of-use assets .....	25,270	23,884
Deferred contract acquisition costs, non-current .....	44,429	41,022
Intangible assets, net .....	159,677	15,807
Goodwill .....	540,308	108,193
Restricted cash, non-current .....	64,207	2,747
Other assets .....	8,174	7,956
Total assets .....	<u>\$ 2,265,094</u>	<u>\$ 2,042,181</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable .....	\$ 14,469	\$ 9,944
Accrued liabilities .....	31,913	22,657
Accrued payroll and benefits .....	38,576	61,150
Operating lease liabilities, current .....	4,004	4,613
Deferred revenue, current .....	244,207	182,957
Total current liabilities .....	333,169	281,321
Deferred revenue, non-current .....	100,844	79,062
Operating lease liabilities, non-current .....	25,261	24,467
Other liabilities .....	66,004	6,543
Total liabilities .....	<u>525,278</u>	<u>391,393</u>
Stockholders' equity:		
Preferred stock .....	—	—
Class A common stock .....	20	16
Class B common stock .....	8	11
Additional paid-in capital .....	2,549,614	2,271,980
Accumulated other comprehensive income (loss) .....	(2,013)	454
Accumulated deficit .....	(807,813)	(621,673)
Total stockholders' equity .....	1,739,816	1,650,788
Total liabilities and stockholders' equity .....	<u>\$ 2,265,094</u>	<u>\$ 2,042,181</u>

**SENTINELONE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share data)  
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2022	2021	2022	2021
Revenue .....	\$ 102,505	\$ 45,750	\$ 180,760	\$ 83,145
Cost of revenue <sup>(1)</sup> .....	36,261	18,788	63,400	37,071
Gross profit .....	66,244	26,962	117,360	46,074
Operating expenses:				
Research and development <sup>(1)</sup> .....	54,989	31,037	100,870	58,857
Sales and marketing <sup>(1)</sup> .....	79,000	40,970	139,641	77,150
General and administrative <sup>(1)</sup> .....	40,447	22,110	75,337	38,834
Total operating expenses .....	174,436	94,117	315,848	174,841
Loss from operations .....	(108,192)	(67,155)	(198,488)	(128,767)
Interest income .....	3,222	21	4,309	44
Interest expense .....	(607)	(479)	(612)	(782)
Other income (expense), net .....	427	(373)	136	(966)
Loss before provision for income taxes .....	(105,150)	(67,986)	(194,655)	(130,471)
Provision for income taxes .....	(8,844)	177	(8,515)	326
Net loss .....	<u>\$ (96,306)</u>	<u>\$ (68,163)</u>	<u>\$ (186,140)</u>	<u>\$ (130,797)</u>
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted .....	<u>\$ (0.35)</u>	<u>\$ (0.57)</u>	<u>\$ (0.68)</u>	<u>\$ (1.59)</u>
Weighted-average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted .....	<u>277,417,227</u>	<u>120,520,061</u>	<u>273,424,105</u>	<u>82,394,440</u>

<sup>(1)</sup> Includes stock-based compensation expense as follows:

Cost of revenue .....	\$ 2,399	\$ 840	\$ 4,247	\$ 1,223
Research and development .....	13,495	8,823	23,958	15,962
Sales and marketing .....	9,715	3,905	16,811	5,952
General and administrative .....	15,392	7,825	27,615	11,693
Total stock-based compensation expense .....	<u>\$ 41,001</u>	<u>\$ 21,393</u>	<u>\$ 72,631</u>	<u>\$ 34,830</u>



**SENTINELONE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	<b>Six Months Ended July 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net loss .....	\$ (186,140)	\$ (130,797)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization .....	10,794	3,637
Amortization of deferred contract acquisition costs .....	32,532	9,087
Non-cash operating lease costs .....	1,609	1,408
Stock-based compensation expense .....	72,631	34,830
Other .....	(1,619)	105
Changes in operating assets and liabilities, net of effects of acquisition .....		
Accounts receivable .....	480	(10,339)
Prepaid expenses and other assets .....	(9,151)	(11,190)
Deferred contract acquisition costs .....	(39,287)	(16,477)
Accounts payable .....	6,094	(5,108)
Accrued liabilities .....	4,148	6,559
Accrued payroll and benefits .....	(23,669)	6,864
Operating lease liabilities .....	(2,737)	(1,919)
Deferred revenue .....	31,285	37,707
Other liabilities .....	(8,447)	2,842
Net cash used in operating activities .....	<u>(111,477)</u>	<u>(72,791)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment .....	(4,101)	(1,685)
Purchases of intangible assets .....	(194)	—
Capitalization of internal-use software .....	(6,028)	(2,852)
Purchases of short-term investments .....	(1,243,594)	—
Maturities of short-term investments .....	291,845	—
Cash paid for acquisition, net of cash and restricted cash acquired .....	(281,032)	(3,449)
Net cash used in investing activities .....	<u>(1,243,104)</u>	<u>(7,986)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Payments of deferred offering costs .....	(186)	(5,068)
Repayment of debt .....	—	(20,000)
Proceeds from exercise of stock options .....	8,382	5,827
Proceeds from issuance of common stock under the employee stock purchase plan .....	8,682	—
Proceeds from initial public offering and private placement, net of underwriting discounts and commissions .....	—	1,388,563
Net cash provided by financing activities .....	<u>16,878</u>	<u>1,369,322</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS .....</b>	<u>—</u>	<u>1,146</u>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ....</b>	<u>(1,337,703)</u>	<u>1,289,691</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of period ..</b>	<u>1,672,051</u>	<u>399,112</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of period .....</b>	<u><u>\$ 334,348</u></u>	<u><u>\$ 1,688,803</u></u>

**SENTINELONE, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION**  
(in thousands, except percentages and per share data)  
(unaudited)

	<b>Three Months Ended July 31,</b>		<b>Six Months Ended July 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cost of revenue reconciliation:</b>				
GAAP cost of revenue .....	\$ 36,261	\$ 18,788	\$ 63,400	\$ 37,071
Stock-based compensation expense .....	(2,399)	(840)	(4,247)	(1,223)
Employer payroll tax on employee stock transactions .....	(35)	—	(36)	—
Amortization of acquired intangible assets .....	(5,139)	(558)	(5,679)	(1,049)
Acquisition-related compensation .....	(148)	—	(148)	—
Non-GAAP cost of revenue .....	<u>\$ 28,540</u>	<u>\$ 17,390</u>	<u>\$ 53,290</u>	<u>\$ 34,799</u>
<b>Gross profit reconciliation:</b>				
GAAP gross profit .....	\$ 66,244	\$ 26,962	\$ 117,360	\$ 46,074
Stock-based compensation expense .....	2,399	840	4,247	1,223
Employer payroll tax on employee stock transactions .....	35	—	36	—
Amortization of acquired intangible assets .....	5,139	558	5,679	1,049
Acquisition-related compensation .....	148	—	148	—
Non-GAAP gross profit .....	<u>\$ 73,965</u>	<u>\$ 28,360</u>	<u>\$ 127,470</u>	<u>\$ 48,346</u>
<b>Gross margin reconciliation:</b>				
GAAP gross margin .....	65 %	59 %	65 %	55 %
Stock-based compensation expense .....	2 %	2 %	2 %	1 %
Employer payroll tax on employee stock transactions .....	— %	— %	— %	— %
Amortization of acquired intangible assets .....	5 %	1 %	3 %	1 %
Acquisition-related compensation .....	— %	— %	— %	— %
Non-GAAP gross margin* .....	<u>72 %</u>	<u>62 %</u>	<u>70 %</u>	<u>58 %</u>
<b>Research and development expense reconciliation:</b>				
GAAP research and development expense .....	\$ 54,989	\$ 31,037	\$ 100,870	\$ 58,857
Stock-based compensation expense .....	(13,495)	(8,823)	(23,958)	(15,962)
Employer payroll tax on employee stock transactions .....	(97)	—	(135)	—
Acquisition-related compensation .....	(359)	—	(359)	—
Non-GAAP research and development expense .....	<u>\$ 41,038</u>	<u>\$ 22,214</u>	<u>\$ 76,418</u>	<u>\$ 42,895</u>
<b>Sales and marketing expense reconciliation:</b>				
GAAP sales and marketing expense .....	\$ 79,000	\$ 40,970	\$ 139,641	\$ 77,150
Stock-based compensation expense .....	(9,715)	(3,905)	(16,811)	(5,952)
Employer payroll tax on employee stock transactions .....	(126)	—	(279)	—
Amortization of acquired intangible assets .....	(2,143)	(189)	(2,326)	(355)
Acquisition-related compensation .....	(535)	—	(535)	—
Non-GAAP sales and marketing expense .....	<u>\$ 66,481</u>	<u>\$ 36,876</u>	<u>\$ 119,690</u>	<u>\$ 70,843</u>

**SENTINELONE, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION**  
(in thousands, except percentages and per share data)  
(unaudited)

<b>General and administrative expense reconciliation:</b>				
GAAP general and administrative expense .....	\$ 40,447	\$ 22,110	\$ 75,337	\$ 38,834
Stock-based compensation expense .....	(15,392)	(7,825)	(27,615)	(11,693)
Employer payroll tax on employee stock transactions .....	(159)	—	(449)	—
Amortization of acquired intangible assets .....	(19)	(19)	(37)	(36)
Acquisition-related compensation .....	(336)	—	(336)	—
Non-GAAP general and administrative expense .....	<u>\$ 24,541</u>	<u>\$ 14,266</u>	<u>\$ 46,900</u>	<u>\$ 27,105</u>
<b>Operating loss reconciliation:</b>				
GAAP operating loss .....	\$ (108,192)	\$ (67,155)	\$ (198,488)	\$ (128,767)
Stock-based compensation expense .....	41,001	21,393	72,631	34,830
Employer payroll tax on employee stock transactions .....	417	—	899	—
Amortization of acquired intangible assets .....	7,301	766	8,042	1,440
Acquisition-related compensation .....	1,376	—	1,376	—
Non-GAAP operating loss*	<u>\$ (58,096)</u>	<u>\$ (44,996)</u>	<u>\$ (115,539)</u>	<u>\$ (92,497)</u>
<b>Operating margin reconciliation:</b>				
GAAP operating margin .....	(106)%	(147)%	(110)%	(155)%
Stock-based compensation expense .....	40 %	47 %	40 %	42 %
Employer payroll tax on employee stock transactions .....	— %	— %	— %	— %
Amortization of acquired intangible assets .....	7 %	2 %	4 %	2 %
Acquisition-related compensation .....	1 %	— %	1 %	— %
Non-GAAP operating margin*	<u>(57)%</u>	<u>(98)%</u>	<u>(64)%</u>	<u>(111)%</u>
<b>Net loss reconciliation:</b>				
GAAP net loss .....	\$ (96,306)	\$ (68,163)	\$ (186,140)	\$ (130,797)
Stock-based compensation expense .....	41,001	21,393	72,631	34,830
Employer payroll tax on employee stock transactions .....	417	—	899	—
Amortization of acquired intangible assets .....	7,301	766	8,042	1,440
Acquisition-related compensation .....	1,376	—	1,376	—
Income tax provision (benefit) .....	(9,667)	—	(9,667)	—
Non-GAAP net loss .....	<u>\$ (55,878)</u>	<u>\$ (46,004)</u>	<u>\$ (112,859)</u>	<u>\$ (94,527)</u>

**SENTINELONE, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (CONTINUED)**  
(in thousands, except percentages and per share data)  
(unaudited)

<b>Basic and diluted EPS reconciliation:</b>				
GAAP net loss per share, basic and diluted .....	\$ (0.35)	\$ (0.57)	\$ (0.68)	\$ (1.59)
Stock-based compensation expense .....	0.15	0.18	0.27	0.42
Employer payroll tax on employee stock transactions .....	—	—	—	—
Amortization of acquired intangible assets .....	0.03	0.01	0.03	0.02
Acquisition-related compensation .....	—	—	0.01	—
Income tax provision (benefit) .....	(0.03)	—	(0.04)	—
Non-GAAP net loss per share, basic and diluted* .....	<u>\$ (0.20)</u>	<u>\$ (0.38)</u>	<u>\$ (0.41)</u>	<u>\$ (1.15)</u>

\* Certain figures may not sum due to rounding.

**SENTINELONE, INC.**  
**SELECTED CASH FLOW INFORMATION**  
(in thousands)  
(unaudited)

**Reconciliation of cash used in operating activities to free cash flow**

	<b>Three Months Ended July 31,</b>		<b>Six Months Ended July 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
GAAP net cash used in operating activities .....	\$ (62,126)	\$ (41,993)	\$ (111,477)	\$ (72,791)
Less: Purchases of property and equipment .....	(1,293)	(905)	(4,101)	(1,685)
Less: Capitalized internal-use software .....	(3,454)	(1,839)	(6,028)	(2,852)
Free cash flow .....	<u>\$ (66,873)</u>	<u>\$ (44,737)</u>	<u>\$ (121,606)</u>	<u>\$ (77,328)</u>
Net cash used in investing activities .....	\$ (384,579)	\$ (2,744)	\$ (1,243,104)	\$ (7,986)
Net cash provided by financing activities .....	\$ 11,974	\$ 1,367,405	\$ 16,878	\$ 1,369,322