Key Performance Metric and Non-GAAP Financial Measures

Annualized Renewal Run-rate (ARR) is a key performance metric we use in managing our business because it illustrates our ability to acquire new subscription customers and to maintain and expand our relationships with existing subscription customers. We define ARR as annualized invoiced amounts per solution SKU from subscription licenses and maintenance and support obligations assuming no increases or reductions in the subscriptions. ARR does not include the costs we may incur to obtain such subscription licenses or provide such maintenance and support and does not reflect any actual or anticipated reductions in invoiced value due to contract non-renewals or service cancellations other than for specific bad debt or disputed amounts. Additionally, though we use ARR as a forward-looking metric in the management of our business, it does not include invoiced amounts reported as perpetual licenses or professional services revenue in our consolidated statement of operations, and is not a forecast of future revenue, which can be impacted by contract start and end dates, duration, and renewal rates.

Investors should not place undue reliance on ARR as an indicator of future or expected results. Our presentation of ARR may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

This supplemental information includes financial measures defined as non-GAAP financial measures by the SEC, including non-GAAP cost of revenue, non-GAAP gross profit and margin, non-GAAP operating expenses, non-GAAP operating income (loss) and margin, and non-GAAP net income (loss) and non-GAAP net income (loss) per share. These non-GAAP financial measures exclude:

stock-based compensation expense;

amortization of acquired intangibles;

employer payroll tax expense related to employee equity transactions;

restructuring costs;

charitable donation of Class A common stock: and

in the case of non-GAAP net income (loss), tax adjustments associated with the add-back items, as applicable.

Additionally, this supplemental information presents non-GAAP adjusted free cash flow, which includes purchases of property and equipment and capitalization of software development costs, and excludes cash paid for employer payroll taxes related to employee equity transactions, net payments/receipts of employee tax withholdings on stock option exercises, and cash paid for restructuring costs.

UiPath uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating UiPath's ongoing operational performance. UiPath believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in UiPath's industry, many of which present similar non-GAAP financial measures are financial measures are financial measures are financial measures that are derived from the consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the United States (GAAP). We believe these non-GAAP financial measures provide investors with useful supplementary information in evaluating our performance. Investors should consider these non-GAAP financial measures a substitute for, our financial performance measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. The information provides a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures. We encourage investors to consider our GAAP results alongside our supplemental non-GAAP measures, and to review the reconciliation between GAAP results and non-GAAP measures.

UiPath, Inc. Condensed Consolidated Statements of Operations (in thousands) (unaudited)

		Three Months Ended													
	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,
	2022	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019
Revenue															
Licenses	\$ 118,175	\$ 103,696	\$ 117,004	\$ 174,056	\$ 111,608	\$ 95,547	\$ 100,216	\$ 124,208	\$ 78,555	\$ 79,513	\$ 63,759	\$ 71,899	\$ 46,241	\$ 47,353	\$ 36,155
Subscription services	130,159	124,656	115,494	103,943	97,963	90,319	77,642	75,906	61,508	51,932	43,196	38,484	32,024	27,118	21,986
Professional services and other	14,410	13,870	12,568	11,699	11,245	9,655	8,359	7,761	7,226	7,931	6,148	4,446	5,643	2,619	2,188
Total revenue	262,744	242,222	245,066	289,698	220,816	195,521	186,217	207,875	147,289	139,376	113,103	114,829	83,908	77,090	60,329
Cost of revenue															
Licenses	3,208	2,170	2,537	4,374	2,626	2,434	2,454	2,281	1,720	1,636	1,417	1,962	705	583	510
Subscription services	20,578	22,326	21,045	18,489	15,659	12,238	14,179	7,079	6,092	5,501	5,543	2,360	6,620	5,075	2,448
Professional services and other	18,982	20,080	21,434	18,301	24,815	20,922	32,377	10,776	9,573	7,561	6,678	8,453	7,274	8,285	15,130
Total cost of revenue	42,768	44,576	45,016	41,164	43,100	35,594	49,010	20,136	17,385	14,698	13,638	12,775	14,599	13,943	18,088
Gross profit	219,976	197,646	200,050	248,534	177,716	159,927	137,207	187,739	129,904	124,678	99,465	102,054	69,309	63,147	42,241
Operating expenses															
Sales and marketing	156,469	181,547	189,782	174,757	172,906	144,268	205,751	99,380	99,512	90,331	90,931	118,774	139,408	131,123	94,039
Research and development	67,341	67,849	68,690	64,412	61,559	57,646	93,040	29,194	27,456	26,541	26,729	24,307	26,272	32,309	48,178
General and administrative	63,157	68,443	57,530	60,244	59,498	55,834	74,415	44,574	65,951	24,834	26,676	34,959	38,097	49,750	56,818
Total operating expenses	286,967	317,839	316,002	299,413	293,963	257,748	373,206	173,148	192,919	141,706	144,336	178,040	203,777	213,182	199,035
Operating (loss) income	(66,991)	(120,193)	(115,952)	(50,879)	(116,247)	(97,821)	(235,999)	14,591	(63,015)	(17,028)	(44,871)	(75,986)	(134,468)	(150,035)	(156,794)
Interest income	9,561	4,505	991	945	899	766	941	401	144	77	530	1,218	2,281	2,608	634
Other income (expense), net	888	(600)	(2,811)	(4,745)	(4,300)	(1,225)	(3,218)	4,643	(6,303)	24,010	(7,837)	(1,434)	(247)	(2,862)	(2,054)
(Loss) income before income taxes	(56,542)	(116,288)	(117,772)	(54,679)	(119,648)	(98,280)	(238,276)	19,635	(69,174)	7,059	(52,178)	(76,202)	(132,434)	(150,289)	(158,214)
Provision for (benefit from) income taxes	1,182	4,090	4,789	8,431	3.139	1.746	1.387	(6,621)	1,622	2,072	662	1,892	602	742	(442)
Net (loss) income	\$ (57,724)	\$ (120.378)	\$ (122,561)	\$ (63,110)	\$ (122,787)	\$ (100,026)	\$ (239,663)	\$ 26,256	\$ (70,796)	\$ 4,987	\$ (52,840)	\$ (78,094)	\$ (133,036)	\$ (151.031)	\$ (157,772)

UIPath, Inc. Condensed Consolidated Balance Sheets (in thousands) (unaudited)

										As Of							
	Oc	ctober 31, 2022		July 31, 2022		April 30, 2022	Ja	nuary 31, 2022	Octo	ber 31, 2021	July 31, 2021		April 30, 2021	January 31, 2021		January 31, 2020	
ASSETS			_		_							-					
Current assets:																	
Cash and cash equivalents	\$	1,451,152	\$	1,607,356	\$	1,679,217	\$	1,768,723	\$	1,776,417	\$ 1,826,424	,	\$ 1,796,267	\$	357,690	\$	232,386
Restricted cash		_		_		_		_		_	_		13,500		7,000		1,745
Marketable securities		225,605		114,188		114,749		96,417		102,009	70,140		83,263		102,828		_
Accounts receivable, net		275,935		193,483		169,061		251,988		196,427	138,945		136,520		172,286		93,008
Contract assets		91,551		94,760		88,427		74,831		63,621	53,555		35,058		34,221		12,855
Deferred contract acquisition costs		40,168		35,259		32,492		29,926		24,077	18,142		13,624		10,653		19,361
Prepaid expenses and other current assets	_	74,834	_	63,430	_	61,072	_	55,416	_	44,668	51,886	_	41,672	_	49,752	_	41,625
Total current assets	_	2,159,245	_	2,108,476	_	2,145,018		2,277,301		2,207,219	2,159,092	_	2,119,904	_	734,430	_	400,980
Restricted cash, non-current		_		_		_		_		_	_		_		6,500		_
Marketable securities, non-current		2,920		2,396		7,364		19,523		13,079	_		_		_		_
Contract assets, non-current		9,498		5,722		5,469		2,730		1,255	2,537		9,136		2,085		122
Deferred contract acquisition costs, non-current		113,568		106,654		103,520		100,224		77,849	58,289		44,618		32,553		17,893
Property and equipment, net		28,152		25,517		21,776		17,176		14,188	14,728		15,149		14,822		20,846
Operating lease right-of-use assets		50,555		44,074		44,895		48,953		50,895	16,302		16,490		17,260		22,737
Intangible assets, net		23,993		26,856		15,078		16,817		18,467	18,866		20,423		10,191		11,776
Goodwill		83,844		86,180		52,123		53,564		54,457	55,193		58,478		28,059		25,311
Deferred tax asset		7,657		7,995		8,170		10,628		6,846	7,927		7,836		8,118		_
Other assets, non-current	_	32,252		20,807	_	21,307	_	25,534		23,433	14,947	-	14,536	_	12,443	_	8,503
Total assets	\$	2,511,684	\$	2,434,677	\$	2,424,720	\$	2,572,450	\$	2,467,688	\$ 2,347,881	: =	\$ 2,306,570	\$	866,461	\$	508,168
LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY (DEFICIT)																	
Current liabilities:	_		_		_		_		_					_		_	
Accounts payable	\$	11,253	\$	12,122	\$	17,442	\$	11,515	\$	23,942		,		\$	6,682	\$	4,608
Accrued expenses and other current liabilities		78,892		74,666		75,590		87,958		82,439	60,558		51,057		36,660		32,315
Accrued compensation and benefits		98,086		80,961		62,948		130,673		107,788	75,628		49,802		110,736		58,478
Deferred payments related to business acquisitions																	18,591
Deferred revenue		288,412	_	292,323	_	282,263		297,355		253,120	235,484	-	222,089	_	211,078	_	124,627
Total current liabilities		476,643		460,072		438,243		527,501		467,289	374,544		328,590		365,156		238,619
Deferred revenue, non-current		107,633		66,598		56,832		68,665		58,869	54,465		55,224		61,325		40,941
Operating lease liabilities, non-current		55,085		46,765		46,346		49,843		51,164	12,328		12,968		14,152		20,391
Accrued sales commissions, non-current		_		_		_		_		_	_		_		_		8,967
Other liabilities, non-current		12,499	_	11,693	_	3,105	_	4,524	_	6,961	7,591	-	10,247	_	7,564	_	2,372
Total liabilities		651,860		585,128	_	544,526	_	650,533	_	584,283	448,928	-	407,029	_	448,197	_	311,290
Convertible preferred stock		_		_		_		_		_	_		_		1,221,968		996,389
Stockholders' equity (deficit):																	
Class A common stock		5		5		4		4		4	4		4		1		_
Class B common stock		1		1		1		1		1	1		1		1		1
Additional paid-in capital		3,649,474		3,577,278		3,488,255		3,406,959		3,312,405	3,213,595		3,117,853		179,175		72,229
Accumulated other comprehensive income (loss)		6,953		11,150		10,441		10,899		3,831	(4,598)		(8,294)		(12,521)		6,226
Accumulated deficit		(1,796,609)		(1,738,885)	_	(1,618,507)		(1,495,946)		(1,432,836)	(1,310,049)	-	(1,210,023)	_	(970,360)		(877,967)
Total stockholders' equity (deficit)		1,859,824		1,849,549	_	1,880,194		1,921,917		1,883,405	1,898,953	_	1,899,541	_	(803,704)		(799,511)
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	\$	2,511,684	\$	2,434,677	\$	2,424,720	\$	2,572,450	\$	2,467,688	\$ 2,347,881	: =	\$ 2,306,570	\$	866,461	\$	508,168

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

	Nine Months Ended October 31, 2022	Six Months Ended July 31, 2022	Three Months Ended April 30, 2022	Year Ended January 31, 2022	Nine Months Ended October 31, 2021	Six Months Ended July 31, 2021	Three Months Ended April 30,	Year Ended January 31, 2021	Nine Months Ended October 31, 2020	Six Months Ended July 31, 2020	Three Months Ended April 30, 2020	Year Ended January 31, 2020
Cash flows from operating activities			LULL	LULL								
Net loss	\$ (300,663)	\$ (242,939)	\$ (122,561)	\$ (525,586)	\$ (462,476)	\$ (339,689)	\$ (239,663)	\$ (92,393)	\$ (118,649)	\$ (47,853)	\$ (52,840)	\$ (519,933)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:												
Depreciation and amortization	12,993	8,065	4,039	14,705	10,697	6,966	3,172	12,335	9,383	6,264	3,147	8,666
Amortization of deferred contract acquisition costs Reversal of deferred contract acquisition cost and accrued sales commissions, net	37,967	21,860	10,822	39,257	19,904	10,971	4,920	40,997 (9,229)	28,478	18,991	8,006	30,450
Net amortization of premium on marketable securities	501	860	473	1,954	1,391	867	558	263	_	_	_	_
Stock-based compensation expense	270,797	189,706	101,454	515,583	438,551	343,448	250,835	86,167	65,794	17,030	8,201	137,862
Charitable donation of Class A common stock	5,499	5,499	_	_	_	_	_	_	_	_	_	_
Amortization of operating lease right-of-use assets	8,555	4,597	2,759	8,875	6,013	3,580	1,734	7,266	5,522	3,708	1,879	7,019
Deferred income taxes	1,171	1,505	1,594	(5,832)	(357)	(134)	21	(7,587)	68	(10)	(52)	(1,324)
Provision for uncertain tax position Abandonment and impairment charges	2,881	2,881	_	_	822	_	_		_	_	_	_
Other non-cash (credits) charges, net	(1,714)	(1,031)	2,849	1,983	777	(526)	(643)	1,019	1,382	247	29	1,954
Changes in operating assets and liabilities:	(1,114)	(1,001)	2,040	1,000	***	(020)	(040)	1,015	1,002	2-11	23	1,004
Accounts receivable	(33,449)	51,707	76,864	(86,387)	(27,028)	32,961	35,973	(76,907)	(34,191)	(17,740)	9,769	(52,146)
Contract assets	(27,735)	(26,146)	(18,523)	(43,660)	(29,994)	(20,355)	(8,148)	(21,964)	(18,459)	(13,955)	(4,781)	(5,083)
Deferred contract acquisition costs	(69,657)	(39,572)	(20,761)	(130,186)	(80,720)	(44,946)	(20,205)	(51,058)	(28,885)	(18,516)	(5,782)	(61,037)
Prepaid expenses and other assets	(27,361)	(4,277)	(5,231)	(15,360)	(2,295)	(4,340)	7,666	(8,564)	208	2,326	1,109	(20,625)
Accounts payable	2,414	2,759	7,554	3,507	17,549	(3,663)	(528)	1,893	1,983	1,414	4,251	(14,557)
Accrued expenses and other liabilities	(13,785)	(14,507) (45,042)	(12,894) (65,083)	45,729 24,038	17,756	8,484	4,573 (60,433)	6,122 49,924	8,009 24,233	4,127 7,192	(1,646) (8,340)	18,763 17,735
Accrued compensation and benefits Operating lease liabilities, net	(26,096) (488)	(2,422)	(1,950)	(9,064)	(822) (5,261)	(32,686) (3,698)	(1,807)	(8,080)	(6,075)	(4,097)	(1,894)	(5,064)
Deferred revenue	54,232	9,876	(14,289)	105,481	46,544	19,237	4,453	98,973	72,197	44,934	14,812	97,884
Net cash (used in) provided by operating activities	(103,938)	(76,621)	(52,884)	(54,963)	(48,949)	(23,523)	(17,522)	29,177	10,998	4,062	(24,132)	359,436
Cash flows from investing activities:	(:,)	(,)	(,,	(= 1,===)	(, /	(,)	(,-==)	,	,	.,	(= -, - = -)	,
Purchases of marketable securities	(204,311)	(45,600)	(21,918)	(212,512)	(161,214)	(94,157)	(94,157)	(103,108)	_	_	_	_
Sales of marketable securities	· <u>-</u>	· —	· <u>-</u>	89,383	89,383	89,383	89,383	· —	_	_	_	_
Maturities of marketable securities	93,298	47,433	14,813	107,745	58,109	36,605	23,755	_	_	_	_	_
Purchases of property and equipment	(21,614)	(16,298)	(9,692)	(8,879)	(5,719)	(3,641)	(2,200)	(1,953)	(989)	(587)	(460)	(15,748)
Payments related to business acquisitions, net of cash acquired	(29,542)	(29,477)	_	(5,498)	(5,498)	(5,498)	(5,498)	(19,690)	(19,690)	(1,000)	_	(18,525)
Capitalization of software development costs	_	_	_	(2,950)	(2,950)	(771)	(410)	(1,240)	_	_	_	(5,233)
Purchases of intangible assets	_	_	_	(1,231)	(1,231)	_	_	_	_	_	_	_
Purchases of investments	_	_	_	(1,500)	_	_	_	_	_	_	_	_
Other investing, net	(507)	(507)	1,100		_	_	_	_	_	_	_	_
Net cash (used in) provided by investing activities	(162,676)	(44,449)	(15,697)	(35,442)	(29,120)	21,921	10,873	(125,991)	(20,679)	(1,587)	(460)	(39,506)
Cash flows from financing activities: Proceeds from initial public offering, net of underwriting discounts	(102,010)	(**,****)	(10,001)					(122,000)	(==,==,=)	(1,221)	(155)	(55,555)
and commissions	_	_	_	692,369	692,369	692,369	692,369	_	_	_	_	_
Payments of initial public offering costs	_	_	=	(3,734)	(3,734)	(3,734)	(2,406)	225 002	225 002	225 002	_	E02 600
Proceeds from issuance of convertible preferred stock Payments of issuance costs related to convertible preferred stock	_	_	_	750,000	750,000	750,000	750,000	225,903	225,903	225,903	_	583,600
Proceeds from exercise of stock options	7,605	4,682	2,823	(164) 12,197	(164) 9,687	(164) 6,651	(164) 3,114	(324) 26,379	(324) 19,837	(324) 2,719	536	(591) 3,599
Repurchase and retirement of common stock	7,005	4,002	2,023	12,197	9,007	0,051	3,114	20,379	19,037	2,719	_	(128,843)
Proceeds from credit agreement	_	_	_	_	_	_	_	78,587	78,587	78,587	78,828	(120,040)
Repayment of credit agreement	_	_	_	_	_	_	_	(78,587)	(78,587)	(78,587)		_
Payments of tax withholdings on net settlement of equity awards	(53,300)	(38,717)	(17,329)	(10,467)	(10,300)	(9,554)	_			· <u>-</u>	_	_
Net (payments) receipts of tax withholdings on sell-to-cover equity award transactions	(10,132)	(10,132)	(10,037)	10,432	20,418	9,483	_	_	_	_	_	_
Proceeds from employee stock purchase plan contributions	13,525	8,507	6,356	19,040	13,766	6,902	_	_	_	_	_	_
Repurchase of unvested early exercised stock options	(1,493)	(1,493)	0,000	10,040	10,700	0,502	_	_	_	_	_	_
Payment of deferred loan cost related to senior secured credit facility	(1,400)	(1,400)		_	_	_	_	(808)	(808)	_	_	
Payments of deferred offering costs	_	_	_	_	_	_	_	(732)	(606)	_	_	_
Net cash (used in) provided by financing activities	(43,795)	(37,153)	(18,187)	1,469,673	1,472,042	1,451,953	1,442,913	250,418	244,608	228,298	79,364	457,765
Effect of exchange rate changes	(7,162)	(3,144)	(2,738)	18,265	11,254	4,883	2,313	(16,545)	(8,402)	(14,067)	7,955	3,190
Net (decrease) increase in cash, cash equivalents and restricted cash	(317,571)	(161,367)	(89,506)	1,397,533	1,405,227	1,455,234	1,438,577	137,059	226,525	216,706	62,727	62,013
Cash, cash equivalents, and restricted cash at beginning of period	1,768,723	1,768,723	1,768,723	371,190	371,190	371,190	371,190	234,131	234,131	234,131	234,131	172,118
Cash, cash equivalents, and restricted cash at end of period	\$ \$ 1,451,152	\$ 1,607,356	\$ 1,679,217	\$ 1,768,723	\$ 1,776,417	\$ 1,826,424	\$ 1,809,767	\$ 371,190	\$ 460,656	\$ 450,837	\$ 296,858	\$ 234,131

UiPath, Inc. Reconciliation of GAAP Cost of Revenue and Gross Profit to Non-GAAP Cost of Revenue and Gross Profit (in thousands, except percentages) (unaudited)

Three Months Ended

	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	October 31, July 31,	
	2022	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020
Licenses											
GAAP cost of licenses	\$ 3,208	\$ 2,170	\$ 2,537	\$ 4,374	\$ 2,626	\$ 2,	434 \$ 2,454	\$ 2,281	\$ 1,720	\$ 1,636	\$ 1,417
Less: Amortization of acquired intangible assets	777	562	596	611	628		636 646	656	634	617	586
Non-GAAP cost of licenses	\$ 2,431	\$ 1,608	\$ 1,941	\$ 3,763	\$ 1,998	\$ 1,	798 \$ 1,808	\$ 1,625	\$ 1,086	\$ 1,019	\$ 831
Subscription services											
GAAP cost of subscription services	\$ 20,578	\$ 22,326	\$ 21,045	\$ 18,489	\$ 15,659		238 \$ 14,179	\$ 7,079	\$ 6,092	\$ 5,501	\$ 5,543
Less: Stock-based compensation expense	2,844	2,841	3,216	2,316	2,045		,657 6,214	154	133	141	85
Less: Amortization of acquired intangible assets	570	330	330	330	330		330 110	_	_	_	_
Less: Employer payroll tax expense related to employee equity transactions											
	34	62	84	255	701		186 —	_	_	_	_
Less: Restructuring costs		137									
Non-GAAP cost of subscription services	\$ 17,130	\$ 18,956	\$ 17,415	\$ 15,588	\$ 12,583	\$ 10,	065 \$ 7,855	\$ 6,925	\$ 5,959	\$ 5,360	\$ 5,458
Professional services and other											
GAAP cost of professional services and other	\$ 18,982	\$ 20,080	\$ 21,434	\$ 18,301	\$ 24,815		922 \$ 32,377	\$ 10,776	\$ 9,573	\$ 7,561	\$ 6,678
Less: Stock-based compensation expense	2,557	2,528	3,874	2,709	4,305	3	,904 18,931	531	532	499	298
Less: Employer payroll tax expense related to employee equity transactions											
	26	62	79	910	2,527	1	,079 —	_	_	_	_
Less: Restructuring costs		320									
Non-GAAP professional cost of services and other	\$ 16,399	\$ 17,170	\$ 17,481	\$ 14,682	\$ 17,983	\$ 15,	939 \$ 13,446	\$ 10,245	\$ 9,041	\$ 7,062	\$ 6,380
Gross Profit and Margin											
GAAP gross profit	\$ 219,976	\$ 197,646	\$ 200,050	\$ 248,534	\$ 177,716	\$ 159,		\$ 187,739	\$ 129,904	\$ 124,678	\$ 99,465
GAAP gross margin	84%	82%	82%	86%	80%		2.% 74%	90%	88%	89.%	88%
Plus: Stock-based compensation expense	5,401	5,369	7,090	5,025	6,350		561 25,145	685	665	640	383
Plus: Amortization of acquired intangible assets	1,347	892	926	941	958		966 756	656	634	617	586
Plus: Employer payroll tax expense related to employee equity transactions											
	60	124	163	1,165	3,228	1	.265 —	_	_	_	_
Plus: Restructuring costs		457									
Non-GAAP gross profit	\$ 226,784	\$ 204,488	\$ 208,229	\$ 255,665	\$ 188,252	\$ 167,		\$ 189,080	\$ 131,203	\$ 125,935	\$ 100,434
Non-GAAP gross margin	86%	84%	85%_	88%	85%		86% 88%	91%	89%	90%	89%

UiPath, Inc. Reconciliation of GAAP Operating Expenses and Loss to Non-GAAP Operating Expenses and Income (Loss) (in thousands, except percentages) (unaudited)

Three Months Ended

	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,
	2022	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020
Sales and Marketing GAAP sales and marketing Less: Stock-based compensation expense Less: Amortization of acquired intangible assets Less: Employer payroll tax expense related to employee equity	\$ 156,469 30,763 659	\$ 181,547 35,889 413	\$ 189,782 50,758 414	\$ 174,757 35,853 404	\$ 172,906 41,823 405	\$144,268 41,006 427	\$ 205,751 119,293 161	\$ 99,380 5,612 27	\$ 99,512 5,116 35	\$ 90,331 3,775 18	\$ 90,931 1,853 35
transactions Less: Restructuring costs	416 511	1,202 10,732	1,427 	7,097 	23,839 —	8,364 	315 				
Non-GAAP sales and marketing	\$ 124,120	\$ 133,311	\$ 137,183	\$ 131,403	\$ 106,839	\$ 94,471	\$ 85,982	\$ 93,741	\$ 94,361	\$ 86,538	\$ 89,043
Research and Development GAAP research and development Less: Stock-based compensation expense	\$ 67,341 23,435	\$ 67,849 23,501	\$ 68,690 26,623	\$ 64,412 21,253	\$ 61,559 24,866	\$ 57,646 23,978	\$ 93,040 65,616	\$ 29,194 3,639	\$ 27,456 3,169	\$ 26,541 2,811	\$ 26,729 1,816
Less: Employer payroll tax expense related to employee equity transactions Less: Restructuring costs	170 —	320 43	481 —	4,173 —	1,312	325 —	_	_	_	_	_
Non-GAAP research and development	\$ 43,736	\$ 43,985	\$ 41,586	\$ 38,986	\$ 35,381	\$ 33,343	\$ 27,424	\$ 25,555	\$ 24,287	\$ 23,730	\$ 24,913
General and Administrative GAAP general and administrative	\$ 63,157	\$ 68,443	\$ 57,530	\$ 60,244	\$ 59,498	\$ 55,834	\$ 74,415	\$ 44,574	\$ 65,951	\$ 24,834	\$ 26,676
Less: Stock-based compensation expense Less: Amortization of acquired intangible assets Less: Employer payroll tax expense related to employee equity	21,492 44	23,493 46	16,983 46	14,901 57	22,064 44	22,068	40,781	10,437	39,814 —	1,603	4,149 —
transactions Less: Restructuring costs	123 580	186 802	177 —	1,956 —	455 —	590 —	_	_	_	_	_
Less: Charitable donation of Class A common stock		5,499									
Non-GAAP general and administrative	\$ 40,918	\$ 38,417	\$ 40,324	\$ 43,330	\$ 36,935	\$ 33,176	\$ 33,634	\$ 34,137	\$ 26,137	\$ 23,231	\$ 22,527
Operating (Loss) Income GAAP operating (loss) income GAAP operating margin Plus: Stock-based compensation expense Plus: Amortization of acquired intangible assets	\$ (66,991) (25)% 81,091 2,050	\$ (120,193) (50)% 88,252 1,351	\$ (115,952) (47)% 101,454 1,386	\$ (50,879) (18)% 77,032 1,402	\$ (116,247) (53)% 95,103 1,407	\$ (97,821) (50)% 92,613 1,393	\$(235,999) (127)% 250,835 917	\$ 14,591 7% 20,373 683	\$ (63,015) (43)% 48,764 669	\$ (17,028) (12)% 8,829 635	\$ (44,871) (40)% 8,201 621
Plus: Employer payroll tax expense related to employee equity transactions Plus: Restructuring costs	769 1,091	1,832 12,034	2,248	14,391 —	28,834 —	10,544	315 —	_	_	_	_
Plus: Charitable donation of Class A common stock Non-GAAP operating income (loss) Non-GAAP operating margin	\$ 18,010 7 %	5,499 \$ (11,225) (5)%	\$ (10,864) (4)%	\$ 41,946 14%	\$ 9,097 4%	\$ 6,729 3%	\$ 16,068 9%	\$ 35,647 17%	\$ (13,582) (9)%	\$ (7,564) (5)%	\$ (36,049) (32)%

UiPath, Inc.

Reconciliation of GAAP Net Loss and GAAP Net Loss Per Share to Non-GAAP Net Income (Loss) and Non-GAAP Net Income (Loss) Per Share (in thousands, except per share data) (unaudited)

Three Months Ended

	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020
GAAP net loss attributable to common stockholders	\$ (57,724)	\$ (120,378)	\$ (122,561)	\$ (63,110)	\$ (122,787)	\$ (100,026)	\$ (239,663)	s —	\$ (70,796)	\$ —	\$ (52,840)
Plus: Undistributed earnings attributable to participating securities	- (,,	- (,,	- (,,	- (,,	- (,,	- (,,	* (===,===)	26,256	- (,)	4,987	+ (-=,)
Plus: Stock-based compensation expense	81,091	88,252	101,454	77,032	95,103	92,613	250,835	20,373	48,764	8,829	8,201
Plus: Amortization of acquired intangible assets	2,050	1,351	1,386	1,402	1,407	1,393	917	683	669	635	621
Plus: Employer payroll tax expense related to employee equity	769	1,832	2,248	14,391	28,834	10,544	315	_	_	_	_
Plus: Restructuring costs	1,091	12,034	_	_	_	_	_	_	_	_	_
Plus: Charitable donation of Class A common stock	_	5,499	_	_	_	_	_	_	_	_	_
Tax adjustments to add-backs (1)	(609)	_	_	(2,545)	(462)	(338)	(745)	_	_	_	_
Non-GAAP net income (loss)	\$ 26,668	\$ (11,410)	\$ (17,473)	\$ 27,170	\$ 2,095	\$ 4,186	\$ 11,659	\$ 47,312	\$ (21,363)	\$ 14,451	\$ (44,018)
GAAP net loss per share, basic and diluted GAAP weighted average common shares outstanding, basic and diluted	\$ (0.10)	\$ (0.22)	\$ (0.23)	\$ (0.12)	\$ (0.23)	\$ (0.19)	\$ (1.11)	<u>\$</u>	\$ (0.41)	<u>\$</u>	\$ (0.33)
J.	550,164	546,058	541,902	537,162	531,718	526,512	215,352	179,624	171,280	162,914	159,003
Plus: Unweighted adjustment for conversion of preferred to common stock in connection with IPO	_	_	_	_	_	_	278,768	306,300	306,300	306,300	306,300
Plus: Unweighted adjustment for common stock issued in connection with IPO	_	_	_	_	_	_	11,831	13,000	13,000	13,000	13,000
Non-GAAP weighted average common shares outstanding, basic	550,164	546,058	541,902	537,162	531,718	526,512	505,951	498,924	490,580	482,214	478,303
Dilutive potential common shares from outstanding equity awards	10,331	_		22,733	28,192	33,619	52,074	_	_	59,090	-
Non-GAAP weighted average common shares outstanding, diluted	560,495	546,058	541,902	559,895	559,910	560,131	558,025	498,924	490,580	541,304	478,303
Non-GAAP net income (loss) per share, basic	\$ 0.05	\$ (0.02)	\$ (0.03)	\$ 0.05	\$ —	\$ 0.01	\$ 0.02	\$ 0.09	\$ (0.04)	\$ 0.03	\$ (0.09)
Non-GAAP net income (loss) per share, diluted	\$ 0.05	\$ (0.02)	\$ (0.03)	\$ 0.05	\$ —	\$ 0.01	\$ 0.02	\$ 0.09	\$ (0.04)	\$ 0.03	\$ (0.09)

⁽¹⁾Estimated using blended annual effective tax rate and net operating losses available to offset.

UiPath, Inc. Reconciliation of GAAP Operating Cash Flow to Non-GAAP Adjusted Free Cash Flow (in thousands) (unaudited)

	Nine Months Ended October 31, 2022	Six Months Ended July 31, 2022	Three Months Ended April 30, 2022	Year Ended January 31, 2022	Nine Months Ended October 31, 2021	Six Months Ended July 31, 2021	Three Months Ended April 30, 2021	Year Ended January 31, 2021	Nine Months Ended October 31, 2020	Six Months Ended July 31, 2020	Three Months Ended April 30,	Year Ended January 31, 2020
GAAP net cash (used in) provided by operating activities	\$ (103,938)	\$ (76,621)	\$ (52,884)	\$ (54,963)	\$ (48,949)	\$ (23,523)	\$ (17,522)	\$ 29,177	\$ 10,998	\$ 4,062	\$ (24,132)	\$ (359,436)
Purchases of property and equipment	(21,614)	(16,298)	(9,692)	(8,879)	(5,719)	(3,641)	(2,200)	(1,953)	(989)	(587)	(460)	(15,748)
Capitalization of software development costs	_	_	_	(2,950)	(2,950)	(771)	(410)	(1,240)	_	_	_	(5,233)
Cash paid for employer payroll taxes related to employee equity transactions	6,399	4,953	3,034	51,693	34,623	9,064	_	_	_	_	_	_
Net payments (receipts) of employee tax withholdings on stock option exercises	6,370	5,664	5,757	(6,382)	(8,272)	(4,726)	_	_	_	_	_	_
Cash paid for restructuring costs	11,585	5,196	_				_	_	_	_	_	_
Non-GAAP adjusted free cash flow	\$ (101,198)	\$ (77,106)	\$ (53,785)	\$ (21,481)	\$ (31,267)	\$ (23,597)	\$ (20,132)	\$ 25,984	\$ 10,009	\$ 3,475	\$ (24,592)	\$ (380,417)
GAAP Net cash (used in) provided by investing activities	\$ (162,676)	\$ (44,449)	\$ (15,697)	\$ (35,442)	\$ (29,120)	\$ 21,921	\$ 10,873	\$ (125,991)	\$ (20,679)	\$ (1,587)	\$ (460)	\$ (39,506)
GAAP Net cash (used in) provided by financing activities	\$ (43,795)	\$ (37,153)	\$ (18,187)	\$ 1,469,673	\$ 1,472,042	\$ 1,451,953	\$1,442,913	\$ 250,418	\$ 244,608	\$ 228,298	\$ 79,364	\$ 457,765

UiPath, Inc. Key Performance Metric (in thousands, except percentages) (unaudited)

	As of														
	October 3	, July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,	January 31,	October 31,	July 31,	April 30,
	2022	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019
Annualized Renewal Run-Rate (ARR)	\$ 1,110,	077 \$ 1,043,286	\$ 977,067	\$ 925,276	\$ 818,406 \$	726,467 \$	652,580 \$	580,483	\$ 518,404	453,467 \$	397,848 \$	351,442	\$ 283,317 \$	242,263 \$	\$ 204,341
Year-over-year growth	3	6% 44%	50%	59%	58%	60%	64%	65%	83%	87%	95%	109%	131%	159%	213%