

September 7, 2021



UiPath Reports Second Quarter Fiscal 2022 Financial Results

ARR of \$726.5 million increased 60 percent year-over-year driven by record net new ARR of \$73.9 million

NEW YORK--(BUSINESS WIRE)-- UiPath, Inc. (NYSE: PATH), a leading [enterprise automation](#) software company, today announced financial results for its second quarter fiscal 2022 ended July 31, 2021.

"We continued our very strong momentum in the second quarter of fiscal year 2022 with ARR growing 60 percent year-over-year to \$726.5 million. Our results were driven by both new customer additions, ending the quarter with more than 9,100 customers, as well as robust expansion with existing customers, reflected in our best-in-class dollar-based net retention rate of 144 percent," said Daniel Dines, UiPath Co-Founder and Chief Executive Officer. "The opportunity to unlock human potential is vast and we are in the very early stages of the automation market. We believe we have a long-term opportunity to drive durable growth and build a company that will transform how organizations compete, employees experience work, and companies interact with their customers."

Ashim Gupta, UiPath Chief Financial Officer, added, "The team executed well this quarter as we continue to drive meaningful growth at scale. Our land and expand go-to-market model delivered record net new ARR, a testament to our competitive differentiation and the power of our platform to drive meaningful return on investment for our customers. Looking ahead, our priority is to continue to drive growth while exercising operational rigor, which will allow us to maintain our clear leadership position in this large and growing market."

Second Quarter Fiscal 2022 Financial Highlights

- ARR of \$726.5 million as of July 31, 2021, increased 60 percent year-over-year.
- Net new ARR of \$73.9 million increased 33 percent year-over-year.
- Revenue of \$195.5 million increased 40 percent year-over-year.
- GAAP gross margin was 82 percent.
- Non-GAAP gross margin was 86 percent.
- Net cash used in operations was \$(6.0) million.
- Non-GAAP adjusted free cash flow was \$(3.5) million.
- Cash, cash equivalents, and marketable securities of \$1.9 billion as of July 31, 2021.

Recent Business Highlights

- **Named a Process Mining Leader in the Technology Vendor Landscape for the second consecutive year**, according to Everest Group's Process Mining Products PEAK Matrix® Assessment 2021. UiPath has also emerged as one of the four-Star

Performers in this year's assessment, demonstrating the most year over year improvement on the PEAK Matrix®.

- **Announced new integrations with Smartsheet (NYSE: SMAR)**, the enterprise platform for dynamic work, to make it easy for users to retrieve, update, and share data in Smartsheet. This means users are now able to automate the management of workflows in Smartsheet projects, reports, and sheets in a matter of minutes, saving hours of repetitive, manual work.
- **Expanded technology partner ecosystem to include SUSE**, a leader in Linux and Kubernetes management, to provide additional deployment options for customers leveraging the UiPath platform. In addition, UiPath collaborated with Alteryx (NYSE: AYX), a strategic technology partner, which developed a UiPath Connector that makes it easy for users to trigger UiPath software robots directly from an Alteryx analytic automation workflow.
- **Completed SOC 2 Type 2 System and Organization Controls for [UiPath Automation Cloud](#)**: This attestation, among the Company's extensive list of security capabilities, provides assurance to UiPath global customers in highly-regulated industries who trust UiPath with their most sensitive data.
- **Joined TSANet (Technical Support Alliance Network)**, the industry's largest vendor neutral support alliance, to fast track interactions with other vendors in resolving multi-party integration issues. As the first pure-play automation company to the TSANet ecosystem, UiPath will leverage other vendors' engineering and customer success teams to ultimately reduce the resolution time for its mutual customers.
- **Expanded go-to-market partner ecosystem** to help customers rapidly accelerate their digital transformation efforts. With a range of technology and industry solutions, UiPath added more than 300 new go-to-market partners in the quarter bringing the total partner ecosystem to more than 4,700 worldwide.
- **Announced UiPath community grew to more than 1.5 million members and launched three new features: [Use case repository](#), [UiPath community job board](#), and [Community mentorship program](#)**. The UiPath Community connects customers, partners, freelancers, enthusiasts, and beginners to UiPath.

Financial Outlook

For the fiscal third quarter 2022, UiPath expects:

- ARR in the range of \$796 million and \$798 million as of October 31, 2021
- Revenue in the range of \$207 million and \$209 million
- Non-GAAP operating loss in the range of \$(30) million and \$(15) million

For the fiscal full year 2022, UiPath expects:

- ARR in the range of \$876 million and \$881 million as of January 31, 2022

Reconciliation of non-GAAP operating loss guidance to the most directly comparable GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the charges excluded from this non-GAAP measure; in particular, the measures and effects of stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

Conference Call and Webcast

UiPath will host a conference call today, Tuesday, September 7, 2021, at 5:00 p.m. Eastern Time, to discuss the Company's fiscal second quarter 2022 financial results and guidance. To access this call, dial 1-201-689-8057 (domestic) or 1-877-407-8309 (international). The passcode is 13721284. A replay of this conference call will be available through September 21, 2021 at 1-201-612-7415 (domestic) or 1-877-660-6853 (international). The replay passcode is 13721284. A live webcast of this conference call will be available on the "Investor Relations" page of the Company's website (<https://ir.uipath.com>), and a replay will be archived on the website as well.

About UiPath

UiPath has a vision to deliver the Fully Automated Enterprise™, one where companies use automation to unlock their greatest potential. UiPath offers an end-to-end platform for automation, combining the leading Robotic Process Automation (RPA) solution with a full suite of capabilities that enable every organization to rapidly scale digital business operations.

Forward Looking Statements

Statements we make in this press release may include statements which are not historical facts and are considered forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "outlook", "seeks," "should," "will," and variations of such words or similar expressions.

We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and are making this statement for purposes of complying with those safe harbor provisions.

These forward-looking statements include, but are not limited to, statements regarding our financial guidance for the third fiscal quarter and full year fiscal 2022, our strategic plans or objectives, the estimated addressable market opportunity for our platform, the successful integration of new features into our platform, the success of our collaborations with third parties, and the ability of our platform to deliver our customers a return on investment. Accordingly, actual results could differ materially or such uncertainties could cause adverse effects on our results. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, risks and uncertainties related to: (1) our recent rapid growth, which may not be indicative of our future growth; (2) our limited operating history; (3) our ability to successfully manage our growth; (4) our ability and the ability of our platform to satisfy and adapt to customer demands; (5) our dependency on our existing customers to renew their licenses and purchase additional licenses and products from us and our channel partners; (6) our ability to attract and retain customers; (7) the competitive markets in which we participate; (8) general market, political, economic, and business conditions; (9) our ability to maintain and expand our distribution channels; (10) our reliance on third-party providers of

cloud-based infrastructure; and (11) the potential impact that the COVID-19 pandemic and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations.

Further information on risks that could cause actual results to differ materially from our guidance can be found in our Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2021 filed with the SEC on June 9, 2021, and in our Quarterly Report on Form 10-Q that will be filed for the quarterly period ended July 31, 2021. Any forward-looking statements contained in this press release are based on assumptions that we believe to be reasonable as of this date. Except as required by law, we assume no obligation to update these forward-looking statements.

Key Performance Metric, Dollar-Based Net Retention Rate, 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 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 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.

Dollar-based net retention rate represents the rate of net expansion of our ARR from existing customers over the preceding 12 months. We calculate dollar-based net retention rate as of a period end by starting with ARR from the cohort of all customers as of 12 months prior to such period end (Prior Period ARR). We then calculate the ARR from these same customers as of the current period end (Current Period ARR). Current Period ARR includes any expansion and is net of any contraction or attrition over the preceding 12 months but does not include ARR from new customers in the current period. We then divide total Current Period ARR by total Prior Period ARR to arrive at dollar-based net retention rate. Dollar-based net retention rate may fluctuate based on the customers that qualify to be included in the cohort used for calculation and may not reflect our actual performance.

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

This earnings press release 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, non-GAAP net income (loss) and non-GAAP net income (loss) per share, and non-GAAP adjusted free cash flow. These non-GAAP financial measures exclude:

- stock-based compensation expense;
- amortization of acquired intangibles;
- employer payroll tax expense related to employee equity transactions;
- in the case of non-GAAP net income (loss), undistributed earnings attributable to participating securities and tax adjustments associated with the add-back items; and
- in the case of non-GAAP adjusted free cash flow, purchases of property and equipment, capitalization of software development costs, cash paid for employer payroll taxes related to employee equity transactions, and net receipts of employee tax withholdings on stock option exercises.

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 to investors. Non-GAAP 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 in addition to, and not as 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 below provides a reconciliation of non-GAAP financial measures used in this press release 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 that is included at the end of this earnings press release. This earnings press release and any future releases containing such non-GAAP reconciliations can also be found on the Investor Relations page of UiPath's website at <https://ir.uipath.com>.

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

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|---|--|-----------------|--------------------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue: | | | | |
| Licenses | \$ 95,547 | \$ 79,513 | \$ 195,763 | \$ 143,272 |
| Maintenance and support | 90,319 | 51,932 | 167,961 | 95,128 |
| Services and other | 9,655 | 7,931 | 18,014 | 14,079 |
| Total revenue | <u>195,521</u> | <u>139,376</u> | <u>381,738</u> | <u>252,479</u> |
| Cost of revenue: | | | | |
| Licenses | 2,434 | 1,636 | 4,888 | 3,053 |
| Maintenance and support | 12,238 | 5,501 | 26,417 | 11,044 |
| Services and other | 20,922 | 7,561 | 53,299 | 14,239 |
| Total cost of revenue | <u>35,594</u> | <u>14,698</u> | <u>84,604</u> | <u>28,336</u> |
| Gross profit | 159,927 | 124,678 | 297,134 | 224,143 |
| Operating expenses: | | | | |
| Sales and marketing | 144,268 | 90,331 | 350,019 | 181,262 |
| Research and development | 57,646 | 26,541 | 150,686 | 53,270 |
| General and administrative | 55,834 | 24,834 | 130,249 | 51,510 |
| Total operating expenses | <u>257,748</u> | <u>141,706</u> | <u>630,954</u> | <u>286,042</u> |
| Operating loss | (97,821) | (17,028) | (333,820) | (61,899) |
| Interest income | 766 | 77 | 1,707 | 607 |
| Other (expense) income, net | (1,225) | 24,010 | (4,443) | 16,173 |
| (Loss) income before income taxes | (98,280) | 7,059 | (336,556) | (45,119) |
| Provision for income taxes | 1,746 | 2,072 | 3,133 | 2,734 |
| Net (loss) income | <u>\$ (100,026)</u> | <u>\$ 4,987</u> | <u>\$ (339,689)</u> | <u>\$ (47,853)</u> |
| Undistributed earnings attributable to participating securities | — | 4,987 | — | — |
| Net loss attributable to common stockholders, basic and diluted | <u>\$ (100,026)</u> | <u>\$ —</u> | <u>\$ (339,689)</u> | <u>\$ (47,853)</u> |
| Net loss per share attributable to common stockholders, basic and diluted | <u>\$ (0.19)</u> | <u>\$ —</u> | <u>\$ (0.91)</u> | <u>\$ (0.30)</u> |
| Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted | <u>526,512</u> | <u>162,914</u> | <u>373,488</u> | <u>160,980</u> |

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

| | As of | |
|--|--------------------------|-----------------------------|
| | July 31, 2021 | January 31, 2021 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,826,424 | \$ 357,690 |
| Restricted cash, current | — | 7,000 |
| Marketable securities | 70,140 | 102,828 |
| Accounts receivable, net of allowance for doubtful accounts of \$2,158 and \$2,879, respectively | 138,945 | 172,286 |
| Contract assets, current | 53,555 | 34,221 |
| Deferred contract acquisition costs, current | 18,142 | 10,653 |
| Prepaid expenses and other current assets | 51,886 | 49,752 |
| Total current assets | 2,159,092 | 734,430 |
| Restricted cash, non-current | — | 6,500 |
| Contract assets, non-current | 2,537 | 2,085 |
| Deferred contract acquisition costs, non-current | 58,289 | 32,553 |
| Property and equipment, net | 14,728 | 14,822 |
| Operating lease right-of-use assets | 16,302 | 17,260 |
| Intangible assets, net | 18,866 | 10,191 |
| Goodwill | 55,193 | 28,059 |
| Deferred tax asset, non-current | 7,927 | 8,118 |
| Other assets, non-current | 14,947 | 12,443 |
| Total assets | \$ 2,347,881 | \$ 866,461 |
| Liabilities, Convertible Preferred Stock, and Stockholders' Equity (Deficit) | | |
| Current liabilities | | |
| Accounts payable | \$ 2,874 | \$ 6,682 |
| Accrued expenses and other current liabilities | 60,558 | 36,660 |
| Accrued compensation and employee benefits | 75,628 | 110,736 |
| Deferred revenues, current | 235,484 | 211,078 |
| Total current liabilities | 374,544 | 365,156 |
| Deferred revenues, non-current | 54,465 | 61,325 |
| Operating lease liabilities, non-current | 12,328 | 14,152 |
| Other liabilities, non-current | 7,591 | 7,564 |
| Total liabilities | 448,928 | 448,197 |
| Commitments and contingencies | | |
| Convertible preferred stock | — | 1,221,968 |
| Stockholders' equity (deficit) | | |
| Preferred stock | — | — |
| Class A common stock | 4 | 1 |
| Class B common stock | 1 | 1 |
| Additional paid-in capital | 3,213,595 | 179,175 |
| Accumulated other comprehensive loss | (4,598) | (12,521) |
| Accumulated deficit | (1,310,049) | (970,360) |
| Total stockholders' equity (deficit) | 1,898,953 | (803,704) |
| Total liabilities, convertible preferred stock, and stockholders' equity (deficit) | \$ 2,347,881 | \$ 866,461 |

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

| | Six Months Ended July 31, | |
|--|--------------------------------------|-------------|
| | 2021 | 2020 |
| Cash flows from operating activities | | |
| Net loss | \$ (339,689) | \$ (47,853) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 6,966 | 6,264 |
| Amortization of deferred contract acquisition costs | 10,971 | 18,991 |
| Amortization of deferred loan cost | 133 | — |
| Net amortization of premium on marketable securities | 867 | — |
| Stock-based compensation expense | 343,448 | 17,030 |
| Non-cash operating lease costs | 3,580 | 3,708 |
| (Benefit from) provision for bad debt | (659) | 247 |
| Deferred income taxes | (134) | (10) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 32,961 | (17,740) |
| Contract assets | (20,355) | (13,955) |
| Deferred contract acquisition costs | (44,946) | (18,516) |
| Prepaid expenses and other assets | (4,340) | 2,326 |
| Accounts payable | (3,663) | 1,414 |
| Accrued expense and other liabilities | 8,484 | 4,127 |
| Accrued compensation and employee benefits | (32,686) | 7,192 |
| Operating lease liabilities, net | (3,698) | (4,097) |
| Deferred revenue | 19,237 | 44,934 |
| Net cash (used in) provided by operating activities | (23,523) | 4,062 |
| Cash flows from investing activities | | |
| Purchases of marketable securities | (94,157) | — |
| Sales of marketable securities | 89,383 | — |
| Maturities of marketable securities | 36,605 | — |
| Purchases of property and equipment | (3,641) | (587) |
| Capitalization of software development costs | (771) | — |
| Payment related to business acquisition, net of cash acquired | (5,498) | (1,000) |
| Net cash provided by (used in) investing activities | 21,921 | (1,587) |
| Cash flows from financing activities | | |
| Proceeds from initial public offering, net of underwriting discounts and commissions | 692,369 | — |
| Payments of initial public offering costs | (3,734) | — |
| Proceeds from issuance of convertible preferred stock | 750,000 | 225,903 |
| Payments of issuance costs for convertible preferred stock | (164) | (324) |
| Proceeds from exercise of stock options | 6,651 | 2,719 |
| Payments of tax withholdings on net settlement of equity awards | (9,554) | — |
| Net receipts of tax withholdings on sell-to-cover equity award transactions | 9,483 | — |
| Proceeds from employee stock purchase plan contributions | 6,902 | — |
| Proceeds from credit facility | — | 78,587 |
| Repayment of credit facility | — | (78,587) |
| Net cash provided by financing activities | 1,451,953 | 228,298 |
| Effect of exchange rates | 4,883 | (14,067) |
| Net increase in cash, cash equivalents, and restricted stock | 1,455,234 | 216,706 |
| Cash, cash equivalents and restricted cash - beginning of period | 371,190 | 234,131 |
| Cash, cash equivalents and restricted cash - end of period | \$ 1,826,424 | \$ 450,837 |

UiPath, Inc.

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

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Licenses | | | | |
| GAAP cost of licenses | \$ 2,434 | \$ 1,636 | \$ 4,888 | \$ 3,053 |
| Less: Stock-based compensation expense | — | — | — | — |
| Less: Amortization of acquired intangible assets | 636 | 617 | 1,282 | 1,203 |
| Less: Employer payroll tax expense related to employee equity transactions | — | — | — | — |
| Non-GAAP cost of licenses | \$ 1,798 | \$ 1,019 | \$ 3,606 | \$ 1,850 |
| Maintenance and Support | | | | |
| GAAP cost of maintenance and support | \$ 12,238 | \$ 5,501 | \$ 26,417 | \$ 11,044 |
| Less: Stock-based compensation expense | 1,657 | 141 | 7,871 | 226 |
| Less: Amortization of acquired intangible assets | 330 | — | 440 | — |
| Less: Employer payroll tax expense related to employee equity transactions | 186 | — | 186 | — |
| Non-GAAP cost of maintenance and support | \$ 10,065 | \$ 5,360 | \$ 17,920 | \$ 10,818 |
| Services and Other | | | | |
| GAAP cost of services and other | \$ 20,922 | \$ 7,561 | \$ 53,299 | \$ 14,239 |
| Less: Stock-based compensation expense | 3,904 | 499 | 22,835 | 797 |
| Less: Amortization of acquired intangible assets | — | — | — | — |
| Less: Employer payroll tax expense related to employee equity transactions | 1,079 | — | 1,079 | — |
| Non-GAAP cost of services and other | \$ 15,939 | \$ 7,062 | \$ 29,385 | \$ 13,442 |
| Gross Profit and Margin | | | | |
| GAAP gross profit | \$ 159,927 | \$ 124,678 | \$ 297,134 | \$ 224,143 |
| GAAP gross margin | 82% | 89% | 78% | 89% |
| Plus: Stock-based compensation expense | 5,561 | 640 | 30,706 | 1,023 |
| Plus: Amortization of acquired intangible assets | 966 | 617 | 1,722 | 1,203 |
| Plus: Employer payroll tax expense related to employee equity transactions | 1,265 | — | 1,265 | — |
| Non-GAAP gross profit | \$ 167,719 | \$ 125,935 | \$ 330,827 | \$ 226,369 |
| Non-GAAP gross margin | 86% | 90% | 87% | 90% |

UiPath, Inc.

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

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|--|--------------------------------|-------------|------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Sales and Marketing | | | | |
| GAAP sales and marketing | \$ 144,268 | \$ 90,331 | \$ 350,019 | \$ 181,262 |
| Less: Stock-based compensation expense | 41,006 | 3,775 | 160,299 | 5,628 |
| Less: Amortization of acquired intangible assets | 427 | 18 | 588 | 53 |
| Less: Employer payroll tax expense related to employee equity transactions | 8,364 | — | 8,679 | — |
| Non-GAAP sales and marketing | \$ 94,471 | \$ 86,538 | \$ 180,453 | \$ 175,581 |
| Research and Development | | | | |
| GAAP research and development | \$ 57,646 | \$ 26,541 | \$ 150,686 | \$ 53,270 |
| Less: Stock-based compensation expense | 23,978 | 2,811 | 89,594 | 4,627 |
| Less: Amortization of acquired intangible assets | — | — | — | — |
| Less: Employer payroll tax expense related to employee equity transactions | 325 | — | 325 | — |
| Non-GAAP research and development | \$ 33,343 | \$ 23,730 | \$ 60,767 | \$ 48,643 |
| General and Administrative | | | | |
| GAAP general and administrative | \$ 55,834 | \$ 24,834 | \$ 130,249 | \$ 51,510 |
| Less: Stock-based compensation expense | 22,068 | 1,603 | 62,849 | 5,752 |
| Less: Amortization of acquired intangible assets | — | — | — | — |
| Less: Employer payroll tax expense related to employee equity transactions | 590 | — | 590 | — |
| Non-GAAP general and administrative | \$ 33,176 | \$ 23,231 | \$ 66,810 | \$ 45,758 |
| Operating Loss | | | | |
| GAAP operating loss | \$ (97,821) | \$ (17,028) | \$ (333,820) | \$ (61,899) |
| GAAP operating margin | (50)% | (12)% | (87)% | (25)% |
| Plus: Stock-based compensation expense | 92,613 | 8,829 | 343,448 | 17,030 |
| Plus: Amortization of acquired intangible assets | 1,393 | 635 | 2,310 | 1,256 |
| Plus: Employer payroll tax expense related to employee equity transactions | 10,544 | — | 10,859 | — |
| Non-GAAP operating income (loss) | \$ 6,729 | \$ (7,564) | \$ 22,797 | \$ (43,613) |
| Non-GAAP operating margin | 3% | (5)% | 6% | (17)% |

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 July 31, | | Six Months Ended July 31, | |
|--|--|-------------|--------------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| GAAP net loss attributable to common stockholders | \$ (100,026) | \$ — | \$ (339,689) | \$ (47,853) |
| Plus: Undistributed earnings attributable to participating securities | — | 4,987 | — | — |
| Plus: Stock-based compensation expense | 92,613 | 8,829 | 343,448 | 17,030 |
| Plus: Amortization of acquired intangible assets | 1,393 | 635 | 2,310 | 1,256 |
| Plus: Employer payroll tax expense related to employee equity transactions | 10,544 | — | 10,859 | — |
| Tax adjustments to add-backs (1) | (338) | — | (1,083) | — |
| Non-GAAP net income (loss) | \$ 4,186 | \$ 14,451 | \$ 15,845 | \$ (29,567) |
| GAAP net loss per share, basic and diluted | \$ (0.19) | \$ — | \$ (0.91) | \$ (0.30) |
| GAAP weighted average common shares outstanding, basic and diluted | 526,512 | 162,914 | 373,488 | 160,980 |
| Plus: Unweighted adjustment for conversion of preferred to common stock in connection with IPO | — | 306,300 | 137,073 | 306,300 |
| Plus: Unweighted adjustment for common stock issued in connection with IPO | — | 13,000 | 5,818 | 13,000 |
| Non-GAAP weighted average common shares outstanding, basic | 526,512 | 482,214 | 516,379 | 480,280 |
| Plus: Dilutive potential common shares from outstanding equity awards | 33,619 | 59,090 | 42,692 | — |
| Non-GAAP weighted average common shares outstanding, diluted | 560,131 | 541,304 | 559,071 | 480,280 |
| Non-GAAP net income (loss) per share, basic | \$ 0.01 | \$ 0.03 | \$ 0.03 | \$ (0.06) |
| Non-GAAP net income (loss) per share, diluted | \$ 0.01 | \$ 0.03 | \$ 0.03 | \$ (0.06) |

(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)*

| | Six Months Ended July 31, | |
|--|--------------------------------------|-------------|
| | 2021 | 2020 |
| GAAP net cash (used in) provided by operating activities | \$ (23,523) | \$ 4,062 |
| Purchases of property and equipment | (3,641) | (587) |
| Capitalization of software development costs | (771) | — |
| Cash paid for employer payroll taxes related to employee equity transactions | 9,064 | — |
| Net receipts of employee tax withholdings on stock option exercises | (4,726) | — |
| Non-GAAP adjusted free cash flow | \$ (23,597) | \$ 3,475 |

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