

Okta, Inc.

Supplemental Financial Information, Non-GAAP Financial Measures, and Other Metrics

Statement Regarding Use of Non-GAAP Financial Measures:

This supplemental financial information contains certain non-GAAP financial measures and other metrics. This presentation contains our reconciliation of those non-GAAP measures and other financial metrics.

We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

Our non-GAAP presentation of gross profit, gross margin, operating expenses, operating loss, other net income (expense), net, net loss and net loss per share measures exclude stock-based compensation expense, charitable contributions, amortization of acquired intangibles, amortization of debt discount and acquisition-related expense.

We present current calculated billings as total revenue plus the change in current deferred revenue and the change in current unbilled receivables during the period, and we present calculated billings as total revenue plus the change in total deferred revenue and the change in total unbilled receivables during the period. Trailing 12-months calculated billings represent the sum of the last four quarters of calculated billings.

Free cash flow, which is a non-GAAP financial measure, is calculated as net cash used in operating activities, reduced by purchases of property and equipment and capitalized internal-use software costs. Free cash flow margin is calculated as free cash flow as a percentage of total revenues.

Our dollar-based retention rate is based upon our Annual Contract Value (ACV). ACV for a customer is calculated based on the terms of that customer's contract and represents the total contracted annual subscription amount as of that period end. We calculate our dollar-based retention rate as of a period end by starting with the ACV from all customers as of twelve months prior to such period end, or Prior Period ACV. We then calculate the ACV from these same customers as of the current period end, or Current Period ACV. Current Period ACV includes any upsells and is net of contraction or attrition over the trailing twelve months but excludes revenue from new customers in the current period. We then divide the total Current Period ACV by the total Prior Period ACV to arrive at our dollar-based retention rate.

We believe that non-GAAP financial information, when taken collectively with GAAP financial measures, may be helpful to investors because it provides consistency and comparability with past financial performance, and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by our management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

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 to rely on any single financial measure to evaluate our business. Please see the tables included in this presentation for the reconciliation of GAAP and non-GAAP results.

Okta, Inc.
Condensed Consolidated Statements of Operations - Fiscal Quarters
(in thousands, except per share data)

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|
| Revenue: | | | | | | | | | | | |
| Subscription | \$ 48,279 | \$ 55,317 | \$ 61,863 | \$ 70,963 | \$ 236,422 | \$ 76,841 | \$ 87,854 | \$ 97,698 | \$ 108,462 | \$ 370,855 | \$ 117,163 |
| Professional services and other | 4,046 | 4,942 | 5,048 | 6,089 | 20,125 | 6,780 | 6,732 | 7,878 | 7,009 | 28,399 | 8,060 |
| Total revenue | 52,325 | 60,259 | 66,911 | 77,052 | \$ 256,547 | 83,621 | 94,586 | 105,576 | 115,471 | 399,254 | 125,223 |
| Cost of revenue: | | | | | | | | | | | |
| Subscription | 11,157 | 12,691 | 13,553 | 15,080 | 52,481 | 16,332 | 19,211 | 20,265 | 21,546 | 77,354 | 24,540 |
| Professional services and other | 6,306 | 6,991 | 7,570 | 7,407 | 28,274 | 7,775 | 9,017 | 9,435 | 9,840 | 36,067 | 10,555 |
| Total cost of revenue | 17,463 | 19,682 | 21,123 | 22,487 | 80,755 | 24,107 | 28,228 | 29,700 | 31,386 | 113,421 | 35,095 |
| Gross profit | 34,862 | 40,577 | 45,788 | 54,565 | 175,792 | 59,514 | 66,358 | 75,876 | 84,085 | 285,833 | 90,128 |
| Operating expenses: | | | | | | | | | | | |
| Research and development | 15,359 | 16,923 | 19,190 | 19,349 | 70,821 | 19,929 | 24,829 | 27,596 | 30,031 | 102,385 | 34,032 |
| Sales and marketing | 35,303 | 37,891 | 47,567 | 44,259 | 165,020 | 49,493 | 59,004 | 56,911 | 62,552 | 227,960 | 82,112 |
| General and administrative | 11,639 | 11,948 | 13,546 | 14,670 | 51,803 | 15,070 | 20,955 | 19,848 | 19,237 | 75,110 | 25,766 |
| Total operating expenses | 62,301 | 66,762 | 80,303 | 78,278 | 287,644 | 84,492 | 104,788 | 104,355 | 111,820 | 405,455 | 141,910 |
| Operating loss | (27,439) | (26,185) | (34,515) | (23,713) | (111,852) | (24,978) | (38,430) | (28,479) | (27,735) | (119,622) | (51,782) |
| Interest expense | — | — | — | — | — | (2,717) | (4,058) | (4,118) | (4,179) | (15,072) | (4,241) |
| Other income (expense), net | (19) | 382 | 509 | 810 | 1,682 | 1,502 | 2,296 | 2,413 | 2,969 | 9,180 | 2,900 |
| Loss before provision for (benefit from) income taxes | (27,458) | (25,803) | (34,006) | (22,903) | (110,170) | (26,193) | (40,192) | (30,184) | (28,945) | (125,514) | (53,123) |
| Provision for (benefit from) income taxes | 248 | 229 | (940) | 142 | (321) | (231) | (985) | (667) | 1,866 | (17) | (1,157) |
| Net loss | \$ (27,706) | \$ (26,032) | \$ (33,066) | \$ (23,045) | \$ (109,849) | \$ (25,962) | \$ (39,207) | \$ (29,517) | \$ (30,811) | \$ (125,497) | \$ (51,966) |
| Net loss per share, basic and diluted | \$ (0.70) | \$ (0.28) | \$ (0.35) | \$ (0.23) | \$ (1.32) | \$ (0.25) | \$ (0.37) | \$ (0.27) | \$ (0.28) | \$ (1.17) | \$ (0.46) |
| Weighted-average shares used to compute net loss per share, basic and diluted | 39,783 | 93,576 | 95,474 | 100,969 | 83,004 | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 |

Okta, Inc.
Non-GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters
(in thousands, except per share data)

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|---|-------------|-------------|-------------|------------|-------------|------------|-------------|------------|------------|-------------|-------------|
| Revenue: | | | | | | | | | | | |
| Subscription | \$ 48,279 | \$ 55,317 | \$ 61,863 | \$ 70,963 | \$ 236,422 | \$ 76,841 | \$ 87,854 | \$ 97,698 | \$ 108,462 | \$ 370,855 | \$ 117,163 |
| Professional services and other | 4,046 | 4,942 | 5,048 | 6,089 | 20,125 | 6,780 | 6,732 | 7,878 | 7,009 | 28,399 | 8,060 |
| Total revenue | 52,325 | 60,259 | 66,911 | 77,052 | 256,547 | 83,621 | 94,586 | 105,576 | 115,471 | 399,254 | 125,223 |
| Cost of revenue: | | | | | | | | | | | |
| Subscription | 10,467 | 11,635 | 12,132 | 13,643 | 47,877 | 14,803 | 17,310 | 17,433 | 19,139 | 68,685 | 21,355 |
| Professional services and other | 5,837 | 6,253 | 6,591 | 6,456 | 25,137 | 6,886 | 7,934 | 8,130 | 8,134 | 31,084 | 9,036 |
| Total cost of revenue | 16,304 | 17,888 | 18,723 | 20,099 | 73,014 | 21,689 | 25,244 | 25,563 | 27,273 | 99,769 | 30,391 |
| Gross profit | 36,021 | 42,371 | 48,188 | 56,953 | 183,533 | 61,932 | 69,342 | 80,013 | 88,198 | 299,485 | 94,832 |
| Operating expenses: | | | | | | | | | | | |
| Research and development | 12,058 | 12,485 | 14,016 | 14,155 | 52,714 | 15,716 | 19,557 | 21,305 | 23,165 | 79,743 | 27,686 |
| Sales and marketing | 32,928 | 34,870 | 43,673 | 40,307 | 151,778 | 45,340 | 53,533 | 50,683 | 55,488 | 205,044 | 75,326 |
| General and administrative | 9,564 | 9,223 | 9,852 | 11,636 | 40,275 | 11,719 | 15,452 | 14,513 | 14,476 | 56,160 | 16,705 |
| Total operating expenses | 54,550 | 56,578 | 67,541 | 66,098 | 244,767 | 72,775 | 88,542 | 86,501 | 93,129 | 340,947 | 119,717 |
| Operating loss | (18,529) | (14,207) | (19,353) | (9,145) | (61,234) | (10,843) | (19,200) | (6,488) | (4,931) | (41,462) | (24,885) |
| Interest expense | — | — | — | — | — | (336) | (504) | (514) | (524) | (1,878) | (535) |
| Other income (expense), net | (19) | 382 | 509 | 810 | 1,682 | 1,502 | 2,296 | 2,413 | 2,969 | 9,180 | 2,900 |
| Loss before provision for (benefit from) income taxes | (18,548) | (13,825) | (18,844) | (8,335) | (59,552) | (9,677) | (17,408) | (4,589) | (2,486) | (34,160) | (22,520) |
| Provision for (benefit from) income taxes | 248 | 229 | (940) | 142 | (321) | (231) | (985) | (667) | 1,866 | (17) | (1,157) |
| Net loss | \$ (18,796) | \$ (14,054) | \$ (17,904) | \$ (8,477) | \$ (59,231) | \$ (9,446) | \$ (16,423) | \$ (3,922) | \$ (4,352) | \$ (34,143) | \$ (21,363) |
| Net loss per share, basic and diluted | \$ (0.47) | \$ (0.15) | \$ (0.19) | \$ (0.08) | \$ (0.71) | \$ (0.09) | \$ (0.15) | \$ (0.04) | \$ (0.04) | \$ (0.32) | \$ (0.19) |
| Weighted-average shares used to compute net loss per share, basic and diluted | 39,783 | 93,576 | 95,474 | 100,969 | 83,004 | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 |

Okta, Inc.
Condensed Consolidated Balance Sheets - Fiscal Quarters
(in thousands)

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | Q1 FY19 ⁽¹⁾ | Q2 FY19 ⁽¹⁾ | Q3 FY19 ⁽¹⁾ | Q4 FY19 ⁽¹⁾ | Q1 FY20 |
|--|------------|------------|------------|------------|------------------------|------------------------|------------------------|------------------------|------------|
| Assets | | | | | | | | | |
| Current assets: | | | | | | | | | |
| Cash and cash equivalents | \$ 221,726 | \$ 126,464 | \$ 137,575 | \$ 127,949 | \$ 211,756 | \$ 192,882 | \$ 195,898 | \$ 298,394 | \$ 208,106 |
| Short-term investments | 2,500 | 86,755 | 86,043 | 101,765 | 335,285 | 343,374 | 350,105 | 265,374 | 339,377 |
| Accounts receivable, net of allowances | 32,171 | 35,304 | 46,882 | 52,248 | 50,368 | 59,839 | 70,136 | 91,926 | 83,328 |
| Deferred commissions | 13,901 | 14,784 | 15,901 | 17,755 | 18,551 | 19,848 | 21,695 | 24,185 | 25,576 |
| Prepaid expenses and other current assets | 12,422 | 13,382 | 10,940 | 17,781 | 20,180 | 16,099 | 18,946 | 28,237 | 20,542 |
| Total current assets | 282,720 | 276,689 | 297,341 | 317,498 | 636,140 | 632,042 | 656,780 | 708,116 | 676,929 |
| Property and equipment, net | 13,180 | 13,302 | 13,122 | 12,540 | 19,176 | 40,670 | 44,251 | 52,921 | 52,189 |
| Operating lease right-of-use assets | — | — | — | 31,474 | 44,600 | 129,039 | 124,932 | 121,389 | 119,916 |
| Deferred commissions, noncurrent | 33,674 | 34,430 | 36,122 | 40,755 | 41,077 | 43,287 | 47,756 | 54,812 | 56,824 |
| Intangible assets, net | 9,835 | 11,051 | 11,455 | 11,761 | 11,863 | 16,006 | 14,989 | 13,897 | 28,022 |
| Goodwill | 6,282 | 6,282 | 6,282 | 6,282 | 6,282 | 18,095 | 18,074 | 18,089 | 47,964 |
| Other assets | 1,671 | 1,658 | 2,463 | 10,427 | 12,151 | 12,275 | 13,322 | 15,089 | 16,698 |
| Total assets | \$ 347,362 | \$ 343,412 | \$ 366,785 | \$ 430,737 | \$ 771,289 | \$ 891,414 | \$ 920,104 | \$ 984,313 | \$ 998,542 |
| Liabilities and stockholders' equity | | | | | | | | | |
| Current liabilities: | | | | | | | | | |
| Accounts payable | \$ 12,853 | \$ 8,887 | \$ 12,875 | \$ 3,596 | \$ 4,088 | \$ 4,251 | \$ 3,103 | \$ 2,431 | \$ 4,352 |
| Accrued expenses and other current liabilities | 7,878 | 5,360 | 4,955 | 22,736 | 23,450 | 22,483 | 23,455 | 33,653 | 32,412 |
| Accrued compensation | 6,613 | 11,334 | 14,671 | 12,374 | 12,652 | 12,803 | 20,250 | 19,770 | 21,463 |
| Convertible senior notes, net | — | — | — | — | — | — | — | 271,628 | 275,653 |
| Deferred revenue | 111,759 | 122,173 | 135,010 | 159,816 | 173,548 | 186,427 | 206,146 | 245,622 | 268,033 |
| Total current liabilities | 139,103 | 147,754 | 167,511 | 198,522 | 213,738 | 225,964 | 252,954 | 573,104 | 601,913 |
| Convertible senior notes, net | — | — | — | — | 259,920 | 263,762 | 267,665 | — | — |
| Operating lease liabilities, noncurrent | — | — | — | 25,905 | 41,906 | 149,228 | 147,942 | 147,046 | 146,044 |
| Deferred revenue, noncurrent | 3,578 | 2,929 | 2,145 | 4,963 | 4,346 | 5,471 | 4,977 | 8,768 | 7,671 |
| Other liabilities, noncurrent | 6,323 | 6,451 | 6,553 | 2,007 | 1,762 | 1,844 | 2,063 | 3,018 | 3,470 |
| Total liabilities | 149,004 | 157,134 | 176,209 | 231,397 | 521,672 | 646,269 | 675,601 | 731,936 | 759,098 |
| Stockholders' equity: | | | | | | | | | |
| Class A common stock | 1 | 2 | 2 | 7 | 9 | 10 | 10 | 10 | 10 |
| Class B common stock | 8 | 8 | 8 | 3 | 2 | 1 | 1 | 1 | 1 |
| Additional paid-in capital | 483,019 | 496,801 | 534,304 | 565,653 | 642,460 | 677,497 | 706,810 | 744,896 | 784,067 |
| Accumulated other comprehensive income (loss) | (99) | 70 | (69) | 391 | (178) | (480) | (918) | (319) | (457) |
| Accumulated deficit | (284,571) | (310,603) | (343,669) | (366,714) | (392,676) | (431,883) | (461,400) | (492,211) | (544,177) |
| Total stockholders' equity | 198,358 | 186,278 | 190,576 | 199,340 | 249,617 | 245,145 | 244,503 | 252,377 | 239,444 |
| Total liabilities and stockholders' equity | \$ 347,362 | \$ 343,412 | \$ 366,785 | \$ 430,737 | \$ 771,289 | \$ 891,414 | \$ 920,104 | \$ 984,313 | \$ 998,542 |

⁽¹⁾ The condensed consolidated balance sheets for the prior periods presented above have been adjusted to reflect the adoption of ASC 842 and reclass of accounts payable to accrued expenses and other current liabilities to conform the current period presentation.

Okta, Inc.
Condensed Consolidated Statements of Cash Flows - Fiscal Quarters
(in thousands)

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 ⁽¹⁾ | Q1 FY19 ⁽¹⁾ | Q2 FY19 ⁽¹⁾ | Q3 FY19 ⁽¹⁾ | Q4 FY19 ⁽¹⁾ | FY19 ⁽¹⁾ | Q1 FY20 |
|---|-------------|-------------|-------------|-------------|---------------------|------------------------|------------------------|------------------------|------------------------|---------------------|-------------|
| Operating activities: | | | | | | | | | | | |
| Net loss | \$ (27,706) | \$ (26,032) | \$ (33,066) | \$ (23,045) | \$ (109,849) | \$ (25,962) | \$ (39,207) | \$ (29,517) | \$ (30,811) | \$ (125,497) | \$ (51,966) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | | | | | | | | | | |
| Stock-based compensation | 8,906 | 11,978 | 14,408 | 14,568 | 49,860 | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 |
| Depreciation, amortization and accretion | 1,575 | 1,713 | 1,823 | 1,890 | 7,001 | 2,069 | 1,630 | 2,125 | 2,177 | 8,001 | 3,399 |
| Amortization of debt discount and issuance costs | — | — | — | — | — | 2,571 | 3,842 | 3,902 | 3,964 | 14,279 | 4,025 |
| Amortization of deferred commissions | 3,352 | 3,654 | 3,905 | 4,269 | 15,180 | 4,572 | 5,041 | 5,350 | 5,889 | 20,852 | 6,328 |
| Deferred income taxes | — | — | (960) | 426 | (534) | (348) | (1,227) | (694) | 1,504 | (765) | (1,369) |
| Write-off of intangible assets | 108 | 18 | 471 | 517 | 1,114 | — | — | — | — | — | — |
| Non-cash charitable contributions | — | — | 708 | — | 708 | — | 1,008 | — | — | 1,008 | — |
| Other | 162 | 401 | (163) | 319 | 719 | 161 | (143) | 135 | 487 | 640 | (100) |
| Changes in operating assets and liabilities: | | | | | | | | | | | |
| Accounts receivable | 2,243 | (3,554) | (11,431) | (5,579) | (18,321) | 1,719 | (8,959) | (10,299) | (22,143) | (39,682) | 9,297 |
| Deferred commissions | (4,223) | (5,294) | (6,713) | (10,756) | (26,986) | (5,693) | (8,547) | (11,667) | (15,435) | (41,342) | (9,795) |
| Prepaid expenses and other assets | (3,756) | (1,144) | 2,547 | (7,047) | (9,400) | (3,889) | 4,511 | (3,444) | (7,512) | (10,334) | 5,975 |
| Operating lease right-of-use assets | — | — | — | — | 7,776 | 4,564 | 2,976 | 4,669 | 5,030 | 17,239 | 3,066 |
| Accounts payable | 3,236 | (504) | 3,523 | (2,750) | (2,464) | 607 | 160 | (1,101) | (1,103) | (1,437) | 1,640 |
| Accrued compensation | (2,121) | 4,683 | 3,369 | (2,349) | 3,582 | 329 | 169 | 7,475 | (544) | 7,429 | 4,143 |
| Accrued expenses and other liabilities | 323 | (1,924) | 56 | 2,066 | 5,801 | (1,023) | 3,084 | (202) | 3,941 | 5,800 | 3,288 |
| Operating lease liabilities | — | — | — | — | (7,087) | (2,954) | (1,600) | (1,060) | (1,028) | (6,642) | (39) |
| Deferred revenue | 8,215 | 9,767 | 12,052 | 27,626 | 57,660 | 13,114 | 13,697 | 19,225 | 43,267 | 89,303 | 20,685 |
| Net cash provided by (used in) operating activities | (9,686) | (6,238) | (9,471) | 155 | (25,240) | 3,972 | (5,343) | 6,439 | 10,104 | 15,172 | 21,262 |
| Investing activities: | | | | | | | | | | | |
| Capitalization of internal-use software costs | (1,208) | (1,535) | (1,329) | (1,359) | (5,431) | (1,051) | (674) | (604) | (522) | (2,851) | (369) |
| Purchases of property and equipment | (2,448) | (2,708) | (414) | (980) | (6,550) | (4,477) | (5,313) | (4,463) | (5,558) | (19,811) | (7,710) |
| Proceeds from sales of property and equipment | — | — | — | — | — | — | — | — | 740 | 740 | — |
| Purchases of securities available for sale | — | (86,776) | (8,568) | (33,742) | (129,086) | (252,914) | (67,104) | (158,120) | (153,350) | (631,488) | (146,545) |
| Proceeds from maturities of securities available for sale | 10,335 | 2,500 | 9,150 | 17,840 | 39,825 | 19,500 | 60,000 | 140,150 | 79,000 | 298,650 | 61,244 |
| Proceeds from sales of securities available for sale | 1,538 | — | — | — | 1,538 | — | — | 12,470 | 160,602 | 173,072 | 11,996 |
| Payments for business acquisition, net of cash acquired | — | — | — | — | — | — | (15,638) | 22 | (16) | (15,632) | (44,223) |
| Net cash provided by (used in) investing activities | 8,217 | (88,519) | (1,161) | (18,241) | (99,704) | (238,942) | (28,729) | (10,545) | 80,896 | (197,320) | (125,607) |
| Financing activities: | | | | | | | | | | | |
| Proceeds from initial public offering, net of underwriters' discounts and commissions | 199,997 | (49) | — | — | 199,948 | — | — | — | — | — | — |
| Proceeds from issuance of convertible senior notes, net of issuance costs | — | — | — | — | — | 335,055 | (75) | — | — | 334,980 | — |
| Purchase of convertible senior notes hedge | — | — | — | — | — | (80,040) | — | — | — | (80,040) | — |
| Proceeds from issuance of warrants related to convertible notes | — | — | — | — | — | 52,440 | — | — | — | 52,440 | — |
| Payments of deferred offering costs | (2,246) | (1,792) | — | — | (4,038) | — | — | — | — | — | — |
| Proceeds from stock option exercises, net of repurchases, and other | 2,564 | 1,352 | 21,884 | 7,846 | 33,646 | 12,196 | 8,859 | 7,469 | 8,337 | 36,861 | 13,388 |
| Proceeds from shares issued in connection with employee stock purchase plan | — | — | — | 8,369 | 8,369 | — | 6,654 | — | 7,073 | 13,727 | — |

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 ⁽¹⁾ | Q1 FY19 ⁽¹⁾ | Q2 FY19 ⁽¹⁾ | Q3 FY19 ⁽¹⁾ | Q4 FY19 ⁽¹⁾ | FY19 ⁽¹⁾ | Q1 FY20 |
|--|-----------|-----------|-----------|-----------|---------------------|------------------------|------------------------|------------------------|------------------------|---------------------|-----------|
| Principal payments on financing arrangements | (207) | (66) | (70) | (174) | (517) | (206) | — | — | — | (206) | (126) |
| Net cash provided by (used in) financing activities | 200,108 | (555) | 21,814 | 16,041 | 237,408 | 319,445 | 15,438 | 7,469 | 15,410 | 357,762 | 13,262 |
| Effects of changes in foreign currency exchange rates on cash and cash equivalents | 68 | 66 | (81) | 434 | 487 | (387) | (245) | (358) | 358 | (632) | (282) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 198,707 | (95,246) | 11,101 | (1,611) | 112,951 | 84,088 | (18,879) | 3,005 | 106,768 | 174,982 | (91,365) |
| Cash, cash equivalents and restricted cash at beginning of period | 23,282 | 221,989 | 126,743 | 137,844 | 23,282 | 136,233 | 220,321 | 201,442 | 204,447 | 136,233 | 311,215 |
| Cash, cash equivalents and restricted cash at end of period | \$221,989 | \$126,743 | \$137,844 | \$136,233 | \$136,233 | \$220,321 | \$201,442 | \$204,447 | \$311,215 | \$311,215 | \$219,850 |

⁽¹⁾ The condensed consolidated statements of cash flows for the prior periods presented above have been adjusted to reflect the adoption of ASC 842 and reclass of accounts payable to accrued expenses and other current liabilities to conform to current period presentation.

Okta, Inc.

GAAP to Non-GAAP Reconciliations - Fiscal Quarters ⁽¹⁾
(in thousands, except percentages and per share data)

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|---|------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|------------|
| GAAP subscription gross profit | \$ 37,122 | \$ 42,626 | \$ 48,310 | \$ 55,883 | \$ 183,941 | \$ 60,509 | \$ 68,643 | \$ 77,433 | \$ 86,916 | \$ 293,501 | \$ 92,623 |
| Stock-based compensation | 686 | 1,056 | 1,421 | 1,437 | 4,600 | 1,529 | 1,901 | 2,383 | 2,024 | 7,837 | 2,422 |
| Amortization of acquired intangibles | 4 | — | — | — | 4 | — | — | 449 | 383 | 832 | 763 |
| Non-GAAP subscription gross profit | \$ 37,812 | \$ 43,682 | \$ 49,731 | \$ 57,320 | \$ 188,545 | \$ 62,038 | \$ 70,544 | \$ 80,265 | \$ 89,323 | \$ 302,170 | \$ 95,808 |
| <i>Non-GAAP subscription gross margin</i> | 78.3 % | 79.0 % | 80.4 % | 80.8 % | 79.7 % | 80.7 % | 80.3 % | 82.2 % | 82.4 % | 81.5 % | 81.8 % |
| GAAP professional services gross profit | \$ (2,260) | \$ (2,049) | \$ (2,522) | \$ (1,318) | \$ (8,149) | \$ (995) | \$ (2,285) | \$ (1,557) | \$ (2,831) | \$ (7,668) | \$ (2,495) |
| Stock-based compensation | 469 | 738 | 979 | 951 | 3,137 | 889 | 1,083 | 1,305 | 1,706 | 4,983 | 1,519 |
| Non-GAAP professional services gross profit | \$ (1,791) | \$ (1,311) | \$ (1,543) | \$ (367) | \$ (5,012) | \$ (106) | \$ (1,202) | \$ (252) | \$ (1,125) | \$ (2,685) | \$ (976) |
| <i>Non-GAAP professional services gross margin</i> | (44.3)% | (26.5)% | (30.6)% | (6.0)% | (24.9)% | (1.6)% | (17.9)% | (3.2)% | (16.1)% | (9.5)% | (12.1)% |
| GAAP total gross profit | \$ 34,862 | \$ 40,577 | \$ 45,788 | \$ 54,565 | \$ 175,792 | \$ 59,514 | \$ 66,358 | \$ 75,876 | \$ 84,085 | \$ 285,833 | \$ 90,128 |
| Stock-based compensation | 1,155 | 1,794 | 2,400 | 2,388 | 7,737 | 2,418 | 2,984 | 3,688 | 3,730 | 12,820 | 3,941 |
| Amortization of acquired intangibles | 4 | — | — | — | 4 | — | — | 449 | 383 | 832 | 763 |
| Non-GAAP total gross profit | \$ 36,021 | \$ 42,371 | \$ 48,188 | \$ 56,953 | \$ 183,533 | \$ 61,932 | \$ 69,342 | \$ 80,013 | \$ 88,198 | \$ 299,485 | \$ 94,832 |
| <i>Non-GAAP total gross margin</i> | 68.8 % | 70.3 % | 72.0 % | 73.9 % | 71.5 % | 74.1 % | 73.3 % | 75.8 % | 76.4 % | 75.0 % | 75.7 % |
| GAAP research and development expense | \$ 15,359 | \$ 16,923 | \$ 19,190 | \$ 19,349 | \$ 70,821 | \$ 19,929 | \$ 24,829 | \$ 27,596 | \$ 30,031 | \$ 102,385 | \$ 34,032 |
| Stock-based compensation | 3,301 | 4,438 | 5,174 | 5,194 | 18,107 | 4,213 | 5,272 | 6,291 | 6,866 | 22,642 | 6,346 |
| Non-GAAP research and development expense | \$ 12,058 | \$ 12,485 | \$ 14,016 | \$ 14,155 | \$ 52,714 | \$ 15,716 | \$ 19,557 | \$ 21,305 | \$ 23,165 | \$ 79,743 | \$ 27,686 |
| <i>Non-GAAP research and development expense as a percentage of revenue</i> | 23.0 % | 20.7 % | 20.9 % | 18.4 % | 20.5 % | 18.8 % | 20.7 % | 20.2 % | 20.1 % | 20.0 % | 22.1 % |
| GAAP sales and marketing expense | \$ 35,303 | \$ 37,891 | \$ 47,567 | \$ 44,259 | \$ 165,020 | \$ 49,493 | \$ 59,004 | \$ 56,911 | \$ 62,552 | \$ 227,960 | \$ 82,112 |
| Stock-based compensation | 2,375 | 3,021 | 3,894 | 3,952 | 13,242 | 4,153 | 5,471 | 6,228 | 7,064 | 22,916 | 6,786 |
| Non-GAAP sales and marketing expense | \$ 32,928 | \$ 34,870 | \$ 43,673 | \$ 40,307 | \$ 151,778 | \$ 45,340 | \$ 53,533 | \$ 50,683 | \$ 55,488 | \$ 205,044 | \$ 75,326 |
| <i>Non-GAAP sales and marketing expense as a percentage of revenue</i> | 62.9 % | 57.9 % | 65.3 % | 52.3 % | 59.2 % | 54.2 % | 56.6 % | 48.0 % | 48.1 % | 51.4 % | 60.2 % |
| GAAP general and administrative expense | \$ 11,639 | \$ 11,948 | \$ 13,546 | \$ 14,670 | \$ 51,803 | \$ 15,070 | \$ 20,955 | \$ 19,848 | \$ 19,237 | \$ 75,110 | \$ 25,766 |
| Stock-based compensation | 2,075 | 2,725 | 2,940 | 3,034 | 10,774 | 3,351 | 4,495 | 5,335 | 4,761 | 17,942 | 5,612 |
| Charitable contributions | — | — | 754 | — | 754 | — | 1,008 | — | — | 1,008 | — |
| Acquisition-related expenses | — | — | — | — | — | — | — | — | — | — | 3,449 |
| Non-GAAP general and administrative expense | \$ 9,564 | \$ 9,223 | \$ 9,852 | \$ 11,636 | \$ 40,275 | \$ 11,719 | \$ 15,452 | \$ 14,513 | \$ 14,476 | \$ 56,160 | \$ 16,705 |
| <i>Non-GAAP general and administrative expense as a percentage of revenue</i> | 18.3 % | 15.3 % | 14.7 % | 15.1 % | 15.7 % | 14.0 % | 16.3 % | 13.7 % | 12.5 % | 14.1 % | 13.3 % |

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|--|------------|------------|------------|------------|-------------|------------|------------|------------|------------|-------------|------------|
| GAAP total operating expenses | \$ 62,301 | \$ 66,762 | \$ 80,303 | \$ 78,278 | \$287,644 | \$ 84,492 | \$104,788 | \$104,355 | \$111,820 | \$405,455 | \$141,910 |
| Stock-based compensation | 7,751 | 10,184 | 12,008 | 12,180 | 42,123 | 11,717 | 15,238 | 17,854 | 18,691 | 63,500 | 18,744 |
| Charitable contributions | — | — | 754 | — | 754 | — | 1,008 | — | — | 1,008 | — |
| Acquisition-related expenses | — | — | — | — | — | — | — | — | — | — | 3,449 |
| Non-GAAP total operating expenses | \$ 54,550 | \$ 56,578 | \$ 67,541 | \$ 66,098 | \$244,767 | \$ 72,775 | \$ 88,542 | \$ 86,501 | \$ 93,129 | \$340,947 | \$119,717 |
| <i>Non-GAAP total operating expenses as a percentage of revenue</i> | 104.3 % | 93.9 % | 100.9 % | 85.8 % | 95.4 % | 87.0 % | 93.6 % | 81.9 % | 80.7 % | 85.4 % | 95.6 % |
| GAAP operating loss | \$(27,439) | \$(26,185) | \$(34,515) | \$(23,713) | \$(111,852) | \$(24,978) | \$(38,430) | \$(28,479) | \$(27,735) | \$(119,622) | \$(51,782) |
| Stock-based compensation | 8,906 | 11,978 | 14,408 | 14,568 | 49,860 | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 |
| Charitable contributions | — | — | 754 | — | 754 | — | 1,008 | — | — | 1,008 | — |
| Amortization of acquired intangibles | 4 | — | — | — | 4 | — | — | 449 | 383 | 832 | 763 |
| Acquisition-related expenses | — | — | — | — | — | — | — | — | — | — | 3,449 |
| Non-GAAP operating loss | \$(18,529) | \$(14,207) | \$(19,353) | \$(9,145) | \$(61,234) | \$(10,843) | \$(19,200) | \$(6,488) | \$(4,931) | \$(41,462) | \$(24,885) |
| <i>Non-GAAP operating margin</i> | (35.4)% | (23.6)% | (28.9)% | (11.9)% | (23.9)% | (13.0)% | (20.3)% | (6.1)% | (4.3)% | (10.4)% | (19.9)% |
| Interest expense | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (2,717) | (4,058) | (4,118) | (4,179) | (15,072) | (4,241) |
| Amortization of debt discount | — | — | — | — | — | 2,381 | 3,554 | 3,604 | 3,655 | 13,194 | 3,706 |
| Non-GAAP interest expense | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (336) | \$ (504) | \$ (514) | \$ (524) | \$ (1,878) | \$ (535) |
| GAAP net loss | \$(27,706) | \$(26,032) | \$(33,066) | \$(23,045) | \$(109,849) | \$(25,962) | \$(39,207) | \$(29,517) | \$(30,811) | \$(125,497) | \$(51,966) |
| Stock-based compensation | 8,906 | 11,978 | 14,408 | 14,568 | 49,860 | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 |
| Amortization of debt discount | — | — | — | — | — | 2,381 | 3,554 | 3,604 | 3,655 | 13,194 | 3,706 |
| Charitable contributions | — | — | 754 | — | 754 | — | 1,008 | — | — | 1,008 | — |
| Amortization of acquired intangibles | 4 | — | — | — | 4 | — | — | 449 | 383 | 832 | 763 |
| Acquisition-related expenses | — | — | — | — | — | — | — | — | — | — | 3,449 |
| Non-GAAP net loss | \$(18,796) | \$(14,054) | \$(17,904) | \$(8,477) | \$(59,231) | \$(9,446) | \$(16,423) | \$(3,922) | \$(4,352) | \$(34,143) | \$(21,363) |
| GAAP net loss per share | \$ (0.7) | \$ (0.28) | \$ (0.35) | \$ (0.23) | \$ (1.32) | \$ (0.25) | \$ (0.37) | \$ (0.27) | \$ (0.28) | \$ (1.17) | \$ (0.46) |
| Stock-based compensation | 0.23 | 0.13 | 0.15 | 0.15 | 0.60 | 0.14 | 0.17 | 0.20 | 0.21 | 0.71 | 0.20 |
| Amortization of debt discount | — | — | — | — | — | 0.02 | 0.04 | 0.03 | 0.03 | 0.12 | 0.03 |
| Charitable contributions | — | — | 0.01 | — | 0.01 | — | 0.01 | — | — | 0.01 | — |
| Amortization of acquired intangibles | — | — | — | — | — | — | — | — | — | 0.01 | 0.01 |
| Acquisition-related expenses | — | — | — | — | — | — | — | — | — | — | 0.03 |
| Non-GAAP net loss per share | \$ (0.47) | \$ (0.15) | \$ (0.19) | \$ (0.08) | \$ (0.71) | \$ (0.09) | \$ (0.15) | \$ (0.04) | \$ (0.04) | \$ (0.32) | \$ (0.19) |
| Weighted-average shares outstanding used to compute net loss per share | 39,783 | 93,576 | 95,474 | 100,969 | 83,004 | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 |

Okta, Inc.

**Calculations of Key and Other Selected Metrics - Fiscal Quarters
(in thousands, except percentages and customer/headcount data)**

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|---|-------------|-------------|-------------|------------|-------------|------------|-------------|------------|------------|------------|------------|
| Calculated Billings | | | | | | | | | | | |
| Total revenue | \$ 52,325 | \$ 60,259 | \$ 66,911 | \$ 77,052 | \$256,547 | \$ 83,621 | \$ 94,586 | \$ 105,576 | \$ 115,471 | \$399,254 | \$ 125,223 |
| Add: | | | | | | | | | | | |
| Unbilled receivables, current (beginning of period) | 1,537 | 2,151 | 498 | 902 | 1,537 | 809 | 1,619 | 818 | 1,581 | 809 | 1,457 |
| Deferred revenue, current (end of period) | 111,759 | 122,173 | 135,010 | 159,816 | 159,816 | 173,548 | 186,427 | 206,146 | 245,622 | 245,622 | 268,033 |
| Less: | | | | | | | | | | | |
| Unbilled receivables, current (end of period) | (2,151) | (498) | (902) | (809) | (809) | (1,619) | (818) | (1,581) | (1,457) | (1,457) | (799) |
| Deferred revenue, current (beginning of period) | (102,966) | (111,759) | (122,173) | (135,010) | (102,966) | (159,816) | (173,548) | (186,427) | (206,146) | (159,816) | (245,622) |
| Current calculated billings | 60,504 | 72,326 | 79,344 | 101,951 | 314,125 | 96,543 | 108,266 | 124,532 | 155,071 | 484,412 | 148,292 |
| Add: | | | | | | | | | | | |
| Deferred revenue, noncurrent (end of period) | 3,578 | 2,929 | 2,145 | 4,963 | 4,963 | 4,346 | 5,471 | 4,977 | 8,768 | 8,768 | 7,671 |
| Less: | | | | | | | | | | | |
| Deferred revenue, noncurrent (beginning of period) | (4,154) | (3,578) | (2,929) | (2,145) | (4,154) | (4,963) | (4,346) | (5,471) | (4,977) | (4,963) | (8,768) |
| Calculated billings | \$ 59,928 | \$ 71,677 | \$ 78,560 | \$104,769 | \$314,934 | \$ 95,926 | \$109,391 | \$ 124,038 | \$ 158,862 | \$488,217 | \$ 147,195 |
| <i>y-y growth - current calculated billings</i> | 63 % | 53 % | 50 % | 60 % | 57 % | 60 % | 50 % | 57% | 52% | 54 % | 54% |
| <i>y-y growth - calculated billings</i> | 75 % | 54 % | 54 % | 67 % | 62 % | 60 % | 53 % | 58% | 52% | 55 % | 53% |
| Trailing 12 months calculated billings | \$220,228 | \$245,450 | \$272,890 | \$314,934 | \$314,934 | \$350,932 | \$388,646 | \$ 434,124 | \$ 488,217 | \$488,217 | \$ 539,486 |
| <i>y-y growth</i> | 69 % | 66 % | 62 % | 62 % | 62 % | 59 % | 58 % | 59% | 55% | 55 % | 54% |
| Free Cash Flow and Margin | | | | | | | | | | | |
| Net cash provided by (used in) operating activities | \$ (9,686) | \$ (6,238) | \$ (9,471) | \$ 155 | \$ (25,240) | \$ 3,972 | \$ (5,343) | \$ 6,439 | \$ 10,104 | \$ 15,172 | \$ 21,262 |
| Less: | | | | | | | | | | | |
| Purchases of property and equipment | (2,448) | (2,708) | (414) | (980) | (6,550) | (4,477) | (5,313) | (4,463) | (5,558) | (19,811) | (7,710) |
| Capitalization of internal-use software costs | (1,208) | (1,535) | (1,329) | (1,359) | (5,431) | (1,051) | (674) | (604) | (522) | (2,851) | (369) |
| Proceeds from sales of property and equipment | — | — | — | — | — | — | — | — | 740 | 740 | — |
| Free cash flow | \$ (13,342) | \$ (10,481) | \$ (11,214) | \$ (2,184) | \$ (37,221) | \$ (1,556) | \$ (11,330) | \$ 1,372 | \$ 4,764 | \$ (6,750) | \$ 13,183 |
| Operating cash flow margin | (18.5)% | (10.4)% | (14.2)% | 0.2 % | (9.8)% | 4.8 % | (5.6)% | 6.1% | 8.8% | 3.8 % | 17.0% |
| Free cash flow margin | (25.5)% | (17.4)% | (16.8)% | (2.8)% | (14.5)% | (1.9)% | (12.0)% | 1.3% | 4.1% | (1.7)% | 10.5% |

| | Q1 FY18 | Q2 FY18 | Q3 FY18 | Q4 FY18 | FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 |
|--|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|------------|------------|------------|
| Customer Data | | | | | | | | | | | |
| Total customers | 3,350 | 3,650 | 3,950 | 4,350 | 4,350 | 4,700 | 5,150 | 5,600 | 6,100 | 6,100 | 6,550 |
| <i>y-y growth</i> | 37% | 38% | 36% | 40% | 40% | 40% | 41% | 42% | 40% | 40% | 39% |
| Customers with ACV above \$100,000 | 493 | 539 | 603 | 691 | 691 | 747 | 837 | 937 | 1,038 | 1,038 | 1,142 |
| <i>y-y growth</i> | 64% | 52% | 50% | 56% | 56% | 52% | 55% | 55% | 50% | 50% | 53% |
| Dollar-based retention rate for the trailing 12 months ended | 123% | 123% | 123% | 121% | 121% | 121% | 121% | 120% | 120% | 120% | 119% |
| Headcount | | | | | | | | | | | |
| Total headcount | 1,020 | 1,096 | 1,141 | 1,176 | 1,176 | 1,265 | 1,392 | 1,473 | 1,561 | 1,561 | 1,770 |
| <i>y-y growth</i> | 43% | 38% | 35% | 31% | 31% | 24% | 27% | 29% | 33% | 33% | 40% |
| Revenue by Location | | | | | | | | | | | |
| United States | \$ 44,972 | \$ 50,973 | \$ 56,214 | \$ 65,141 | \$ 217,300 | \$ 71,258 | \$ 79,500 | \$ 88,705 | \$ 97,904 | \$ 337,367 | \$ 105,403 |
| International | 7,353 | 9,286 | 10,697 | 11,911 | 39,247 | 12,363 | 15,086 | 16,871 | 17,567 | 61,887 | 19,820 |
| Total | \$ 52,325 | \$ 60,259 | \$ 66,911 | \$ 77,052 | \$ 256,547 | \$ 83,621 | \$ 94,586 | \$ 105,576 | \$ 115,471 | \$ 399,254 | \$ 125,223 |

**Remaining Performance Obligations (RPO) - Backlog
(in millions, except percentages)**

| | | | | | | |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| Total RPO | \$ 499.1 | \$ 543.9 | \$ 614.4 | \$ 728.9 | \$ 728.9 | \$ 792.0 |
| Current RPO (12 months) | 279.8 | 303.3 | 339.3 | 385.6 | 385.6 | 416.0 |
| Current RPO as a % of total RPO | 56% | 56% | 55% | 53% | 53% | 53% |