Exhibit 99.1

Datadog Announces Second Quarter 2022 Financial Results

August 4, 2022

Second quarter revenue grew 74% year-over-year to \$406 million

Strong growth of larger customers, with about 2,420 \$100k+ ARR customers, up from 1,570 a year ago

Launched Observability Pipelines product

NEW YORK-- Datadog, Inc. (NASDAQ:DDOG), the monitoring and security platform for cloud applications, today announced financial results for its second quarter ended June 30, 2022.

"We are pleased with our second quarter results, with 74% year-over-year revenue growth and strong profitability," said Olivier Pomel, co-founder and CEO of Datadog. "And we were proud to be named a Leader in the 2022 Gartner Magic Quadrant for Application Performance Monitoring and Observability."

Pomel added, "In times like these, it's even more crucial that companies drive increased agility, efficiency, and competitive advantage. In order to do that, customers of all sizes and in all industries are progressing along their digital transformation and cloud migration journeys. And with the broadening capabilities of our end-to-end, unified platform, Datadog is uniquely capable of helping customers reach their transformation goals."

Second Quarter 2022 Financial Highlights:

- Revenue was \$406.1 million, an increase of 74% year-over-year.
- GAAP operating loss was \$(3.1) million; GAAP operating margin was (1)%.
- Non-GAAP operating income was \$84.7 million; non-GAAP operating margin was 21%.
- GAAP net loss per diluted share was \$(0.02); non-GAAP net income per diluted share was \$0.24.
- Operating cash flow was \$73.0 million, with free cash flow of \$60.2 million.
- Cash, cash equivalents, restricted cash, and marketable securities were \$1.7 billion as of June 30, 2022.

Second Quarter & Recent Business Highlights:

 As of June 30, 2022, we had about 2,420 customers with ARR of \$100,000 or more, an increase of 54% from 1,570 as of June 30, 2021.

- Announced the General Availability of Audit Trail. This new service enables customers to audit changes within the Datadog platform.
- Announced the Launch of Observability Pipelines. This new product enables organizations to take greater control of their data so they can reliably scale their observability practices.
- Named a Leader in the 2022 Gartner Magic Quadrant for Application Performance Monitoring and Observability.
- Appointed Titi Cole to the Board of Directors. Cole is Citigroup's CEO of Legacy Franchises, overseeing the bank's consumer business in Asia, Europe, Middle East, Africa and Mexico.
- Released the third edition of its <u>The State of Serverless</u> report, which is based on usage data from thousands of customers of all sizes and across all industries in Datadog's global customer base.
- Achieved AWS Education Competency Status. This status recognizes that Datadog has demonstrated technical proficiency and success in building solutions that support mission-critical workloads of customers in the higher education, K-12 primary/secondary, research and publishing sectors.
- Announced OpenTelemetry Protocol Support. This new capability brings the full monitoring capabilities
 of the Datadog platform to OpenTelemetry-instrumented applications, without the need to install a
 separate OpenTelemetry collector.
- Enhanced Monitoring and Security for Kubernetes. To help companies more effectively monitor and secure Kubernetes environments, Datadog has launched Container Monitoring, Application Performance Monitoring and Security for Kubernetes users.

Third Quarter and Full Year 2022 Outlook:

Based on information as of today, August 4, 2022, Datadog is providing the following guidance:

- Third Quarter 2022 Outlook:
 - Revenue between \$410 million and \$414 million.
 - Non-GAAP operating income between \$51 million and \$55 million.
 - Non-GAAP net income per share between \$0.15 and \$0.17, assuming approximately 347 million weighted average diluted shares outstanding.
- Full Year 2022 Outlook:
 - Revenue between \$1.61 billion and \$1.63 billion.

- Non-GAAP operating income between \$255 million and \$275 million.
- Non-GAAP net income per share between \$0.74 and \$0.81, assuming approximately 347 million weighted average diluted shares outstanding.

Datadog has not reconciled its expectations as to non-GAAP operating income, or as to non-GAAP net income per share, to their most directly comparable GAAP measure as a result of uncertainty regarding, and the potential variability of, reconciling items such as stock-based compensation and employer payroll taxes on equity incentive plans. Accordingly, reconciliation is not available without unreasonable effort, although it is important to note that these factors could be material to Datadog's results computed in accordance with GAAP.

Conference Call Details:

- What: Datadog financial results for the second quarter of 2022 and outlook for the third quarter and the full year 2022
- When: August 4, 2022 at 8:00 A.M. Eastern Time (5:00 A.M. Pacific Time)
- **Dial in:** To access the call in the U.S., please dial (866) 374-5140, and for international callers, please dial (404) 400-0571. Callers may provide conference password 70803954 to access the call more quickly, and are encouraged to dial into the call 10 to 15 minutes prior to the start to prevent any delay in joining.
- Webcast: <u>https://investors.datadoghq.com</u> (live and replay)
- **Replay:** A replay of the call will be archived on the investor relations website

About Datadog

Datadog is the monitoring and security platform for cloud applications. Our SaaS platform integrates and automates infrastructure monitoring, application performance monitoring and log management to provide unified, real-time observability of our customers' entire technology stack. Datadog is used by organizations of all sizes and across a wide range of industries to enable digital transformation and cloud migration, drive collaboration among development, operations, security and business teams, accelerate time to market for applications, reduce time to problem resolution, secure applications and infrastructure, understand user behavior and track key business metrics.

Forward-Looking Statements

This press release and the earnings call referencing this press release contain "forward-looking" statements, as that term is defined under the federal securities laws, including but not limited to statements regarding Datadog's strategy, product and platform capabilities, the benefits and expected closing of acquisitions, growth in and ability to capitalize on long-term market opportunities including the pace and scope of cloud migration and digital transformation, gross margins and operating margins including with respect to sales and marketing,

research and development expenses, investments and capital expenditures as well as the impact of increased office activity and marketing, and Datadog's future financial performance, including its outlook for the third quarter and fiscal year 2022. These forward-looking statements are based on Datadog's current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Datadog's actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include, but are not limited to (1) our recent rapid growth may not be indicative of our future growth; (2) our history of operating losses; (3) our limited operating history; (4) our business depends on our existing customers purchasing additional subscriptions and products from us and renewing their subscriptions; (5) our ability to attract new customers; (6) our ability to effectively develop and expand our sales and marketing capabilities; (7) risk of a security breach; (8) risk of interruptions or performance problems associated with our products and platform capabilities; (9) our ability to adapt and respond to rapidly changing technology or customer needs; (10) the competitive markets in which we participate; (11) risks associated with successfully managing our growth; (12) general market, political, economic, and business conditions including concerns about reduced economic growth and associated decreases in information technology spending; and (13) the impact that the ongoing COVID-19 pandemic and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations. These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission (SEC), including in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022. Additional information will be made available in our Quarterly Report on Form 10-Q for the guarter ended June 30, 2022 and other filings and reports that we may file from time to time with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forwardlooking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of this press release. We disclaim any obligation to update forward-looking statements.

About Non-GAAP Financial Measures

Datadog discloses the following non-GAAP financial measures in this release and the earnings call referencing this press release: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses (research and development, sales and marketing and general and administrative), non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per diluted share, non-GAAP net income (loss) per basic share, and free cash flow. Datadog uses each of these non-GAAP financial measures internally to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate Datadog's financial performance. Datadog believes they are useful to investors, as a supplement to GAAP measures, in evaluating its operational performance, as further discussed below. Datadog's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in its industry, as other companies in its industry may calculate non-GAAP financial results differently, particularly related to non-recurring and unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on Datadog's reported financial results.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of the historical non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release.

Datadog defines non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses (research and development, sales and marketing and general and administrative), non-GAAP operating income (loss), non-GAAP operating margin and non-GAAP net income (loss) as the respective GAAP balances, adjusted for, as applicable: (1) stock-based compensation expense; (2) the amortization of acquired intangibles; (3) employer payroll taxes on employee stock transactions; and (4) amortization of issuance costs. Datadog defines free cash flow as net cash provided by operating activities, minus capital expenditures and minus capitalized software development costs, if any. Investors are encouraged to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures.

Management believes these non-GAAP financial measures are useful to investors and others in assessing Datadog's operating performance due to the following factors:

Stock-based compensation. Datadog utilizes stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.

Amortization of acquired intangibles. Datadog views amortization of acquired intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of acquired intangibles is an expense that is not typically affected by operations during any particular period.

Employer payroll taxes on employee stock transactions. Datadog excludes employer payroll tax expense on equity incentive plans as these expenses are tied to the exercise or vesting of underlying equity awards and the price of Datadog's common stock at the time of vesting or exercise. As a result, these taxes may vary in any particular period independent of the financial and operating performance of Datadog's business.

Amortization of issuance costs. In May 2020, Datadog issued \$747.5 million of convertible senior notes due 2025, which bear interest at an annual fixed rate of 0.125%. Debt issuance costs, which reduce the carrying value of the convertible debt instrument, are amortized as interest expense over the term. The expense for the amortization of debt issuance costs is a non-cash item, and we believe the exclusion of this interest expense will provide for a more useful comparison of our operational performance in different periods.

Additionally, Datadog's management believes that the non-GAAP financial measure free cash flow is meaningful to investors because it is a measure of liquidity that provides useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. Free cash flow represents net cash provided by operating activities, reduced by capital expenditures and capitalized software development costs, if any. The reduction of capital expenditures and amounts capitalized for software development facilitates comparisons of Datadog's liquidity on a period-to-period basis and excludes items that management does not consider to be indicative of our liquidity.

Operating Metrics

Datadog's number of customers with ARR of \$100,000 or more and number of customers with ARR of \$1 million or more are based on the ARR of each customer, as of the last month of the quarter.

We define the number of customers as the number of accounts with a unique account identifier for which we have an active subscription in the period indicated. Users of our free trials or tier are not included in our customer count. A single organization with multiple divisions, segments or subsidiaries is generally counted as a single customer. However, in some cases where they have separate billing terms, we may count separate divisions, segments or subsidiaries as multiple customers.

We define ARR as the annualized revenue run-rate of subscription agreements from all customers at a point in time. We calculate ARR by taking the monthly recurring revenue, or MRR, and multiplying it by 12. MRR for each month is calculated by aggregating, for all customers during that month, monthly revenue from committed contractual amounts, additional usage, usage from subscriptions for a committed contractual amount of usage that is delivered as used, and monthly subscriptions. We updated the definition of MRR as of the quarter ended

September 30, 2021 to capture usage from subscriptions with committed contractual amounts and applied this change retrospectively. ARR and MRR should be viewed independently of revenue, and do not represent our revenue under GAAP on a monthly or annualized basis, as they are operating metrics that can be impacted by contract start and end dates and renewal rates. ARR and MRR are not intended to be replacements or forecasts of revenue.

Datadog, Inc. Condensed Consolidated Statements of Operations (In thousands, except per share data; unaudited)

2022 2021 2022 Revenue \$ 406,138 \$ 406,138 \$ 233,549 \$ 769,168 \$ Cost of revenue ^{11/2051} 612,255 57,098 156,337 612,781 Operating expenses: 324,213 176,451 612,781 612,781 Research and development ^{11/103} 177,699 94,779 328,307 704,122 216,436 General and administrative ^{11/203} 115,270 70,412 216,436 607,653 704,123 607,506 607,653 704,123 607,506 607,653 704,123 607,506 607,653 704,123 607,506 607,653 704,123 607,506 607,653 704,123 607,506 607,506 607,506 607,506 70,775 704,123 21,146 60,763 704,123 21,146 60,738 704,123 21,146 60,753 704,133 70,556 70,775 704,142 216,436 70,775 704,123 213,356 70,775 704,142 216,436 70,775 70,775 70,775 714,356	Six Months Ended June 30,			
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Net (loss) income per share - diluted \$ (0.02) \$ (0.03) \$ 0.01 \$ Weighted average shares used in calculating net (loss) income per share: 314,795 308,019 314,130 Diluted 314,795 308,019 314,130 314,795 308,019 345,444 (1) Includes stock-based compensation expense as follows: 2,355 \$ 829 \$ 4,008 \$ Cost of revenue \$ 2,355 \$ 829 \$ 4,008 \$ \$ Research and development 53,309 21,639 98,005 \$ \$ Sales and marketing 17,590 6,606 32,185 \$ \$ \$ General and administrative 9,145 5,441 15,085 \$	(0.07			
Weighted average shares used in calculating net (loss) income per share: 314,795 308,019 314,130 Diluted 314,795 308,019 345,444 (1) Includes stock-based compensation expense as follows: 2,355 \$ 829 \$ 4,008 \$ Research and development \$ 3,309 21,639 98,005 \$ \$ \$ General and administrative 9,145 5,441 15,085 \$ \$ \$ \$ (2) Includes amortization of acquired intangibles as follows: \$ </td <td>(0.07</td>	(0.07			
Basic 314,795 308,019 314,130 Diluted 314,795 308,019 345,444 (1) Includes stock-based compensation expense as follows: \$ 2,355 \$ 829 \$ 4,008 \$ Cost of revenue \$ 2,355 \$ 829 \$ 4,008 \$ Research and development 53,309 21,639 98,005 \$ \$ 98,005 \$ Sales and marketing 17,590 6,606 32,185 \$ <td></td>				
Diluted 314,795 308,019 345,444 (1) Includes stock-based compensation expense as follows: \$ 2,355 \$ 829 \$ 4,008 \$ Cost of revenue \$ 2,355 \$ 829 \$ 4,008 \$ Research and development 53,309 21,639 98,005 \$ <td>307,032</td>	307,032			
(1) Includes stock-based compensation expense as follows:Cost of revenue\$ 2,355\$ 829\$ 4,008\$Research and development $53,309$ $21,639$ $98,005$ Sales and marketing $17,590$ $6,606$ $32,185$ General and administrative $9,145$ $5,441$ $15,085$ Total\$ 82,399\$ 34,515\$ 149,283\$(2) Includes amortization of acquired intangibles as follows: 206 163 409 Cost of revenue\$ 1,482\$ 908\$ 2,895\$Sales and marketing 206 163 409 \$Total\$ 1,688\$ 1,071\$ 3,304\$(3) Includes employer payroll taxes on employee stock transactions as follows: $Cost of revenue$ \$ 70\$ 96\$ 172\$Research and development $2,829$ $2,101$ $6,126$ 605 $2,776$ $1,714$	307,032			
Cost of revenue \$ 2,355 \$ 829 \$ 4,008 \$ Research and development 53,309 21,639 98,005 \$ Sales and marketing 17,590 6,606 32,185 \$ General and administrative 9,145 5,441 15,085 \$ Total \$ 82,399 \$ 34,515 \$ 149,283 \$ (2) Includes amortization of acquired intangibles as follows: \$ 1,482 \$ 908 \$ 2,895 \$ Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ \$ Sales and marketing 206 163 409 \$ Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ \$ 96 \$ 172 \$ Research and development \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 \$ Sales and marketing 605 2,776 1,714 \$				
Cost of revenue \$ 2,355 \$ 829 \$ 4,008 \$ Research and development 53,309 21,639 98,005 \$ Sales and marketing 17,590 6,606 32,185 \$ General and administrative 9,145 5,441 15,085 \$ Total \$ 82,399 \$ 34,515 \$ 149,283 \$ (2) Includes amortization of acquired intangibles as follows: \$ 1,482 \$ 908 \$ 2,895 \$ Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ \$ Sales and marketing 206 163 409 \$ Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ \$ 96 \$ 172 \$ Research and development \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 \$ Sales and marketing 605 2,776 1,714 \$				
Sales and marketing 17,590 6,606 32,185 General and administrative 9,145 5,441 15,085 Total \$ 82,399 \$ 34,515 \$ 149,283 \$ (2) Includes amortization of acquired intangibles as follows:	1,530			
Sales and marketing 17,590 6,606 32,185 General and administrative 9,145 5,441 15,085 Total \$ 82,399 \$ 34,515 \$ 149,283 \$ (2) Includes amortization of acquired intangibles as follows:	37,708			
General and administrative9,1455,44115,085Total\$82,399\$34,515\$149,283\$(2) Includes amortization of acquired intangibles as follows: $$1,482$908$2,895$Sales and marketing206163409$163409$Total$1,688$1,071$3,304$(3) Includes employer payroll taxes on employee stock transactions as follows:$70$96$172$Research and development2,8292,1016,12652,7761,714$$	13,616			
Total \$ 82,399 \$ 34,515 \$ 149,283 \$ (2) Includes amortization of acquired intangibles as follows: \$ 1,482 \$ 908 \$ 2,895 \$ Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ Sales and marketing 206 163 409 Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ 70 \$ 96 \$ 172 \$ Research and development \$ 2,829 \$ 2,101 6,126 \$ \$ \$ \$ Sales and marketing 605 2,776 1,714 \$ \$ \$ \$	10,522			
(2) Includes amortization of acquired intangibles as follows: Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ Sales and marketing 206 163 409 409 Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 \$ Sales and marketing 605 2,776 1,714	63,376			
Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ Sales and marketing 206 163 409 Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ 70 \$ 96 \$ 172 \$ Research and development \$ 2,829 \$ 2,101 6,126 \$ Sales and marketing 605 \$ 2,776 1,714				
Cost of revenue \$ 1,482 \$ 908 \$ 2,895 \$ Sales and marketing 206 163 409 Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 \$ Sales and marketing 605 2,776 1,714				
Sales and marketing 206 163 409 Total \$ 1,688 \$ 1,071 \$ 3,304 \$ (3) Includes employer payroll taxes on employee stock transactions as follows: Cost of revenue \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 \$ Sales and marketing 605 2,776 1,714 \$	1,263			
Total\$ 1,688\$ 1,071\$ 3,304\$(3) Includes employer payroll taxes on employee stock transactions as follows:Cost of revenue\$ 70\$ 96\$ 172\$Research and development2,8292,1016,126\$Sales and marketing6052,7761,714\$	163			
(3) Includes employer payroll taxes on employee stock transactions as follows:Cost of revenue\$ 70 \$ 96 \$ 172 \$Research and development2,829 2,101 6,126Sales and marketing605 2,776 1,714	1,426			
Cost of revenue \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 6,126 5 Sales and marketing 605 2,776 1,714 5	· · · ·			
Cost of revenue \$ 70 \$ 96 \$ 172 \$ Research and development 2,829 2,101 6,126 6,126 5 Sales and marketing 605 2,776 1,714 5				
Sales and marketing 605 2,776 1,714	191			
	3,872			
	3,955			
	318			
Total \$ 3,721 \$ 5,167 \$ 8,486 \$	8,336			
(4) Includes amortization of issuance costs as follows:				
Interest expense \$ 842 \$ 837 \$ 1,682 \$	1,672			
Total \$842 \$837 \$1,682 \$	1,672			

Datadog, Inc. Condensed Consolidated Balance Sheets

(In thousands; unaudited)

Marketable securities 1,464,681 1,283,4 Accounts receivable, net of allowance for credit losses of \$3,989 and \$2,997 as of June 30, 2022 and December 31, 2021, respectively 305,501 268,8 Deferred contract costs, current 27,345 23,2 Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,664,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY 22,357 20,01 CURRENT LIABILITIES 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 51,771 52,1 Accound expenses and other current liabilities 111,6			June 30, 2022	December 31, 2021		
Cash and cash equivalents \$ 238,859 \$ 270,9 Marketable securities 1,464,681 1,283,4 Accounts receivable, net of allowance for credit losses of \$3,989 and \$2,997 as of June 30, 2022 and December 31, 2021, respectively 305,501 268,8 Deferred contract costs, current 27,345 232,2 Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 199 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 CURRENT LIABILITIES \$ 2,357 20,11 Accounts payable \$ 47,650 \$ 25,25 Accrued expenses and other current liabilities 111,622 111,22 Operating lease liabilities, current 51,771	ASSETS					
Marketable securities 1,464,681 1,283,4 Accounts receivable, net of allowance for credit losses of \$3,989 and \$2,997 as of June 30, 2022 and December 31, 2021, respectively 305,501 268,8 Deferred contract costs, current 27,345 23,2 Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 613,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 34,019 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,664,487 \$ 2,380,7 LIABILITIES 111,622 111,2 Operating lease ilabilities, current 22,357 20,01 Deferred revenue, current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Defered contract costs, non-current 51,771	CURRENT ASSETS:					
Accounts receivable, net of allowance for credit losses of \$3,989 and \$2,997 as of June 30, 2022 and December 31, 2021, respectively 305,501 268,8 Deferred contract costs, current 27,345 23,22 Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 34,687 22,380,7 ItalITIES AND STOCKHOLDERS' EQUITY S 2,654,487 \$ 2,380,7 LIABILITIES: CURRENT LIABILITIES: S 444,247 371,9 Accounts payable \$ 47,650 \$ 25,2 26,876 528,6 Operating lease liabilities, ourrent 22,357 20,1 111,622 111,2 Operating lease liabilities, non-current 51,771 52,1 Accrue expenses and other current liabilities 13,38,67	Cash and cash equivalents	\$	238,859	\$	270,973	
June 30, 2022 and December 31, 2021, respectively 305,501 268,6 Deferred contract costs, current 27,345 23,20 24,4 Total current assets 2,069,588 1,870,09 24,4 Total current assets 2,069,588 1,870,09 24,4 Total current assets 2,069,588 1,870,09 24,4 Total current assets 97,791 75,1 0perating lease assets 64,016 61,3 Goodwill 334,687 292,1 1ntangible assets, net 17,960 15,7 Deferred contract costs, onn-current 46,840 42,0 42,0 43,4 Other assets 20,391 19,9 19,9 107,4 32,654,487 \$ 2,360,7 LIABILITIES AND STOCKHOLDERS' EQUITY 2 2,357 20,1 11,622 111,22 111,22 CURRENT LIABILITIES: Accounds payable \$ 47,650 \$ 2,25,7 20,11 Accound spanable and ther current liabilities 111,622 111,22 111,22 Operating lease liabilities, non-current 22,357 20,11	Marketable securities		1,464,681		1,283,473	
Deferred contract costs, current 27,345 23,2 Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 175,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 CURRENT LIABILITIES: \$ 2,654,487 \$ 2,380,7 Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,01 Deferred revenue, current 444,247 371,92 Total current liabilities 51,771 52,1 Operating lease liabilities, non-current 14,526 13,8 Other liabilities			305 501		268 824	
Prepaid expenses and other current assets 33,202 24,4 Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 661,3 Goodwill 33,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 CURRENT LIABILITIES \$ 47,650 \$ 2,237 Accounts payable \$ 47,650 \$ 2,237 Accound expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,0 Operating lease liabilities, non-current 14,526 13,8 Other liabilities 1,0034 9,4 Total tiabilities 1,380,873 <					23,235	
Total current assets 2,069,588 1,870,9 Property and equipment, net 97,791 75,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY 2 111,622 111,2 Operating lease liabilities, current 22,357 20,1 20,991 19,90 CURRENT LIABILITIES: * 444,247 371,90 732,97 20,1 Deferred revenue, current 444,247 371,90 735,487 52,62,637 526,6 Operating lease liabilities, non-current 51,771 52,41 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637 52,62,637					23,233	
Property and equipment, net 97,791 75,1 Operating lease assets 64,016 61,3 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES: \$ 2,654,487 \$ 2,380,7 CURRENT LIABILITIES: \$ 47,650 \$ 25,27 20,111,22 20,391 110,622 111,22 Operating lease liabilities, current 22,357 20,1 20,267 20,111,2 Operating lease liabilities, current 22,357 20,1 20,971 37,160 735,40 Deferred revenue, current 51,771 52,1 36,40 34,42,47 371,93 Total current liabilities 010,034 9,40 36,40 36,40 36,40 Other liabilities 10,034 9,40 30,40 <						
Operating lease assets 64,016 61,33 Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9,3 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 47,650 \$ 25,2 Accounts payable \$ 47,650 \$ 25,2 Accounts payable \$ 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities, con-current 22,357 20,1 Deferred revenue, current 14,526 13,8 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 3 4<					75,152	
Goodwill 334,687 292,1 Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 2,381 CURRENT LIABILITIES: \$ 47,650 \$ 2,252,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,5 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,80 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,55 STOCKHOLDERS' EQUITY: 2 3 Common stock 3 3 <td></td> <td></td> <td></td> <td></td> <td>61,355</td>					61,355	
Intangible assets, net 17,960 15,7 Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES: \$ 2,654,487 \$ 2,380,7 Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 0.444,247 313,8 Other liabilities 10,034 9,4 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 14,526 13,8 0.444,247 313,8 Convertible senior notes, net 737,160 735,4 1,339,57 1,339,57 STOCKHOLDERS' EQUITY: 1,439,367			•		•	
Deferred contract costs, non-current 46,840 42,0 Restricted cash 3,214 3,44 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 2,654,487 \$ 2,380,7 CURRENT LIABILITIES: \$ 2,654,487 \$ 2,380,7 Accounds payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 00,034 94,4 371,9 52,6 52,8,6 Operating lease liabilities, non-current 625,876 528,6 528,6 51,771 52,1 Convertible senior notes, net 737,160 735,4 51,771 52,1 Other liabilities 10,034 9,4 14,526 13,8 Other liabilities 10,034 9,4 1,339,57 1,339,57 STOCKHOLDERS' EQUITY: 3<					15,704	
Restricted cash 3,214 3,4 Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES: Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,66 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 3 Common stock 3 3 3 Additional paid-in capital 1,380,873 1,97,1 Accumulated deficit (147,247)					42,062	
Other assets 20,391 19,9 TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY 2000 2000 CURRENT LIABILITIES: 47,650 \$ 25,2 Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities, non-current 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: Common stock 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1 Total stock					3,490	
TOTAL ASSETS \$ 2,654,487 \$ 2,380,7 LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES:					19,907	
LIABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIES:Accounts payable\$ 47,650Accrued expenses and other current liabilitiesOperating lease liabilities, currentOperating lease liabilities, currentDeferred revenue, currentAccounts payableCURRENT LIABILITIES:Accrued expenses and other current liabilitiesOperating lease liabilities, currentDeferred revenue, currentActual current liabilitiesOperating lease liabilities, non-currentConvertible senior notes, netConvertible senior notes, netDeferred revenue, non-currentIbilitiesOther liabilitiesOther liabilitiesSTOCKHOLDERS' EQUITY:Common stockCommon stockAdditional paid-in capitalAccumulated other comprehensive lossAccumulated deficitCotal stockholders' equityAccumulated deficitCotal stockholders' equityAccumulated deficitCotal stockholders' equity		\$,	\$		
CURRENT LIABILITIES: Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 2 2 3 Common stock 3 3 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1 Total stockholders' equity 1,215,120 1,041,2		Ψ	2,004,407	Ψ	2,000,704	
Accounts payable \$ 47,650 \$ 25,2 Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,57 STOCKHOLDERS' EQUITY: 3 3 Common stock 3 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2						
Accrued expenses and other current liabilities 111,622 111,2 Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 737,160 74,50 Common stock 3 74,50 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8) Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2		\$	47 650	\$	25,270	
Operating lease liabilities, current 22,357 20,1 Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 7 7 Common stock 3 7 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2)		Ŷ		Ψ	111,284	
Deferred revenue, current 444,247 371,9 Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: Common stock 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,12) Total stockholders' equity 1,215,120 1,041,2					20,157	
Total current liabilities 625,876 528,6 Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,57 STOCKHOLDERS' EQUITY: 2 2 Common stock 3 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8) Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2)					371,985	
Operating lease liabilities, non-current 51,771 52,1 Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 737,160 737,160 Common stock 3 1,439,367 1,339,5 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8) Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2)					528,696	
Convertible senior notes, net 737,160 735,4 Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,5 STOCKHOLDERS' EQUITY: 737,160 735,4 Common stock 3 737,160 735,4 Additional paid-in capital 1,380,873 1,197,1 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 1,215,120 1,041,2					52,106	
Deferred revenue, non-current 14,526 13,8 Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,57 STOCKHOLDERS' EQUITY: 3 1 Common stock 3 1 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2			,		735,482	
Other liabilities 10,034 9,4 Total liabilities 1,439,367 1,339,55 STOCKHOLDERS' EQUITY:	· ·				13,896	
Total liabilities 1,439,367 1,339,57 STOCKHOLDERS' EQUITY:					9,411	
STOCKHOLDERS' EQUITY: Common stock3Additional paid-in capital1,380,873Additional paid-in capital1,380,873Accumulated other comprehensive loss(18,509)Accumulated deficit(147,247)Total stockholders' equity1,215,120	Total liabilities				1,339,591	
Common stock 3 Additional paid-in capital 1,380,873 1,197,1 Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2)	STOCKHOLDERS' EQUITY:		, ,			
Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1 Total stockholders' equity 1,215,120 1,041,2			3		3	
Accumulated other comprehensive loss (18,509) (3,8 Accumulated deficit (147,247) (152,1) Total stockholders' equity 1,215,120 1,041,2)	Additional paid-in capital		1,380,873		1,197,136	
Accumulated deficit (147,247) (152,1 Total stockholders' equity 1,215,120 1,041,2					(3,830)	
Total stockholders' equity1,215,1201,041,2	·		,		(152,106)	
	Total stockholders' equity				1,041,203	
ψ 2,00,10 ψ 2,00,10 ψ 2,000,10	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	2,654,487	\$	2,380,794	

Datadog, Inc. Condensed Consolidated Statements of Cash Flow (In thousands; unaudited)

Three Months Ended Six Months Ended June 30 June 30, 2022 2021 2021 2022 CASH FLOWS FROM OPERATING ACTIVITIES: Net (loss) income \$ (4,879) \$ (9,362) \$ 4,859 \$ (22,430) Adjustments to reconcile net (loss) income to net cash provided by operating activities: 9,865 Depreciation and amortization 8,118 5,463 15,512 Amortization of discounts or premiums on marketable securities 2,738 3,854 6,697 8,113 Amortization of issuance costs 842 837 1,682 1,672 Amortization of deferred contract costs 6.558 4.074 12.580 7.853 Stock-based compensation, net of amounts capitalized 82,399 34,515 149,283 63,376 Non-cash lease expense 5,275 4.049 9,686 8,061 Allowance for credit losses on accounts receivable 1,133 502 1,931 527 153 Loss on disposal of property and equipment 326 1,149 156 Changes in operating assets and liabilities: Accounts receivable, net (30,781)(34, 131)(38, 100)(24, 908)Deferred contract costs (13, 303)(9,990)(21, 469)(16,701)Prepaid expenses and other current assets (4, 238)3,461 (12,629) (2,537)Other assets (947) (1,504)(1,752)(932)30,803 16,598 23,179 7,372 Accounts payable Accrued expenses and other liabilities (1,399)(2,374)(4, 310)7,308 Deferred revenue (9,685)35,578 72,050 56,578 Net cash provided by operating activities 72,960 51,723 220,348 103,373 CASH FLOWS FROM INVESTING ACTIVITIES: Purchases of marketable securities (389,079)(340,652) (718, 785)(490.983)Maturities of marketable securities 317,051 316,972 516,754 570,206 Proceeds from sale of marketable securities 35,218 2,006 41,715 (1) Purchases of property and equipment (5,987)(3, 229)(15, 501)(4, 227)Capitalized software development costs (6, 807)(6, 209)(14,780)(12, 392)Cash paid for acquisition of businesses; net of cash acquired (34, 695)(188, 839)(39, 566)(200, 348)Net cash used in investing activities (119, 518)(186,739) (269,872) (96,029) CASH FLOWS FROM FINANCING ACTIVITIES: 2,206 Proceeds from exercise of stock options 2,887 6,451 6,162 Proceeds for issuance of common stock under the employee stock purchase plan 13,557 9,794 13,557 9,794 Employee payroll taxes paid related to net share settlement under the employee stock (245)purchase plan Repayments of convertible senior notes (3) 15,763 12,681 20,005 15,711 Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash (2,242)120 (662) (2,871)NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (33, 037)(122, 215)(32, 390)22,393 CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period 275,110 373,319 274,463 228.711 CASH, CASH EQUIVALENTS AND RESTRICTED CASH-End of period \$ 251,104 \$ 242,073 \$ 251,104 \$ 242,073

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH WITHIN THE CONDENSED CONSOLIDATED BALANCE SHEETS TO THE AMOUNTS SHOWN IN THE STATEMENTS OF CASH FLOWS ABOVE:

Cash and cash equivalents	\$ 238,859	\$ 247,442	\$ 238,859	\$ 247,442
Restricted cash	3,214	3,662	3,214	3,662
Total cash, cash equivalents and restricted cash	\$ 242,073	\$ 251,104	\$ 242,073	\$ 251,104

Datadog, Inc. Reconciliation from GAAP to Non-GAAP Results

(In thousands, except per share data; unaudited)

		Three Months Ended June 30,			Six Months E June 30,			,	
		2022		2021		2022		2021	
Reconciliation of gross profit and gross margin									
GAAP gross profit	\$	324,213	\$	176,451	\$	612,781	\$	328,334	
Plus: Stock-based compensation expense		2,355		829		4,008		1,530	
Plus: Amortization of acquired intangibles		1,482		908		2,895		1,263	
Plus: Employer payroll taxes on employee stock transactions		70		96		172		19	
Non-GAAP gross profit	\$	328,120	\$	178,284	\$	619,856	\$	331,31	
GAAP gross margin		80%		76%		80%		76%	
Non-GAAP gross margin		81%		76%		81%		77%	
Reconciliation of operating expenses									
GAAP research and development	\$	177,699	\$	94,779	\$	328,307	\$	174,04	
Less: Stock-based compensation expense		(53,309)		(21,639)		(98,005)		(37,708	
Less: Employer payroll taxes on employee stock transactions		(2,829)		(2,101)	_	(6,126)		(3,872	
Non-GAAP research and development	\$	121,561	\$	71,039	\$	224,176	\$	132,46	
GAAP sales and marketing	\$	115,270	\$	70,412	\$	216,436	\$	134,76	
Less: Stock-based compensation expense		(17,590)		(6,606)		(32,185)		(13,616	
Less: Amortization of acquired intangibles		(206)		(163)		(409)		(163	
Less: Employer payroll taxes on employee stock transactions		(605)		(2,776)		(1,714)		(3,955	
Non-GAAP sales and marketing	\$	96,869	\$	60,867	\$	182,128	\$	117,03	
GAAP general and administrative	\$	34,383	\$	21,146	\$	60,763	\$	42,24	
Less: Stock-based compensation expense		(9,145)		(5,441)		(15,085)		(10,522	
Less: Employer payroll taxes on employee stock transactions		(217)		(194)		(474)		(318	
Non-GAAP general and administrative	\$	25,021	\$	15,511	\$	45,204	\$	31,40	
Reconciliation of operating (loss) income and operating margin									
GAAP operating (loss) income	\$	(3,139)	\$	(9,886)	\$	7,275	\$	(22,716	
Plus: Stock-based compensation expense		82,399		34,515		149,283		63,37	
Plus: Amortization of acquired intangibles		1,688		1,071		3,304		1,42	
Plus: Employer payroll taxes on employee stock transactions		3,721		5,167		8,486		8,33	
Non-GAAP operating income	\$	84,669	\$	30,867	\$	168,348	\$	50,42	
GAAP operating margin	<u> </u>	(1)%	- —	(4)%	- —	1%	: —	(5)%	
Non-GAAP operating margin		21%		13%		22%		12%	
Reconciliation of net (loss) income									
GAAP net (loss) income	\$	(4,879)	\$	(9,362)	\$	4,859	\$	(22,430	
Plus: Stock-based compensation expense	Ψ	82,399	Ψ	34,515	Ψ	149,283	Ψ	63,37	
Plus: Amortization of acquired intangibles		1,688		1,071		3,304		1,42	
Plus: Employer payroll taxes on employee stock transactions		3,721		5,167		8,486		8,33	
Plus: Amortization of issuance costs		842		837		1,682		1,67	
Non-GAAP net income	¢	83,771	\$	32,228	\$	167,614	\$	52,38	
Net income per share - basic	\$	0.27	= <u>*</u>	0.10	\$	0.53	= <u>*</u> \$	0.1	
	\$ \$	0.27	э \$	0.10	ծ \$	0.53	э \$		
Net income per share - diluted Shares used in non-GAAP net income per share calculations:	\$	0.24	φ	0.09	φ	0.49	Ф	0.1	
•		214 705		200.040		214 420		207.00	
Basic		314,795		308,019		314,130		307,03	
Diluted		344,854		342,307		345,444		342,22	

Datadog, Inc. Reconciliation of GAAP Cash Flow from Operating Activities to Free Cash Flow

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
Net cash provided by operating activities	\$ 72,960	\$	51,723	\$	220,348	\$	103,373	
Less: Purchases of property and equipment	(5,987)		(3,229)		(15,501)		(4,227)	
Less: Capitalized software development costs	(6,807)		(6,209)		(14,780)		(12,392)	
Free cash flow	\$ 60,166	\$	42,285	\$	190,067	\$	86,754	
Free cash flow margin	 15%		18%		25%		20%	

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