UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-39504

SNOWFLAKE INC.

(Exact name of registrant as specified in its charter)

Delaware	**46-0636374**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Suite 3A, 106 East Babcock Street
Bozeman, MT 59715
(Address of principal executive offices and zip code)[1]
(844) 766-9355
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	SNOW	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Small reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 21, 2025, there were 342.2 million shares of the registrant's common stock, par value of $0.0001 per share, outstanding.

[1] We are a Delaware corporation with a globally distributed workforce and no corporate headquarters. Under the Securities and Exchange Commission's rules, we are required to designate a "principal executive office." For purposes of this report, we have designated our office in Bozeman, Montana as our principal executive office.

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this report, including statements regarding our future results of operations and financial condition, business strategy, opportunities, priorities, capital requirements, market trends, and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements can be identified by words such as “anticipate,” “believe,” “continue,” “can,” “could,” “design,” “estimate,” “target,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, expenses, and other operating results, including statements relating to the portion of our remaining performance obligations that we expect to recognize as revenue in future periods;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to maintain and increase consumption on our platform;
- our ability to continue to innovate and make new features generally available to customers, including our development and use of artificial intelligence (AI) and machine learning technology (collectively, AI Technology), and our customers’ adoption and use of such features;
- our ability to achieve or sustain our profitability;
- future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
- the costs and success of our sales and marketing efforts, and our ability to promote our brand;
- our growth strategies for, and market acceptance of, our platform and the AI Data Cloud, including emerging product areas, as well as our ability to execute such strategies;
- our ability to successfully integrate and realize the benefits of strategic acquisitions;
- our reliance on key personnel and our ability to identify, recruit, and retain skilled personnel;
- our ability to effectively manage our growth, including any international expansion;
- our ability to protect our intellectual property rights and any costs associated therewith;
- our ability to prevent or mitigate disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud and internet infrastructure on which it relies;
- our expectations regarding general market conditions and the effects of those conditions, including on customer and partner activity;
- our ability to compete effectively with existing competitors and new market entrants;
- the growth rates of the markets in which we compete;
- our expectations regarding our strategic investments, including the impact of changes in market conditions;
- our expectations regarding our convertible senior notes, including the expected use of proceeds we received and our ability to meet the requirements of the notes;
- our expectations regarding our stock repurchase program;
- our expectations regarding stock-based compensation; and
- the impacts of volatility and uncertainty in the global economy on our business and the businesses of our customers and partners.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Other sections of this Quarterly Report on Form 10-Q may include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors 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 from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (investors.snowflake.com), our filings with the Securities and Exchange Commission (SEC), webcasts, press releases, and conference calls. We use these mediums, including our website as well as social media, including certain X and LinkedIn accounts held and/or managed by us or our executive officers, to communicate with investors and the general public about our company, our products, and other issues. It is possible that the information we make available on our website or social media may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information we make available on our website and social media.

SELECTED RISKS AFFECTING OUR BUSINESS

Investing in our common stock involves numerous risks, including those set forth below. This summary does not contain all of the information that may be important to you, and you should read this summary together with the more detailed discussion of risks and uncertainties set forth in the section titled "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q. Below is a summary of some of these risks, any one of which could materially adversely affect our business, results of operations, and financial condition. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized.

- We have experienced rapid revenue growth and have a limited operating history, both of which make it difficult to forecast our future results of operations.
- We may not have visibility into our future financial position and results of operations.
- We have a history of operating losses and may not achieve or sustain profitability in the future.
- The markets in which we operate are highly competitive, and if we do not compete effectively, our business, financial condition, and results of operations could be harmed.
- If we fail to innovate in response to changing customer needs, new technologies, or other market requirements, our business, financial condition, and results of operations could be harmed.
- If we are not successful in executing our investments in AI Technology, our business, financial condition, and results of operations could be harmed.
- If we, our customers, or third-party service providers experience an actual or perceived security breach or unauthorized parties otherwise obtain access to our customers' data, our data, or our platform, our platform may be perceived as not being secure, our reputation may be harmed, demand for our platform may be reduced, and we may incur significant liabilities.
- We or our third-party service providers could suffer disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud and internet infrastructure on which it relies.
- We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price could decline.
- Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products and platform.
- Sales efforts to large customers involve risks that may not be present or that are present to a lesser extent with respect to sales to smaller organizations, such as longer sales cycles and more complex customer requirements.
- We do business with federal, state, local, and foreign governments and agencies, and heavily regulated organizations; as a result, we face heightened risks related to special contract terms, non-standard product deployments, and compliance with additional processes, rules, and regulations.
- If we lose key members of our management team or are unable to attract and retain the executives and employees we need to support our operations and growth, our business and future growth prospects may be harmed.
- Unfavorable conditions in our industry or the global economy, reductions in cloud spending, or lower than expected consumption, could limit our ability to grow our business and negatively affect our results of operations.
- Our growth depends on the development, expansion, and success of our partner relationships.
- General market conditions, volatility, or disruptions, including higher inflation, higher interest rates, bank failures, and fluctuations or volatility in capital markets or foreign currency exchange rates, could have an adverse impact on our or our customers' or partners' businesses, which could negatively impact our financial condition or results of operations.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

SNOWFLAKE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

	October 31, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 1,941,657	$ 2,628,798
Short-term investments	1,411,448	2,008,873
Accounts receivable, net	938,145	922,805
Deferred commissions, current	167,926	97,662
Prepaid expenses and other current assets	164,319	211,234
Total current assets	4,623,495	5,869,372
Long-term investments	1,041,474	656,476
Property and equipment, net	265,844	296,393
Operating lease right-of-use assets	254,641	359,439
Goodwill	1,174,960	1,056,559
Intangible assets, net	256,580	278,028
Deferred commissions, non-current	209,511	183,967
Other assets	403,686	333,704
Total assets	$ 8,230,191	$ 9,033,938
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 193,691	$ 169,767
Accrued expenses and other current liabilities	725,793	515,454
Operating lease liabilities, current	40,208	35,923
Deferred revenue, current	2,423,622	2,580,039
Total current liabilities	3,383,314	3,301,183
Convertible senior notes, net	2,277,749	2,271,529
Operating lease liabilities, non-current	367,658	377,818
Deferred revenue, non-current	10,884	15,501
Other liabilities	57,653	61,264
Total liabilities	6,097,258	6,027,295
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock; $0.0001 par value per share; 200,000 shares authorized, zero shares issued and outstanding as of each October 31, 2025 and January 31, 2025	—	—
Common stock; $0.0001 par value per share; 2,500,000 Class A shares authorized, 342,473 and 334,301 shares issued as of October 31, 2025 and January 31, 2025, respectively; 342,065 and 333,865 shares outstanding as of October 31, 2025 and January 31, 2025, respectively; zero and 185,461 Class B shares authorized as of October 31, 2025 and January 31, 2025, respectively, zero shares issued and outstanding as of each October 31, 2025 and January 31, 2025[1]	34	34
Treasury stock, at cost; 408 and 436 shares held as of October 31, 2025 and January 31, 2025, respectively	(55,714)	(59,505)
Additional paid-in capital	11,218,186	10,355,211
Accumulated other comprehensive income (loss)	5,123	(2,236)
Accumulated deficit	(9,034,696)	(7,293,575)
Total Snowflake Inc. stockholders' equity	2,132,933	2,999,929
Noncontrolling interest	—	6,714
Total stockholders' equity	2,132,933	3,006,643
Total liabilities and stockholders' equity	$ 8,230,191	$ 9,033,938

(1) On July 3, 2025, all authorized shares of the Company's Class B common stock were eliminated and the Company's Class A common stock was renamed to "common stock", pursuant to the terms of the Company's amended and restated certificate of incorporation. Unless otherwise noted, all references herein to the Company's common stock refer to the Class A common stock prior to the effectiveness of the certificate. See Note 12, "Equity," for further details.

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	**2024**	**2025**	**2024**
Revenue	$ 1,212,909	$ 942,094	$ 3,399,952	$ 2,639,626
Cost of revenue	390,873	320,894	1,111,474	881,489
Gross profit	822,036	621,200	2,288,478	1,758,137
Operating expenses:				
Sales and marketing	550,364	437,962	1,510,875	1,239,409
Research and development	494,027	442,435	1,458,434	1,290,889
General and administrative	107,118	106,260	436,175	297,171
Total operating expenses	1,151,509	986,657	3,405,484	2,827,469
Operating loss	(329,473)	(365,457)	(1,117,006)	(1,069,332)
Interest income	45,481	48,655	148,111	152,699
Interest expense	(2,075)	(689)	(6,220)	(689)
Other expense, net	(1,854)	(8,474)	(34,897)	(37,722)
Loss before income taxes	(287,921)	(325,965)	(1,010,012)	(955,044)
Provision for income taxes	3,682	1,937	9,473	8,444
Net loss	(291,603)	(327,902)	(1,019,485)	(963,488)
Less: net income (loss) attributable to noncontrolling interest	2,354	(3,623)	2,581	(5,322)
Net loss attributable to Snowflake Inc.	$ (293,957)	$ (324,279)	$ (1,022,066)	$ (958,166)
Net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted[(1)]	$ (0.87)	$ (0.98)	$ (3.04)	$ (2.88)
Weighted-average shares used in computing net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted[(1)]	339,648	331,761	335,875	333,136

(1) On July 3, 2025, all authorized shares of the Company's Class B common stock were eliminated and the Company's Class A common stock was renamed to "common stock", pursuant to the terms of the Company's amended and restated certificate of incorporation. Unless otherwise noted, all references herein to the Company's common stock refer to the Class A common stock prior to the effectiveness of the certificate. See Note 12, "Equity," and Note 14, "Net Loss per Share," for further details.

See accompanying notes to condensed consolidated financial statements.

SNOWFLAKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	**2024**	**2025**	**2024**
Net loss	$ (291,603)	$ (327,902)	$ (1,019,485)	$ (963,488)
Other comprehensive income:				
Cash flow hedges:				
Net change in unrealized gains or losses	548	—	9,653	(52)
Net realized (gains) losses reclassified into net loss	(3,307)	27	(6,747)	56
Net change in unrealized gains or losses on available-for-sale debt securities	5,078	2,575	4,419	5,458
Other	22	17	34	(2)
Total other comprehensive income	2,341	2,619	7,359	5,460
Comprehensive loss	(289,262)	(325,283)	(1,012,126)	(958,028)
Less: comprehensive income (loss) attributable to noncontrolling interest	2,354	(3,623)	2,581	(5,322)
Comprehensive loss attributable to Snowflake Inc.	$ (291,616)	$ (321,660)	$ (1,014,707)	$ (952,706)

See accompanying notes to condensed consolidated financial statements.

SNOWFLAKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
(in thousands)
(unaudited)

	Three Months Ended October 31, 2025									
	Common Stock[1]		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Snowflake Inc. Stockholders’ Equity	Noncontrolling Interest	Total Stockholders’ Equity
	Shares	Amount	Shares	Amount						
BALANCE—July 31, 2025	339,179	$ 34	(417)	$ (56,968)	$ 10,939,122	$ 2,782	$ (8,512,322)	$ 2,372,648	$ 6,941	$ 2,379,589
Issuance of common stock upon exercise of stock options	2,530	—	—	—	26,906	—	—	26,906	—	26,906
Issuance of common stock under employee stock purchase plan	263	—	—	—	34,930	—	—	34,930	—	34,930
Vesting of restricted stock units	2,377	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(833)	—	—	—	(188,791)	—	—	(188,791)	—	(188,791)
Repurchases and retirement of common stock, including transaction costs and excise tax, if any	(1,043)	—	—	—	—	—	(232,896)	(232,896)	—	(232,896)
Reissuance of treasury stock upon settlement of equity awards	—	—	9	1,254	(1,254)	—	—	—	—	—
Stock-based compensation	—	—	—	—	411,752	—	—	411,752	—	411,752
Distributions to noncontrolling interest holders and other adjustments	—	—	—	—	(4,479)	—	4,479	—	(9,295)	(9,295)
Other comprehensive income	—	—	—	—	—	2,341	—	2,341	—	2,341
Net income (loss)	—	—	—	—	—	—	(293,957)	(293,957)	2,354	(291,603)
BALANCE—October 31, 2025	342,473	$ 34	(408)	$ (55,714)	$ 11,218,186	$ 5,123	$ (9,034,696)	$ 2,132,933	$ —	$ 2,132,933

	Three Months Ended October 31, 2024									
	Common Stock[1][2]		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Snowflake Inc. Stockholders’ Equity	Noncontrolling Interest	Total Stockholders’ Equity
	Shares	Amount	Shares	Amount						
BALANCE—July 31, 2024	335,620	$ 34	(460)	$ (62,800)	$ 9,822,965	$ (5,379)	$ (5,625,819)	$ 4,129,001	$ 8,587	$ 4,137,588
Issuance of common stock upon exercise of stock options	2,010	—	—	—	11,551	—	—	11,551	—	11,551
Issuance of common stock under employee stock purchase plan	314	—	—	—	30,318	—	—	30,318	—	30,318
Issuance of common stock in connection with a business combination subject to future vesting	68	—	—	—	—	—	—	—	—	—
Cancellation of common stock issued in connection with business combinations	(71)	—	—	—	(67)	—	—	(67)	—	(67)
Vesting of restricted stock units	2,117	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(712)	—	—	—	(80,213)	—	—	(80,213)	—	(80,213)
Repurchases and retirement of common stock, including transaction costs and excise tax, if any	(8,826)	(1)	—	—	—	—	(1,020,394)	(1,020,395)	—	(1,020,395)
Reissuance of treasury stock upon settlement of equity awards	—	—	11	1,410	(1,393)	—	—	17	—	17
Purchases of capped calls related to convertible senior notes	—	—	—	—	(195,500)	—	—	(195,500)	—	(195,500)
Stock-based compensation	—	—	—	—	376,393	—	—	376,393	—	376,393
Other comprehensive income	—	—	—	—	—	2,619	—	2,619	—	2,619
Net loss	—	—	—	—	—	—	(324,279)	(324,279)	(3,623)	(327,902)
BALANCE—October 31, 2024	330,520	$ 33	(449)	$ (61,390)	$ 9,964,054	$ (2,760)	$ (6,970,492)	$ 2,929,445	$ 4,964	$ 2,934,409

[1] On July 3, 2025, all authorized shares of the Company’s Class B common stock were eliminated and the Company’s Class A common stock was renamed to “common stock”, pursuant to the terms of the Company’s amended and restated certificate of incorporation. Unless otherwise noted, all references herein to the Company’s common stock refer to the Class A common stock prior to the effectiveness of the certificate. See Note 12, “Equity,” for further details.

[2] In connection with a business combination completed during the three months ended January 31, 2024, the Company issued approximately 0.2 million shares of its common stock to one of its wholly-owned subsidiaries, in exchange for a noncontrolling equity interest in the acquired company that was held by the subsidiary prior to this business combination. These shares were treated as treasury stock for accounting purposes as of January 31, 2024, April 30, 2024, and July 31, 2024, and were subsequently transferred to the Company and retired during the three months ended October 31, 2024. These shares are not reflected in the table above.

SNOWFLAKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

Nine Months Ended October 31, 2025

	Common Stock[1]		Treasury Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Snowflake Inc. Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
BALANCE—January 31, 2025	334,301	$ 34	(436)	$ (59,505)	$ 10,355,211	$ (2,236)	$ (7,293,575)	$ 2,999,929	$ 6,714	$ 3,006,643
Issuance of common stock upon exercise of stock options	6,942	—	—	—	63,584	—	—	63,584	—	63,584
Issuance of common stock under employee stock purchase plan	817	—	—	—	88,123	—	—	88,123	—	88,123
Vesting of restricted stock units	7,130	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(2,460)	—	—	—	(486,261)	—	—	(486,261)	—	(486,261)
Repurchases and retirement of common stock, including transaction costs and excise tax, if any	(4,257)	—	—	—	—	—	(723,534)	(723,534)	—	(723,534)
Reissuance of treasury stock upon settlement of equity awards	—	—	28	3,791	(3,791)	—	—	—	—	—
Stock-based compensation	—	—	—	—	1,205,799	—	—	1,205,799	—	1,205,799
Distributions to noncontrolling interest holders and other adjustments	—	—	—	—	(4,479)	—	4,479	—	(9,295)	(9,295)
Other comprehensive income	—	—	—	—	—	7,359	—	7,359	—	7,359
Net income (loss)	—	—	—	—	—	—	(1,022,066)	(1,022,066)	2,581	(1,019,485)
BALANCE—October 31, 2025	342,473	$ 34	(408)	$ (55,714)	$ 11,218,186	$ 5,123	$ (9,034,696)	$ 2,132,933	$ —	$ 2,132,933

Nine Months Ended October 31, 2024

	Common Stock[1][2]		Treasury Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Snowflake Inc. Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
BALANCE—January 31, 2024	334,453	$ 34	(492)	$ (67,140)	$ 9,331,238	$ (8,220)	$ (4,075,604)	$ 5,180,308	$ 10,286	$ 5,190,594
Issuance of common stock upon exercise of stock options	5,196	—	—	—	35,031	—	—	35,031	—	35,031
Issuance of common stock under employee stock purchase plan	660	—	—	—	77,053	—	—	77,053	—	77,053
Issuance of common stock in connection with a business combination	1	—	—	—	—	—	—	—	—	—
Issuance of common stock in connection with a business combination subject to future vesting	68	—	—	—	—	—	—	—	—	—
Cancellation of common stock issued in connection with business combinations	(71)	—	—	—	(67)	—	—	(67)	—	(67)
Vesting of restricted stock units	7,569	1	—	—	(1)	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(2,591)	—	—	—	(356,178)	—	—	(356,178)	—	(356,178)
Repurchases and retirement of common stock, including transaction costs and excise tax, if any	(14,765)	(2)	—	—	—	—	(1,936,722)	(1,936,724)	—	(1,936,724)
Reissuance of treasury stock upon settlement of equity awards	—	—	43	5,750	(5,650)	—	—	100	—	100
Purchases of capped calls related to convertible senior notes	—	—	—	—	(195,500)	—	—	(195,500)	—	(195,500)
Stock-based compensation	—	—	—	—	1,078,128	—	—	1,078,128	—	1,078,128
Other comprehensive income	—	—	—	—	—	5,460	—	5,460	—	5,460
Net loss	—	—	—	—	—	—	(958,166)	(958,166)	(5,322)	(963,488)
BALANCE—October 31, 2024	330,520	$ 33	(449)	$ (61,390)	$ 9,964,054	$ (2,760)	$ (6,970,492)	$ 2,929,445	$ 4,964	$ 2,934,409

[1] On July 3, 2025, all authorized shares of the Company's Class B common stock were eliminated and the Company's Class A common stock was renamed to "common stock", pursuant to the terms of the Company's amended and restated certificate of incorporation. Unless otherwise noted, all references herein to the Company's common stock refer to the Class A common stock prior to the effectiveness of the certificate. See Note 12, "Equity," for further details.

[2] In connection with a business combination completed during the three months ended January 31, 2024, the Company issued approximately 0.2 million shares of its common stock to one of its wholly-owned subsidiaries, in exchange for a noncontrolling equity interest in the acquired company that was held by the subsidiary prior to this business combination. These shares were treated as treasury stock for accounting purposes as of January 31, 2024, April 30, 2024, and July 31, 2024, and were subsequently transferred to the Company and retired during the three months ended October 31, 2024. These shares are not reflected in the table above.

See accompanying notes to condensed consolidated financial statements.

SNOWFLAKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended October 31,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (1,019,485)	$ (963,488)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	161,519	132,378
Non-cash operating lease costs	49,762	42,370
Amortization of deferred commissions	95,412	68,835
Stock-based compensation, net of amounts capitalized	1,195,955	1,051,195
Net accretion of discounts on investments	(18,469)	(33,869)
Net realized and unrealized losses on strategic investments in equity securities	35,520	35,814
Amortization of debt issuance costs	6,220	689
Asset impairment related to office facility exit	108,715	—
Deferred income tax	(3,445)	(532)
Non-cash restructuring charges (recoveries), net	(11,159)	1,146
Other	(2,273)	3,733
Changes in operating assets and liabilities, net of effects of business combinations:		
Accounts receivable	(12,625)	328,704
Deferred commissions	(181,680)	(62,785)
Prepaid expenses and other assets	(2,515)	42,456
Accounts payable	36,296	102,721
Accrued expenses and other liabilities	217,846	38,702
Operating lease liabilities	(42,387)	(34,344)
Deferred revenue	(172,419)	(226,686)
Net cash provided by operating activities	440,788	527,039
Cash flows from investing activities:		
Purchases of property and equipment	(85,559)	(35,002)
Capitalized software development costs	—	(23,428)
Cash paid for business combinations, net of cash acquired	(164,230)	(17,125)
Purchases of intangible assets	(1,311)	—
Purchases of investments	(1,990,216)	(2,288,985)
Sales of investments	19,397	54,394
Maturities and redemptions of investments	2,114,923	2,276,653
Settlement of cash flow hedges	—	(749)
Net cash used in investing activities	(106,996)	(34,242)
Cash flows from financing activities:		
Proceeds from exercise of stock options	63,295	35,212
Proceeds from issuance of common stock under employee stock purchase plan	88,123	77,053
Taxes paid related to net share settlement of equity awards	(485,221)	(359,607)
Repurchases of common stock	(723,534)	(1,932,333)
Distributions to noncontrolling interest holders	(2,145)	—
Payments of deferred purchase consideration for business combinations	(600)	—

	Nine Months Ended October 31,	
	2025	2024
Gross proceeds from issuance of convertible senior notes	—	2,300,000
Cash paid for issuance costs on convertible senior notes	—	(31,230)
Purchases of capped calls related to convertible senior notes	—	(195,500)
Net cash used in financing activities	(1,060,082)	(106,405)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	12,243	(1,131)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(714,047)	385,261
Cash, cash equivalents, and restricted cash—beginning of period	2,698,678	1,780,977
Cash, cash equivalents, and restricted cash—end of period	$ 1,984,631	$ 2,166,238
Supplemental disclosures of non-cash investing and financing activities:		
Property and equipment included in accounts payable and accrued expenses	$ 23,275	$ 21,198
Stock-based compensation included in capitalized software development costs	$ —	$ 29,081
Unpaid taxes related to net share settlement of equity awards included in accrued expenses and other current liabilities	$ 8,315	$ 3,438
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 1,941,657	$ 2,148,928
Restricted cash—included in other assets and prepaid expenses and other current assets	42,974	17,310
Total cash, cash equivalents, and restricted cash	$ 1,984,631	$ 2,166,238

See accompanying notes to condensed consolidated financial statements.

SNOWFLAKE INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Description of Business

Snowflake Inc. (Snowflake or the Company) provides a cloud-based data platform, which enables customers to consolidate data into a single source of truth to drive meaningful insights, apply artificial intelligence (AI) to solve business problems, build data applications, and share data and data products. The Company provides its platform through a customer-centric, consumption-based business model, only charging customers for the resources they use. Through its platform, the Company delivers the AI Data Cloud, a network where Snowflake customers, partners, developers, data providers, and data consumers can break down data silos and derive value from a growing number of data sets in secure, governed, and compliant ways. Snowflake was incorporated in the state of Delaware on July 23, 2012.

2. Basis of Presentation and Summary of Significant Accounting Policies

Fiscal Year

The Company's fiscal year ends on January 31. For example, references to fiscal 2026 refer to the fiscal year ending January 31, 2026.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and applicable rules and regulations of the U.S. Securities and Exchange Commission (SEC) regarding interim financial reporting. Accordingly, they do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2025, which was filed with the SEC on March 21, 2025.

In management's opinion, these unaudited condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the Company's financial position as of October 31, 2025 and the results of operations for the three and nine months ended October 31, 2025 and 2024, and cash flows for the nine months ended October 31, 2025 and 2024. The condensed balance sheet as of January 31, 2025 was derived from the audited consolidated financial statements but does not include all disclosures required by GAAP. The results of operations for the three and nine months ended October 31, 2025 are not necessarily indicative of the results to be expected for the full year or any other future interim or annual period.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Snowflake Inc., its wholly-owned subsidiaries, and a majority-owned subsidiary in which the Company has a controlling financial interest. All intercompany transactions and balances have been eliminated in consolidation. The Company records noncontrolling interest in its condensed consolidated financial statements to recognize the minority ownership interest in its majority-owned subsidiary. Profits and losses of the majority-owned subsidiary are attributed to controlling and noncontrolling interests using the hypothetical liquidation at book value method.

Segment Information

The Company has a single operating and reportable segment. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis, including, but not limited to, the Company's consolidated net loss, for purposes of making operating decisions, assessing financial performance, and allocating resources.

The following table presents selected financial information with respect to the Company's single operating segment (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Revenue	$ 1,212,909	$ 942,094	$ 3,399,952	$ 2,639,626
Cost of revenue and operating expenses:				
Cost of product revenue[(1)(2)]	320,810	263,622	908,402	718,861
Cost of professional services and other revenue[(2)]	70,063	57,272	203,072	162,628
Sales and marketing[(2)]	550,364	437,962	1,510,875	1,239,409
Research and development[(2)]	494,027	442,435	1,458,434	1,290,889
General and administrative[(2)]	107,118	106,260	436,175	297,171
Interest income	(45,481)	(48,655)	(148,111)	(152,699)
Interest expense	2,075	689	6,220	689
Other expense, net	1,854	8,474	34,897	37,722
Provision for income taxes	3,682	1,937	9,473	8,444
Net loss	$ (291,603)	$ (327,902)	$ (1,019,485)	$ (963,488)

(1) Third-party cloud infrastructure expenses incurred in connection with customers' use of the Snowflake platform and the deployment and maintenance of the platform on public clouds, including different regional deployments, represented approximately 72% and 64% of cost of product revenue for the three months ended October 31, 2025 and 2024, respectively, and 70% and 65% of cost of product revenue for the nine months ended October 31, 2025 and 2024, respectively.

(2) Personnel-related expenses, excluding stock-based compensation and associated payroll taxes, represented approximately 38% and 37% of the Company's total cost of revenue and operating expenses for the three months ended October 31, 2025 and 2024, respectively, and 37% of the Company's total cost of revenue and operating expenses for each of the nine months ended October 31, 2025 and 2024. These expenses consist primarily of salaries, benefits, bonuses, sales commissions and draws paid to the Company's sales force and certain referral fees paid to third parties, including amortization of deferred commissions, and associated payroll taxes. They also include salaries, benefits and bonuses allocated as part of overhead costs. See Note 12 , "Equity," for details regarding the Company's stock-based compensation.

The measure of segment assets is the total assets on the Company's condensed consolidated balance sheets. See the Company's condensed consolidated financial statements for other financial information regarding its operating segment.

For information regarding the Company's revenue by geographic area, see Note 3, "Revenue, Accounts Receivable, Deferred Revenue, and Remaining Performance Obligations."

The following table presents the Company's long-lived assets, comprising property and equipment, net and operating lease right-of-use assets, by geographic area (in thousands):

	October 31, 2025	January 31, 2025
United States	$ 421,003	$ 536,885
Other[(1)]	99,482	118,947
Total	$ 520,485	$ 655,832

(1) No individual country outside of the United States accounted for more than 10% of the Company's long-lived assets as of October 31, 2025 and January 31, 2025.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Such estimates include, but are not limited to, stand-alone selling prices (SSP) for each distinct performance obligation, software development costs, the expected period of benefit for deferred commissions, the fair value of intangible assets acquired in business combinations, the useful lives and impairment of long-lived assets, the carrying value of operating lease right-of-use assets, stock-based compensation, accounting for income taxes, and the fair value of investments in marketable and non-marketable securities.

The Company bases its estimates on historical experience and also on assumptions that management considers reasonable. These estimates are assessed on a regular basis; however, actual results could differ from these estimates.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in "Note 2 – Basis of Presentation and Summary of Significant Accounting Policies" of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2025, which was filed with the SEC on March 21, 2025. There have been no significant changes to the Company's accounting policies during the nine months ended October 31, 2025, except for updates to the software development costs accounting policy, as described below.

Software Development Costs

The Company capitalizes qualifying internal-use software development costs, which have historically related primarily to its cloud platform, under Accounting Standards Codification (ASC) Topic 350-40, *Internal-use Software* (ASC 350-40). The costs consist of personnel costs (including related benefits and stock-based compensation) that are incurred during the application development stage. Capitalization of costs begins when two criteria are met: (1) the preliminary project stage is completed, and (2) it is probable that the software will be completed and used for its intended function. Capitalization ceases when the software is substantially complete and ready for its intended use, including the completion of all significant testing. Costs related to preliminary project activities and post-implementation operating activities are expensed as incurred.

Capitalized internal-use software development costs are included in property and equipment, net on the condensed consolidated balance sheets. These costs are amortized over the estimated useful life of the software, which is three years, on a straight-line basis. Cost and accumulated amortization of fully amortized capitalized internal-use software development costs are removed from the Company's condensed consolidated balance sheets when the related software is no longer in use. The amortization of capitalized internal-use software development costs related to the Company's platform applications is primarily included in cost of revenue in the condensed consolidated statements of operations.

During the three months ended April 30, 2025, the Company began marketing the Snowflake platform to selected public sector customers who will have contractual rights to take possession of the Company's software and who will contract with third parties to host the Company's software. As a result, the Company's ongoing and future software development costs related to the Snowflake platform must be accounted for under ASC 985-20, *Costs of Software to be Sold, Leased or Marketed* (ASC 985-20). All costs to establish technological feasibility are expensed as they are incurred. Technological feasibility is established when the working model is complete, which typically occurs at or shortly before the general release of the software products. Costs incurred subsequent to establishing technological feasibility are capitalized until the software product is available for general release to customers, at which point they are amortized on a product-by-product basis. Software development costs capitalized under ASC 985-20 are included in property and equipment, net on the condensed consolidated balance sheets, and are tested for impairment whenever events or changes in circumstances occur that could impact their recoverability. Costs that meet the criteria for capitalization under ASC 985-20 were not material for the three and nine months ended October 31, 2025.

Software development costs capitalized prior to fiscal 2026 in connection with the Snowflake platform will be amortized over their remaining useful life and recognized as cost of revenue.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires annual disclosure on disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This guidance is effective for the Company for its fiscal year beginning February 1, 2025 on a prospective basis. Early adoption and retrospective application are permitted. The Company is currently evaluating the impact of the adoption of this guidance on its disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure, on an annual and interim basis, of specified information about certain costs and expenses in the notes to financial statements. This guidance is effective for the Company for its fiscal year beginning February 1, 2027 and interim periods within its fiscal year beginning February 1, 2028 on either a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, including those assets acquired in a business combination. The practical expedient permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. This guidance is effective for the Company for its fiscal year and all interim periods beginning February 1, 2026 on a prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its condensed consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which simplifies the capitalization guidance related to internal-use software by removing all references to software development projects stages so that the guidance is neutral to different software development methods. This guidance is effective for the Company for its fiscal year and all interim periods beginning February 1, 2028 on either a prospective, retrospective or modified transition approach. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its condensed consolidated financial statements.

3. Revenue, Accounts Receivable, Deferred Revenue, and Remaining Performance Obligations

Disaggregation of Revenue

Revenue consists of the following (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Product revenue	$ 1,158,377	$ 900,282	$ 3,245,686	$ 2,519,119
Professional services and other revenue	54,532	41,812	154,266	120,507
Total	$ 1,212,909	$ 942,094	$ 3,399,952	$ 2,639,626

Revenue by geographic area, based on the location of the Company’s customers (or end-customers under reseller arrangements), was as follows (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Americas:				
United States	$ 912,638	$ 719,325	$ 2,558,614	$ 2,014,996
Other Americas[1]	32,166	26,269	92,397	72,781
EMEA[1][2]	199,421	147,205	553,545	416,734
Asia-Pacific and Japan[1]	68,684	49,295	195,396	135,115
Total	$ 1,212,909	$ 942,094	$ 3,399,952	$ 2,639,626

(1) No individual country in these areas represented more than 10% of the Company’s revenue for all periods presented.
(2) Includes Europe, the Middle East and Africa.

Accounts Receivable, Net

As of October 31, 2025 and January 31, 2025, allowance for credit losses of $3.7 million and $4.8 million, respectively, was included in the Company's accounts receivable, net balance.

Significant Customers

For purposes of assessing the concentration of credit risk and significant customers, a group of customers under common control or customers that are affiliates of each other are regarded as a single customer. As of October 31, 2025 and January 31, 2025, there were no customers that represented 10% or more of the Company's accounts receivable, net balance. Additionally, there were no customers that represented 10% or more of the Company's revenue for each of the three and nine months ended October 31, 2025 and 2024.

Deferred Revenue

The Company recognized $897.0 million and $678.5 million of revenue for the three months ended October 31, 2025 and 2024, respectively, from the deferred revenue balances as of July 31, 2025 and 2024, respectively.

The Company recognized $1.9 billion and $1.6 billion of revenue for the nine months ended October 31, 2025 and 2024, respectively, from the deferred revenue balances as of January 31, 2025 and 2024, respectively.

Remaining Performance Obligations

Remaining performance obligations (RPO) represent the amount of contracted future revenue that has not yet been recognized, including (i) deferred revenue and (ii) non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. The Company's RPO excludes performance obligations from on-demand arrangements as there are no minimum purchase commitments associated with these arrangements, and certain time and materials contracts that are billed in arrears. Portions of RPO that are not yet invoiced and are denominated in foreign currencies are revalued into U.S. dollars each period based on the applicable period-end exchange rates.

As of October 31, 2025, the Company's RPO was $7.9 billion, of which the Company expects approximately 48% to be recognized as revenue in the 12 months ending October 31, 2026 based on historical customer consumption patterns. However, the amount and timing of revenue recognition are generally dependent upon customers' future consumption, which is inherently variable at customers' discretion and can extend beyond the original contract term in cases where customers are permitted to roll over unused capacity to future periods, generally on the purchase of additional capacity at renewal.

4. Cash Equivalents, Investments and Strategic Investments

Cash Equivalents and Investments

The following is a summary of the Company's cash equivalents, short-term investments, and long-term investments on the condensed consolidated balance sheets (in thousands):

	October 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 1,117,544	$ —	$ —	$ 1,117,544
Time deposits	116,675	—	—	116,675
U.S. government and agency securities	104,885	23	(1)	104,907
Commercial paper	60,161	5	(5)	60,161
Corporate notes and bonds	1,824	—	—	1,824
Total cash equivalents	1,401,089	28	(6)	1,401,111
Investments:				
Corporate notes and bonds	1,726,138	4,336	(151)	1,730,323
U.S. government and agency securities	556,171	888	(65)	556,994
Certificates of deposit	87,485	83	—	87,568
Commercial paper	77,984	53	—	78,037
Total investments	2,447,778	5,360	(216)	2,452,922
Total cash equivalents and investments	$ 3,848,867	$ 5,388	$ (222)	$ 3,854,033

	January 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 1,741,089	$ —	$ —	$ 1,741,089
U.S. government securities	388,578	92	—	388,670
Time deposits	113,851	—	—	113,851
Corporate notes and bonds	4,466	—	—	4,466
Commercial paper	3,064	—	—	3,064
Total cash equivalents	2,251,048	92	—	2,251,140
Investments:				
Corporate notes and bonds	1,559,893	2,177	(1,520)	1,560,550
U.S. government and agency securities	609,937	528	(727)	609,738
Commercial paper	307,752	142	(38)	307,856
Certificates of deposit	187,112	97	(4)	187,205
Total investments	2,664,694	2,944	(2,289)	2,665,349
Total cash equivalents and investments	$ 4,915,742	$ 3,036	$ (2,289)	$ 4,916,489

The Company included $22.1 million and $23.6 million of interest receivable in prepaid expenses and other current assets on the condensed consolidated balance sheets as of October 31, 2025 and January 31, 2025, respectively. The Company did not recognize an allowance for credit losses against interest receivable as of October 31, 2025 and January 31, 2025 because such potential losses were not material.

As of October 31, 2025, the contractual maturities of the Company’s available-for-sale marketable debt securities did not exceed 36 months. The estimated fair values of available-for-sale marketable debt securities, classified as short-term or long-term investments on the Company’s condensed consolidated balance sheets, by remaining contractual maturity, are as follows (in thousands):

	October 31, 2025
	Estimated Fair Value
Due within 1 year	$ 1,411,448
Due in 1 year to 3 years	1,041,474
Total	$ 2,452,922

Gross unrealized losses on the Company’s available-for-sale marketable debt securities were not material as of October 31, 2025 and January 31, 2025.

For available-for-sale marketable debt securities with unrealized loss positions, the Company does not intend to sell these securities and it is more likely than not that the Company will hold these securities until maturity or a recovery of the cost basis. The decline in fair values of these securities due to credit related factors was not material as of October 31, 2025 and January 31, 2025.

Strategic Investments

The Company’s strategic investments consist primarily of non-marketable equity securities recorded at cost minus impairment, if any, and adjusted for observable transactions for the same or similar investments of the same issuer (referred to as the Measurement Alternative).

The following table presents the Company’s strategic investments by type (in thousands):

	October 31, 2025	January 31, 2025
Equity securities:		
Non-marketable equity securities under Measurement Alternative	$ 331,436	$ 281,158
Non-marketable equity securities under equity method	5,775	5,491
Marketable equity securities	8,622	13,833
Debt securities:		
Non-marketable debt securities	10,000	750
Total strategic investments—included in other assets	$ 355,833	$ 301,232

The following table summarizes the gains and losses associated with the Company's strategic investments in equity securities (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Unrealized losses on non-marketable equity securities under Measurement Alternative:				
Impairments	$ (500)	$ (5,200)	$ (32,021)	$ (11,578)
Net unrealized gains (losses) on marketable equity securities	237	(3,791)	(5,211)	(6,796)
Net unrealized losses on strategic investments in equity securities	(263)	(8,991)	(37,232)	(18,374)
Net realized gains (losses) on strategic investments in equity securities sold[(1)]	8	380	1,712	(17,440)
Total—included in other expense, net	$ (255)	$ (8,611)	$ (35,520)	$ (35,814)

(1) Represents the difference between the sale proceeds and the carrying value of the securities at the beginning of the period or the purchase date, if later.

The cumulative upward adjustments and the cumulative impairments to the carrying value of the non-marketable equity securities accounted for using the Measurement Alternative held by the Company as of October 31, 2025 were $18.3 million and $61.0 million, respectively.

5. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The following table presents the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis as of October 31, 2025 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 1,117,544	$ —	$ —	$ 1,117,544
Time deposits	—	116,675	—	116,675
U.S. government securities and agency securities	—	104,907	—	104,907
Commercial paper	—	60,161	—	60,161
Corporate notes and bonds	—	1,824	—	1,824
Short-term investments:				
Corporate notes and bonds	—	976,480	—	976,480
U.S. government and agency securities	—	269,363	—	269,363
Certificates of deposit	—	87,568	—	87,568
Commercial paper	—	78,037	—	78,037
Long-term investments:				
Corporate notes and bonds	—	753,843	—	753,843
U.S. government and agency securities	—	287,631	—	287,631
Strategic investments—included in other assets:				
Marketable equity securities	8,622	—	—	8,622
Non-marketable debt securities	—	—	10,000	10,000
Derivative assets—included in prepaid expenses and other current assets:				
Foreign currency forward contracts	—	4,542	—	4,542
Total assets	$ 1,126,166	$ 2,741,031	$ 10,000	$ 3,877,197
Liabilities:				
Derivative liabilities—included in accrued expenses and other current liabilities:				
Foreign currency forward contracts	$ —	$ (1,692)	$ —	$ (1,692)
Total liabilities	$ —	$ (1,692)	$ —	$ (1,692)

The following table presents the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis as of January 31, 2025 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 1,741,089	$ —	$ —	$ 1,741,089
U.S. government securities	—	388,670	—	388,670
Time deposits	—	113,851	—	113,851
Corporate notes and bonds	—	4,466	—	4,466
Commercial paper	—	3,064	—	3,064
Short-term investments:				
Corporate notes and bonds	—	1,059,181	—	1,059,181
U.S. government and agency securities	—	456,673	—	456,673
Commercial paper	—	307,856	—	307,856
Certificates of deposit	—	185,163	—	185,163
Long-term investments:			—	
Corporate notes and bonds	—	501,369	—	501,369
U.S. government and agency securities	—	153,065	—	153,065
Certificates of deposit	—	2,042	—	2,042
Strategic investments—included in other assets:				
Marketable equity securities	13,833	—	—	13,833
Non-marketable debt securities	—	—	750	750
Derivative assets—included in prepaid expenses and other current assets:				
Foreign currency forward contracts	—	1,579	—	1,579
Total assets	$ 1,754,922	$ 3,176,979	$ 750	$ 4,932,651
Liabilities:				
Derivative liabilities—included in accrued expenses and other current liabilities:				
Foreign currency forward contracts	$ —	$ (1,639)	$ —	$ (1,639)
Total liabilities	$ —	$ (1,639)	$ —	$ (1,639)

The Company determines the fair value of its security holdings based on pricing from the Company's service providers and market prices from industry-standard independent data providers. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs) or pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs), such as yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures.

The Company's derivative financial instruments, consisting of foreign currency forward contracts, are carried at fair value on the condensed consolidated balance sheets. The following table summarizes the notional amounts of the Company's outstanding derivative financial instruments (in thousands):

	October 31, 2025	January 31, 2025
Foreign currency forward contracts not designated as hedging instruments	$ 180,898	$ 222,027
Foreign currency forward contracts designated as cash flow hedges	60,818	—
Total derivative financial instruments	$ 241,716	$ 222,027

These derivative financial instruments did not have a material impact on the Company's condensed consolidated financial statements for all periods presented.

The Company's non-marketable equity securities accounted for using the Measurement Alternative are recorded at fair value on a non-recurring basis. When indicators of impairment exist or observable price changes of qualified transactions occur, the respective non-marketable equity security would be classified within Level 3 of the fair value hierarchy because significant unobservable inputs or data in an inactive market are used in estimating their fair value. The estimation of fair value for these assets requires the use of an observable transaction price or other unobservable inputs, including the volatility, rights, and obligations of the securities the Company holds. See Note 4, "Cash Equivalents, Investments and Strategic Investments," for details regarding the Company's strategic investments.

See Note 10, "Convertible Senior Notes," for the fair value measurement of the Company's convertible senior notes.

6. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	October 31, 2025	January 31, 2025
Leasehold improvements	$ 125,781	$ 97,324
Computers, equipment, and software	68,069	49,575
Furniture and fixtures	31,396	25,473
Capitalized software development costs	228,715	209,684
Construction in progress—capitalized software development costs	7,851	28,672
Construction in progress—other	14,430	39,106
Total property and equipment, gross	476,242	449,834
Less: accumulated depreciation and amortization[1]	(210,398)	(153,441)
Total property and equipment, net	$ 265,844	$ 296,393

[1] Includes $135.2 million and $84.8 million of accumulated amortization related to capitalized software development costs as of October 31, 2025 and January 31, 2025, respectively.

Depreciation and amortization expense was $29.1 million and $80.8 million for the three and nine months ended October 31, 2025, respectively. Included in these amounts were the amortization of capitalized software development costs of $18.4 million and $52.2 million for the three and nine months ended October 31, 2025, respectively.

Depreciation and amortization expense was $23.0 million and $61.0 million for the three and nine months ended October 31, 2024, respectively. Included in these amounts were the amortization of capitalized software development costs of $15.2 million and $39.4 million for the three and nine months ended October 31, 2024, respectively.

During the nine months ended October 31, 2025, the Company recognized impairment charges of $20.8 million, mainly for leasehold improvements and furniture and fixtures, primarily relating to the cease-use of its San Mateo office facility. Such impairment charges were recorded as general and administrative expenses on the condensed consolidated statement of operations. See Note 11, "Commitments and Contingencies," for further details. Impairment charges were not material for the nine months ended October 31, 2024.

7. Business Combinations

Fiscal 2026

Crunchy Data Solutions, Inc.

On June 6, 2025, the Company acquired all of the outstanding capital stock of Crunchy Data Solutions, Inc. (Crunchy Data), a privately-held company that provides PostgreSQL technology, for $164.5 million in cash. The Company acquired Crunchy Data primarily for its talent and developed technology. The Company has accounted for this transaction as a business combination.

The purchase consideration was preliminarily allocated to assets acquired and liabilities assumed based on their respective estimated fair values as of the date of acquisition. During the three months ended October 31, 2025, the Company recorded measurement period adjustments which did not have material impacts on goodwill. The preliminary allocation of purchase consideration, inclusive of measurement period adjustments, was as follows:

	Estimated Fair Value (in thousands)	Estimated Weighted-Average Useful Life (in years)
Cash	$ 221	
Accounts receivable	4,323	
Developed technology intangible assets	46,000	5
Customer relationships intangible assets	12,000	1.6
Deferred revenue	(12,028)	
Other net tangible liabilities	(897)	
Deferred tax liabilities, net[(1)]	(3,405)	
Total identifiable net assets	46,214	
Goodwill	118,237	
Total purchase consideration	$ 164,451	

(1) Deferred tax liabilities, net primarily relate to the intangible asset acquired and the amount presented is net of deferred tax assets.

The fair value of the developed technology intangible assets were estimated using the discounted cash flow method, which utilizes assumptions including projected future revenue generated from the acquired developed technology, projected profit margin, discount rate, and technology migration curve. The acquired intangible assets had a total weighted-average amortization period of 4.3 years.

The excess of purchase consideration over the preliminary fair values of identifiable net assets acquired was recorded as goodwill, which is not deductible for income tax purposes. The Company believes the goodwill balance associated with this business combination represents the synergies expected from expanded market opportunities when integrating the acquired developed technologies with the Company’s offerings.

Acquisition-related costs, recorded as general and administrative expenses, associated with this business combination were not material during the nine months ended October 31, 2025.

From the date of acquisition through October 31, 2025, revenue attributable to Crunchy Data, included in the Company’s condensed consolidated statements of operations for the three and nine months ended October 31, 2025 was not material. It was impracticable to determine the effect on the Company’s net loss attributable to Crunchy Data as its operation has been integrated into the Company’s ongoing operations since the date of acquisition.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information summarizes the combined results of operations of the Company and Crunchy Data, as if Crunchy Data had been acquired as of February 1, 2024 (in thousands):

	Pro Forma			
	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
	(unaudited)			
Revenue	$ 1,212,909	$ 949,784	$ 3,411,623	$ 2,661,758
Net loss	$ (291,454)	$ (338,999)	$ (1,035,636)	$ (996,988)

The pro forma financial information for all periods presented above has been calculated after adjusting the results of operations of Crunchy Data to reflect certain business combination effects, including the amortization of the acquired intangible assets, stock-based compensation, income tax impact, and acquisition-related costs incurred by the Company and Crunchy Data as though this business combination occurred as of February 1, 2024, the beginning of the Company’s fiscal 2025. The historical consolidated financial information in the unaudited pro forma table above has been adjusted in the pro forma combined financial results to give effect to pro forma events that are directly attributable to this business combination, reasonably estimable, and factually supportable. The pro forma financial information is for informational purposes only and is not indicative of the results of operations that would have been achieved if this business combination had taken place as of February 1, 2024.

Fiscal 2025

During the nine months ended October 31, 2024, the Company completed acquisitions of two privately-held companies for an aggregate of $19.2 million in cash. The Company has accounted for these transactions as business combinations. In allocating the aggregate purchase consideration, inclusive of measurement period adjustments, based on the estimated fair values, the Company recorded $4.4 million of a customer relationships intangible asset (to be amortized over an estimated useful life of five years), $4.1 million of developed technology intangible assets (to be amortized over estimated useful lives of five years), $3.6 million of net liabilities acquired, $0.6 million of deferred tax liability, and $14.9 million of goodwill, of which $8.3 million is deductible and $6.6 million is not deductible for income tax purposes.

The excess of purchase consideration over the fair value of net tangible and identifiable assets acquired was recorded as goodwill. The Company believes the goodwill balance associated with these business combinations are primarily attributed to the assembled workforce and expected synergies arising from the acquisition.

Acquisition-related costs, recorded as general and administrative expenses, associated with each of the fiscal 2025 business combinations were not material during the nine months ended October 31, 2024.

Pro forma financial information for the fiscal 2025 business combinations has not been presented, as the effects of these business combinations were not material to the Company’s condensed consolidated financial statements.

8. Intangible Assets and Goodwill

Intangible Assets, Net

Intangible assets, net consisted of the following (in thousands):

	October 31, 2025		
	Gross	Accumulated Amortization	Net
Finite-lived intangible assets:			
Developed technology	$ 317,364	$ (131,191)	$ 186,173
Developer community	154,900	(109,618)	45,282
Assembled workforce	55,732	(44,533)	11,199
Customer relationships	16,400	(4,432)	11,968
Patents	8,874	(8,609)	265
Other	1,311	(44)	1,267
Total finite-lived intangible assets	$ 554,581	$ (298,427)	$ 256,154
Indefinite-lived intangible assets—trademarks			426
Total intangible assets, net			$ 256,580

	January 31, 2025		
	Gross	Accumulated Amortization	Net
Finite-lived intangible assets:			
Developed technology	$ 277,063	$ (92,033)	$ 185,030
Developer community	154,900	(86,472)	68,428
Assembled workforce	55,732	(36,929)	18,803
Patents	8,874	(8,005)	869
Customer relationships	4,400	(328)	4,072
Total finite-lived intangible assets	$ 500,969	$ (223,767)	$ 277,202
Indefinite-lived intangible assets—trademarks			826
Total intangible assets, net			$ 278,028

Amortization expense of intangible assets was $28.9 million and $80.8 million for the three and nine months ended October 31, 2025, respectively, and $24.1 million and $71.4 million for the three and nine months ended October 31, 2024, respectively. Cost and accumulated amortization of fully amortized intangible assets are removed from the Company's consolidated balance sheets when they are no longer in use.

As of October 31, 2025, future amortization expense is expected to be as follows (in thousands):

Fiscal Year Ending January 31,	Amount
Remainder of 2026	$ 28,561
2027	107,594
2028	71,015
2029	29,203
2030	15,923
Thereafter	3,858
Total	$ 256,154

Goodwill

Changes in goodwill were as follows (in thousands):

		Amount
Balance—January 31, 2025	$	1,056,559
Additions and related adjustments[1]		118,401
Balance—October 31, 2025	$	1,174,960

[1] Include measurement period adjustments related to the fair values of the assets acquired and liabilities assumed in business combinations. These adjustments did not have a material impact on goodwill. See Note 7, "Business Combinations," for further details.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	October 31, 2025		January 31, 2025	
Accrued compensation	$	297,596	$	194,630
Accrued third-party cloud infrastructure expenses		116,404		77,944
Accrued customer liabilities related to Snowflake Marketplace		71,904		21,489
Liabilities associated with sales, marketing and business development programs		38,294		44,017
Employee contributions under employee stock purchase plan		26,425		46,576
Accrued taxes		23,263		25,819
Employee payroll tax withheld on employee stock transactions		23,080		14,025
Accrued purchases of property and equipment		12,733		9,896
Accrued professional services		12,290		14,005
Other		103,804		67,053
Total accrued expenses and other current liabilities	$	725,793	$	515,454

10. Convertible Senior Notes

In September 2024, the Company issued an aggregate principal amount of $2.3 billion of convertible senior notes in a private placement to qualified institutional buyers, comprising of (i) $1.15 billion aggregate principal amount of 0% convertible senior notes due 2027 (2027 Notes) and (ii) $1.15 billion aggregate principal amount of 0% convertible senior notes due 2029 (2029 Notes, and together with the 2027 Notes, the Notes). Each series of Notes was issued pursuant to separate indentures, as supplemented (each an Indenture and together, the Indentures), between the Company and U.S. Bank Trust Company, National Association, as trustee.

The Notes are general, senior unsecured obligations of the Company. The 2027 Notes will mature on October 1, 2027 and the 2029 Notes will mature on October 1, 2029, in each case unless earlier converted, redeemed, or repurchased. Neither the 2027 Notes nor the 2029 Notes bear regular interest, and the principal amount of the Notes will not accrete. The Company may elect or be required to pay special interest on the Notes under certain circumstances in accordance with the terms of the applicable Indenture. Special interest, if any, will be payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2025. The total proceeds from the issuance of the Notes were approximately $2.27 billion, net of $31.2 million of debt issuance costs.

The following table presents the details of each series of Notes:

	Initial Conversion Rate per $1,000 principal	Initial Conversion Price	Initial number of shares (in thousands)
2027 Notes	6.3492	$ 157.50	7,302
2029 Notes	6.3492	$ 157.50	7,302

The conversion rate for each series of Notes is subject to adjustment under certain circumstances in accordance with the terms of the applicable Indenture. In addition, following certain corporate events that occur prior to the maturity date of the relevant series of Notes or if the Company delivers a notice of redemption in respect of a series of Notes, the Company will, in certain circumstances, increase the conversion rate of the relevant series of Notes for a holder who elects to convert its Notes of the applicable series in connection with such a corporate event or convert its Notes called (or deemed called) for redemption during the related redemption period (as defined in the applicable Indenture), as the case may be.

Holders may convert all or any portion of the 2027 Notes and 2029 Notes at their option at any time prior to the close of business on the business day immediately preceding July 1, 2027 and July 1, 2029, respectively, in each case only upon satisfaction of one or more of the following conditions:

(1) during any fiscal quarter commencing after the fiscal quarter ending on January 31, 2025 (and only during such fiscal quarter), if the last reported sale price of the Company's common stock, par value $0.0001 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price for the relevant series of Notes on each applicable trading day (Sale Price Trigger);

(2) during the five business day period after any ten consecutive trading day period (Measurement Period) in which the trading price (as defined in the Indentures) per $1,000 principal amount of the 2027 Notes or the 2029 Notes, as applicable, for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate for such Notes on each such trading day;

(3) if the Company calls the relevant series of Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the Notes called (or deemed called) for redemption; or

(4) upon the occurrence of specified corporate events as set forth in the applicable Indenture.

On or after July 1, 2027, in the case of the 2027 Notes, and on or after July 1, 2029, in the case of the 2029 Notes, until the close of business on the second scheduled trading day immediately preceding the relevant maturity date, holders of the relevant series of Notes may convert all or any portion of their Notes of such series at any time, regardless of the foregoing conditions.

Upon conversion, the Company may satisfy its conversion obligation by paying or delivering, as the case may be, cash, shares of the Company's common stock or a combination of both, at the Company's election, in the manner and subject to the terms and conditions provided in the applicable Indenture.

The Company may, at its option, redeem for cash all or any portion of the 2027 Notes (subject to the partial redemption limitation set forth in the Indenture governing the 2027 Notes), on or after April 6, 2026 if the last reported sale price of the Company's common stock has been at least 150% of the conversion price then in effect for the 2027 Notes for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date. The Company may, at its option, redeem for cash all or any portion of the 2029 Notes (subject to the partial redemption limitation set forth in the Indenture governing the 2029 Notes), on or after October 6, 2027 if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for the 2029 Notes for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date. No sinking fund is provided for the Notes.

If the Company undergoes a fundamental change (as defined in the applicable Indenture) prior to the maturity date of a series of Notes, then, subject to certain conditions and except as set forth in the applicable Indenture, holders of the relevant series of Notes may require the Company to repurchase for cash all or any portion of their Notes of such series at a fundamental change repurchase price equal to 100% of the principal amount of the relevant series of Notes to be repurchased, plus accrued and unpaid special interest, if any, to, but excluding, the relevant fundamental change repurchase date.

Each of the Indentures governing the 2027 Notes or the 2029 Notes includes customary covenants and sets forth certain events of default after which the relevant series of Notes may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default (as defined in the applicable Indenture) involving the Company after which such Notes become automatically due and payable.

Each series of Notes is accounted for as a liability in its entirety, measured at amortized cost. The debt issuance costs for each series of the Notes are amortized to interest expense using the effective interest method over their respective terms, with effective interest rates of 0.04% for the 2027 Notes and 0.02% for the 2029 Notes.

During the three months ended October 31, 2025, the Sale Price Trigger was met and as a result, holders may convert the Notes at any time during the three months ending January 31, 2026. The Company continues to classify the net carrying amount of the Notes as a non-current liability as the Company has the option to settle the obligation in shares upon conversion and the Notes' maturity dates are more than 12 months away.

The following table presents the net carrying values and fair values of each series of Notes as of October 31, 2025 (in thousands):

				Fair Value	
	Principal	**Unamortized Debt Issuance Costs**	**Net Carrying Value**	**Amount**	**Leveling**
2027 Notes	$ 1,150,000	$ 10,001	$ 1,139,999	$ 2,029,440	Level 2
2029 Notes	$ 1,150,000	$ 12,250	$ 1,137,750	$ 2,121,118	Level 2

The fair value was determined based on the quoted prices of the Notes in an inactive market on the last traded day of the fiscal quarter and has been classified as Level 2 in the fair value hierarchy.

Amortization of debt issuance costs was not material for the three and nine months ended October 31, 2025.

The Company used a portion of the net proceeds from the offering to (i) pay the $195.5 million cost of the privately negotiated capped call transactions relating to each series of the Notes, as described below, and (ii) repurchase $399.6 million of its common stock from purchasers of the Notes in the offering in privately negotiated transactions entered into in connection with the Notes offering at a purchase price of $112.50 per share.

Capped Call Transactions

In connection with the Notes offering, the Company entered into privately negotiated capped call transactions relating to each series of Notes (Capped Calls) with certain of the initial purchasers or affiliates thereof and certain other financial institutions. The Capped Calls are generally expected to reduce the potential dilution to the Company's common stock upon any conversion of the relevant series of the Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Notes of such series, as the case may be, with such reduction and/or offset subject to a cap based on a cap price initially equal to $225.00 per share.

The following table sets forth other key terms (subject to certain adjustments) and premiums paid for the Capped Calls related to each series of Notes (in thousands, except per share data):

	Capped Calls Entered into in Connection with the Offering of the 2027 Notes	Capped Calls Entered into in Connection with the Offering of the 2029 Notes
Initial number of shares covered	7,302	7,302
Initial strike price	$ 157.50	$ 157.50
Initial cap price	$ 225.00	$ 225.00
Total premium paid	$ 94,300	$ 101,200

The Capped Calls are separate transactions, and not part of the terms of any series of Notes. As the Capped Calls qualify for a scope exception from derivative accounting for instruments that are both indexed to the issuer's own stock and classified in stockholders' equity, the premiums paid for the purchases of the Capped Calls was recorded as a reduction to the additional paid-in capital and will not be remeasured as long as they continue to meet the conditions for equity classification.

The Company elected to integrate the Capped Calls with the Notes for income tax purposes pursuant to applicable U.S. Treasury Regulations. Accordingly, the premiums paid for the purchases of the Capped Calls are deductible for income tax purposes over the term of the Notes.

11. Commitments and Contingencies

Operating Leases—The Company leases its facilities for office space under non-cancelable operating leases with various expiration dates through fiscal 2039. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and therefore are not factored into the determination of lease payments.

During the nine months ended October 31, 2025, the Company recognized impairment charges of $87.9 million for operating lease right-of-use assets, and $20.8 million for property and equipment, net, primarily relating to the cease-use of its San Mateo office facility. These impairment charges represent the amounts by which the carrying values of the asset groups exceeded their estimated fair values, and were recorded as general and administrative expenses on the condensed consolidated statement of operations. The fair values of the impaired asset groups were estimated using discounted cash flow models (income approach) based on market participant assumptions, including the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods, and discount rates to reflect the level of risk associated with receiving future cash flows. These assumptions are classified within Level 3 inputs of the fair value hierarchy. The fair values of the impaired asset groups are not material.

As of October 31, 2025, the Company had committed $72.3 million for leases signed but not yet commenced based on the exchange rate as of October 31, 2025. These leases will commence on various dates starting in fiscal 2026 with lease terms ranging from 5.3 years to 9.1 years.

In addition, the Company subleases certain of its unoccupied facilities to third parties with various expiration dates through fiscal 2033. Such subleases have all been classified as operating leases. Sublease income is recorded as a reduction to the Company's operating lease costs. Sublease income was not material for any of the periods presented.

Other Contractual Commitments—Other contractual commitments relate mainly to third-party cloud infrastructure agreements and subscription arrangements used to facilitate the Company's operations at the enterprise level. There were no material contractual obligations that were entered into during the nine months ended October 31, 2025 that were outside the ordinary course of business.

In November 2025, the Company amended one of its third-party cloud infrastructure agreements effective November 1, 2025 (November 2025 Amendment). Under the amended agreement, the Company has committed to spend at least $530.0 million between November 2025 and October 2030 on cloud infrastructure services with no minimum purchase commitment during any year. The Company is required to pay the difference if it fails to meet the minimum purchase commitment as of October 2030. Up to $100.0 million of such payments can be applied to qualifying spending on cloud infrastructure services for up to one year after October 2030, subject to certain conditions. The Company is no longer required to fulfill the remaining non-cancelable purchase commitment under the agreement prior to the November 2025 Amendment, which totaled $171.3 million as of October 31, 2025.

In November 2025, the Company renewed and expanded its agreement with a third-party AI service provider to support the Company's AI products. Under the renewal agreement, the Company has committed to spend an aggregate of at least $200.0 million over a three-year contract term that began in December 2025 ($50.0 million, $70.0 million and $80.0 million for the contract years ending November 2026, 2027 and 2028, respectively). Services accessed through certain public cloud providers may be applied toward the Company's contractual spend commitments under this renewal agreement. The Company is required to pay the difference if it fails to meet the minimum purchase commitment during any contract year.

401(k) Plan—The Company sponsors a 401(k) defined contribution plan covering all eligible U.S. employees. Contributions to the 401(k) plan are discretionary. The Company did not make any matching contributions to the 401(k) plan for each of the three and nine months ended October 31, 2025 and 2024.

Legal Matters—On March 23, 2021, a former employee filed a charge with the National Labor Relations Board (NLRB) claiming that he was terminated in retaliation for engaging in concerted activity protected under the National Labor Relations Act. On September 15, 2023, following a hearing before a NLRB administrative law judge, the administrative law judge issued his ruling in favor of the former employee and ordered that he be awarded certain compensatory and other damages. The Company is appealing the ruling to the Board of the NLRB. The Company believes it is reasonably possible that a loss could ultimately result from an unfavorable outcome and that an estimate of the potential range of loss is between zero and $25 million, plus interest. No material loss accrual was recorded on the Company's condensed consolidated balance sheets as of October 31, 2025 and January 31, 2025, because management believes the likelihood of material loss resulting from this charge is not probable given the further appellate proceedings that are due to take place.

On February 29, 2024, a stockholder class action lawsuit was filed against the Company, the Company's former Chief Executive Officer, and the Company's former Chief Financial Officer in the United States District Court in the Northern District of California, alleging violations under Sections 10(b) and 20(a) of the Exchange Act. The complaint seeks an unspecified amount of damages, attorneys' fees, expert fees, and other costs. On October 28, 2024, an amended complaint was filed by the lead plaintiff. On December 23, 2024, the Company filed a motion to dismiss the amended complaint. On January 29, 2025, the lead plaintiff informed the Company that it would seek leave to file a second amended complaint rather than respond to the motion to dismiss. On April 7, 2025, the lead plaintiff filed its second amended complaint. On June 6, 2025, the Company filed a motion to dismiss the second amended complaint. On August 5, 2025, the lead plaintiff filed its opposition to the motion to dismiss. On September 19, 2025, the Company filed its reply brief in support of its motion to dismiss. Oral argument on the motion to dismiss is scheduled for December 11, 2025. In addition, since the filing of the class action lawsuit, five additional complaints containing securities derivative claims have been filed against the Company and certain of the Company's directors and executive officers alleging similar violations. The derivative claims have been stayed pending resolution of the anticipated motion to dismiss the class action lawsuit. The Company is unable to estimate any reasonably possible loss, or range of loss, with respect to these matters at this time. The Company and the other defendants intend to vigorously defend against the claims in these actions.

On June 13, 2024, a class action was filed in the United States District Court for the District of Montana against the Company alleging that the Company failed to take reasonable measures to secure systems that contained consumer data, thereby allowing threat actors to access and exfiltrate personally identifiable information. In the months that followed, numerous additional class actions making the same or similar allegations were filed in the United States and Canada against the Company and/or customers whose consumer or employee data was exfiltrated. Among other claims, the complaints assert common law claims for negligence, breach of fiduciary duty, breach of implied contract, and unjust enrichment, as well as statutory claims, and seek an unspecified amount of damages, attorneys' fees and costs, as well as injunctive relief. On October 4, 2024, an order was issued by the United States Judicial Panel on Multidistrict Litigation combining the class actions filed in the United States into a multidistrict litigation in the District of Montana. On February 3, 2025, plaintiffs filed their representative complaint on behalf of the consumer plaintiffs. On February 14, 2025, the Court created a separate financial institution track to represent the interests of certain financial institutions (FI Plaintiffs) and ordered that a separate FI Plaintiff representative complaint be filed. On April 7, 2025, an FI Plaintiff representative complaint was filed. On April 14, 2025, the plaintiffs filed a second amended representative complaint on behalf of the consumer plaintiffs. On May 16, 2025, the Company filed a motion to dismiss the second amended representative complaint on behalf of the consumer plaintiffs. On May 20, 2025, the plaintiffs filed a third amended representative complaint that asserted additional claims against the Company on behalf of individuals impacted by the breach of a Snowflake customer account containing personally identifiable information from the Los Angeles Unified School District (LAUSD Claims). On June 26, 2025, the Company moved to dismiss the FI Plaintiff representative complaint. On July 30, 2025, the Company moved to dismiss the LAUSD Claims. On October 28 and 29, 2025, following oral argument, the Court denied the three motions to dismiss. The Company is currently required to file its answers to the complaints on or before December 15, 2025. In addition to the multidistrict litigation, a class action is pending in the Supreme Court of British Columbia. The Company is unable to estimate any reasonably possible loss, or range of loss, with respect to these matters at this time. The Company intends to vigorously defend against the claims in these actions.

On November 21, 2025, a class action lawsuit was filed against the Company in the United States District Court for the District of Montana alleging copyright infringement on behalf of a putative class of individuals and entities that own a United States copyright in any work that was allegedly copied, stored, or used without authorization to train our large language model. The complaint seeks an award of statutory and other damages, attorneys' fees, and all appropriate legal and equitable relief. The Company is unable to estimate any reasonably possible loss, or range of loss, with respect to this matter at this time. The Company intends to vigorously defend against the claims in this action.

In addition, the Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of its current legal proceedings will have a material adverse effect on its financial position, results of operations, or cash flows.

Letters of Credit—As of October 31, 2025, the Company had a total of $23.4 million in cash collateralized letters of credit outstanding, substantially in favor of certain landlords for the Company's leased facilities. These letters of credit renew annually and expire at various dates through fiscal 2033.

Indemnification—The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, including business partners, investors, contractors, customers, and the Company's officers, non-employee directors, and certain employees. The Company has agreed to indemnify and defend the indemnified party for claims and related losses suffered or incurred by the indemnified party from actual or threatened third-party claims due to the Company's activities or non-compliance with certain representations and warranties made by the Company. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. For each of the three and nine months ended October 31, 2025 and 2024, losses recorded in the condensed consolidated statements of operations in connection with the indemnification provisions, where the Company is an indemnifying party, were not material.

12. Equity

Common Stock—On July 3, 2025, the Company filed an amended and restated certificate of incorporation with the Secretary of State of the State of Delaware effecting (i) the elimination of the Company's Class B common stock, and (ii) the renaming of the Company's Class A common stock to "common stock". Upon the effectiveness of the certificate, the Company's total number of authorized shares of Class B common stock was reduced from 185.5 million shares to zero. Holders of common stock are entitled to one vote per share on all matters subject to a stockholder vote. This amendment had no impact on the Company's issued and outstanding shares, additional paid-in capital, or accumulated deficit. Unless otherwise noted, all references herein to the Company's common stock refer to the Class A common stock prior to the effectiveness of the certificate.

The Company had reserved shares of common stock for future issuance under the Company's equity incentive plans as follows (in thousands):

	October 31, 2025	January 31, 2025
2012 Equity Incentive Plan:		
Options outstanding	13,155	20,067
2020 Equity Incentive Plan:		
Options outstanding	1,556	1,586
Restricted stock units outstanding	23,434	24,790
Shares available for future grants	78,186	64,834
2020 Employee Stock Purchase Plan:		
Shares available for future grants	18,967	16,446
Total	135,298	127,723

Stock Repurchase Program and Treasury Stock—In February 2023, the Company's board of directors authorized a stock repurchase program of up to $2.0 billion of the Company's outstanding common stock. Repurchases may be effected, from time to time, either on the open market (including via pre-set trading plans), in privately negotiated transactions, or through other transactions in accordance with applicable securities laws. The timing and amount of any repurchases will be determined by management based on an evaluation of market conditions and other factors. The program does not obligate the Company to acquire any particular amount of common stock, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. In August 2024, the Company's board of directors authorized the repurchase of an additional $2.5 billion of its outstanding common stock and extended the expiration date of the stock repurchase program from March 2025 to March 2027.

The following table summarizes the stock repurchase activity under the Company's stock repurchase program (in thousands, except per share data):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Number of shares repurchased	1,043	8,826	4,257	14,765
Weighted-average price per share[(1)]	$ 223.35	$ 115.11	$ 169.95	$ 130.87
Aggregate purchase price[(1)]	$ 232,881	$ 1,015,925	$ 723,471	$ 1,932,164

(1) Excludes transaction costs and excise tax, if any, associated with the repurchases.

All repurchases presented in the table above were made in open market transactions, except for the 3.6 million shares of the Company's outstanding common stock that were repurchased during the three months ended October 31, 2024 for $399.6 million from purchasers of the Notes in the offering in privately negotiated transactions entered into in connection with the Notes offering at a purchase price of $112.50 per share. See Note 10, "Convertible Senior Notes," for further details.

As of October 31, 2025, approximately $1.3 billion remained available for future stock repurchases under the stock repurchase program (exclusive of any transaction costs associated with repurchases). The first 0.5 million shares repurchased under the Company's authorized stock repurchased program were recorded in treasury stock as a reduction to the stockholders' equity on the condensed consolidated balance sheets. All shares of common stock subsequently repurchased were retired. Upon retirement, the par value of the common stock repurchased was deducted from common stock and any excess of repurchase price (including associated transaction costs) over par value was recorded entirely to retained earnings (accumulated deficit) on the condensed consolidated balance sheets.

Equity Incentive Plans—The Company's 2020 Equity Incentive Plan (2020 Plan), which became effective in connection with its Initial Public Offering (IPO), provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards (RSUs), performance awards and other forms of equity compensation (collectively, equity awards). All shares that remain available for future grants are under the 2020 Plan.

The Company's 2012 Equity Incentive Plan (2012 Plan) provided for the grant of equity awards to employees, non-employee directors, and other service providers of the Company. The 2012 Plan was terminated in September 2020 in connection with the IPO but continues to govern the terms of outstanding awards that were granted prior to the termination of the 2012 Plan. Upon the expiration, forfeiture, cancellation, or reacquisition of any shares of common stock underlying outstanding equity awards granted under the 2012 Plan, an equal number of shares of common stock will become available for grant under the 2020 Plan. No further equity awards will be granted under the 2012 Plan.

The Company's 2020 Employee Stock Purchase Plan (2020 ESPP) authorizes the issuance of shares of common stock pursuant to purchase rights granted to employees. Offering periods are generally six months long and begin on the first trading day immediately after the last day of the prior offering period, typically around March 15 and September 15 of each year, except for the first two offering periods. The initial offering period began on September 15, 2020 and ended on February 26, 2021. The second offering period began on March 1, 2021 and ended on September 14, 2021.

On February 1, 2025, the shares available for grant under the 2020 Plan and the 2020 ESPP were automatically increased by 16.7 million shares and 3.3 million shares, respectively, pursuant to the annual evergreen increase provisions under the 2020 Plan and the 2020 ESPP.

Stock Options—Stock options granted under the 2012 Plan and the 2020 Plan (collectively, the Plans) generally vest based on continued service over four years and expire ten years from the date of grant. Certain stock options granted under the 2012 Plan are exercisable at any time following the date of grant and expire ten years from the date of grant.

A summary of stock option activity during the nine months ended October 31, 2025 is as follows:

	Number of Options Outstanding (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Balance—January 31, 2025	21,653	$ 20.83	4.2	$ 3,493,648
Exercised	(847)	$ 7.34		
Canceled	—	$ 12.85		
Balance—April 30, 2025	20,806	$ 21.37	4.0	$ 2,903,841
Exercised	(3,565)	$ 8.54		
Balance—July 31, 2025	17,241	$ 24.03	3.8	$ 3,439,121
Exercised	(2,530)	$ 10.64		
Balance—October 31, 2025	14,711	$ 26.33	3.5	$ 3,656,727
Vested and expected to vest as of October 31, 2025	14,711	$ 26.33	3.5	$ 3,656,727
Exercisable as of October 31, 2025	13,965	$ 18.83	3.4	$ 3,575,826

No options were granted during the nine months ended October 31, 2025. The weighted-average grant-date fair value of options granted during the nine months ended October 31, 2024, was $79.16 per share. The intrinsic value of options exercised in the nine months ended October 31, 2025 and 2024 was $1.4 billion and $687.0 million, respectively. The aggregate grant-date fair value of options that vested during the nine months ended October 31, 2025 and 2024 was $23.0 million and $23.5 million, respectively.

Equity-Classified RSUs—RSUs granted under the 2012 Plan are equity-classified and had both service-based and performance-based vesting conditions, of which the performance-based vesting condition was satisfied upon the effectiveness of the IPO in September 2020. The service-based vesting condition for these awards is typically satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. Stock-based compensation associated with RSUs granted under the 2012 Plan was recognized using an accelerated attribution method from the time it was deemed probable that the vesting condition was met through the time the service-based vesting condition had been achieved.

Equity-classified RSUs granted under the 2020 Plan include those that only contain a service-based vesting condition that is typically satisfied over four years, and the related stock-based compensation for these RSUs is recognized on a straight-line basis over the requisite service period. In addition, under the 2020 Plan, the Company granted 0.4 million and 0.8 million equity-classified RSUs (Leadership PRSUs) to its executive officers and certain other members of its senior leadership team during the nine months ended October 31, 2025 and 2024, respectively. These Leadership PRSUs were granted at 120% of the target number of these awards, representing the maximum number of Leadership PRSUs that may be eligible to vest over their full term, and have both service-based and performance-based vesting conditions. The service-based vesting condition for these Leadership PRSUs is typically satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. The performance-based vesting condition is satisfied upon the achievement of certain Company annual performance targets set by the compensation committee of the board of directors of the Company. The ultimate number of the Leadership PRSUs eligible to vest ranges between 0% to 120% of the target number of the Leadership PRSUs based on the weighted-average achievement of such Company annual performance metrics for the respective fiscal year. Stock-based compensation associated with these Leadership PRSUs is recognized using an accelerated attribution method over the requisite service period, based on the Company's periodic assessment of the probability that the performance condition will be achieved. Stock-based compensation recognized for these Leadership PRSUs was $13.5 million and $42.6 million for the three and nine months ended October 31, 2025, respectively, and $20.2 million and $41.4 million for the three and nine months ended October 31, 2024, respectively.

A summary of equity-classified RSUs activity during the nine months ended October 31, 2025 is as follows:

	Number of Shares (in thousands)		Weighted-Average Grant Date Fair Value per Share
Unvested Balance—January 31, 2025	23,354	$	151.30
Granted	5,459	$	147.06
Vested	(2,425)	$	158.50
Forfeited	(1,013)	$	156.70
Performance adjustment[1]	(176)	$	163.04
Unvested Balance—April 30, 2025	25,199	$	149.39
Granted	1,844	$	201.47
Vested	(2,347)	$	155.74
Forfeited	(846)	$	154.37
Unvested Balance—July 31, 2025	23,850	$	152.62
Granted	1,421	$	227.16
Vested	(2,386)	$	154.96
Forfeited	(906)	$	150.03
Unvested Balance—October 31, 2025	21,979	$	157.29

(1) Represents an adjustment in the number of shares outstanding, with regards to Leadership PRSUs granted during the nine months ended October 31, 2024, based on the actual achievement of the associated Company annual performance targets for fiscal 2025.

Liability-Classified RSUs—During the fourth quarter of fiscal 2024, in connection with a business combination, the Company agreed to grant, under the 2020 Plan, RSUs that contain both post-combination service-based and performance-based vesting conditions (Acquisition PRSUs) to eligible existing or future employees, subject to a maximum total number of approximately 1.7 million shares. The post-combination service-based vesting condition for these Acquisition PRSUs is satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. The performance-based vesting condition is contingent on the achievement of certain performance metric over the 12-month period ending January 31, 2027. Acquisition PRSUs will vest when both service-based and performance-based conditions are satisfied. The ultimate number of Acquisition PRSUs eligible to vest is determined based on the actual achievement of the performance metric, which takes into account certain factors including the Company's stock price and market capitalization.

Once granted, Acquisition PRSUs are initially liability-classified and recorded in other liabilities on the Company's condensed consolidated balance sheets, as the monetary value of the obligation under each potential outcome of the performance condition is predominantly based on a fixed monetary amount known at inception and will be settled in a variable number of shares. Subsequently, these awards are remeasured to the fair value at each reporting date until the number of Acquisition PRSUs eligible to vest is fixed, at which time these awards will be reclassified to equity. Stock-based compensation associated with these awards is recognized based on the probable outcome of the performance condition, using an accelerated attribution method over the requisite service period, with a cumulative catch-up adjustment recognized for changes in the fair value estimated at each reporting date. As of October 31, 2025, the liabilities associated with these Acquisition PRSUs were not material. As of January 31, 2025, the liabilities associated with these Acquisition PRSUs were $11.1 million.

A summary of liability-classified RSUs activity during the nine months ended October 31, 2025 is as follows:

	Number of Shares (in thousands)
Unvested Balance—January 31, 2025	1,436
Forfeited	(2)
Unvested Balance—April 30, 2025	1,434
Forfeited	(17)
Unvested Balance—July 31, 2025	1,417
Granted	38
Unvested Balance—October 31, 2025	1,455

Restricted Common Stock—From time to time, the Company has granted restricted common stock outside of the Plans. Restricted common stock is not deemed to be outstanding for accounting purposes until it vests.

A summary of restricted common stock activity during the nine months ended October 31, 2025 is as follows:

	Outside of the Plans	
	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value per Share
Unvested Balance—January 31, 2025	821	$ 180.82
Vested	(116)	$ 222.05
Unvested Balance—April 30, 2025	705	$ 174.01
Vested	(24)	$ 194.28
Unvested Balance—July 31, 2025	681	$ 173.31
Vested	(76)	$ 136.67
Unvested Balance—October 31, 2025	605	$ 177.93

Stock-Based Compensation—The following table summarizes the assumptions used in estimating the fair values of a stock option granted to employees during the nine months ended October 31, 2024:

	Nine Months Ended October 31, 2024
Expected term (in years)	4.8 - 6.0
Expected volatility	56.6% - 56.7%
Risk-free interest rate	4.2% - 4.4%
Expected dividend yield	—%

In addition, for the stock option granted during the three months ended April 30, 2024, the shares to be issued upon exercise are subject to a one-year holding period. As such, the Company applied a 7.6% discount for lack of marketability to the fair value estimated using the Black-Scholes option-pricing model, based on the assumptions included in the table above.

No stock options were granted during the three months ended October 31, 2024, or each of the three and nine months ended October 31, 2025.

The following table summarizes the assumptions used in estimating the fair values of employee stock purchase rights granted under the 2020 ESPP (ESPP Rights) during each of the three and nine months ended October 31, 2025 and 2024:

	Three Months Ended October 31,		**Nine Months Ended October 31,**	
	2025	**2024**	**2025**	**2024**
Expected term (in years)	0.5	0.5	0.5	0.5
Expected volatility	48.4%	46.3%	48.4% - 54.1%	46.3% - 49.6%
Risk-free interest rate	3.8%	4.5%	3.8% - 4.3%	4.5% - 5.4%
Expected dividend yield	—%	—%	—%	—%

Expected term—For stock options considered to be “plain vanilla” options, the Company estimates the expected term based on the simplified method, which is essentially the weighted average of the vesting period and contractual term, as the Company’s historical option exercise experience does not provide a reasonable basis upon which to estimate the expected term. The expected term for ESPP Rights approximates the offering period.

Expected volatility—The Company uses the average of (i) the historical volatility of its common stock, and (ii) the implied volatility from publicly traded options on its common stock to develop an expected volatility assumption.

Risk-free interest rate—Risk-free rate is estimated based upon quoted market yields for the United States Treasury debt securities for a term consistent with the expected life of the awards in effect at the time of grant.

Expected dividend yield—Because the Company has never paid and has no intention to pay cash dividends on common stock, the expected dividend yield is zero.

Fair value of underlying common stock—The fair value of the Company’s common stock is determined by the closing price, on the date of grant, of its common stock, which is traded on the New York Stock Exchange.

The following table summarizes the assumptions used in estimating the fair value of liability-classified Acquisition PRSUs as of October 31, 2025 and January 31, 2025:

	October 31, 2025	**January 31, 2025**
Expected volatility	52.0%	50.0%
Risk-free interest rate	3.6%	4.2%

Expected volatility—The Company uses the average of (i) the historical volatility of its common stock, and (ii) the implied volatility from publicly traded options on its common stock to develop an expected volatility assumption.

Risk-free interest rate—Risk-free rate is estimated based upon quoted market yields for the United States Treasury debt securities for a term that approximates the period from the reporting date to January 31, 2027.

Stock-based compensation included in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Cost of revenue	$ 35,438	$ 36,358	$ 104,674	$ 103,581
Sales and marketing	104,632	86,035	287,401	240,118
Research and development	236,895	199,980	694,108	599,569
General and administrative	35,313	40,886	109,772	107,927
Stock-based compensation, net of amounts capitalized	412,278	363,259	1,195,955	1,051,195
Capitalized stock-based compensation	—	11,940	—	29,081
Total stock-based compensation	$ 412,278	$ 375,199	$ 1,195,955	$ 1,080,276

As of October 31, 2025, total compensation cost related to unvested awards not yet recognized was $3.3 billion, which will be recognized over a weighted-average period of 2.7 years.

13. Income Taxes

The Company computes its tax provision for interim periods by applying the estimated annual effective tax rate to year-to-date pre-tax income from recurring operations and adjusting for discrete tax items arising in that quarter.

The Company had an effective tax rate of (1.3%) and (0.9%) for the three and nine months ended October 31, 2025, respectively, and (0.6%) and (0.9%) for the three and nine months ended October 31, 2024, respectively. The Company has incurred U.S. operating losses and has minimal profits in foreign jurisdictions.

The Company has evaluated all available evidence, both positive and negative, including historical levels of income and expectations and risks associated with estimates of future taxable income, and has determined that it is more likely than not that its net deferred tax assets will not be realized in the United States and the United Kingdom. Due to uncertainties surrounding the realization of the deferred tax assets, the Company maintains a full valuation allowance against its net deferred tax assets.

The Company is subject to income taxes in the United States and numerous foreign jurisdictions. As of October 31, 2025, tax years 2012 and forward generally remain open for examination for U.S. federal and state tax purposes, and tax years 2020 and forward generally remain open for examination for foreign tax purposes.

The Company has applied ASC 740 and determined that it has uncertain tax positions giving rise to unrecognized tax benefits for each of the three and nine months ended October 31, 2025 and 2024. The Company's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. The Company does not anticipate any significant changes to its unrecognized tax benefits over the next 12 months, and no material amount related to these unrecognized tax benefits, if recognized, would have an impact on the Company's effective tax rate.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (Inflation Act) into law. The Inflation Act contains certain tax measures, including a corporate alternative minimum tax of 15% on some large corporations and an excise tax of 1% on stock repurchases. For each of the three and nine months ended October 31, 2025 and 2024, the Inflation Act had no material impact to the Company's aggregate tax liability, financial position and results of operations, including its stock repurchase program.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions including the immediate expensing of the United States research and development expenditures. For the three and nine months ended October 31, 2025, the OBBBA had no material impact on the Company's consolidated financial statements.

14. Net Loss per Share

As discussed above in Note 12, "Equity," on July 3, 2025, the Company filed an amended and restated certificate of incorporation with the Secretary of State of the State of Delaware effecting (i) the elimination of the Company's Class B common stock, and (ii) the renaming of the Company's Class A common stock to "common stock". No Class B common stock was outstanding during any periods presented.

Basic and diluted net loss per share attributable to Snowflake Inc. common stockholders is computed in conformity with the two-class method required for participating securities. The Company considers unvested common stock to be participating securities, as the holders of such stock have the right to receive nonforfeitable dividends on a pari passu basis in the event that a dividend is declared on common stock.

Basic net loss per share attributable to Snowflake Inc. common stockholders is computed by dividing net loss attributable to Snowflake Inc. common stockholders by the weighted-average number of shares of Snowflake Inc. common stock outstanding during the period, which excludes treasury stock. Diluted net loss per share attributable to Snowflake Inc. common stockholders is computed by giving effect to all potentially dilutive Snowflake Inc. common stock equivalents to the extent they are dilutive. For purposes of this calculation, RSUs, stock options, restricted common stock, ESPP Rights, and shares underlying the conversion option in the Notes are considered to be common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to Snowflake Inc. common stockholders as their effect is anti-dilutive for all periods presented.

The following table presents the calculation of basic and diluted net loss per share attributable to Snowflake Inc. common stockholders (in thousands, except per share data):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Numerator:				
Net loss	$ (291,603)	$ (327,902)	$ (1,019,485)	$ (963,488)
Less: net income (loss) attributable to noncontrolling interest	2,354	(3,623)	2,581	(5,322)
Net loss attributable to Snowflake Inc. common stockholders	$ (293,957)	$ (324,279)	$ (1,022,066)	$ (958,166)
Denominator:				
Weighted-average shares used in computing net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	339,648	331,761	335,875	333,136
Net loss per share attributable to Snowflake Inc. common stockholders—basic and diluted	$ (0.87)	$ (0.98)	$ (3.04)	$ (2.88)

The following potentially dilutive securities were excluded from the calculation of diluted net loss per share attributable to Snowflake Inc. common stockholders for the periods presented because the impact of including them would have been anti-dilutive (in thousands):

	Three and Nine Months Ended October 31,	
	2025	2024
RSUs	23,434	26,703
Stock options	14,711	23,054
Shares underlying the conversion option in the Notes	14,603	14,603
Unvested restricted common stock	605	474
ESPP Rights	333	590
Total	53,686	65,424

The Company entered into the Capped Calls in connection with the Notes offering. The effect of the Capped Calls was also excluded from the calculation of diluted net loss per share attributable to Snowflake Inc. common stockholders as the effect of the Capped Calls would have been anti-dilutive. The Capped Calls are generally expected to reduce the potential dilution to the Company's common stock upon any conversion of the relevant series of the Notes. See Note 10, "Convertible Senior Notes," for further details.

15. Related Party Transactions

A member of the Company's board of directors currently serves as the Chief Executive Officer of a privately-held company (Related Party), which has been the Company's customer since 2018. In July 2025, the Company entered into an additional customer agreement with the Related Party for a term of three years with a total contract value of $67.5 million. In August 2025, the Company also entered into a vendor agreement with the Related Party for a term of five months with a total contract value of $1.1 million. With respect to the Related Party, the Company recognized $6.7 million and $17.4 million of revenue for the three and nine months ended October 31, 2025, respectively, and $3.3 million and $9.0 million of revenue for the three and nine months ended October 31, 2024, respectively. As of October 31, 2025 and January 31, 2025, the Company did not have material accounts receivable balance due from the Related Party.

During the nine months ended October 31, 2025 and 2024, as a minority investor, the Company made strategic investments of approximately $20.0 million and $5.0 million, respectively, by purchasing non-marketable equity securities issued by the Related Party.

16. Subsequent Events

Business Combinations

In November 2025, the Company completed acquisitions of two privately-held companies for an aggregate of approximately $44 million in cash or a combination of cash and unregistered shares of the Company's common stock, subject to customary purchase price adjustments. The Company has accounted for these transactions as business combinations and is currently evaluating the purchase price allocation for these transactions.

Contractual Commitments

In November 2025, the Company entered into certain contractual commitments with a third-party cloud infrastructure service provider and a third-party AI service provider, respectively, as discussed in Note 11, "Commitments and Contingencies."

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with (1) our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q, and (2) our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal year ended January 31, 2025 included in the Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) on March 21, 2025. This discussion, particularly information with respect to our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Special Note About Forward-Looking Statements" in this Quarterly Report on Form 10-Q. You should review the disclosure under the heading "Risk Factors" in this Quarterly Report on Form 10-Q for a discussion of important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

In addition to our results determined in accordance with U.S. generally accepted accounting principles (GAAP), free cash flow, a non-GAAP financial measure, is included in the section titled "Key Business Metrics." This non-GAAP financial measure is not meant to be considered in isolation or as a substitute for, or superior to, comparable GAAP financial measures and should be read only in conjunction with our unaudited condensed consolidated financial statements prepared in accordance with GAAP. Our presentation of this non-GAAP financial measure may not be comparable to similar measures used by other companies. We encourage investors to carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the GAAP-to-non-GAAP reconciliation included in the section titled "Key Business Metrics—Free Cash Flow," to more fully understand our business.

Unless the context otherwise requires, all references in this report to "Snowflake," the "Company," "we," "our," "us," or similar terms refer to Snowflake Inc. and its consolidated subsidiaries. Unless otherwise noted, all references in this report to our common stock refer to our Class A common stock, which was renamed to "common stock" pursuant to our amended and restated certificate of incorporation filed with the Secretary of State of the State of Delaware on July 3, 2025.

Overview

We believe that a cloud computing platform that puts data and artificial intelligence (AI) at its core will offer great benefits to organizations by allowing them to realize the value of the data that powers their businesses. By offering rich primitives for data and applications, we believe that we can create a data connected world where organizations have seamless access to explore, share, and unlock the value of data. Our vision is a world where data and AI turn possibilities into reality. To realize this vision, we deliver the AI Data Cloud, a network where Snowflake customers, partners, developers, data providers, and data consumers can break down data silos and derive value from a growing number of data sets in secure, governed, and compliant ways.

Our platform is the innovative technology that powers the AI Data Cloud, enabling customers to consolidate data into a single source of truth to drive meaningful insights, apply AI to solve business problems, build data applications, and share data and data products. We provide our platform through a customer-centric, consumption-based business model, only charging customers for the resources they use.

Our cloud-native architecture includes three independently scalable but logically integrated layers across compute, storage, and cloud services. The compute layer provides dedicated resources to enable users to simultaneously access common data sets for many use cases with minimal latency. The storage layer ingests massive amounts and varieties of structured, semi-structured, and unstructured data to create a unified data record. The cloud services layer intelligently optimizes each use case's performance requirements with no administration. This architecture is built on three major public clouds across 50 regional deployments around the world. These deployments are generally interconnected to deliver the AI Data Cloud, enabling a consistent, global user experience.

We generate the substantial majority of our revenue from fees charged to our customers based on the compute, storage, and data transfer resources consumed on our platform. Customers are allowed to select compute, storage, and data transfer resources separately, at their discretion. For compute resources, consumption is based on the type of compute resource used and the duration of use or, for some features, the volume of data processed. For storage resources, consumption for a given customer is based on the average terabytes per month of all of such customer's data stored in our platform. For data transfer resources, consumption is based on terabytes of data transferred, the public cloud provider used, and the region to and from which the transfer is executed.

Our customers typically enter into capacity arrangements with a term of one to four years, or consume our platform under on-demand arrangements in which we charge for use of our platform monthly in arrears. Consumption for most customers accelerates from the beginning of their usage to the end of their contract terms and often exceeds their initial capacity commitment amounts. When this occurs, our customers have the option to amend their existing agreement with us to purchase additional capacity or request early renewals. When a customer's consumption during the contract term does not exceed its capacity commitment amount, it may have the option to roll over any unused capacity to future periods, generally upon the purchase of additional capacity. For these reasons, we believe our deferred revenue is not a meaningful indicator of future revenue that will be recognized in any given time period.

Our go-to-market strategy is focused on acquiring new customers and driving increased use of our platform for existing customers. We primarily focus our selling efforts on large organizations and primarily sell our platform through a direct sales force, which targets technical and business leaders who are adopting a cloud strategy and leveraging data to improve their business performance. Our sales force is comprised of inside and field sales, solution engineering, sales development, partner sales, and specialist sales personnel and is segmented by the industry, size, and region of prospective customers. Once our platform has been adopted, we focus on increasing the migration of additional customer workloads to our platform to drive increased consumption, as evidenced by our net revenue retention rate of 125% and 126% as of October 31, 2025 and January 31, 2025, respectively. See the section titled "Key Business Metrics" for a definition of net revenue retention rate.

Our platform is used globally by organizations of all sizes across a broad range of industries. As of October 31, 2025, we had 12,621 total customers, increasing from 11,023 customers as of January 31, 2025. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity, and we present our total customer count for historical periods reflecting these adjustments. Our platform has been adopted by many of the world's largest organizations that view Snowflake as a key strategic partner in their cloud and data transformation initiatives. As of October 31, 2025, our customers included 766 of the Forbes Global 2000, based on the 2025 Forbes Global 2000 list, and those customers contributed approximately 42% of our revenue for the nine months ended October 31, 2025. Our Forbes Global 2000 customer count is subject to adjustments for annual updates to the Global 2000 list by Forbes, as well as acquisitions, consolidations, spin-offs, and other market activity with respect to such customers, and we present our Forbes Global 2000 customer count for historical periods reflecting these adjustments. See the section titled "Key Business Metrics" for how we determine our customer count.

Fiscal Year

Our fiscal year ends on January 31. For example, references to fiscal 2026 refer to the fiscal year ending January 31, 2026.

Impact of Macroeconomic Conditions

Our business and financial condition have been, and may continue to be, impacted by adverse macroeconomic conditions, including inflation, high interest rates, and fluctuations or volatility in capital markets or foreign currency exchange rates. These conditions have caused, and may continue to cause, customers to rationalize budgets, prioritize cash flow management, including through shortened contract duration, and optimize consumption, including by reducing storage through shorter data retention policies. We are continuing to monitor the actual and potential effects of general macroeconomic conditions across our business. For additional details, see the section titled "Risk Factors."

Common Stock

On July 3, 2025, we filed an amended and restated certificate of incorporation with the Secretary of State of the State of Delaware effecting (i) the elimination of our Class B common stock, and (ii) the renaming of our Class A common stock to "common stock". This amendment had no impact on our issued and outstanding shares, additional paid-in capital, or accumulated deficit.

Business Combination

On June 6, 2025, we acquired all of the outstanding capital stock of Crunchy Data Solutions, Inc. (Crunchy Data), a privately-held company that provides PostgreSQL technology, for $164.5 million in cash.

The results of operations of this business combination have been included in our condensed consolidated financial statements from the date of acquisition. See Note 7, "Business Combinations," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for details regarding this business combination.

Key Factors Affecting Our Performance

Adoption of our Platform and Expansion of the AI Data Cloud

Our future success depends in large part on the market adoption of our platform, including new product functionality, such as Snowpark and our AI and machine learning technology (collectively, AI Technology). While we see growing demand for our platform, particularly from large enterprises, many of these organizations have invested substantial technical, financial, and personnel resources in their existing database products or big data offerings. In addition, customers' use of our AI Technology is often dependent on their ability to meet evolving regulatory standards, successfully complete internal compliance reviews, and enter into mutually acceptable contractual terms. While this makes it difficult to predict customer adoption rates and future demand, we believe that the benefits of our platform put us in a strong position to capture the significant market opportunity ahead.

Our platform powers the AI Data Cloud, a network of data providers, data consumers, and data application developers that enables our customers to securely share, monetize, and acquire live data sets and data products. The AI Data Cloud includes access to the Snowflake Marketplace, through which customers can access or acquire third-party data sets, data applications, and other data products. Our future growth is increasingly dependent on our ability to increase consumption of our platform by building and expanding the AI Data Cloud.

Expanding Within our Existing Customer Base

Our large base of customers represents a significant opportunity for further consumption of our platform. While we have seen an increase in the number of customers that have contributed more than $1 million in product revenue in the trailing 12 months, we believe that there is a substantial opportunity to continue growing these customers further, as well as continuing to expand the usage of our platform within our other existing customers. We plan to continue investing to encourage increased consumption and adoption of new use cases among our existing customers, particularly large enterprises.

Once deployed, our customers often expand their use of our platform more broadly within the enterprise and across their ecosystem of customers and partners as they migrate more data to the public cloud, identify new use cases, and realize the benefits of our platform and the AI Data Cloud. However, because we generally recognize product revenue on consumption and not ratably over the term of the contract, we do not have visibility into the timing of revenue recognition from any particular customer. In addition, many customers are attempting to rationalize budgets, prioritize cash flow management, and optimize consumption amidst macroeconomic uncertainty. In any given period, there is a risk that customer consumption of our platform will be slower than we expect, which may cause fluctuations in our revenue and results of operations.

New software releases or hardware improvements, like better storage compression, cloud infrastructure processor improvements, and compute optimization, may make our platform more efficient, enabling customers to consume fewer compute, storage, and data transfer resources to accomplish the same workloads. In addition, open data formats allow customers to use our platform for compute services without requiring storage. To the extent these improvements do not result in an offsetting increase in new workloads, we may experience lower revenue. Our ability to increase usage of our platform by, and sell additional contracted capacity to, existing customers, and, in particular, large enterprise customers, will depend on a number of factors, including our customers' satisfaction with our platform, our customers' adoption and use of new product features, competition, pricing, macroeconomic conditions, overall changes in our customers' spending levels, customers' attempts to optimize their consumption, our customers' confidence in the security of our platform, our ability to maintain our reputation as a trustworthy vendor, the effectiveness of our and our partners' efforts to help our customers realize the benefits of our platform, and the extent to which customers migrate new workloads to our platform over time, including data science, AI, and machine learning workloads.

Acquiring New Customers

Our future success also depends on our ability to acquire new customers. We believe there is a substantial opportunity to further grow our customer base by continuing to make significant investments in sales and marketing and brand awareness. Our ability to attract new customers will depend on a number of factors, including the productivity of our sales organization, competitive dynamics in our target markets, changes in our customers' spending and platform consumption in response to market uncertainty, our ability to promote, maintain, and enhance our brand and reputation, our ability to mitigate reputational damage following cybersecurity threat activity directed at our customers, and our ability to build and maintain partner relationships, including with global system integrators, resellers, technology partners, and third-party providers of native applications on the Snowflake Marketplace. While our platform is built for organizations of all sizes, we focus our selling efforts on large enterprise customers, customers with vast amounts of data, and customers requiring industry-specific solutions. We may not achieve anticipated revenue growth if we are unable to attract, hire, develop, integrate, and retain talented and effective sales personnel; if our sales personnel are unable to achieve desired productivity levels in a reasonable period of time and maintain productivity; or if our sales and marketing programs are not effective.

Investing in Growth and Scaling our Business

We are focused on our long-term revenue potential, and believe our market opportunity is large. We will continue to invest significantly in research and development to improve our platform, including in the areas of data science and AI Technology. In addition, we are focused on expanding our business both domestically and internationally. As part of these efforts, we are investing in meeting the needs of organizations in geographies and government and regulated industries that have heightened requirements, including with respect to data localization, privacy, and security. We intend to continue to invest heavily to grow our business to take advantage of our expansive market opportunity, while also focusing on cash flow and long-term profitability.

Key Business Metrics

We monitor the key business metrics set forth below to help us evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. The calculation of the key business metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

The following tables present a summary of key business metrics, including the most directly comparable financial measure calculated in accordance with GAAP, for the periods presented:

	Three Months Ended				
	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Product revenue (in millions)	$ 1,158.4	$ 1,090.5	$ 996.8	$ 943.3	$ 900.3
Net cash provided by operating activities (in millions)[1]	$ 137.5	$ 74.9	$ 228.4	$ 432.7	$ 101.7
Free cash flow (non-GAAP) (in millions)[2][3]	$ 113.6	$ 58.2	$ 183.4	$ 415.4	$ 78.2

	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Net revenue retention rate[4]	125%	125%	124%	126%	127%
Customers with trailing 12-month product revenue greater than $1 million[4]	688	656	608	579	534
Forbes Global 2000 customers[4]	766	760	744	742	738
Remaining performance obligations (in millions)[5]	$ 7,880.6	$ 6,931.7	$ 6,686.8	$ 6,867.5	$ 5,732.3

(1) Net cash provided by operating activities is not a key business metric but is included in this table as the most directly comparable GAAP financial measure to free cash flow.

(2) Includes net cash paid on payroll tax-related items on employee stock transactions as follows (in millions):

	Three Months Ended				
	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
Net cash paid on payroll tax-related items on employee stock transactions	$ 22.8	$ 9.5	$ 22.9	$ 7.6	$ 8.6

(3) Cash outflows for employee payroll tax items related to the net share settlement of equity awards were $190.7 million, $162.0 million, $132.5 million, $129.5 million, and $81.5 million for the three months ended October 31, 2025, July 31, 2025, April 30, 2025, January 31, 2025, and October 31, 2024, respectively. These amounts are included in cash flow for financing activities and, as a result, do not have an effect on the calculation of non-GAAP free cash flow. See the section titled "Free Cash Flow" for a reconciliation of net cash provided by operating activities, which is the most directly comparable financial measure calculated in accordance with GAAP, to non-GAAP free cash flow.

(4) Historical numbers for (i) net revenue retention rate, (ii) customers with trailing 12-month product revenue greater than $1 million, and (iii) Forbes Global 2000 customers reflect any adjustments for acquisitions, consolidations, spin-offs, and other market activity. In addition, our Forbes Global 2000 customer count reflects adjustments for annual updates to the Forbes Global 2000 list by Forbes.

(5) As of October 31, 2025, our remaining performance obligations were approximately $7.9 billion, of which we expect approximately 48% to be recognized as revenue in the 12 months ending October 31, 2026 based on historical customer consumption patterns. The weighted-average remaining life of our capacity contracts was 2.5 years as of October 31, 2025. However, the amount and timing of revenue recognition are generally dependent upon customers' future consumption, which is inherently variable at our customers' discretion and can extend beyond the original contract term in cases where customers are permitted to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal. In addition, our historical customer consumption patterns are not necessarily indicative of future results.

Product Revenue

Product revenue is a key metric for us because we recognize revenue based on platform consumption, which is inherently variable at our customers' discretion, and not based on the amount and duration of contract terms. Product revenue is primarily derived from the consumption of compute, storage, and data transfer resources by customers on our platform. Customers have the flexibility to consume more than their contracted capacity during the contract term and may have the ability to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal. Our consumption-based business model distinguishes us from subscription-based software companies that generally recognize revenue ratably over the contract term and may not permit rollover. Because customers have flexibility in the timing of their consumption, which can exceed their contracted capacity or extend beyond the original contract term in many cases, the amount of product revenue recognized in a given period is an important indicator of customer satisfaction and the value derived from our platform. While customer use of our platform in any period is not necessarily indicative of future use, we estimate future revenue using predictive models based on customers' historical usage to plan and determine financial forecasts. Product revenue excludes our professional services and other revenue, which has been less than 10% of revenue for each of the periods presented.

Net Revenue Retention Rate

We believe the growth in use of our platform by our existing customers is an important measure of the health of our business and our future growth prospects. We monitor our dollar-based net revenue retention rate to measure this growth. To calculate this metric, we first specify a measurement period consisting of the trailing two years from our current period end. Next, we define as our measurement cohort the population of customers under capacity contracts that used our platform at any point in the first month of the first year of the measurement period. The cohorts used to calculate net revenue retention rate include end-customers under a reseller arrangement. We then calculate our net revenue retention rate as the quotient obtained by dividing our product revenue from this cohort in the second year of the measurement period by our product revenue from this cohort in the first year of the measurement period. Any customer in the cohort that did not use our platform in the second year remains in the calculation and contributes zero product revenue in the second year. Our net revenue retention rate is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity, and we present our net revenue retention rate for historical periods reflecting these adjustments. Since we will continue to attribute the historical product revenue to the consolidated contract, consolidation of capacity contracts within a customer's organization typically will not impact our net revenue retention rate unless one of those customers was not a customer at any point in the first month of the first year of the measurement period. We expect our net revenue retention rate to decrease over the long-term as customers that have consumed our platform for an extended period of time become a larger portion of both our overall customer base and our product revenue that we use to calculate net revenue retention rate, and as their consumption growth primarily relates to existing use cases rather than new use cases. In addition, we have seen, and may continue to see, impacts on customer consumption patterns due to holidays and certain of our customers increasing their consumption of our platform at a slower pace than expected, which may negatively impact our net revenue retention rate in future periods.

Customers with Trailing 12-Month Product Revenue Greater than $1 Million

Large customer relationships lead to scale and operating leverage in our business model. Compared with smaller customers, large customers present a greater opportunity for us to sell additional capacity because they have larger budgets, a wider range of potential use cases, and greater potential for migrating new workloads to our platform over time. As a measure of our ability to scale with our customers and attract large enterprises to our platform, we count the number of customers under capacity arrangements that contributed more than $1 million in product revenue in the trailing 12 months. For purposes of determining our customer count, we treat each customer account, including accounts for end-customers under a reseller arrangement, that has at least one corresponding capacity contract as a unique customer, and a single organization with multiple divisions, segments, or subsidiaries may be counted as multiple customers. We do not include customers that consume our platform only under on-demand arrangements for purposes of determining our customer count. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity, and we present our customer count for historical periods reflecting these adjustments.

Forbes Global 2000 Customers

We believe that the number of Forbes Global 2000 customers is an important indicator of the growth of our business and future revenue trends as we focus our selling efforts on large enterprise customers and customers with vast amounts of data. Our Forbes Global 2000 customer count is a subset of our customer count based on the 2025 Forbes Global 2000 list. Our Forbes Global 2000 customer count is subject to adjustments for annual updates to the list by Forbes, as well as acquisitions, consolidations, spin-offs, and other market activity with respect to such customers, and we present our Forbes Global 2000 customer count for historical periods reflecting these adjustments.

Free Cash Flow

We define free cash flow, a non-GAAP financial measure, as GAAP net cash provided by operating activities reduced by purchases of property and equipment and capitalized software development costs. Cash outflows for employee payroll tax items related to the net share settlement of equity awards are included in cash flow for financing activities and, as a result, do not have an effect on the calculation of free cash flow. We believe information regarding free cash flow provides useful supplemental information to investors because it is an indicator of the strength and performance of our core business operations.

The following table presents a reconciliation of net cash provided by operating activities, which is the most directly comparable financial measure calculated in accordance with GAAP, to free cash flow for the periods presented (in thousands):

	Three Months Ended				
	October 31, 2025	**July 31, 2025**	**April 30, 2025**	**January 31, 2025**	**October 31, 2024**
Net cash provided by operating activities	$ 137,519	$ 74,896	$ 228,373	$ 432,725	$ 101,706
Less: purchases of property and equipment	(23,905)	(16,665)	(44,989)	(11,277)	(13,440)
Less: capitalized software development costs	—	—	—	(6,005)	(10,032)
Free cash flow (non-GAAP)[1][2]	$ 113,614	$ 58,231	$ 183,384	$ 415,443	$ 78,234
Net cash provided by (used in) investing activities	$ 248,239	$ (299,252)	$ (55,983)	$ 224,888	$ (267,142)
Net cash provided by (used in) financing activities[2]	$ (361,986)	$ (134,039)	$ (564,057)	$ (120,118)	$ 1,017,639

(1) Includes net cash paid on payroll tax-related items on employee stock transactions as follows (in thousands):

	Three Months Ended				
	October 31, 2025	**July 31, 2025**	**April 30, 2025**	**January 31, 2025**	**October 31, 2024**
Net cash paid on payroll tax-related items on employee stock transactions	$ 22,810	$ 9,534	$ 22,885	$ 7,644	$ 8,563

(2) Cash outflows for employee payroll tax items related to the net share settlement of equity awards were $190.7 million, $162.0 million, $132.5 million, $129.5 million, and $81.5 million for the three months ended October 31, 2025, July 31, 2025, April 30, 2025, January 31, 2025, and October 31, 2024, respectively. These amounts are included in cash flow for financing activities and, as a result, do not have an effect on the calculation of free cash flow.

Historically, we have received a higher volume of orders from new and existing customers in the fourth fiscal quarter of each year. As a result, we have historically seen higher free cash flow in the first and fourth fiscal quarters of each year.

Remaining Performance Obligations

Remaining performance obligations (RPO) represent the amount of contracted future revenue that has not yet been recognized, including (i) deferred revenue and (ii) non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. RPO excludes performance obligations from on-demand arrangements and certain time and materials contracts that are billed in arrears. Portions of RPO that are not yet invoiced and are denominated in foreign currencies are revalued into U.S. dollars each period based on the applicable period-end exchange rates. RPO is not necessarily indicative of future product revenue growth because it does not account for the timing of customers' consumption or their consumption of more than their contracted capacity. Moreover, RPO is influenced by a number of factors, including the timing and size of renewals, the timing and size of purchases of additional capacity, average contract terms, seasonality, changes in foreign currency exchange rates, and the extent to which customers are permitted to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal. Due to these factors, it is important to review RPO in conjunction with product revenue and other financial metrics disclosed elsewhere herein.

Components of Results of Operations

Revenue

We deliver our platform over the internet as a service. Customers choose to consume our platform under either capacity arrangements, in which they commit to a certain amount of consumption at specified prices, or under on-demand arrangements, in which we charge for use of our platform monthly in arrears. Under capacity arrangements, from which a majority of our revenue is derived, we typically bill our customers annually in advance of their consumption. However, in future periods, we expect to see an increase in capacity contracts providing for quarterly upfront billings and monthly in arrears billings as our customers increasingly want to align consumption and timing of payments. Revenue from on-demand arrangements typically relates to customers with lower usage levels or overage consumption beyond a customer's contracted usage amount under a capacity contract or following the expiration of a customer's capacity contract. Revenue from on-demand arrangements represented approximately 2% of our revenue for each of the three and nine months ended October 31, 2025 and 2024.

We recognize revenue as customers consume compute, storage, and data transfer resources under either of these arrangements. In limited instances, customers pay an annual deployment fee to gain access to a dedicated instance of a virtual private deployment. We recognize the deployment fee ratably over the contract term. Such deployment revenue represented less than 1% of our revenue for each of the three and nine months ended October 31, 2025 and 2024.

Our customer contracts for capacity typically have a term of one to four years. The weighted-average term of capacity contracts entered into during the three and nine months ended October 31, 2025 is approximately 3.0 years and 2.9 years, respectively. To the extent our customers enter into such contracts and either consume our platform in excess of their capacity commitments or continue to use our platform after expiration of the contract term, they are charged for their incremental consumption. In many cases, our customer contracts permit customers to roll over any unused capacity to a subsequent order, generally upon the purchase of additional capacity. For those customers who do not have a capacity arrangement, our on-demand arrangements generally have a monthly stated contract term and can be terminated at any time by either the customer or us.

We generate the substantial majority of our revenue from fees charged to our customers based on the compute, storage, and data transfer resources consumed on our platform. Customers are allowed to select compute, storage, and data transfer resources separately, at their discretion. For compute resources, consumption is based on the type of compute resource used and the duration of use or, for some features, the volume of data processed. For storage resources, consumption for a given customer is based on the average terabytes per month of all of such customer's data stored in our platform. For data transfer resources, consumption is based on terabytes of data transferred, the public cloud provider used, and the region to and from which the transfer is executed.

Because customers have flexibility in their consumption, and we generally recognize revenue on consumption and not ratably over the term of the contract, we do not have the visibility into the timing of revenue recognition from any particular customer contract that typical subscription-based software companies may have. As our customer base grows, we expect our ability to forecast customer consumption in the aggregate to improve. However, in any given period, there is a risk that customers will consume our platform more slowly than we expect, including in response to adverse macroeconomic conditions, which may cause fluctuations in our revenue and results of operations.

Our revenue also includes professional services and other revenue, which consists primarily of consulting, technical solution services, and training related to our platform. Our professional services revenue is recognized over time based on input measures, including time and materials costs incurred relative to total costs, with consideration given to output measures, such as contract deliverables, when applicable. Other revenue consists primarily of fees from customer training delivered on-site or through publicly available classes.

Allocation of Overhead Costs

Overhead costs that are not substantially dedicated for use by a specific functional group are allocated based on headcount. Such costs include costs associated with office facilities, depreciation of property and equipment, information technology (IT) and general recruiting related expenses and other expenses, such as software and subscription services.

Cost of Revenue

Cost of revenue consists of cost of product revenue and cost of professional services and other revenue. Cost of revenue also includes allocated overhead costs.

Cost of product revenue. Cost of product revenue consists primarily of (i) third-party cloud infrastructure expenses, including those related to graphics processing units (GPUs), incurred in connection with our customers' use of our platform and the deployment and maintenance of our platform on public clouds, including different regional deployments, and (ii) personnel-related costs associated with customer support and maintaining service availability and security of our platform, including salaries, benefits, bonuses, and stock-based compensation. We periodically receive credits from third-party cloud providers that are recorded as a reduction to the third-party cloud infrastructure expenses. Cost of product revenue also includes amortization of capitalized software development costs, amortization of acquired intangible assets, and expenses associated with software and subscription services dedicated for use by our customer support team and our engineering team responsible for maintaining our platform.

Cost of professional services and other revenue. Cost of professional services and other revenue consists primarily of personnel-related costs associated with our professional services and training departments, including salaries, benefits, bonuses, and stock-based compensation, amortization of an acquired intangible asset, and costs of contracted third-party partners and software tools.

We intend to continue to invest additional resources in our platform infrastructure and our customer support and professional services organizations to support the growth of our business. Some of these investments, including certain support costs and costs of expanding our business internationally, are incurred in advance of generating revenue, and either the failure to generate anticipated revenue or fluctuations in the timing of revenue could affect our gross margin from period to period.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation, and sales commissions. Operating expenses also include allocated overhead costs.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related expenses associated with our sales and marketing staff, including salaries, benefits, bonuses, and stock-based compensation. Sales and marketing expenses also include sales commissions and draws paid to our sales force and certain referral fees paid to third parties, including amortization of deferred commissions. A portion of the sales commissions paid to the sales force is earned based on the level of the customers' consumption of our platform, and a portion of the commissions paid to the sales force is earned upon the origination, expansion, or renewal of customer contracts. Sales commissions tied to customers' consumption are expensed in the same period as they are earned. Sales commissions and referral fees earned upon the origination or expansion of customer contracts that are not commensurate with those earned upon the renewal of contracts are capitalized and then amortized over a period of benefit that we determined to be five years. Sales commissions earned upon the renewal of customer contracts, as well as sales commissions earned upon the origination or expansion of customer contracts that are commensurate with those for renewal contracts, are capitalized and then amortized over the respective weighted-average contractual term of the related contracts. Sales and marketing expenses also include advertising costs and other expenses associated with our sales, marketing and business development programs, including our user conferences, offset by proceeds from such conferences and programs. In addition, sales and marketing expenses are comprised of travel-related expenses, software and subscription services dedicated for use by our sales and marketing organizations, amortization of acquired intangible assets, and outside services contracted for sales and marketing purposes. We expect that our sales and marketing expenses will increase in absolute dollars and continue to be our largest operating expense for the foreseeable future as we grow our business. However, we expect that our sales and marketing expenses will decrease as a percentage of our revenue over time due to improved spend efficiency, although the percentage may fluctuate from period to period depending on the timing and the extent of these expenses.

Research and Development

Research and development expenses consist primarily of personnel-related expenses associated with our research and development staff, including salaries, benefits, bonuses, and stock-based compensation. Research and development expenses also include contractor or professional services fees, third-party cloud infrastructure expenses incurred in developing our platform (including those related to GPUs to develop AI Technology), amortization of acquired intangible assets, and expenses associated with software and subscription services dedicated for use by our research and development organization. Prior to fiscal 2026, research and development expenses related to our cloud platform that qualified as internal-use software development costs were capitalized under Accounting Standards Codification (ASC) Topic 350-40, *Internal-use Software* (ASC 350-40). During the three months ended April 30, 2025, we began marketing the Snowflake platform to selected public sector customers who will have contractual rights to take possession of our software and who will contract with third parties to host our software. As a result, our ongoing and future software development costs related to the Snowflake platform must be accounted for under ASC 985-20, *Costs of Software to be Sold, Leased or Marketed* (ASC 985-20). Costs that meet the criteria for capitalization under ASC 985-20 are not expected to be material. Software development costs capitalized prior to fiscal 2026 in connection with the Snowflake platform will be amortized over their remaining useful life and recognized as cost of product revenue. See Note 2, "Basis of Presentation and Summary of Significant Accounting Policies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details. We expect that our research and development expenses will increase in absolute dollars due to business growth, continued investments in our platform, and a decrease in the amount of software development costs eligible for capitalization. However, we expect that our research and development expenses will decrease as a percentage of our revenue over time due to improved spend efficiency, although the percentage may fluctuate from period to period depending on the timing and the extent of these expenses.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses for our finance, legal, human resources, facilities, and administrative personnel, including salaries, benefits, bonuses, and stock-based compensation. General and administrative expenses also include external legal, accounting, and other professional services fees, software and subscription services dedicated for use by our general and administrative functions, insurance, unallocated lease costs associated with unused office facilities to accommodate planned headcount growth, and other corporate expenses. We expect that our general and administrative expenses will increase in absolute dollars as our business grows but will decrease as a percentage of our revenue over time due to improved spend efficiency, although the percentage may fluctuate from period to period depending on the timing and the extent of these expenses. In addition, during the nine months ended October 31, 2025, we recognized asset impairment charges of $108.7 million as general and administrative expenses, primarily relating to the cease-use of our San Mateo office facility. See Note 11, "Commitments and Contingencies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

Interest Income

Interest income consists primarily of interest income earned on our cash and cash equivalents and short-term and long-term investments, including amortization of premiums and accretion of discounts related to our available-for-sale marketable debt securities, net of associated fees.

Interest Expense

Interest expense consists of amortization of debt issuance costs incurred in connection with the issuance of our convertible senior notes.

Other Income (Expense), Net

Other income (expense), net consists primarily of (i) net realized and unrealized gains (losses) on our strategic investments in equity securities, and (ii) the effect of exchange rates on our foreign currency-denominated asset and liability balances.

Provision for (Benefit from) Income Taxes

Provision for (benefit from) income taxes consists primarily of income taxes in certain foreign and U.S. federal and state jurisdictions in which we conduct business. We maintain a full valuation allowance against our U.S. and U.K. deferred tax assets because we have concluded that it is more likely than not that the deferred tax assets will not be realized.

Net Income (Loss) Attributable to Noncontrolling Interest

Our condensed consolidated financial statements include the accounts of Snowflake Inc., our wholly-owned subsidiaries, and a majority-owned subsidiary in which we have a controlling financial interest. Net income (loss) attributable to noncontrolling interest represents the net income (loss) of our majority-owned subsidiary attributed to noncontrolling interest using the hypothetical liquidation at book value method. See Note 2, "Basis of Presentation and Summary of Significant Accounting Policies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

Results of Operations

The following table sets forth our condensed consolidated statements of operations data for the periods indicated (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Revenue	$ 1,212,909	$ 942,094	$ 3,399,952	$ 2,639,626
Cost of revenue[(1)]	390,873	320,894	1,111,474	881,489
Gross profit	822,036	621,200	2,288,478	1,758,137
Operating expenses[(1)]:				
Sales and marketing	550,364	437,962	1,510,875	1,239,409
Research and development	494,027	442,435	1,458,434	1,290,889
General and administrative	107,118	106,260	436,175	297,171
Total operating expenses	1,151,509	986,657	3,405,484	2,827,469
Operating loss	(329,473)	(365,457)	(1,117,006)	(1,069,332)
Interest income	45,481	48,655	148,111	152,699
Interest expense	(2,075)	(689)	(6,220)	(689)
Other expense, net	(1,854)	(8,474)	(34,897)	(37,722)
Loss before income taxes	(287,921)	(325,965)	(1,010,012)	(955,044)
Provision for income taxes	3,682	1,937	9,473	8,444
Net loss	(291,603)	(327,902)	(1,019,485)	(963,488)
Less: net income (loss) attributable to noncontrolling interest	2,354	(3,623)	2,581	(5,322)
Net loss attributable to Snowflake Inc.	$ (293,957)	$ (324,279)	$ (1,022,066)	$ (958,166)

(1) Includes stock-based compensation as follows (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Cost of revenue	$ 35,438	$ 36,358	$ 104,674	$ 103,581
Sales and marketing	104,632	86,035	287,401	240,118
Research and development	236,895	199,980	694,108	599,569
General and administrative	35,313	40,886	109,772	107,927
Total stock-based compensation	$ 412,278	$ 363,259	$ 1,195,955	$ 1,051,195

The overall increase in stock-based compensation for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, was primarily attributable to additional equity awards granted to existing and new employees, partially offset by the effects of equity awards that became forfeited or fully vested.

As of October 31, 2025, total compensation cost related to unvested awards not yet recognized was $3.3 billion, which will be recognized over a weighted-average period of 2.7 years. See Note 12, “Equity,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

The following table sets forth our condensed consolidated statements of operations data expressed as a percentage of revenue for the periods indicated:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Revenue	100 %	100 %	100 %	100 %
Cost of revenue[1]	32	34	33	33
Gross profit	68	66	67	67
Operating expenses[1]:				
Sales and marketing	45	47	44	47
Research and development	41	47	43	49
General and administrative	9	11	13	12
Total operating expenses	95	105	100	108
Operating loss	(27)	(39)	(33)	(41)
Interest income	3	5	4	6
Interest expense	—	—	—	—
Other expense, net	—	(1)	(1)	(1)
Loss before income taxes	(24)	(35)	(30)	(36)
Provision for income taxes	—	—	—	1
Net loss	(24)	(35)	(30)	(37)
Less: net income (loss) attributable to noncontrolling interest	—	(1)	—	(1)
Net loss attributable to Snowflake Inc.	(24%)	(34%)	(30%)	(36%)

(1) Stock-based compensation included in the table above as a percentage of revenue as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Cost of revenue	3 %	4 %	3 %	4 %
Sales and marketing	8	9	9	9
Research and development	20	21	20	23
General and administrative	3	5	3	4
Total stock-based compensation	34 %	39 %	35 %	40 %

Stock-based compensation is impacted by our future hiring and retention needs, which are difficult to predict and subject to constant change. We expect that our stock-based compensation will increase in absolute dollars as we continue to issue equity awards to our new and existing employees, but will decrease as a percentage of our revenue in fiscal 2026 and continue to decrease over time as we grow.

Comparison of the Three and Nine Months Ended October 31, 2025 and 2024

Revenue

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
Revenue:						
Product	$ 1,158,377	$ 900,282	29%	$ 3,245,686	$ 2,519,119	29%
Professional services and other	54,532	41,812	30%	154,266	120,507	28%
Total	$ 1,212,909	$ 942,094	29%	$ 3,399,952	$ 2,639,626	29%
Percentage of revenue:						
Product	96%	96%		95%	95%	
Professional services and other	4%	4%		5%	5%	
Total	100%	100%		100%	100%	

Product revenue increased $258.1 million and $726.6 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively, primarily due to increased consumption of our platform by existing customers, as evidenced by our net revenue retention rate of 125% as of October 31, 2025.

We had 688 customers with product revenue of greater than $1 million for the trailing 12 months ended October 31, 2025, an increase from 534 such customers as of October 31, 2024. Such customers represented approximately 68% and 66% of our product revenue for the trailing 12 months ended October 31, 2025 and 2024, respectively. Within these customers, we had 134 and 49 customers with product revenue of greater than $5 million and $10 million, respectively, for the trailing 12 months ended October 31, 2025. The substantial majority of our revenue was derived from existing customers under capacity arrangements, which represented approximately 98% and 97% of our revenue for the three and nine months ended October 31, 2025, respectively, and approximately 98% of our revenue for each of the three and nine months ended October 31, 2024. The remainder was derived from on-demand arrangements and new customers under capacity arrangements. The preceding historical metrics reflect any adjustments for acquisitions, consolidations, spin-offs, and other market activity. For purposes of determining revenue derived from (i) customers with trailing 12-month product revenue greater than $1 million, (ii) new customers, and (iii) existing customers, we treat each customer account, including accounts for end-customers under a reseller arrangement, that has at least one corresponding capacity contract as a unique customer, and a single organization with multiple divisions, segments, or subsidiaries may be counted as multiple customers.

Professional services and other revenue increased $12.7 million and $33.8 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively, as our professional services organization continues to expand and evolve to help our customers further realize the benefits of our platform.

Cost of Revenue, Gross Profit (Loss), and Gross Margin

	Three Months Ended October 31,		% Change	Nine Months Ended October 31,		% Change
	2025	2024		2025	2024	
	(dollars in thousands)			(dollars in thousands)		
Cost of revenue:						
Product	$ 320,810	$ 263,622	22%	$ 908,402	$ 718,861	26%
Professional services and other	70,063	57,272	22%	203,072	162,628	25%
Total cost of revenue	$ 390,873	$ 320,894	22%	$ 1,111,474	$ 881,489	26%
Gross profit (loss):						
Product	$ 837,567	$ 636,660	32%	$ 2,337,284	$ 1,800,258	30%
Professional services and other	(15,531)	(15,460)	—%	(48,806)	(42,121)	16%
Total gross profit	$ 822,036	$ 621,200	32%	$ 2,288,478	$ 1,758,137	30%
Gross margin:						
Product	72%	71%		72%	71%	
Professional services and other	(28%)	(37%)		(32%)	(35%)	
Total gross margin	68%	66%		67%	67%	
Headcount (at period end)						
Product	478	484		478	484	
Professional services and other	780	596		780	596	
Total headcount	1,258	1,080		1,258	1,080	

Cost of product revenue increased $57.2 million and $189.5 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively. The increase was primarily due to an increase of $63.2 million and $173.5 million in third-party cloud infrastructure expenses (including those related to GPUs) for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year, as a result of increased customer consumption of our platform. Amortization of capitalized software development costs and acquired developed technology intangible assets also increased $7.2 million and $21.9 million for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year. The overall increase in cost of product revenue for the three and nine months ended October 31, 2025 was partially offset by a decrease of $12.7 million in costs incurred by us in connection with a restructuring plan for a majority-owned subsidiary, net of associated income and recoveries.

Our product gross margin was 72% for each of the three and nine months ended October 31, 2025, compared to 71% for each of the three and nine months ended October 31, 2024, respectively. This slight improvement is primarily due to the decrease in the aforementioned restructuring costs and stock-based compensation as a percentage of product revenue, offset by costs attributable to newly launched product capabilities and features that have not yet reached economies of scale. We expect our product gross margin to fluctuate from period to period due to a number of factors, including, but not limited to: (i) fluctuations in the mix and timing of customers' consumption, which is inherently variable at our customers' discretion, (ii) our pricing model and discounting practices, (iii) the extent of our investments in new product capabilities, features, and operations, such as investments in AI Technology and performance improvements that may make our platform or the underlying cloud infrastructure more efficient, and (iv) stock-based compensation.

Cost of professional services and other revenue increased $12.8 million and $40.4 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively. The increase was primarily due to an increase of $12.5 million and $31.2 million in personnel-related costs and allocated overhead costs for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year, as a result of increased headcount and stock-based compensation. The remaining increase in cost of professional services and other revenue for the nine months ended October 31, 2025 was primarily driven by increased costs of contracted third-party partners to support the growth in our business.

Professional services and other gross margin was (28%) and (32%) for the three and nine months ended October 31, 2025, respectively, compared to (37%) and (35%) for the three and nine months ended October 31, 2024, respectively. We do not believe the year-over-year changes in professional services and other gross margins are meaningful given that our professional services and other revenue represents a small percentage of our revenue.

Sales and Marketing

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
Sales and marketing	$ 550,364	$ 437,962	26%	$ 1,510,875	$ 1,239,409	22%
Percentage of revenue	45%	47%		44%	47%	
Headcount (at period end)	4,141	3,283		4,141	3,283	

Sales and marketing expenses increased $112.4 million and $271.5 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively. The increase was primarily due to an increase of $79.9 million and $199.5 million in personnel-related costs (excluding commission expenses) and allocated overhead costs for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year, as a result of increased headcount, stock-based compensation, and overall costs to support the growth in our business. The increase in personnel-related costs included a $18.6 million and $47.3 million increase in stock-based compensation for the three and nine months ended October 31, 2025, compared to the same periods in the prior year, primarily related to additional equity awards granted to existing and new employees, partially offset by the effects of equity awards that became forfeited or fully vested.

Advertising costs and other expenses associated with our sales, marketing and business development programs, as well as travel-related expenses increased $14.4 million and $34.7 million for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year. The remaining increase in sales and marketing expenses for the three and nine months ended October 31, 2025 was primarily attributable to increased commission expenses.

Research and Development

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
Research and development	$ 494,027	$ 442,435	12%	$ 1,458,434	$ 1,290,889	13%
Percentage of revenue	41%	47%		43%	49%	
Headcount (at period end)	2,403	2,286		2,403	2,286	

Research and development expenses increased $51.6 million and $167.5 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively. The increase was primarily due to an increase of $65.3 million and $177.4 million in personnel-related costs and allocated overhead costs for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year, as a result of increased stock-based compensation, headcount, and overall costs to support the growth in our business. The increase in personnel-related costs included a $36.9 million and $94.5 million increase in stock-based compensation for the three and nine months ended October 31, 2025, respectively, compared to the same periods in the prior year, primarily related to additional equity awards granted to existing and new employees, partially offset by the effects of equity awards that became forfeited or fully vested.

The overall increase in research and development expenses for the three and nine months ended October 31, 2025, was partially offset by a decrease of $15.9 million in costs incurred by us in connection with a restructuring plan for a majority-owned subsidiary, net of associated income and recoveries.

General and Administrative

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
General and administrative	$ 107,118	$ 106,260	1%	$ 436,175	$ 297,171	47%
Percentage of revenue	9%	11%		13%	12%	
Headcount (at period end)	1,221	1,174		1,221	1,174	

General and administrative expenses remained relatively flat during the three months ended October 31, 2025, compared to the three months ended October 31, 2024.

General and administrative expenses increased $139.0 million for the nine months ended October 31, 2025, compared to the nine months ended October 31, 2024. During the nine months ended October 31, 2025, we recognized asset impairment charges of $108.7 million, primarily relating to the cease-use of our San Mateo office facility. See Note 11, "Commitments and Contingencies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

In addition, personnel-related costs and allocated overhead costs increased $18.8 million for the nine months ended October 31, 2025, compared to same period in the prior year, as a result of increased headcount, stock-based compensation and overall costs to support the growth in our business. Unallocated lease costs associated with unused office facilities to accommodate planned headcount growth also increased $7.9 million for the nine months ended October 31, 2025, compared to same period in the prior year.

Interest Income

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
Interest income	$ 45,481	$ 48,655	(7%)	$ 148,111	$ 152,699	(3%)

Interest income decreased $3.2 million and $4.6 million during the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively, primarily due to lower weighted average annual yields on our cash equivalents and investments in available-for-sale marketable debt securities as a result of decreased interest rates. See Note 4, "Cash Equivalents, Investments and Strategic Investments," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details on our cash equivalents and investments.

Other Expense, Net

	Three Months Ended October 31,			Nine Months Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
	(dollars in thousands)			(dollars in thousands)		
Impairments related to strategic investments in non-marketable equity securities	$ (500)	$ (5,200)	(90%)	$ (32,021)	$ (11,578)	177%
Net unrealized gains (losses) on strategic investments in marketable equity securities	237	(3,791)	(106%)	(5,211)	(6,796)	(23%)
Net realized gains (losses) on strategic investments in equity securities sold[1]	8	380	(98%)	1,712	(17,440)	(110%)
Other	(1,599)	137	(1,267%)	623	(1,908)	(133%)
Other expense, net	$ (1,854)	$ (8,474)	(78%)	$ (34,897)	$ (37,722)	(7%)

(1) Represents the difference between the sale proceeds and the carrying value of the securities at the beginning of the period or the purchase date, if later.

Other expense, net decreased $6.6 million and $2.8 million for the three and nine months ended October 31, 2025, compared to the three and nine months ended October 31, 2024, respectively, primarily due to impairments and changes in net realized and unrealized gains (losses) on our strategic investments in equity securities. See Note 4, "Cash Equivalents, Investments and Strategic Investments," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

Provision for Income Taxes

	Three Months Ended October 31,		% Change	Nine Months Ended October 31,		% Change
	2025	2024		2025	2024	
	(dollars in thousands)			(dollars in thousands)		
Loss before income taxes	$ (287,921)	$ (325,965)	(12%)	$ (1,010,012)	$ (955,044)	6%
Provision for income taxes	$ 3,682	$ 1,937	90%	$ 9,473	$ 8,444	12%
Effective tax rate	(1.3%)	(0.6%)		(0.9%)	(0.9%)	

Our provision for income taxes increased by $1.7 million for the three months ended October 31, 2025, compared to the three months ended October 31, 2024, primarily attributable to an increase in our foreign earnings for the three months ended October 31, 2025, and partial releases of valuation allowances associated with a business combination completed during the three months ended October 31, 2024.

Our provision for income taxes remained relatively flat during the nine months ended October 31, 2025, compared to the nine months ended October 31, 2024.

We maintain a full valuation allowance on our U.S. and U.K. deferred tax assets, and the significant components of our recorded tax expense are current cash taxes in various jurisdictions. The cash tax expenses are impacted by each jurisdiction's individual tax rates, laws on the timing of recognition of income and deductions, and availability of net operating losses and tax credits. Our effective tax rate might fluctuate significantly and could be adversely affected to the extent earnings are lower than forecasted in countries that have lower statutory rates and higher than forecasted in countries that have higher statutory rates.

Liquidity and Capital Resources

As of October 31, 2025, our principal sources of liquidity were cash, cash equivalents, and short-term and long-term investments totaling $4.4 billion. Our cash equivalents and investments primarily consist of corporate notes and bonds, money market funds, U.S. government and agency securities, commercial paper, time deposits, and certificates of deposit.

As of October 31, 2025, our RPO was $7.9 billion. Our RPO represents the amount of contracted future revenue that has not yet been recognized, including (i) deferred revenue and (ii) non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods, but that are not recorded on the balance sheet. Portions of RPO that are not yet invoiced and are denominated in foreign currencies are revalued into U.S. dollars each period based on the applicable period-end exchange rates.

Our primary sources of cash are payments received from our customers as well as net proceeds from the issuance of our convertible senior notes. Our primary uses of cash include personnel-related expenses, third-party cloud infrastructure expenses (including those related to GPUs), sales and marketing expenses, overhead costs, acquisitions and strategic investments we may make from time to time, and repurchases of our common stock under our authorized stock repurchase program. As of October 31, 2025, our material cash requirements from known contractual obligations and commitments relate primarily to (i) third-party cloud infrastructure agreements, (ii) our convertible senior notes, (iii) operating leases for office facilities, and (iv) subscription arrangements used to facilitate our operations at the enterprise level. These agreements are enforceable and legally binding and specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. For the nine months ended October 31, 2025, there were no material changes outside of the ordinary course of business in our commitments and contractual obligations disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, which was filed with the SEC on March 21, 2025. See Note 11, "Commitments and Contingencies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

In November 2025, we amended one of our third-party cloud infrastructure agreements effective November 1, 2025 (November 2025 Amendment). Under the amended agreement, we have committed to spend at least $530.0 million between November 2025 and October 2030 on cloud infrastructure services with no minimum purchase commitment during any year. We are required to pay the difference if we fail to meet the minimum purchase commitment as of October 2030. Up to $100.0 million of such payments can be applied to qualifying spending on cloud infrastructure services for up to one year after October 2030, subject to certain conditions. We are no longer required to fulfill the remaining non-cancelable purchase commitment under the agreement prior to the November 2025 Amendment, which totaled $171.3 million as of October 31, 2025.

In November 2025, we renewed and expanded our agreement with a third-party AI service provider to support our AI products. Under the renewal agreement, we have committed to spend an aggregate of at least $200.0 million over a three-year contract term that began in December 2025 ($50.0 million, $70.0 million and $80.0 million for the contract years ending November 2026, 2027 and 2028, respectively). Services accessed through certain public cloud providers may be applied toward our contractual spend commitments under this renewal agreement. We are required to pay the difference if we fail to meet the minimum purchase commitment during any contract year.

In November 2025, we completed acquisitions of two privately-held companies for an aggregate of approximately $44 million in cash or a combination of cash and unregistered shares of our common stock, subject to customary purchase price adjustments. We are currently evaluating the purchase price allocation for these transactions.

Convertible Senior Notes

In September 2024, we issued an aggregate principal amount of $2.3 billion of convertible senior notes in a private placement to qualified institutional buyers, comprising of (i) $1.15 billion aggregate principal amount of 0% convertible senior notes due 2027 (2027 Notes) and (ii) $1.15 billion aggregate principal amount of 0% convertible senior notes due 2029 (2029 Notes, and together with the 2027 Notes, the Notes). The Notes are general, senior unsecured obligations. The 2027 Notes will mature on October 1, 2027 and the 2029 Notes will mature on October 1, 2029, in each case unless earlier converted, redeemed, or repurchased. Upon conversion of the Notes, we may satisfy our conversion obligation by paying or delivering, as the case may be, cash, shares of our common stock or a combination of both, at our election. The total proceeds from the issuance of the Notes were approximately $2.27 billion, net of $31.2 million of debt issuance costs. The outstanding principal of the 2027 Notes and the 2029 Notes was $1.15 billion each as of October 31, 2025 and January 31, 2025.

In connection with the Notes offering, we entered into privately negotiated capped call transactions relating to each series of Notes (Capped Calls) with certain of the initial purchasers or affiliates thereof and certain other financial institutions for a cost of $195.5 million. The Capped Calls are generally expected to reduce the potential dilution to our common stock upon any conversion of the relevant series of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes of such series, as the case may be, with such reduction and/or offset subject to a cap based on a cap price initially equal to $225.00 per share.

We used a portion of the net proceeds from the Notes offering to (i) pay the $195.5 million cost of the Capped Calls and (ii) repurchase $399.6 million of our common stock from purchasers of the Notes in the offering in privately negotiated transactions entered into in connection with the Notes offering at a purchase price of $112.50 per share. We expect to use the remainder of the net proceeds for general corporate purposes, which may include other repurchases of our common stock from time to time under our existing or any future stock repurchase program, as well as acquisitions or strategic investments in complementary businesses or technologies.

During the three months ended October 31, 2025, the last reported sale price of our common stock was greater than or equal to 130% of the conversion price for at least 20 trading days during the 30 consecutive trading days ending on the last trading day of the quarter. As a result, holders may convert the Notes at any time during the three months ending January 31, 2026. To the extent we receive notices of conversion, we may choose to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. See Note 10, “Convertible Senior Notes,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

Stock Repurchase Program

In February 2023, our board of directors authorized a stock repurchase program of up to $2.0 billion of our outstanding common stock. In August 2024, our board of directors authorized the repurchase of an additional $2.5 billion of our outstanding common stock and extended the expiration date of the stock repurchase program from March 2025 to March 2027. Repurchases may be effected, from time to time, either on the open market (including via pre-set trading plans), in privately negotiated transactions, or through other transactions in accordance with applicable securities laws. The timing and amount of any repurchases will be determined by management based on an evaluation of market conditions and other factors. The program does not obligate us to acquire any particular amount of common stock, and the repurchase program may be suspended or discontinued at any time at our discretion.

During the nine months ended October 31, 2025, we repurchased 4.3 million shares of our outstanding common stock for an aggregate purchase price of $723.5 million, excluding transaction costs associated with the repurchases, at a weighted-average price of $169.95 per share. All repurchases were made in open market transactions. As of October 31, 2025, approximately $1.3 billion remained available for future repurchases under the stock repurchase program (exclusive of transaction costs associated with repurchases). See Note 12, "Equity," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

We believe that our existing cash, cash equivalents, and short-term and long-term investments, as well as cash flows expected to be generated by our operations, will be sufficient to support our working capital and capital expenditure requirements, convertible senior notes repayment requirements, acquisitions and strategic investments we may make from time to time, and repurchases of our common stock under our existing or any future stock repurchase program, for the next 12 months and beyond. Our future capital requirements will depend on many factors, including our revenue growth rate, expenditures related to our headcount growth, the timing and the amount of cash received from customers, the expansion of sales and marketing activities, the timing and extent of spending to support development efforts, the price at which we are able to purchase public cloud capacity, our existing commitments to our third-party cloud providers, expenses associated with our international expansion, the introduction of platform enhancements, the continuing market adoption of our platform, and the volume and timing of our stock repurchases. We may continue to enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may, as a result of those arrangements or the general expansion of our business, be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition.

The following table shows a summary of our cash flows for the periods presented (in thousands):

	Nine Months Ended October 31,	
	2025	**2024**
Net cash provided by operating activities	$ 440,788	$ 527,039
Net cash used in investing activities	$ (106,996)	$ (34,242)
Net cash used in financing activities	$ (1,060,082)	$ (106,405)

Operating Activities

Net cash provided by operating activities mainly consists of our net loss adjusted for certain non-cash items, primarily consisting of (i) stock-based compensation, net of amounts capitalized, (ii) depreciation and amortization of property and equipment and amortization of acquired intangible assets, (iii) asset impairment related to office facility exit, (iv) amortization of deferred commissions, (v) amortization of operating lease right-of-use assets, (vi) net realized and unrealized gains and losses on strategic investments in equity securities, and (vii) net amortization (accretion) of premiums (discounts) on investments, and changes in operating assets and liabilities during each period.

For the nine months ended October 31, 2025, net cash provided by operating activities was $440.8 million, consisting of our net loss of approximately $1.0 billion, adjusted for non-cash charges of approximately $1.6 billion, and net cash outflows of $157.5 million resulting from changes in our operating assets and liabilities, net of the effects of a business combination. The main driver of the changes in operating assets and liabilities during the nine months ended October 31, 2025 was (i) a $181.7 million increase in deferred commissions primarily earned upon the origination, expansion, or renewal of customer contracts, (ii) a $172.4 million decrease in deferred revenue due to revenue recognition outpacing invoicing for prepaid capacity agreements, (iii) a $42.4 million decrease in operating lease liabilities due to payments related to our operating lease obligations, (iv) a $12.6 million increase in accounts receivable primarily due to growth in our business, partially offset by (a) a $217.8 million increase in accrued expenses and other liabilities primarily due to the timing of accruals and payments and growth in our business, and (b) a $36.3 million increase in accounts payable due to timing of invoices and payments.

For the nine months ended October 31, 2024, net cash provided by operating activities was $527.0 million, consisting of our net loss of $963.5 million, adjusted for non-cash charges of $1.3 billion, and net cash inflows of $188.8 million provided by changes in our operating assets and liabilities, net of the effects of business combinations.

Net cash provided by operating activities decreased $86.3 million for the nine months ended October 31, 2025, compared to the nine months ended October 31, 2024, primarily due to higher cash expenditures to support business growth and the timing of payments and collections, partially offset by increased cash collections from customers driven by higher sales. We expect to continue to generate positive net cash flows from operating activities for fiscal 2026.

Investing Activities

Net cash used in investing activities for the nine months ended October 31, 2025 was $107.0 million, primarily driven by $164.2 million in cash paid for Crunchy Data business combination, net of cash acquired, and $85.6 million in purchases of property and equipment to support our office facilities, partially offset by proceeds of $144.1 million from net sales, maturities and redemptions of investments.

Net cash used in investing activities for the nine months ended October 31, 2024 was $34.2 million, primarily driven by an aggregate of $75.6 million in cash paid for (i) purchases of property and equipment to support our office facilities, (ii) capitalized software development costs, and (iii) business combinations, net of cash acquired, partially offset by proceeds of $42.1 million from net sales, maturities and redemptions of investments.

Financing Activities

Net cash used in financing activities for the nine months ended October 31, 2025 was approximately $1.1 billion, primarily driven by $723.5 million in repurchases of our common stock under our authorized stock repurchase program, and $485.2 million in taxes paid related to net share settlement of equity awards, partially offset by proceeds of $151.4 million from the issuance of equity securities under our equity incentive plans.

Net cash used in financing activities for the nine months ended October 31, 2024 was $106.4 million, primarily driven by (i) $1.9 billion in repurchases of our common stock under our authorized stock repurchase program, (ii) $359.6 million in taxes paid related to net share settlement of equity awards, and (iii) $195.5 million in purchases of the Capped Calls, partially offset by (a) proceeds of approximately $2.27 billion from the issuance of the Notes, net of $31.2 million in cash paid for issuance costs, and (b) proceeds of $112.3 million from the issuance of equity securities under our equity incentive plans.

Critical Accounting Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our condensed consolidated financial statements, which are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. By their nature, these estimates and assumptions are subject to an inherent degree of uncertainty and actual results could differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected.

There have been no material changes to our critical accounting estimates as compared to those described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, which was filed with the SEC on March 21, 2025.

Recent Accounting Pronouncements

See Note 2, "Basis of Presentation and Summary of Significant Accounting Policies," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

As of October 31, 2025, we had $4.4 billion of cash, cash equivalents, and short-term and long-term investments in a variety of securities, including corporate notes and bonds, money market funds, U.S. government and agency securities, commercial paper, time deposits, and certificates of deposit. Our cash, cash equivalents, and short-term and long-term investments are held for working capital, capital expenditure, and general corporate purposes, including repurchases of our common stock under our stock repurchase program as well as acquisitions and strategic investments we may make from time to time. We do not enter into investments for trading or speculative purposes. A hypothetical 100 basis point increase or decrease in interest rates would have resulted in a decrease of $16.2 million or increase of $16.0 million, respectively, in the market value of our cash equivalents, and short-term and long-term investments as of October 31, 2025.

As of January 31, 2025, we had $5.3 billion of cash, cash equivalents, and short-term and long-term investments, and a hypothetical 100 basis point increase or decrease in interest rates would have resulted in a decrease or increase of $15.3 million, in the market value.

In September 2024, we issued an aggregate principal amount of $2.3 billion of the Notes. Neither the 2027 Notes nor the 2029 Notes bear regular interest, and the principal amount of the Notes will not accrete. We may elect or be required to pay special interest on the Notes under certain circumstances in accordance with the terms of the applicable Indenture. Accordingly, we do not have economic interest rate exposure on the Notes. However, the fair value of each series of the Notes fluctuates when interest rates or market prices of our common stock change. We record the Notes at amortized cost on the condensed consolidated balance sheets, and we present the fair value of each series of the Notes for disclosure purpose only. In connection with the Notes offering, we entered into the Capped Calls for a cost of $195.5 million. The Capped Calls are generally expected to reduce the potential dilution to our common stock upon any conversion of the relevant series of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes of such series, with such reduction and/or offset subject to a cap. See Note 10, “Convertible Senior Notes,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar, and the functional currency of our foreign subsidiaries is primarily the U.S. dollar. The majority of our sales are currently denominated in U.S. dollars, although we also have sales in Euros and, to a lesser extent, in British pounds, Australian dollars, Canadian dollars, Brazilian reals, and Indian rupees. Therefore, our revenue is not currently subject to significant foreign currency risk, but that will likely change in the future as we increase sales in these international currencies and enable sales in additional currencies. Our operating expenses are denominated in the currencies of the countries in which our operations are located, including primarily the United States and, to a lesser extent, Europe, the Asia-Pacific region, and Canada. Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured to the functional currency at period-end exchange rates. Our condensed consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates.

In order to manage our exposure to certain foreign currency exchange risks, we utilize foreign currency forward contracts to hedge primarily a portion of our net outstanding monetary assets and liabilities positions and certain intercompany balances denominated in currencies other than the U.S. dollar. We also utilize foreign currency forward contracts, which we designate as cash flow hedges, to manage the volatility in cash flows associated with a portion of our forecasted operating expenses denominated in certain currencies other than the U.S. dollar and certain forecasted capital expenditures. All of our foreign currency forward contracts mature within 12 months. These forward contracts reduced, but did not entirely eliminate, the impact of adverse currency exchange rate movements. We did not enter into these forward contracts for trading or speculative purposes.

We do not believe a 10% increase or decrease in the relative value of the U.S. dollar would have had a material impact on our operating results for each of the three and nine months ended October 31, 2025 and 2024. However, a strengthening of the U.S. dollar makes our platform more expensive for international customers, which may slow down consumption.

Other Market Risk

Our strategic investments consist primarily of non-marketable equity securities recorded at cost minus impairment, if any, and adjusted for observable transactions for the same or similar investments of the same issuer (referred to as the Measurement Alternative). These strategic investments are subject to a wide variety of market-related risks, including volatility in the public and private markets, that could substantially reduce or increase the carrying value of our investments, causing our financial results to fluctuate. Strategic investments are subject to periodic impairment analyses, which involves an assessment of both qualitative and quantitative factors, including the investee's financial metrics, market acceptance of the investee's product or technology, and the rate at which the investee is using its cash.

The following table presents our strategic investments by type (in thousands):

	October 31, 2025	January 31, 2025
Equity securities:		
Non-marketable equity securities under Measurement Alternative	$ 331,436	$ 281,158
Non-marketable equity securities under equity method	5,775	5,491
Marketable equity securities	8,622	13,833
Debt securities:		
Non-marketable debt securities	10,000	750
Total strategic investments—included in other assets	$ 355,833	$ 301,232

See Note 4, "Cash Equivalents, Investments and Strategic Investments," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

We plan to continue these types of strategic investments as part of our corporate development program. We anticipate additional volatility to our condensed consolidated statements of operations as a result of changes in market prices, changes resulting from observable transactions for the same or similar investments of the same issuer, and impairments to our strategic investments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of October 31, 2025. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of October 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended October 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we have been and will continue to be subject to legal proceedings and claims. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows.

We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights.

On February 29, 2024, a stockholder class action lawsuit was filed against us, our former Chief Executive Officer, and our former Chief Financial Officer in the United States District Court in the Northern District of California, alleging violations under Sections 10(b) and 20(a) of the Exchange Act. The complaint seeks an unspecified amount of damages, attorneys' fees, expert fees, and other costs. On October 28, 2024, an amended complaint was filed by the lead plaintiff. On December 23, 2024, we filed a motion to dismiss the amended complaint. On January 29, 2025, the lead plaintiff informed us that it would seek leave to file a second amended complaint rather than respond to the motion to dismiss. On April 7, 2025, the lead plaintiff filed its second amended complaint. On June 6, 2025, we filed a motion to dismiss the second amended complaint. On August 5, 2025, the lead plaintiff filed its opposition to the motion to dismiss. On September 19, 2025, we filed our reply brief in support of the motion to dismiss. Oral argument on the motion to dismiss is scheduled for December 11, 2025. In addition, since the filing of the class action lawsuit, five additional complaints containing securities derivative claims have been filed against us and certain of our directors and executive officers alleging similar violations. The derivative claims have been stayed pending resolution of the anticipated motion to dismiss the class action lawsuit. We and the other defendants intend to vigorously defend against the claims in these actions.

On June 13, 2024, a class action was filed in the United States District Court for the District of Montana against us alleging that we failed to take reasonable measures to secure systems that contained consumer data, thereby allowing threat actors to access and exfiltrate personally identifiable information. In the months that followed, numerous additional class actions making the same or similar allegations were filed in the United States and Canada against us and/or our customers whose consumer or employee data was exfiltrated. Among other claims, the complaints assert common law claims for negligence, breach of fiduciary duty, breach of implied contract, and unjust enrichment, as well as statutory claims, and seek an unspecified amount of damages, attorneys' fees and costs, as well as injunctive relief. On October 4, 2024, an order was issued by the United States Judicial Panel on Multidistrict Litigation combining the class actions filed in the United States into a multidistrict litigation in the District of Montana. On February 3, 2025, plaintiffs filed their representative complaint on behalf of the consumer plaintiffs. On February 14, 2025, the Court created a separate financial institution track to represent the interests of certain financial institutions (FI Plaintiffs) and ordered that a separate FI Plaintiff representative complaint be filed. On April 7, 2025, an FI Plaintiff representative complaint was filed. On April 14, 2025, the plaintiffs filed a second amended representative complaint on behalf of the consumer plaintiffs. On May 16, 2025, we filed a motion to dismiss the second amended representative complaint on behalf of the consumer plaintiffs. On May 20, 2025, the plaintiffs filed a third amended representative complaint that asserted additional claims against us on behalf of individuals impacted by the breach of a Snowflake customer account containing personally identifiable information from the Los Angeles Unified School District (LAUSD Claims). On June 26, 2025, we moved to dismiss the FI Plaintiff representative complaint. On July 30, 2025, we moved to dismiss the LAUSD Claims. On October 28 and 29, 2025, following oral argument, the Court denied the three motions to dismiss. We are currently required to file our answers to the complaints on or before December 15, 2025. In addition to the multidistrict litigation, a class action is pending in the Supreme Court of British Columbia. We intend to vigorously defend against the claims in these actions.

On November 21, 2025, a class action lawsuit was filed against us in the United States District Court for the District of Montana alleging copyright infringement on behalf of a putative class of individuals and entities that own a United States copyright in any work that was allegedly copied, stored, or used without authorization to train our large language model. The complaint seeks an award of statutory and other damages, attorneys' fees, and all appropriate legal and equitable relief. We intend to vigorously defend against the claims in this action.

Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors. See Note 11, “Commitments and Contingencies,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including those described below. You should consider and read carefully all of the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including the sections titled “Special Note about Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our unaudited condensed consolidated financial statements and related notes, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations, or growth prospects. In such case, the trading price of our common stock could decline. You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized.

Risks Related to Our Business and Operations

We have experienced rapid revenue growth and have a limited operating history, both of which make it difficult to forecast our future results of operations.

Our revenue was $1.2 billion and $942.1 million for the three months ended October 31, 2025 and 2024, respectively, and $3.4 billion and $2.6 billion for the nine months ended October 31, 2025 and 2024, respectively. As a result of our historical rapid growth, limited operating history, large number of new product features, including those incorporating artificial intelligence (AI) and machine learning technology (collectively, AI Technology), and unstable macroeconomic conditions, our ability to accurately forecast our future results of operations, including revenue, gross margin, remaining performance obligations (RPO), and the percentage of RPO we expect to recognize as revenue in future periods, is limited and subject to a number of uncertainties, including our ability to plan for and model future growth and platform consumption. Our historical revenue growth should not be considered indicative of our future performance.

Further, our revenue growth could slow or our revenue could decline for a number of reasons, including increased competition; changes to technology, such as changes in software or underlying cloud infrastructure or the increasing prominence of new technology like AI; reputational harm; and reduced demand for our platform. For example, customers may continue to optimize consumption, rationalize budgets, and prioritize cash flow management, including by reducing storage through shorter data retention policies and shortening committed contract durations. As a result of the foregoing and our rapid revenue growth in prior periods, our revenue growth rate has slowed in recent periods. Any further declines in our revenue growth rate could adversely affect investors’ perceptions of our business, and negatively impact the trading price of our common stock.

Our revenue growth is also dependent on our ability to increase our penetration into existing markets, and to successfully enter and grow new markets, including highly-regulated markets such as financial services, healthcare, and the public sector. Sales to highly-regulated entities are subject to substantial additional costs and risks that are not present in sales to other customers, which are described below in the risk factor titled “*We do business with federal, state, local, and foreign governments and agencies, and heavily regulated organizations; as a result, we face heightened risks related to special contract terms, non-standard product deployments, and compliance with additional processes, rules, and regulations.*”

We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described below. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

We may not have visibility into our future financial position and results of operations.

Customers generally consume our platform by using compute, storage, and/or data transfer resources. Unlike a subscription-based business model, in which revenue is recognized ratably over the term of the subscription, we generally recognize revenue on consumption. Because our customers have flexibility in the timing of their consumption, we do not have the visibility into the timing of revenue recognition that a typical subscription-based software company has. Customer consumption fluctuates from time to time, and there is a risk that customers will consume our platform at lower levels than we expect, including in response to new software releases or hardware improvements that may make our platform more efficient, adverse macroeconomic conditions or holidays. Unexpected fluctuations in customer consumption may cause actual results to differ from our forecasts. As a result, our results of operations in a given period should not be relied upon as indicative of future performance.

We have a history of operating losses and may not achieve or sustain profitability in the future.

We have experienced net losses in each period since inception. We generated net losses of $291.6 million and $327.9 million for the three months ended October 31, 2025 and 2024, respectively, and $1.0 billion and $963.5 million for the nine months ended October 31, 2025 and 2024, respectively. As of October 31, 2025 and January 31, 2025, we had an accumulated deficit of $9.0 billion and $7.3 billion, respectively. We expect our costs and expenses to continue to increase in future periods. In particular, we intend to continue to invest significant resources to further develop our platform, expand our research and development teams, retain our employees, and acquire other businesses, including in the areas of data science, AI, and machine learning. We have also entered into new customer consumption arrangements and have invested and may continue to invest in new product areas that are complex and costly and whose adoption and usage are unpredictable. These activities may lead to increased fluctuations in our revenue and lower profit margins. In addition, our platform currently operates on public cloud infrastructure provided by Amazon Web Services (AWS), Microsoft Azure (Azure), and Google Cloud Platform (GCP), and our costs and gross margins are significantly influenced by the prices we are able to negotiate with these public cloud providers, which in certain cases are also our competitors. If we fail to meet any minimum commitments under our third-party cloud infrastructure agreements, we may be required to pay the difference, and our results of operations could be negatively impacted. We will also incur increased general and administrative expenses associated with our growth, including costs related to internal systems, operating as a public company, and targeting regulated industries or markets. Our efforts to grow our business have been and may continue to be costlier than we expect, or our revenue growth rate may be slower than we expect, and we may not be able to increase our revenue enough to offset the increase in operating expenses resulting from these investments. If we are unable to achieve and sustain profitability, or if we are unable to achieve the revenue growth that we expect from these investments, the value of our business and common stock may significantly decrease.

The markets in which we operate are highly competitive, and if we do not compete effectively, our business, financial condition, and results of operations could be harmed.

The markets in which we operate are rapidly evolving and highly competitive. In recent years, we have adopted open data formats like Apache Iceberg tables to allow customers to use our platform to process data stored in external customer-controlled environments outside of Snowflake, and we have introduced a significant number of new features and expanded into new product categories like AI. These changes are driving increased competition, both because there is less customer “lock in” when our products are used in external environments, and also because we are competing across more product categories, each of which is subject to distinct customer requirements and preferences. Our success depends on our ability to continue to effectively innovate in response to changing market dynamics.

Our current competitors include:

- large, well-established, public cloud providers that generally compete in all of our markets, including AWS, Azure, and GCP;
- less-established public and private cloud companies with products that compete in some or all of our markets;
- other established vendors of legacy database solutions or big data offerings; and
- new or emerging entrants seeking to develop competing technologies.

We compete based on various factors, including price, performance, product features, breadth of use cases, multi-cloud availability, brand recognition and reputation, customer support, technical services, and differentiated capabilities, including ease of implementation and data migration, ease of administration and use, scalability and reliability, data governance, security and compatibility with existing standards, programming languages, third-party products, and the ability to operate in hybrid environments. Many of our competitors have substantially greater brand recognition, customer relationships, and financial, technical, and other resources than we do, and may be able to respond more effectively than us to new or changing opportunities, technologies, standards, customer requirements, and buying practices. Some of our privately-held competitors also have greater operational flexibility in making strategic long-term business decisions without the short-term financial performance pressure and market expectations that affect public companies. In addition, we may not be able to respond to market opportunities as quickly as smaller companies or offer as many discounts or free services as our competitors. Our support of open data formats may also reduce switching costs between us and our competitors.

We currently offer our platform on the public clouds provided by AWS, Azure, and GCP, which are also some of our primary competitors. Currently, a substantial majority of our business is run on the AWS public cloud. There is risk that one or more of these public cloud providers could use its respective control of its public clouds to embed innovations or privileged interoperating capabilities in competing products, bundle competing products, provide us unfavorable pricing, leverage its public cloud customer relationships to exclude us from opportunities, and treat us and our customers differently with respect to terms and conditions or regulatory requirements than it would treat its similarly situated customers. Further, they have the resources to acquire, invest in, or partner with existing and emerging providers of competing technologies and thereby accelerate adoption of those competing technologies. All of the foregoing could make it difficult or impossible for us to provide products and services that compete favorably with those of the public cloud providers.

Some of our customers use drivers and/or connectors to connect our platform to third-party applications or databases. Attempts by third-party application or database providers to restrict the use of drivers and connectors may make it more difficult for customers to use our platform, which could lead to reduced sales and consumption.

For all of these reasons, competition may negatively impact our ability to acquire new customers and maintain and grow use of our platform, put downward pressure on our prices and gross margins, or lead us to take greater risks, any of which could materially harm our business, reputation, results of operations, revenue retention rate, and financial condition.

If we fail to innovate in response to changing customer needs, new technologies, or other market requirements, our business, financial condition, and results of operations could be harmed.

We compete in markets that evolve rapidly. We believe that the pace of innovation will continue to accelerate as customers increasingly base their purchases of cloud data platforms on a broad range of factors, including performance and scale, cost, markets addressed, types of data processed, ease of data ingress and egress, support of open data formats, user experience and programming languages, use of AI, interoperability and integrations across tools, applications, and platforms, and data governance, security, and regulatory compliance. We introduced data warehousing on our platform in 2014 as our core use case, and our customers subsequently began using our platform for additional product categories, including analytics, data engineering, AI, and applications and collaboration. Our future success depends on our ability to continue to innovate rapidly and effectively and increase customer adoption of our platform and the AI Data Cloud, including emerging product areas such as AI, Apache Iceberg tables, and Snowpark.

Further, the value of our platform to customers increases to the extent they are able to use it to process and access all types of data. We need to continue to invest in technologies, services, and partnerships that increase the types of data available and processed on our platform, the ease with which customers can ingest data into our platform, and the types of environments that our platform supports, including hybrid offerings that extend into customer-managed environments. We must also continue to enhance our data sharing and marketplace capabilities so customers can share their data with internal business units, their customers, and other third parties, acquire additional third-party data and data products to combine with their own data to gain additional business insights, and develop and monetize applications on our platform. As we develop, acquire, and introduce new services and technologies, including those that may incorporate AI Technology, we have been and may continue to be subject to new or heightened legal, ethical, and other challenges. In addition, our platform requires third-party public cloud infrastructure to operate. We need to continue to innovate to optimize our offerings for these and other public clouds that our customers require, particularly as we expand internationally. Further, the markets in which we compete are subject to evolving industry standards and regulations, resulting in increasing data governance and compliance requirements for us and our customers and partners. As we expand further into the public sector and highly regulated countries and industries, our platform and operations will need to address additional requirements specific to those markets, including data sovereignty requirements.

If we are unable to enhance our platform or operations to keep pace with these rapidly evolving customer needs or other market requirements, or if new technologies emerge that deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our platform, our business, financial condition, and results of operations could be adversely affected.

If we are not successful in executing our investments in AI Technology, our business, financial condition, and results of operations could be harmed.

We are investing significantly in AI Technology. Our investments include internally developing AI Technology, acquiring companies with complementary AI Technology, and partnering with companies to bring AI Technology to our platform. Our competitors are pursuing similar opportunities and may, as a result of greater resources, branding, or otherwise, develop, adopt, and implement AI Technology faster or more successfully than we do, which could impair our ability to compete effectively and adversely affect our business, financial condition and results of operations. In addition, our successful development of AI Technology depends on our access to GPUs and ability to recruit and retain AI-skilled personnel, both of which are currently in high demand. Finally, customers' use of our AI Technology is often dependent on their ability to meet evolving regulatory standards, successfully complete internal compliance reviews, and enter into mutually acceptable contractual terms. If they are unable to do so, they may not use our AI Technology as much as we anticipate, or at all. It is also possible that our investments in AI Technology do not result in the benefits we anticipate, or enable us to maintain our competitive advantage, which may adversely affect our business, financial condition, and results of operations. For example, we may not accurately anticipate market demand or offer AI Technology that amplifies our core data platform.

If we, our customers, or third-party service providers experience an actual or perceived security breach or unauthorized parties otherwise obtain access to our customers' data, our data, or our platform, our platform may be perceived as not being secure, our reputation may be harmed, demand for our platform may be reduced, and we may incur significant liabilities.

In the ordinary course of our business, we store, transmit, generate, and process our, our customers', and our business partners' confidential and proprietary data. Such data includes sensitive data, such as personal information, protected health information, and financial data. We also use third-party service providers, sub-processors, and technology to help us deliver services to our customers and their end-users, as well as for our internal business operations. For example, our platform is built on the infrastructure of third-party public cloud providers, such as AWS, Azure, and GCP, and we use third-party technology to assist with securing our environment and providing access to our platform. Some of our customers also use third-party service providers to assist with their use of our platform or third-party technology, such as connectors, to access our platform. These third-party service providers may process, store, or transmit data of our employees, partners, customers, and customers' end-users or may otherwise be used to help operate our platform and corporate systems. We, our customers and business partners, and these third parties face a variety of evolving cybersecurity threats, which are becoming more frequent and severe.

Cybersecurity threats come from a variety of sources, including traditional computer “hackers,” internal and external personnel (such as through exfiltration or misuse), sophisticated nation-states, and nation-state-supported actors. Cybersecurity threat actors can use a wide variety of methods, including unauthorized intrusions, denial-of-service attacks, ransomware attacks, business email compromises, computer malware, infostealer malware, social engineering attacks (including through deep-fakes and phishing), internal and external personnel misconduct or error, supply-chain attacks, software vulnerabilities, software or hardware disruptions or failures, and attacks enhanced or facilitated by AI Technology, all of which are prevalent in our industry and our customers’ and partners’ industries. These methods change frequently and are becoming increasingly difficult to detect. Threat actors who successfully compromise networks or systems may use such unauthorized access as a vector to compromise other networks and systems. Threat actors’ goals often include disrupting a company’s operations or ability to provide services, obtaining unauthorized access to platforms, systems, networks, or physical facilities in which data is stored or processed, or through which data is transmitted, stealing data, and demanding ransomware payments.

There can be no assurance that security measures designed to protect against security incidents will be effective, and our efforts to investigate, mitigate, contain, and remediate any security incidents that do occur may not be successful. Even though we may not control the security measures of third-party providers or environments, we may incur liability or suffer reputational harm if such measures are breached. Actions taken by us, third-party cloud providers, or the other third parties with whom we work to detect, investigate, mitigate, contain, and remediate security incidents could result in outages, data losses, and disruptions of our business. We may be unable to detect, mitigate, or remediate vulnerabilities in our information security systems (such as our hardware and software, including that of third parties upon which we rely) on a timely basis. We may be unwilling or unable to make ransom payments due to, for example, applicable laws or regulations prohibiting such payments, the negative precedent such payments would set, or uncertainty over whether such payments would result in the threat actor deleting stolen data or otherwise delivering on their promised course of action. In general, cybersecurity incidents or security vulnerabilities could lead to significant interruptions in our operations, loss of data and income, reputational harm, diversion of funds, increased insurance costs, and other harm to our business, reputation, and competitive position. In addition, customers’ use of our platform in violation of our terms of service, including by granting access to a single Snowflake account to various third-party entities, could amplify the impact of any cybersecurity or product incidents. Security incidents and their resulting consequences, including negative publicity, may also cause customers to stop using our platform, deter existing or prospective customers from using our platform, and negatively impact our ability to grow and operate our business.

Our customers have experienced, and may in the future experience, security incidents in connection with their use of our platform that harm our customer relationships and our reputation, even when such incidents are due to vulnerabilities, policy violations, inadequate security controls, or credential exposures that we do not cause. We operate under a shared responsibility cybersecurity model where we are responsible for the security of our platform and underlying cloud infrastructure, while our customers are responsible for selecting, enabling, and configuring security controls for their individual environments in a manner that meets applicable cybersecurity standards and effectively reduces their information security risk. Some customers also use third-party external authentication tools, in which case we do not have visibility into whether adequate access controls (such as multi-factor authentication (MFA) or network restrictions) are being enforced. Regardless of whether customers use our authentication tools or external tools, if customers allow static access credentials, they are responsible for ensuring that the credentials remain private and are rotated on a regular basis. If our customers do not implement, or incorrectly implement, the security tools and features we offer and support within our platform or otherwise fail to fulfill their responsibilities under our shared responsibility cybersecurity model, there is a higher risk that they will be the victim of cybersecurity incidents, which may harm our customer relationships, our reputation, and our business, which has occurred in the past and may happen again in the future.

We have contractual and other legal obligations to notify customers and other parties of certain security incidents, and may choose to make such notifications even if not legally required to do so. For example, SEC rules require disclosure on Form 8-K of the nature, scope and timing of any material cybersecurity incident and the reasonably likely impact of such incident. Determining whether a cybersecurity incident is notifiable or reportable may not be straightforward, and any such mandatory disclosures are costly and could lead to negative publicity, loss of customer or partner confidence in the effectiveness of our security measures, diversion of management’s attention, governmental investigations, and the expenditure of significant capital and other resources to investigate, respond to, or alleviate problems caused by the actual or perceived security breach.

Any security breach of our platform, our operational systems, our software (including open-source software), our physical facilities, or the systems of our third-party service providers or sub-processors, or the perception that one has occurred, or unauthorized access to our customers' or partners' systems, data, or technology, could result in claims that we have breached customer contracts or other legal obligations, including as described below. In addition, we may be subject to, and have received in the past, requests by regulators (including members of Congress) for information about our security practices, our public statements about our security program, experiences, and issues. Alleged failures, problems, or issues related to our information security or our customers' use of our platform, including following such information requests, could result in additional investigations; actions from a variety of regulators, including state attorneys general, the Department of Justice, the Federal Trade Commission (FTC), and the SEC; litigation; indemnity obligations; fines; penalties; mitigation and remediation costs; reputational harm; diversion of management's attention; customer relationship issues; and other liabilities and damage to our business. Further, cybersecurity incidents have in the past and may in the future lead customers or prospective customers to attempt to negotiate contractual terms that are less favorable to us, such as broader indemnification obligations, more stringent cybersecurity requirements, and higher limitations of liability.

Our insurance coverage may not be adequate for liability arising from data security breaches involving us or our customers or other third parties, indemnification obligations, or other liabilities. The successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements) could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim. Risks related to our systems and security breaches are likely to increase as we continue to expand our platform and geographic footprint, grow our customer and partner base, acquire operating companies, begin to operate in environments outside of our platform and over which we exercise significantly less or no control, and process, store, and transmit increasingly large amounts and increasingly sensitive and highly regulated types of data.

For example, in May 2024, we became aware that a cybersecurity threat actor had accessed a number of our customers' Snowflake accounts as a result of such customers' failure to fulfill certain of their obligations under our shared responsibility cybersecurity model (e.g., implementing MFA and network access policies). Even though we did not identify any evidence suggesting this activity was caused by or otherwise related to any vulnerability or misconfiguration of our systems, or a breach of our platform's security or our environment, we have been the subject of numerous lawsuits, regulatory investigations, and lawmaker inquiries relating to these customer incidents. Since May 2024, we have been made aware of additional cyberattacks on customers' Snowflake accounts using similar methods to take advantage of customers' failures to implement appropriate security safeguards (e.g., MFA and network access policies). We are unable to predict the outcome or timeline of these matters or if any additional requests, inquiries, lawsuits, investigations or other government actions may arise. We have suffered and may continue to suffer negative publicity and reputational damage, including due to the misperception that our customers' incidents resulted from a vulnerability, misconfiguration or breach of our platform's security or systems and malicious activity within our environment. In addition, we may experience a loss of existing customers or face claims by customers, and it is possible that we are not able to fully recover any losses relating to these matters through any applicable insurance coverage or we may be required to seek indemnification from breached customers to mitigate our damages, which may be unsuccessful or impractical. These matters, together with any additional inquiries, regulatory or governmental investigations, or other disputes that result from these customer security incidents, have in the past and will continue to require us to divert resources and may harm our reputation, business, financial condition, or results of operations.

Finally, some of our employees work remotely, including while traveling for business, which increases our cybersecurity risk, creates data accessibility concerns, and makes us more susceptible to security breaches or business disruptions. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, or prospects.

Any litigation against us could be costly and time-consuming to defend.

From time to time, we may become subject to legal proceedings and claims, such as claims brought by our customers in connection with commercial disputes, cybersecurity incidents, employment claims, including claims related to the loss of employee equity grants upon termination, intellectual property claims, or securities class actions or other claims related to volatility in the trading price of our common stock. For example, we are named in a securities class action lawsuit in federal court alleging federal securities law violations, as well as numerous class action lawsuits alleging common law and statutory claims in connection with cybersecurity matters. See the section titled “Legal Proceedings” for more information. Litigation could result in substantial costs and divert management’s attention and resources, which might seriously harm our business, financial condition, and results of operations. Our existing insurance might not cover such claims, provide sufficient payments to cover all the costs to resolve one or more such claims, or continue to be available on terms acceptable to us (including premium increases or the imposition of large deductible or co-insurance requirements). A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position, and results of operations.

We or our third-party service providers could suffer disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud and internet infrastructure on which it relies.

Our business depends on our platform being available without disruption. We and our third-party service providers have experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems related to our platform and with the public cloud and internet infrastructure on which our platform relies. These problems can be caused by a variety of factors, including introductions of new functionality, vulnerabilities, coding errors, and defects in proprietary and open-source software, human error or misconduct, natural disasters (such as tornadoes, earthquakes, or fires), capacity constraints, design limitations, denial of service attacks, or other security-related incidents.

Further, if our contractual and other business relationships with our public cloud providers are terminated, suspended, or suffer a material change to which we are unable to adapt, such as the elimination of services or features on which we depend, we could be unable to provide our platform and could experience significant delays and incur additional expenses in transitioning customers to a different public cloud provider.

Any disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud, internet infrastructure, or other technology on which it relies, or any material change in our contractual and other business relationships with our public cloud providers, could result in reduced use of our platform, increased expenses, including service credit obligations, and harm to our brand and reputation, any of which could have a material adverse effect on our business, financial condition, and results of operations.

We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price could decline.

Our results of operations have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance. In addition to the other risks described herein, factors that may affect our results of operations include the following:

- fluctuations in demand for our platform or changes in our pricing model, including in response to significant price discounts by our competitors;
- fluctuations in usage of our platform, including as a result of customer optimization efforts that result in reduced consumption to execute workloads;
- our ability to attract new customers;
- our ability to retain existing customers and drive their increased sustained consumption of our platform (including new product features and functionality);
- customer expansion rates;
- timing, amount, and cost of our investments to expand the capacity of our public cloud providers;

- seasonality, including the impact of holidays;
- investments in new features, functionality, and programming languages, including investments in AI Technology and in making our platform available to store and process highly regulated data or comply with new or existing data sovereignty requirements;
- fluctuations in consumption resulting from the introduction of new features, technologies, or capabilities to our software, systems, or to underlying cloud infrastructure, including features or capabilities that may increase or decrease the consumption required to execute existing or future workloads, like better storage compression, cloud infrastructure processor improvements, or compute optimization that automatically adjusts and adapts compute resources based on workloads, or that allow customers to use our platform for compute services without requiring storage;
- our ability to execute on our business strategy, including our strategies related to the AI Data Cloud, such as Snowpark, the Snowflake Marketplace, and Snowflake Cortex AI;
- the timing and frequency of purchases;
- the speed and ease with which customers are able to migrate data onto our platform;
- fluctuations or delays in purchasing decisions in anticipation of new products or enhancements by us or our competitors;
- changes in customers' budgets and cash flow management strategies and in the timing of their budget cycles and purchasing decisions;
- changes in government budgets and uncertainty relating to the appropriations process;
- our ability to control costs, including our operating expenses;
- the amount and timing of operating expenses, particularly research and development expenses, including those related to GPUs to develop AI Technology, and sales and marketing expenses, including commissions;
- the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments, and other non-cash charges;
- the amount and timing of legal expenses, including settlements, judgments, fines, legal fees, and other charges associated with litigation, governmental investigations or inquiries, regulatory investigations or inquiries, or other legal proceedings;
- the amount and timing of costs associated with hiring, training, and integrating new employees and retaining and motivating existing employees;
- the effects and timing of acquisitions and their integration;
- general political, social, market, and economic conditions, uncertainty, or volatility, both domestically and internationally, as well as political, social, and economic conditions specifically affecting industries in which our customers and partners participate or on which they rely;
- public health crises, such as the COVID-19 pandemic;
- the impact, or timing of our adoption, of new accounting pronouncements;
- changes in regulatory or legal environments, including the interpretation or enforcement of regulatory or legal requirements, that may cause us to incur, among other things, expenses associated with compliance;
- the overall tax rate for our business, which may be affected by the mix of income we earn in the United States and in jurisdictions with different tax rates, the effects of stock-based compensation, and the effects of changes in our business;

- the impact of changes in tax laws or judicial or regulatory interpretations of tax laws, which are recorded in the period in which such laws are enacted or interpretations are issued and may significantly affect the effective tax rate of that period;
- inflation and our ability to control costs, including our operating expenses;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated or measured in foreign currencies;
- fluctuations or impairments in, or the full loss of, the market values of our strategic investments or of our portfolio, including changes to the value or accessibility of our cash and cash equivalents as a result of economic conditions or bank failures;
- fluctuations in interest rates;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers;
- significant security breaches affecting our platform or customers' accounts, external systems, or data;
- our ability to meet our debt obligations; and
- technical difficulties with, or interruptions to, the delivery and use of our platform.

Any of these factors may cause our results of operations to vary significantly or be adversely affected. If our results of operations fall below the expectations of investors and securities analysts who follow our stock, the price of our common stock could decline substantially, and we could face costly lawsuits, including securities class actions.

Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products and platform.

We must continue to increase the size and productivity of our sales and marketing organization to increase our sales to new and existing customers. It requires significant time and resources to hire and effectively onboard new sales and marketing personnel and to train and manage new and existing personnel so they are able to successfully sell our product. We also plan to continue to dedicate significant resources to sales and marketing programs that are industry-specific and focused on large organizations. Once a new customer begins using our platform, our sales team needs to focus on expanding consumption with that customer. All these efforts require us to invest significant financial and other resources, including in industries and sales channels in which we have limited experience to date. In addition, our sales compensation plans must be structured in a way that properly incentivizes our sales and marketing personnel to drive increased consumption and new capacity arrangements on favorable terms. Our business and results of operations will be harmed if our sales and marketing efforts generate increases in revenue that are smaller than anticipated. We may not achieve anticipated revenue growth from our sales force if we are unable to attract, hire, develop, integrate, and retain talented and effective sales personnel, if our sales personnel are unable to achieve desired productivity levels, or if our sales and marketing programs, including our sales compensation plans, are not effective.

Sales efforts to large customers involve risks that may not be present or that are present to a lesser extent with respect to sales to smaller organizations.

Sales to large customers involve risks that may not be present or that are present to a lesser extent with sales to smaller organizations, such as longer sales cycles, stronger customer leverage in negotiating pricing and other terms, more cumbersome customer requirements, the additional need to partner with third parties that advise such customers or help them integrate their IT solutions, substantial upfront sales costs, less predictability in completing some of our sales, and higher customer support expectations. For example, large customers may require considerable time to evaluate and test our platform or new features prior to making a purchase decision. In addition, large customers may be switching from legacy on-premises solutions when purchasing our products, and may rely on third parties with whom we do not have relationships when making purchasing decisions. When we accept non-standard customer requirements that deviate from our standard offerings, we typically need to change our standard operating model, which increases both the cost of compliance as well as the likelihood of noncompliance. Further, large customers typically have more extensive compliance and vendor diligence programs with respect to new products and services, which can increase both the time and resources needed to sell to them and also result in the inability to sell to them if we do not meet their compliance standards. A number of factors also influence the length and variability of our sales cycle, including the need to educate potential customers about the uses and benefits of our platform, the renegotiation of existing agreements to cover additional product categories (e.g., our AI features), changing laws (e.g., the EU's Digital Operational Resilience Act and Data Act), different use cases or workloads, the discretionary nature of purchasing and budget cycles, and the competitive nature of evaluation and purchasing approval processes. As a result, the length of our sales cycle, from identification of the opportunity to deal closure, may vary significantly from customer to customer, with sales to large enterprises typically taking longer to complete. We have also historically seen consumption growth from large enterprises take longer than when compared to smaller enterprises. Moreover, large customers often begin to deploy our products on a limited basis but nevertheless demand implementation services and negotiate pricing discounts, which increase our upfront investment in the sales effort with no guarantee that sales to these customers will justify our substantial upfront investment. If we fail to effectively manage these risks associated with sales cycles and sales to large customers, our business, financial condition, and results of operations could be affected.

We do business with federal, state, local, and foreign governments and agencies, and heavily regulated organizations; as a result, we face heightened risks related to special contract terms, non-standard product deployments, and compliance with additional processes, rules, and regulations.

We sell to the U.S. government, state and local governments, foreign governments, and heavily regulated organizations directly and through our partners. Selling to government and regulated customers involves significant costs and operational efforts that arise from special laws, regulations, certification or clearance requirements, procurement processes, contract terms, and customer requirements. We may fail to win sufficient government or regulated business to justify our investments. For the government and regulated business that we do win, performing under the contracts involves higher ongoing costs to meet the special requirements as well as heightened civil and criminal liability for noncompliance for us, our officers, and directors.

We have obtained various government certifications and authorizations that are required to support sales opportunities to the government, including FedRAMP High and Department of War (DoW) Impact Level 4 and 5. We may be unable to achieve government certifications or facility security clearances with certain government agencies, or we may be required to make unexpected changes to our business, operations or products to obtain or sustain such certifications or facility clearances. As a result, our ability to sell into the government sector could be restricted until we satisfy the requirements of such certifications or facility clearances. In addition, we plan to continue to pursue additional authorizations, including personnel security clearances that allow us to support the U.S. national security community. Obtaining and maintaining national security clearances within a global enterprise will require significant operational investments and the successful implementation of new processes, systems, and controls. In addition, unlike our standard commercial offering, we anticipate delivering our platform and other offerings into customer environments, which presents risks and challenges arising from having less visibility into and control over the operation and security of our platform and other offerings.

A substantial majority of our sales to government entities have been made indirectly through our distribution and reseller partners; and, as our capabilities and compliance posture mature, we may begin engaging directly with government customers to accelerate growth, which can expose us to additional government procurement requirements, higher compliance burdens, and other risks associated with directly contracting with government entities. Doing business with government entities, whether directly or indirectly, presents a variety of risks. Many government entities need significant education regarding our business model, as well as the uses and benefits of our platform. The procurement process for governments and their agencies is highly competitive and time-consuming, and government decisions about their procurement needs may, in certain circumstances, be subject to political influence. Beyond this, demand for our platform may be adversely impacted by public sector budgetary cycles, changes in government procurement policies, and funding availability that in any given fiscal cycle may be reduced or delayed, including in connection with an extended federal government shutdown. Further, if we or our partners are successful in receiving a competitive contract award, that award could be challenged by one or more competitive bidders in a legal action known as a "bid protest." Bid protests may result in an increase in expenses related to obtaining or preserving contract awards or an unfavorable modification or loss of an award. In the event a bid protest is unsuccessful, the resulting delay in the startup and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated. As a result of these lengthy and uncertain sales cycles, it is difficult for us to predict the timing of entering into customer agreements with government entities or with our distribution and reseller partners in the government market.

In addition, public sector customers may have contractual, statutory, or regulatory rights to terminate current contracts with us or our third-party distributors or resellers for convenience or default. If a contract is terminated for convenience, we may only be able to collect fees for platform consumption prior to termination and settlement expenses. If a contract is terminated due to a default, we may be liable for excess costs incurred by the customer for procuring alternative products or services or be precluded from doing further business with government entities. Further, entities providing products or services to governments, whether directly or indirectly, are required to comply with a variety of complex laws, regulations, and contractual provisions relating to the formation, administration, and performance of government contracts. Such laws, regulations, and contractual provisions impose compliance obligations that are more burdensome than those typically encountered in commercial contracts, and they often give customers in the government market substantial rights and remedies, many of which are not typically found in commercial contracts. These rights and remedies may relate to intellectual property, price protection, the accuracy of information provided to the government, incident notification, termination rights, and prohibition against any government indemnification obligations. For example, the government or other people on behalf of the government can bring civil actions under the False Claims Act where a contractor presents a false or fraudulent claim to the government for payment or approval, which can result in substantial civil penalties and/or prohibition from doing business with the government. In addition, governments may use procurement requirements as an alternative to lawmaking and impose stricter requirements than would apply to the commercial sector in areas that are not directly related to the purchase. These rules and requirements may apply to us or third-party resellers or distributors whose practices we may not control. Such parties' non-compliance could result in repercussions for us with respect to contractual and customer satisfaction issues.

Further, federal, state, and local governments and regulators routinely investigate and audit contractors for compliance with applicable laws, regulations, and contractual provisions, and changes in government policies may affect the level of oversight of government contractors and areas of focus (such as recent executive orders that affect compliance with nondiscrimination plans). If, as a result of an audit or investigation, it is determined that we have failed to comply with applicable requirements, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits or payments we have received, costs associated with the triggering of price reduction clauses, fines, loss of a government certification or clearance, and suspensions or debarment from future government business, and we may suffer reputational harm.

Our customers include a number of non-U.S. governments, to which similar procurement, budgetary, contract, and audit risks of U.S. government contracting also apply, particularly in certain emerging markets where our customer base is less established. Such sales may also heighten our exposure to liabilities under anti-corruption laws. In addition, compliance with complex regulations, security certifications, and contracting provisions in a variety of jurisdictions can be expensive and consume significant financial and management resources. In certain jurisdictions, our ability to win business may be constrained by political and other factors unrelated to our competitive position in the market. Further, our business and results of operations could be harmed if our efforts to do business with governments and heavily regulated organizations do not generate the anticipated increases in revenue. Each of these difficulties could materially adversely affect our business and results of operations.

Finally, we are increasingly investing in doing business with customers and partners in heavily regulated commercial industries, such as the financial services and health care industries. Existing and prospective customers, such as those in these industries, may be required to comply with more stringent regulations in connection with using and implementing our platform or services or particular regulations regarding third-party vendors that may be interpreted differently by different customers and partners. In addition, regulatory agencies may impose requirements toward third-party vendors of regulated entities generally, or our company in particular, that we may not be able to, or may choose not to, meet. We may make special compliance commitments that are more expensive to satisfy than we anticipate, or that we are unable to satisfy. In addition, customers in these heavily regulated areas and their regulators often have a right to conduct audits of our systems, products, and practices. In the event that one or more customers or their regulators determine that some aspect of our business does not meet regulatory requirements, we may be limited in our ability to continue or expand our business.

If we lose key members of our management team or are unable to attract and retain the executives and employees we need to support our operations and growth, our business and future growth prospects may be harmed.

Our success depends in part on the continued services of our executive officers, as well as our other key employees in the areas of research and development and sales and marketing.

From time to time, there may be changes in our executive management team or other key employees resulting from the hiring or departure of these personnel. Our executive officers and other key employees are employed on an at-will basis, which means that these personnel could terminate their employment with us at any time. For example, we have experienced several executive leadership transitions since the beginning of fiscal 2025: in February 2024, Sridhar Ramaswamy was appointed to replace Frank Slootman as Chief Executive Officer upon his retirement; in September 2024, Vivek Raghunathan was appointed as SVP, Engineering and Support to replace Grzegorz Czajkowski, who resigned in July 2024; in March 2025, Michael Gannon was appointed as Chief Revenue Officer to replace Christopher W. Degnan upon his retirement; and in September 2025, Brian Robins was appointed to replace Michael P. Scarpelli as Chief Financial Officer upon his retirement. The loss of additional executive officers or any significant change in key leadership could harm morale, cause additional personnel to depart, introduce operational delays or risks as departing employees are replaced and successors learn our business, or disrupt operations and implementation of business strategy as result of any changes such successors may make, each of which could harm our operating results.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers experienced in designing and developing cloud-based data platform products, including products with AI capabilities, and experienced sales, customer support, and professional services personnel. We also are dependent on the continued service of our existing software engineers because of the sophistication of our platform.

In order to support our growing business, we will need to continue to hire in new locations around the world and manage remote/hybrid working policies in certain areas, which may add to the complexity and costs of our business operations. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, including skilled AI engineers, many of whom are in high demand and command high compensation packages. Many of the companies with which we compete for experienced personnel have greater resources than we have and can provide more competitive compensation and benefits. In addition, we require the majority of our employees to work from a physical office, while certain of our competitors allow remote work environments. In addition, prospective and existing employees often consider the value and other terms of the equity awards they receive to be an important part of their employment compensation package. Our stock price declined significantly during portions of fiscal 2025 and fiscal 2026. If the actual or perceived value of our equity awards declines or undergoes significant volatility, or if our existing employees receive significant proceeds from liquidating their previously vested equity awards, it may adversely affect our ability to recruit and retain key employees. Furthermore, current and prospective employees may believe that their equity award offers have limited upside, and our competitors may be able to offer more appealing compensation packages. In order to retain our existing employees and manage potential attrition, including as a result of any stock price decreases and market volatility that impact the actual or perceived value of our equity awards, we may issue additional equity awards or provide our employees with increased cash compensation, which could negatively impact our results of operations and be dilutive to stockholders. For example, our stock-based compensation, net of amounts capitalized, represented 41% of our revenue for fiscal 2025 and 42% for fiscal 2024, and we expect stock-based compensation to remain substantial even if we are successful in reducing it as a percentage of our revenue. Finally, if we hire employees from competitors or other companies, their former employers may attempt to assert that we or these employees have breached our or their legal obligations, resulting in a diversion of our time and resources.

We also believe our culture has been a key contributor to our success to date and that the critical nature of the platform that we provide promotes a sense of greater purpose and fulfillment in our employees. As our workforce becomes larger and more distributed around the world or as our executive management team changes, we may not be able to maintain important aspects of our culture. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel. If we fail to attract and recruit new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.

Unfavorable conditions in our industry or the global economy, or reductions in cloud spending, or lower than expected consumption, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers and potential customers. Negative conditions or volatility in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, bank failures, international trade relations, inflation, tariffs and trade wars, extended U.S. federal government shutdowns, and interest rate fluctuations, or the existence of epidemics, pandemics or other public health crises, political turmoil and geopolitical conflicts, natural catastrophes, warfare, or terrorist attacks on the United States, Europe, the Asia-Pacific region, Japan, or elsewhere, could cause a decrease in business investments, including spending on cloud technologies, and negatively affect the growth of our business. For example, the existing tariffs and continued threats of new or increased tariffs, sanctions, trades restrictions and trade barriers, ongoing changes in the United States and foreign government trade policies, the ongoing military conflicts between Russia and Ukraine and in the Middle East, as well as the rising tensions between China and Taiwan, have created volatility in the global capital markets, have had and may continue to have disruptive impact on the global economy, and could have further global economic consequences, including disruptions of the global supply chain. Tariffs may also increase the costs for AWS, Azure, and/or GCP to provide cloud infrastructure services, which may in turn increase the costs for us to use such services when we renew our agreements with them. In addition, unfavorable conditions in the general economy, including tariffs and trade wars, may negatively impact our customers' budgets or cash flow, which could impact the contract terms, including payment terms, our customers demand from us. Competitors, many of whom are larger and have greater financial resources than we do, may respond to challenging market conditions by lowering prices in an attempt to attract our customers. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within any particular industry.

Our growth depends on the development, expansion, and success of our partner relationships.

As part of our vision for the AI Data Cloud, we will need to grow and maintain a network of partners, including data and technology providers, data consumers, and data application developers. The relationships we have with these partners, and that our partners have with our customers, provide our customers with enhanced value from our platform and the AI Data Cloud, including Snowpark, the Snowflake Marketplace, and Snowflake Cortex AI. Our future growth will be increasingly dependent on the success of these relationships, and if we are unsuccessful in growing and maintaining these relationships or the types and quality of data and data applications supported by or available for consumption on our platform, our business, financial condition, and results of operations could be adversely affected.

Additionally, a small but increasing portion of our revenue is generated as a result of our relationships with global system integrators, managed service providers, and resellers. Increasingly, we and our customers rely on these partners to provide professional services, including customer implementations and migrations from legacy solutions and there may not be enough qualified partners available, or we may not be able to develop or maintain relationships with enough partners, to meet customer demand. While we provide our partners with training and other enablement programs, these programs may not be effective or utilized consistently, and our return on these investments may be lower than expected. In addition, new partners may require extensive training or significant time and resources to achieve productivity. If we fail to effectively manage and grow our network of these partners, or properly monitor the quality and efficacy of their interactions with our customers, our ability to attract and retain new customers and expand customer consumption of our platform may be impacted, and our operating results and growth rate may be harmed.

If we are unable to successfully manage the growth of our professional services business and improve our profit margin from these services, our operating results could be harmed.

Our professional services business, which performs implementation and training services for our customers, has grown larger and more complex as our product revenue has increased. We believe our future success depends in part on investment in professional services to facilitate customer code conversion and migration from legacy solutions and adoption of our platform, especially with large enterprises. As a result, our sales efforts have been and will continue to be focused on helping our customers more quickly realize the value of our platform and the AI Data Cloud rather than on the profitability of our professional services business. We price our professional services based on the anticipated cost of those services and, as a result, we expect to improve the gross profit percentage of our professional services business over time. If we are unable to manage the growth of our professional services business and improve our profit margin from these services, our operating results, including our profit margins, could be harmed.

If we are unable to maintain and enhance our brand and reputation, our business and results of operations may be adversely affected.

We believe that maintaining and enhancing our brand identity and reputation is critical to our relationships with, and to our ability to attract and retain, customers, partners, investors, and employees. The successful promotion of our brand depends on a number of factors, including our ability to continue to develop and deliver reliable, high-quality, and cost-effective products and services that meet the needs of our customers; our sales and marketing efforts, including effectiveness at developing a positive presence within our industry through participation in industry events and key media coverage; the influence of customer testimonials and use cases on the perception of our brand; effective integration into our platform of products and services we acquire or invest in; and our ability to differentiate our products from those of our competitors.

The promotion of our brand requires us to make substantial expenditures, which we anticipate will increase as our market becomes more competitive. Our brand promotion activities may not be successful or generate the awareness or increased revenue we expect, and even if they do, any increase in revenue may not offset the significant expenses we incur in the efforts to build our brand. In addition, independent industry or financial analysts often provide reviews of our platform, as well as products and services of our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. Negative media coverage could also adversely affect our brand and reputation. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors and we could lose customers or fail to attract potential customers, or fail to hire and retain employees, all of which would materially and adversely affect our business, results of operations, and financial condition.

If the availability of our platform does not meet our service-level commitments to our customers, our revenue may be negatively impacted.

We typically commit to our customers that our platform will maintain a minimum service-level of availability. If we are unable to meet these commitments, we may be obligated to provide customers with additional capacity at no cost, which could significantly affect our revenue. We rely on public cloud providers, such as AWS, Azure, and GCP, and any availability interruption in the public cloud could result in us not meeting our service-level commitments to our customers. In some cases, we may not have a contractual right with our public cloud providers that compensates us for any losses due to availability interruptions in the public cloud. Further, any failure to meet our service-level commitments could damage our reputation and hinder the adoption of our platform, and we could face loss of revenue from reduced future consumption of our platform. Any service-level failures could adversely affect our business, financial condition, and results of operations.

We assume liability for data breaches, intellectual property infringement, violation of applicable laws, and other claims, which exposes us to substantial potential liability.

In our customer contracts and certain strategic partnership agreements, we assume liability for certain security breaches and data protection claims caused by us and by certain third parties on which we rely. Our contracts with customers, partners, investors, and other third parties may also include indemnification provisions under which we agree to defend and indemnify them against claims and losses arising from alleged infringement, misappropriation, or other violation of intellectual property rights, violation of applicable laws, security breaches, breach of warranties, and for other matters. Such claims may arise more often (and if they arise, may be more complex to litigate) as we begin to extend our platform and other offerings into customer environments over which we exercise significantly less or no control. We may not be successful in our attempt to limit our liability and indemnity obligations and obtain corresponding liability and indemnification obligations from vendors and partners that would require them to contribute to our obligations, and an event triggering our liability or indemnity obligations could give rise to multiple claims involving multiple customers or other third parties. In addition, there have been instances where our customers or other business partners attempt to claim indemnification even if indemnification obligations have not been triggered, and defending against such claims can be time-consuming and expensive. There is no assurance that our applicable insurance coverage, if any, would cover, in whole or in part, any such liability or indemnity obligations. We may be liable for up to the full amount of the contractual claims, which could result in substantial liability or material disruption to our business or could negatively impact our relationships with customers or other third parties, cause reputational harm, reduce demand for our platform, and adversely affect our business, financial condition, and results of operations.

Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.

We have in the past and may in the future seek to acquire or invest in businesses, joint ventures, and platform technologies that we believe could complement or expand our platform, enhance our technology, or otherwise offer growth opportunities. For example, since the beginning of fiscal 2025, we have acquired several companies, including Night Shift Development, Inc., a privately-held data analytics firm focused on the U.S. public sector; Datavolo, Inc., a privately-held company that built a dataflow infrastructure to support the creation, management, and observability of multimodal data pipelines for enterprise AI; and Crunchy Data Solutions, Inc., a privately-held company that provides PostgreSQL technology. Any such acquisitions or investments may divert the attention of management and cause us to incur various expenses in identifying, investigating, financing, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties or unexpected costs integrating the businesses, technologies, products, personnel, contracts or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers, suppliers, or partners of any acquired business due to changes in ownership, management, or otherwise. Any such transactions that we are able to complete may not result in the synergies or other benefits we expect to achieve, which could result in substantial impairment charges. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations. In addition, we may inherit commitments, risks, and liabilities of companies that we acquire that we are unable to successfully mitigate and that may be amplified by our existing business. Finally, disputes or litigation can arise out of our acquisitions or investments from time to time, including in connection with the achievement of earnouts.

As part of our corporate development program, we invest in companies to support our key business initiatives. These companies range from early, growth stage companies to mature companies with established revenue streams. Our strategic investments are subject to risk of inability to achieve the desired strategic synergies and partial or total loss of investment capital. Furthermore, our competitors may invest in these companies alongside us, and may obtain information about our corporate development program or other business plans. The financial success of our investment is typically dependent on an exit in favorable market conditions. To the extent any of the companies in which we invest are not successful, which can include failure to achieve strategic business objectives as well as failure to achieve a favorable exit, we could recognize an impairment or loss on all or part of our investment, which we have done in the past. In addition, in certain cases we are required to consolidate one or more of our strategic investee's financial results into ours. Fluctuations in any such investee's financial results, due to general market conditions, bank failures, or otherwise, can negatively affect our consolidated financial condition, results of operations, cash flows, or the price of our common stock. If one or more of such investees fails to timely provide us with information necessary for the preparation of our consolidated financial statements and disclosures, we may be unable to report our financial results in a timely manner, which would negatively affect our business and the price of our common stock.

We also enter into strategic partnerships where we agree to incorporate third-party technologies into our platform and services. In some cases, we have revenue-sharing arrangements with our strategic partners who supply the technology. We may be unable to reach agreements with potential strategic partners on terms acceptable to us, if at all, and we may not be successful in partnering with the companies that have the technologies we need. Such strategic partnerships are also subject to a number of risks, including with respect to security controls, indemnification obligations, and ownership of intellectual property and other proprietary information. Any of the foregoing could harm our business, financial position, and results of operations.

Seasonality may cause fluctuations in our remaining performance obligations or in customer consumption.

Historically, we have received a higher volume of orders from new and existing customers in the fourth fiscal quarter of each year. As a result, we have historically seen higher non-GAAP free cash flow in the first and fourth fiscal quarters of each year, and our sequential growth in remaining performance obligations has historically been the highest in the fourth fiscal quarter of each year. We may not be successful in our attempt to align our cash outflows with our cash receipts, particularly since we expect this seasonality to become more pronounced as we continue to target large enterprise customers based on their procurement, budgeting, and deployment cycles. In addition, while consumption is typically lower during holidays, the magnitude of any decrease is difficult to predict and that may result in inaccurate financial guidance. For more information about non-GAAP free cash flow, including a definition of non-GAAP free cash flow and a reconciliation of net cash provided by operating activities, which is the most directly comparable financial measure calculated in accordance with U.S. generally accepted accounting principles (GAAP), to free cash flow, see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Natural disasters, public health crises, and other catastrophic events could have an adverse impact on our business, operations, and the markets and communities in which we, our partners, and our customers operate.

Our platform and the public cloud infrastructure on which our platform relies are vulnerable to damage or interruption from catastrophic events, such as earthquakes, hurricanes, floods, fires, power loss, telecommunication failures, cyber attacks, military conflict or war, terrorist attacks, criminal acts, sabotage, other intentional acts of vandalism and misconduct, geopolitical events, and epidemics, pandemics or other public health crises. Some of our U.S. corporate offices in which we operate and certain of the public cloud data centers on which our platform runs are located in the San Francisco Bay Area and Pacific Northwest, regions known for seismic activity. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our facilities or the facilities of our public cloud providers could result in disruptions, outages, and other performance and quality problems.

Our customers are also subject to the risk of catastrophic events. If those events occur, demand for our platform may decrease.

If we are unable to develop and maintain adequate plans to ensure that our business functions continue to operate during and after a catastrophic event and to execute successfully on those plans if such an event occurs, our business could be seriously harmed.

Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.

A component of our growth strategy involves the further expansion of our operations and customer base internationally. Customer accounts outside the United States generated 25% of our revenue for each of the three and nine months ended October 31, 2025. We are continuing to adapt to and develop strategies to address international markets, but there is no guarantee that such efforts will have the desired effect. For example, we anticipate that we will need to establish relationships with new partners in order to expand or continue our expansion into certain countries, including China, and if we fail to identify, establish, and maintain such relationships, we may be unable to execute on our expansion plans. We expect that our international activities will continue to grow for the foreseeable future as we continue to pursue opportunities in existing and new international markets, which will require significant dedication of management attention and financial resources.

Our current and future international business and operations involve a variety of risks, including:

- slower than anticipated public cloud adoption by international businesses;
- differing and potentially more onerous regulations compared to the United States, including relating to data privacy and security, including the unauthorized use of, or access to, commercial and personal information, and data localization;
- changes in a specific country’s or region’s political, economic, or legal and regulatory environment, including the effects of pandemics, tariffs and trade wars, sanctions, or long-term environmental risks;

- the need to adapt and localize our platform for China, Saudi Arabia, and other countries, including as a result of data sovereignty requirements, and the engineering and related costs that we may incur when making those changes;
- greater difficulty collecting accounts receivable and longer payment cycles;
- unexpected changes in, or the selective application of, trade relations, regulations, or laws;
- compliance with requirements to hire local employees to perform certain specific functions, such as Saudi Arabia's Regional Headquarters Program, which may not align with how we would otherwise operate our business;
- new, evolving, and potentially more stringent regulations relating to AI Technology;
- labor regulations that are generally more advantageous to employees as compared to the United States, including regulations governing terminations in locations that do not permit at-will employment and deemed hourly wage and overtime regulations;
- challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;
- increased travel, real estate, infrastructure, and legal compliance costs associated with international operations, including increased costs associated with changing and potentially conflicting environmental regulations and requirements;
- currency exchange rate fluctuations and the resulting effect on our revenue, RPO, and expenses, and the cost and risk of utilizing mitigating derivative transactions and entering into hedging transactions to the extent we do so in the future;
- limitations on, or charges or taxes associated with, our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general market preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties obtaining, maintaining, protecting, or enforcing our intellectual property rights, including our trademarks and patents;
- political instability, military conflict or war, or terrorist activities;
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), U.S. bribery laws, the U.K. Bribery Act, and similar laws and regulations in other jurisdictions;
- burdens of complying with laws and regulations related to taxation; and
- regulations, adverse tax burdens, and foreign exchange controls that could make it difficult or costly to repatriate earnings and cash.

We expect to invest substantial time and resources to further expand our international operations, and, if we are unable to do so successfully and in a timely manner, our business and results of operations could suffer.

As we are offering our platform through a Chinese-owned operating partner to Chinese affiliates of certain multi-national customers, risks associated with economic, political, and social events in China could negatively affect our business, financial condition, results of operations and growth prospects.

We are currently offering our platform to Chinese affiliates of certain multi-national customers. Under Chinese law, we must offer our platform through a Chinese-owned operating partner, which must assume control and management of certain aspects of our platform and serve as the seller of record. This has required a new operating and go-to-market model, and there is a risk that functionality or customer experience may suffer and that we may incur liability or brand impairment arising from the operating partner's actions or inactions. In addition, developing and operationalizing this new model is a significant investment and may not generate expected returns.

We may also encounter the following risks:

- uncertainty regarding the validity, enforceability, and scope of protection for intellectual property rights in China and the practical difficulties of enforcing such rights;
- inability to secure our intellectual property and other proprietary information located in China from unauthorized access or theft;
- heightened risks of cyber incidents, which could lead to the unauthorized access to or exposure of customer data;
- inability to comply with extensive and evolving Chinese laws that are often ambiguous or inconsistently enforced;
- changes in tax regulations that may impact the economics of our China operating model;
- economic or political instability;
- a slowdown in China's economy; and
- a government-controlled foreign exchange rate and capital controls, including limitations on the convertibility of the Chinese yuan to other currencies.

Further, geopolitical, economic, and national security tensions or conflicts between China and the United States or other countries could lead to further restrictions on our ability to operate in China, increased scrutiny or suspension of our business operations in China, new regulations, or unwillingness of certain customers to do business with us, including the U.S. federal government.

Due to these and other risks, our operations in China may be more expensive or difficult than anticipated or they may fail, which could have an adverse effect on our business, financial condition, results of operations, and growth prospects.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity and debt financings and payments received from our customers. We cannot be certain if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in further equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all, particularly during times of market volatility and general economic instability. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. Any debt we incur could give the debt holders rights senior to our stockholders to make claims on our assets and could involve covenants relating to our capital raising activities and other financial and operational matters, which may limit our ability to obtain additional capital, pursue business opportunities and strategic transactions, repurchase stock and pay dividends on our common stock. For example, the holders of our 0% convertible senior notes due 2027 and 0% convertible senior notes due 2029 (collectively, the Notes) have rights senior to holders of our common stock to make claims on our assets, and the indentures governing each series of the Notes, as supplemented (each an Indenture and together, the Indentures), include customary covenants for us, such as covenants to make payment of principal and special interest (if any) and remain current in our reporting obligations with the SEC (though no financial or operating covenants or restrictions on us paying dividends or issuing or repaying, prepaying or repurchasing our other securities or indebtedness). Furthermore, if we issue additional equity securities, including shares of common stock issued upon conversion of the Notes, stockholders will experience dilution, and in some cases we may issue new equity securities that have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay special interest, if any, on or to refinance the Notes depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate sufficient cash flow from operations to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance the Notes will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

We may not have enough available cash or the ability to raise the funds necessary to pay cash upon conversion of the Notes or to repurchase the Notes upon a fundamental change, and any future debt may contain limitations on our ability to do so.

Holders of each series of the Notes will have the right, subject to certain conditions and limited exceptions, to require us to repurchase all or any portion of their Notes upon the occurrence of a fundamental change prior to the maturity date of such series of the Notes (as defined and described in the applicable Indenture). Upon any conversion of Notes, we will be required to make cash payments to settle such conversion unless we elect to fully settle it by delivering shares of our common stock (other than any cash paid in lieu of delivering fractional shares). We may not have enough available cash or be able to obtain financing at the time if we are required to repurchase surrendered Notes or settle the conversion of Notes in cash. In addition, our ability to repurchase Notes or to pay cash upon conversions of the Notes may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase the Notes or to pay any cash upon future conversions of the Notes, when required by the Indentures, would constitute a default under the relevant Indenture. A default under either Indenture or the fundamental change itself could also lead to a default under agreements governing any future indebtedness. If the repayment of such future indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

If the conditional conversion feature of a series of the Notes is triggered, holders of such Notes will be entitled to elect to convert their Notes at any time during specified periods, as described in the applicable Indenture. For example, holders of each series of the Notes can convert their Notes at any time during the fiscal quarter ending January 31, 2026 as the last reported sale price of our common stock was greater than or equal to 130% of the conversion price for the Notes for at least 20 trading days during the 30 consecutive trading days ending on the last trading day of the fiscal quarter ended October 31, 2025. If one or more holders elect to convert their Notes, we would be required to settle a portion or all of our conversion obligation through the payment of cash, unless we elect to fully settle such conversion by delivering shares of our common stock (other than any cash paid in lieu of delivering fractional shares), which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the relevant series of Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our results of operations and our ability to invest and hold our cash.

Our sales are currently denominated in U.S. dollars, Euros, British pounds, Australian dollars, Canadian dollars, Brazilian reals, and Indian rupees, and will likely be denominated in other currencies in the future. Because we report our results of operations and revenue in U.S. dollars, we currently face exposure to foreign currency translation risk and may in the future face other foreign currency risks. If we are not able to successfully hedge against the risks associated with currency fluctuations, our results of operations could be adversely affected. For example, a strengthening of the U.S. dollar could increase the real cost of our platform to international customers, which could adversely affect our results of operations. In addition, as our international operations expand, an increasing portion of our operating expenses is incurred outside the United States. These operating expenses are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. Exposure to these risks and fluctuations could adversely affect our financial position, results of operations, and cash flows.

If our estimates or judgments relating to our critical accounting estimates prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes appearing elsewhere herein. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, revenue, costs and expenses, and related disclosures. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

Risks Related to Our Intellectual Property

Our intellectual property rights may not protect our business or provide us with a competitive advantage.

To be successful, we must protect our business, technology and brand in the United States and other jurisdictions through trademarks, trade secrets, patents, copyrights, service marks, invention assignments, contractual restrictions, and other intellectual property rights and confidentiality procedures. Despite our efforts to implement these protections, they may not protect our business or provide us with a competitive advantage for a variety of reasons, including:

- the failure by us to obtain patents and other intellectual property rights for important innovations or maintain appropriate confidentiality and other protective measures to establish and maintain our trade secrets;

- to the extent a customer, partner, or other entity owns any intellectual property created through a professional services, research, collaboration, or other engagement, our inability to use or monetize that intellectual property as part of our business;
- uncertainty in, and evolution of, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights;
- potential invalidation of our intellectual property rights through administrative processes or litigation;
- our inability to detect and protect against infringement or other misappropriation of our intellectual property rights by third parties;
- uncertainty regarding the applicability of intellectual property protections to AI Technology (including outputs generated from AI Technology); and
- other practical, resource, or business limitations on our ability to enforce our rights.

Further, the laws of certain foreign countries, particularly China and certain other developing countries, do not provide the same level of protection of corporate proprietary information and assets, such as intellectual property, trademarks, trade secrets, know-how, and records, as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property or proprietary rights abroad. We may also be exposed to material risks of theft or unauthorized reverse engineering of our proprietary information and other intellectual property, including technical data, data sets, or other sensitive information. Our efforts to enforce our intellectual property rights in such foreign countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop, which could have a material adverse effect on our business, financial condition, and results of operations. Moreover, if we are unable to prevent the disclosure of our trade secrets to third parties, or if our competitors independently develop any of our trade secrets, we may not be able to establish or maintain a competitive advantage in our market, which could seriously harm our business.

Litigation may be necessary to enforce our intellectual property or proprietary rights, protect our trade secrets, protect our trademarks, or determine the validity and scope of proprietary rights claimed by others. Any litigation, whether or not resolved in our favor, could result in significant expense to us, divert the efforts of our technical and management personnel, and result in counterclaims with respect to infringement of intellectual property rights by us. If we are unable to prevent third parties from infringing upon or misappropriating our intellectual property or are required to incur substantial expenses defending our intellectual property rights, our business, financial condition, and results of operations may be materially adversely affected.

We have in the past and may in the future become subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

We are from time to time subject to intellectual property disputes. We compete in markets where there are a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights, as well as disputes regarding infringement of these rights. In addition, many of the holders of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights have extensive intellectual property portfolios and greater resources than we do to enforce their rights. As compared to our large competitors, our patent portfolio is relatively undeveloped and may not provide a material deterrent to such assertions or provide us with a strong basis to counterclaim or negotiate settlements. Further, to the extent assertions are made against us by entities that hold patents but are not operating companies, our patent portfolio may not provide deterrence because such entities are not concerned with counterclaims.

Any current or future intellectual property litigation to which we become a party may require us to do one or more of the following:

- cease selling, licensing, or using products, features, or data sets that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate;
- require us to change the name of our products or services;
- make substantial payments for legal fees, settlement payments, or other costs or damages, including indemnification of third parties;

- obtain a license or enter into a royalty agreement, either of which may not be available on reasonable terms or at all, in order to obtain the right to sell or use the relevant intellectual property; or

- redesign the allegedly infringing products to avoid infringement, misappropriation, or violation, which could be costly, time-consuming, or impossible.

Intellectual property litigation is typically complex, time consuming, and expensive to resolve and would divert the time and attention of our management and technical personnel. It may also result in adverse publicity, which could harm our reputation and ability to attract or retain employees, customers, or partners. As we grow, we may experience a heightened risk of allegations of intellectual property infringement. An adverse result in any litigation claims against us could have a material adverse effect on our business, financial condition, and results of operations.

If we use open-source software inconsistent with our policies and procedures or the license terms applicable to such software, we could be subject to legal expenses, damages, or costly remediation or disruption to our business.

We use open-source software, including in our platform and in our professional service engagements. From time to time, companies that use third-party open-source software have faced claims challenging the use of such open-source software and their compliance with the terms of the applicable open-source license. We may be subject to suits by parties claiming ownership of what we believe to be open-source software or claiming non-compliance with the applicable open-source licensing terms. Additionally, despite our policies and procedures designed to govern our use of open-source software, we may incorporate open-source software with onerous licensing terms, including the obligation to make our source code available for others to use or modify without compensation to us, or inadvertently use third-party open-source software in a manner that exposes us to claims of non-compliance with the applicable terms of such license, including claims for infringement of intellectual property rights or for breach of contract. If we receive an allegation that we have violated an open-source license, we may incur significant legal expenses, be subject to damages, be required to redesign our product to remove the open-source software or publicly release certain portions of our proprietary source code, or be required to comply with onerous license restrictions, any of which could have a material impact on our business. Even in the absence of a claim, if we discover the use of open-source software inconsistent with our policies, we could expend significant time and resources to replace the open-source software or obtain a commercial license, if available. All of these risks are heightened by the fact that the ownership of open-source software can be uncertain, leading to litigation, that many of the licenses applicable to open-source software have not been interpreted by courts, and that these licenses could be construed to impose unanticipated conditions or restrictions on our ability to commercialize our products. Any use of open-source software inconsistent with our policies or licensing terms could harm our business and financial position.

Risks Related to Our Legal, Regulatory, and Tax Environment

We are subject to stringent and changing obligations related to data, including data privacy and security, and the failure or perceived failure to comply with these obligations could result in significant fines and liability or otherwise result in substantial harm to our business and prospects.

We are subject to data privacy and protection laws, regulations, guidance, external and internal policies and other documentation, industry standards, certifications, and contractual and other obligations that apply to the collection, transmission, storage, use, and other processing of personal and sensitive information. These obligations are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties. Examples of recent and anticipated developments that have impacted or could impact our business include the following:

- The European Union's (EU) General Data Protection Regulation (GDPR) and the United Kingdom's General Data Protection Regulation (U.K. GDPR) established strict requirements applicable to the handling of personal information.

- The EU's Digital Operational Resilience Act (DORA), which became effective as of January 17, 2025, applies to financial entities, such as banks, insurance companies, and investment firms, as well as their information and communication technology third-party service providers. DORA aims to promote resiliency against operational disruptions in the financial sector.

- India's Digital Personal Data Protection Act (DPDP Act), which was passed in August 2023, imposes strict rules regarding the collection, use, processing and storage of personal data in India. The DPDP Act will not come into effect until the Indian government provides notice of an effective date, which is expected in late 2025 or later.

- The EU has proposed the Regulation on Privacy and Electronic Communications, which, if adopted, would impose new obligations on using personal information in the context of electronic communications, particularly with respect to online tracking technologies and direct marketing.

- Certain other jurisdictions have enacted data localization laws and cross-border personal information transfer laws, such as Brazil, China, and Saudi Arabia, which could make it more difficult for us to transfer personal information across jurisdictions (such as transferring or receiving personal or other sensitive information that originates in the EU, China, or Saudi Arabia), or to enable our customers to transfer or replicate their data across jurisdictions using our platform. Existing mechanisms that may facilitate cross-border personal information transfers may change or be invalidated. Because our business model involves transmitting and mobilizing data across geographical areas, an inability or material limitation on our ability to transfer personal data to the United States or other countries could materially impact our business operations and revenue.

- In the United States, federal, state, and local governments have enacted or proposed data privacy and security laws and regulations, including data breach notification laws, personal data privacy laws, cross-border data transfer regimes, and consumer protection laws. For example, the U.S. Department of Justice has issued a rule entitled "Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons," which places prohibitions or restrictions on certain data transactions involving the transfer of certain personal information to countries of concern (e.g., China, Russia, Iran) or individuals/entities located in or subject to the control of those jurisdictions. This rule will impact certain business activities such as vendor engagements, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. Additionally, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. Such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making and, if exercised, may adversely impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act (CCPA), as amended by the California Privacy Rights Act of 2020 (CPRA), provides increased privacy rights and protections, including the ability of individuals to opt out of specific disclosures of their personal information, and provides for fines of up to $7,988 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Other U.S. states have adopted, or are considering adopting, similar laws.

- The certifications we maintain and the standards that apply to our platform (or those we may maintain or that may apply in the future), such as the U.S. Federal Risk and Authorization Management Program (FedRAMP), U.S. DoW Impact Level 4 (IL4) and Impact Level 5 (IL5), Payment Card Industry Data Security Standards (PCI-DSS), International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) 27001, Health Information Trust Alliance Common Security Framework (HI-TRUST CSF), GovRAMP, among others, are becoming and may become more stringent.

- We may also become subject to new laws that specifically regulate non-personal data. For example, we are subject to certain parts of the EU's Data Act, which imposes certain data and cloud service interoperability and switching obligations to enable users to switch between cloud service providers without undue delay or cost, as well as certain requirements concerning cross-border international transfers of, and governmental access to, non-personal data outside the European Economic Area. Additionally, in the EU, the Network and Information Security Directive (NIS2) regulates resilience and incident response capabilities of entities operating in a number of sectors, including the digital infrastructure sector (such as cloud computing service providers). The deadline for transposition of NIS2 into local law was October 17, 2024; however, many of the member states in the EU have not fully transposed the Directive, leading to the opening of infringement procedures by the European Commission against the member states. Once fully implemented, non-compliance with NIS2 may lead to administrative fines of a maximum of 10 million Euros or up to 2% of the total worldwide revenue of the preceding fiscal year.

These and other similar legal and regulatory developments could contribute to legal and economic uncertainty, increase our exposure to liability, affect how we design, market, and sell our platform, and impact how we operate our business, how our customers and partners process and share data, how we process and use data, and how we transfer personal data from one jurisdiction to another, any of which could increase our costs, require us to take on more onerous obligations in our contracts, impact our ability to operate in certain jurisdictions, and/or negatively impact the types of data available on or the demand for our platform. It is possible that new laws may be adopted or existing laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. We incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal policies, self-attestations, and third-party certifications supporting our compliance programs. Our customers may delegate certain of their GDPR compliance or other privacy law obligations to us, and we may otherwise be required to expend resources to assist our customers with such compliance obligations.

Any actual or perceived non-compliance with applicable data privacy and security obligations by us or our third-party service providers and sub-processors could result in proceedings, investigations, litigation, or claims against us by regulatory authorities, customers, or others, leading to reputational harm, higher liability and indemnity obligations, significant fines, litigation costs, additional reporting requirements or oversight, bans on processing personal information, orders to destroy or not use personal information, limitations in our ability to develop or commercialize our platform, inability to process personal information or operate in certain jurisdictions, and other damages. For example, if regulators assert that we have failed to comply with the GDPR or U.K. GDPR, we may be subject to fines of up to (i) 20.0 million Euros or 17.5 million British pounds, as applicable, or (ii) 4% of our worldwide annual revenue, whichever is greater, as well as potential data processing restrictions and penalties. In addition, private plaintiffs have become increasingly active in bringing privacy- and information security-related claims against companies, including class action claims. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations. Even if we are not determined to have violated these laws and other obligations, investigations into these issues typically require the expenditure of significant resources and generate negative publicity. In addition, any failure by us or our third-party service providers and sub-processors to comply with applicable obligations could result in proceedings against us. Certain regulators, such as the FTC, may prohibit our use of certain personal information as a result of such proceedings. Any of these events could have a material adverse effect on our business, financial condition, and results of operations.

We publish privacy policies, certifications and other documentation regarding our security program and our collection, processing, use, and disclosure of personal information or other confidential information. We or our vendors may fail to comply with these policies, certifications, or documentation, or may be perceived to have failed to do so. We also from time to time make public statements regarding the data privacy and security features of our products, which may draw scrutiny from regulators or private parties. Claims by regulators or private parties that we have failed to follow our published statements or documentation or otherwise violated individuals' privacy rights, misrepresented or made inaccurate claims about our products, or failed to comply with security or data protection laws, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Issues in the development and use of AI Technology, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations.

The legal and regulatory landscape applicable to AI Technology is uncertain and is evolving rapidly, which may result in new and enhanced governmental or regulatory scrutiny, litigation, confidentiality, privacy or security risks, ethical concerns, legal liability, or other complications that could adversely affect our business, reputation or financial condition, or results of operations. States, regions, and supranational bodies, including the EU and the United States, have passed or proposed new rules and regulations related to the use or sale of AI Technology. For example, the EU's Artificial Intelligence Act, the first comprehensive legal framework regulating AI, entered into force in August 2024; Texas' Responsible Artificial Intelligence Governance Act, which will go into effect on January 1, 2026, imposes obligations on developers and deployers of AI systems; California's Training Data Transparency Act, which will go into effect on January 1, 2026, imposes obligations on generative AI systems or services; Colorado's Artificial Intelligence Act, which will go into effect on June 30, 2026, imposes obligations on developers and deployers of "high-risk" AI systems; and South Korea's AI Basic Act, the country's first major AI legislation, which will go into effect on February 22, 2026, imposes obligations on developers and deployers of "high impact" and generative AI Technology. These regulations may impose onerous obligations related to our development, offering, and use of AI Technology and expose us to an increased risk of regulatory enforcement and litigation. If we cannot use AI Technology or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage.

In particular, there is significant uncertainty surrounding the applications of intellectual property and privacy laws to AI Technology. Intellectual property ownership and rights (including copyright) and the remedies of rights owners surrounding the use and development of AI Technology have not been fully addressed by courts or other federal or state laws or regulations, and our use of AI Technology or adoption of AI Technology into our products and services may result in disputes with respect to ownership of intellectual property, or exposure to claims of copyright or other intellectual property infringement or misappropriation. In addition, our AI Technology may involve the processing of personal and other sensitive data and may be subject to laws, policies, legal obligations, and contractual requirements related to privacy, data protection, and information security. Certain privacy laws extend rights to consumers (such as the right to obtain consent or delete certain personal data) and regulate automated decision making. An alleged or actual failure to meet these obligations may lead to regulatory investigations and fines or penalties, require us to change our business practices or retrain our algorithms, or prevent or limit our use of AI Technology. For example, the FTC has required other companies to turn over or disgorge valuable insights or trainings generated through the use of AI Technology where the FTC determined such companies violated privacy and consumer protection laws. We may also be held liable for intellectual property, privacy, or other legal violations of third-party AI Technology (including outputs from AI Technology) that we use, and we may not have full recourse for any damages that we suffer (for example, our use of third-party AI Technology may be subject to limitations of liability or provide no liability coverage (e.g., free or open-source technology)). We could also face claims alleging open-source software or other license terms apply with respect to outputs from AI Technology that we believed to be available for use, and not subject to license terms or other third-party proprietary rights.

The algorithms or training methodologies used in the AI Technology we use or offer may be flawed. Data sets may be overly broad, insufficient, or contain inappropriately biased information. Our generative AI Technology may also generate outputs that are inaccurate, misleading, harmful, offensive, or otherwise flawed. This may happen if the inputs that the model relied on were inaccurate, incomplete, or flawed (including if a bad actor "poisons" the model with bad inputs or logic), or if the logic of the algorithm is flawed (a so-called "hallucination"). Such outputs may also contain copyrighted or other protected material. Our customers or others may rely on or use such outputs to their detriment, or it may lead to adverse outcomes, which may expose us to brand or reputational harm, competitive harm, and/or legal liability. Further, unauthorized use or misuse of generative AI Technology by our employees or others who have access to our systems may result in disclosure of confidential company and customer data, reputational harm, privacy law violations and legal liability. Finally, if we enable or offer services or technologies that draw scrutiny or controversy, if our use of AI Technology becomes controversial or causes ethical issues, if our customers' use our AI Technology in an improper or controversial way, or if we are perceived to overstate the capabilities or benefits of our products, services, or technologies that employ AI Technology, we may experience brand or reputational harm, competitive harm, and/or legal liability.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition, and results of operations.

We are subject to the FCPA, U.S. domestic bribery laws, the U.K. Bribery Act 2010, and other anti-corruption and anti-money laundering laws in the countries in which we conduct business. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. As we increase our international sales, including in China, and sales to the public sector, we may engage with business partners and third-party intermediaries to market or resell our products and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities.

We may be held responsible for the actions of our employees, agents, customers, partners, suppliers and other third parties with which we do business if such actions violate our policies and applicable law. As we expand internationally and into the public sector market, our risks under these laws may increase.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption, anti-bribery, or anti-money laundering laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, litigation, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, financial condition, and results of operations could be harmed.

Increasing scrutiny and changing expectations from global regulations, our investors, customers, and employees with respect to ESG may result in additional compliance risk and costs and may impact our reputation and business.

Companies across many industries are facing increasing scrutiny related to their environmental, social and governance (ESG) practices and reporting, both in the United States and internationally. For example, new domestic and international laws and regulations relating to ESG matters, including environmental sustainability and climate change, are under consideration or being adopted, which may include specific, target-driven disclosure requirements or obligations. Our response to increased ESG disclosure requirements may require additional investments and implementation of new practices and reporting processes, all entailing additional compliance risk and cost. To the extent we share information about our ESG practices, we could be criticized for the accuracy, adequacy, or completeness of such disclosures. In addition, we may communicate ESG goals or initiatives from time to time, which can be costly to achieve and difficult to implement. There is no assurance that we will achieve any of these goals, that our initiatives will achieve their intended outcome, and our ability to implement these ESG-related initiatives or achieve ESG-related goals may be dependent on external factors outside our control.

At the same time, anti-ESG sentiment has gained momentum across the United States, and both the federal and state governments have enacted or proposed “anti-ESG” policies or legislation or have issued related legal opinions. In addition, the U.S. Supreme Court’s ruling striking down race-based affirmative action in higher education has increased scrutiny of private sector employment practices and activist groups and state attorneys general have begun to analogize the outcome of that case to private employment matters, asserting that certain corporate practices, such as diversity, equity, and inclusion (DEI), are discriminatory and unlawful. Such anti-ESG and anti-DEI related policies, legislation, initiatives and scrutiny could expose any ESG, DEI or other practices we adopt to the risk of litigation, antitrust investigations or challenges by federal or state authorities, result in injunctions, penalties, and reputational harm.

Further, we may experience backlash from customers, government entities, advocacy groups, employees, or other stakeholders who disagree with our actual or perceived positions, or with our lack of position on social, environmental, governance, political, public policy, economic, geopolitical, or other sensitive issues. Any perceived lack of transparency about these matters could harm our brand and reputation, our employees' engagement and retention, and the willingness of our customers and partners to do business with us. Both advocates and opponents to ESG-related matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business, results of operations, or financial condition.

We are subject to governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls.

Our platform is subject to U.S. export controls, including the U.S. Export Administration Regulations, and we incorporate encryption technology into our platform. This encryption technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception, or other appropriate government authorizations, including the filing of an encryption classification request or self-classification report.

Obtaining the necessary export license or other authorization for a particular sale can be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, our activities are subject to U.S. economic sanctions laws and regulations administered by various U.S. agencies, including the U.S. Treasury Department's Office of Foreign Assets Control, that prohibit the sale or supply of most products and services to embargoed jurisdictions or sanctioned parties. Violations of U.S. sanctions or export control regulations can result in significant fines or penalties and possible incarceration for responsible employees and managers.

If our channel partners fail to obtain appropriate import, export, or re-export licenses or permits, we may also be adversely affected through reputational harm, as well as other negative consequences, including government investigations and penalties.

Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our platform in those countries. Changes in our platform or future changes in export and import regulations may create delays in the introduction of our platform in international markets, prevent our customers with international operations from using our platform globally, or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. From time to time, various governmental agencies have proposed additional regulation of encryption technology. Any change in export or import regulations, economic sanctions, or related legislation, increased export and import controls, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or our decreased ability to export or sell our platform to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would adversely affect our business, financial condition, and results of operations.

Our international operations may subject us to greater than anticipated tax liabilities.

We are expanding our international operations to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth in international markets and consider the functions, risks, and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, tariffs, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

Changes in tax laws or tax rulings could materially affect our financial position, results of operations, and cash flows.

The tax regimes we are subject to or operate under, including income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially affect our financial position and results of operations. The Tax Cuts and Jobs Act and the Inflation Reduction Act (Inflation Act) made many significant changes to U.S. tax laws. For example, the Inflation Act imposes a 1% excise tax applicable to corporations traded on an established securities market (which includes the New York Stock Exchange) on the fair market value of certain stock repurchases in excess of the fair market value of stock issuances in the same taxable year. Repurchases of our common stock under current or future stock repurchase programs could result in an excise tax liability, and we are continuing to evaluate the impact that such excise tax liability, if any, may have on our aggregate tax liability. Additionally, the One Big Beautiful Bill Act (OBBBA), enacted on July 4, 2025, modifies existing U.S. tax laws. The OBBBA includes permanent extensions of certain expiring provisions of the Tax Cuts and Jobs Act, including 100% bonus depreciation for certain qualified property, and reverses the requirement under the Tax Cuts and Jobs Act to capitalize and amortize domestic research and experimentation expenses, allowing taxpayers to deduct such expenses in the year incurred for tax years beginning after December 31, 2024. The OBBBA also includes modifications to the international tax framework. Future guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects thereof could be repealed or modified in future legislation.

In addition, our tax obligations and effective tax rate in the jurisdictions in which we conduct business could increase, including as a result of the base erosion and profit shifting (BEPS) project that is being led by the Organization for Economic Co-operation and Development (OECD), and other initiatives led by the OECD or the European Commission.

Due to the large and expanding scale of our international business activities, these types of changes to the taxation of our activities could increase our worldwide effective tax rate, the amount of taxes imposed on our business, and our compliance costs, and harm our financial position. Such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements. We continue to monitor the impact of new global and U.S. legislation on our effective tax rate.

Our ability to use our net operating loss carryforwards may be limited.

We have incurred substantial losses during our history, do not expect to become profitable in the near future, and may never achieve profitability. Unused U.S. federal net operating losses (NOLs) for taxable years beginning before January 1, 2018, may be carried forward to offset future taxable income, if any, until such unused NOLs expire. Under current U.S. federal income tax law, U.S. federal NOLs arising in taxable years beginning after December 31, 2017, can be carried forward indefinitely, but the deductibility of such U.S. federal NOLs in taxable years beginning after December 31, 2020, is limited to 80% of such year's taxable income. At the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

As of January 31, 2025, we had U.S. federal, state, and foreign NOL carryforwards of $6.2 billion, $6.0 billion, and $178.0 million, respectively. Of the $6.2 billion U.S. federal NOL carryforwards, $6.1 billion may be carried forward indefinitely with utilization limited to 80% of taxable income, and the remaining $0.1 billion will begin to expire in 2032. The state NOL carryforwards begin to expire in 2026. Of the $178.0 million foreign NOL carryforwards, $165.2 million may be carried forward indefinitely, and the remaining $12.8 million will begin to expire in 2027.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as one or more stockholders or groups of stockholders who own at least 5% of our stock increasing their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period, the corporation's ability to use its pre-change NOL carryforwards to offset its post-change income or taxes may be limited. It is possible that we have experienced or may experience ownership changes as a result of shifts in our stock ownership, some of which may be outside of our control. This could limit the amount of NOLs that we can utilize annually to offset future taxable income or tax liabilities. Subsequent ownership changes and changes to the U.S. tax rules in respect of the utilization of NOLs may further affect the limitation in future years.

Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.

We are subject to income taxes in the United States and various foreign jurisdictions. The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. We believe that our provision for income taxes is reasonable, but the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods in which such outcome is determined.

Our effective tax rate could increase due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in tax laws, tax treaties, and regulations or the interpretation of them;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- the effects of acquisitions, divestitures, and restructurings.

Any of these developments could adversely affect our results of operations.

Risks Related to the Ownership of Our Common Stock

Our stock price may be volatile, and the value of our common stock may decline.

The market price of our common stock has been and may continue to be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our actual or projected financial performance from expectations of securities analysts and investors;
- changes in the pricing or consumption of our platform;
- updates to our projected operating and financial results;
- changes in laws or regulations applicable to our business;
- announcements by us or our competitors of significant business developments, acquisitions, investments, or new offerings;
- rumors and market speculation involving us or other companies in our industry;
- significant data breaches, disruptions to, or other incidents involving our platform or our customers;
- our involvement in litigation or governmental or regulatory investigations or inquiries and the development and outcome of such litigation, investigations, or inquiries;
- changes in senior management or key personnel;
- fluctuations in company valuations, particularly valuations of high-growth or cloud companies, perceived to be comparable to us;
- the trading volume of our common stock;
- purchase and sale of our common stock by our insiders or our other stockholders;

- changes in the anticipated future size and growth rate of our market;
- our issuance or repurchase of shares of our common stock or securities convertible into or exchangeable for share of our common stock and any derivative transactions relating to such securities; and
- general political, social, economic, and market conditions.

Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, such as recessions, inflation, interest rate changes, tariffs and trade wars, extended U.S. federal government shutdowns, or international currency fluctuations, may also negatively impact the market price of our common stock. In addition, technology stocks have historically experienced high levels of volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We have been, and may be in the future, the target of this type of litigation, which could result in substantial expenses and divert our management's attention. We are currently subject to a securities class action lawsuit in federal court. See the section titled "Legal Proceedings" for more information.

Conversion of the Notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our common stock.

The conversion of the Notes may dilute the ownership interests of our stockholders. Upon conversion of the Notes, we have the option to settle the obligation in cash, shares of our common stock, or a combination of both. If we elect to settle our conversion obligation in shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market price of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could be used to satisfy short positions, or anticipated conversion of the Notes into shares of our common stock could depress the price of our common stock.

The capped call transactions may affect the value of the Notes and the market price of our common stock.

We entered into privately negotiated capped call transactions relating to each series of Notes with some of the initial purchasers (or their affiliates) and certain other financial institutions (collectively, the option counterparties). The capped call transactions are generally expected to reduce the potential dilution to our common stock upon any conversion of the relevant series of Notes or offset any cash payments we are required to make in excess of the principal amount of converted Notes, with such reduction or offset subject to a cap.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties entered into various derivative transactions with respect to our common stock and/or purchased shares of our common stock concurrently with, or shortly after, the pricing of the Notes. They may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling shares of our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes, and they are likely to do so during any "observation period" related to a conversion of Notes or, to the extent we exercise the relevant election under the capped call transactions, following any repurchase or redemption of the Notes, in each case as described in the Indentures. This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Notes.

We are subject to counterparty risk with respect to the capped call transactions.

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions and could adversely affect the option counterparties' performance under the capped call transactions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution, the effect of which would not be compensated for, than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders.

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders, including issuance of shares of our common stock upon conversion of the Notes. We expect to continue to grant equity awards to employees, non-employee directors, and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we have and may continue to acquire or make investments in companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

We may not realize the anticipated long-term stockholder value of our stock repurchase program, and any failure to repurchase our common stock after we have announced our intention to do so may negatively impact our stock price.

In February 2023, our board of directors authorized the repurchase of up to $2.0 billion of our common stock through a stock repurchase program. In August 2024, our board of directors authorized the repurchase of an additional $2.5 billion of our outstanding common stock under the stock repurchase program and extended the expiration date of the stock repurchase program from March 2025 to March 2027. Repurchases may be effected, from time to time, either on the open market (including via pre-set trading plans), in privately negotiated transactions, or through other transactions in accordance with applicable securities laws.

The timing and amount of any repurchases will be determined by management based on an evaluation of market conditions and other factors. The program does not obligate us to acquire any particular amount of common stock and may be suspended or discontinued at any time at our discretion. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation, investor confidence in us, or our stock price.

The existence of our stock repurchase program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although our stock repurchase program is intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our common stock may decline below the levels at which we repurchase shares, and short-term stock price fluctuations could reduce the effectiveness of the program. Repurchasing our common stock reduces the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or investments, other business opportunities, and other general corporate projects, and we may fail to realize the anticipated long-term stockholder value of any stock repurchase program. In addition, the Inflation Act imposes an excise tax of 1% on certain corporate stock repurchases.

If securities or industry analysts publish unfavorable or inaccurate research about our business, the market price or trading volume of our common stock could decline.

The market price and trading volume of our common stock is heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. If securities analysts or industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts downgrade our common stock or publish negative reports about our business, our stock price would likely decline. Further, investors and analysts may not understand how our consumption-based business model differs from a subscription-based business model. If one or more of these analysts cease coverage of us, publish inaccurate research about our business, or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our common stock.

We do not intend to pay dividends for the foreseeable future and, as a result, the ability of the holders of our common stock to achieve a return on their investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, holders of our common stock may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

We incur significant costs operating as a public company, and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the New York Stock Exchange, and other applicable securities rules and regulations. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations have increased our legal and financial compliance costs and make some activities more time-consuming and costly. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to continue to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with evolving laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us, and our business may be harmed. Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act (Section 404), to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of each fiscal year. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. Our compliance with Section 404 requires that we incur substantial expenses and expend significant management efforts. We have established an internal audit group, and as we continue to grow, we expect to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and update the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Anti-takeover provisions in our charter documents, the Indentures, and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;

- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual or special meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may only be removed for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that holders of our common stock would receive a premium for their shares of our common stock in an acquisition.

In addition, certain provisions in the Indentures may make it more difficult or expensive for a third party to acquire us. For example, the Indentures will require us, except as described therein, to repurchase the Notes of the relevant series for cash upon the occurrence of a fundamental change (as defined in the Indentures) and, in certain circumstances, to increase the relevant conversion rate for a holder that converts its Notes of the relevant series in connection with a make-whole fundamental change (as defined in the Indentures). A takeover of us may trigger the requirement that we repurchase the relevant series of Notes and/or increase the relevant conversion rate, which could make it more costly for a potential acquirer to engage in such takeover. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for certain disputes between us and our stockholders, which will restrict our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: any derivative action or proceeding brought on our behalf, any action asserting a breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to our company or our stockholders, any action asserting a claim against us arising out of or pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, any action as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or any action asserting a claim against us or any of our current or former directors, officers, or other employees that is governed by the internal affairs doctrine. This choice of forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

The following table presents our stock repurchase activity under our authorized stock repurchase program during the three months ended October 31, 2025. (in thousands, except for per share data):

	Total Number of Shares Purchased	Average Price Paid Per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program[2]
August 1, 2025 to August 31, 2025	—	$ —	—	$ 1,485,573
September 1, 2025 to September 30, 2025	1,043	$ 223.35	1,043	$ 1,252,692
October 1, 2025 to October 31, 2025	—	$ —	—	$ 1,252,692
Total	1,043		1,043	

(1) Weighted-average price paid per share excludes transaction costs and excise tax associated with the repurchases.

(2) In February 2023, our board of directors authorized, and on March 1, 2023, we publicly announced, a stock repurchase program of up to $2.0 billion of our outstanding common stock. In August 2024, our board of directors authorized, and on August 21, 2024, we publicly announced, the repurchase of an additional $2.5 billion of our outstanding common stock under the stock repurchase program and extended the expiration date of the stock repurchase program from March 2025 to March 2027. The amount disclosed in this column is exclusive of any transaction costs associated with the repurchases. Repurchases may be effected, from time to time, either on the open market (including via pre-set trading plans), in privately negotiated transactions, or through other transactions in accordance with applicable securities laws. The timing and amount of any repurchases will be determined by management based on an evaluation of market conditions and other factors. The program does not obligate us to acquire any particular amount of common stock, and the repurchase program may be suspended or discontinued at any time at our discretion.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During our last fiscal quarter, our directors and/or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted and/or terminated the contracts, instructions, or written plans for the purchase or sale of the Company's securities as set forth in the table below.

			Trading Arrangement			
	Action	Date	Rule 10b5-1*	Non-Rule 10b5-1**	Total Shares of Common Stock Subject to Trading Arrangement	Expiration Date
Frank Slootman, Director	Adopted[(1)]	September 19, 2025	X		3,640,816[(2)]	December 17, 2026

* Intended to satisfy the affirmative defense of Rule 10b5-1(c)
** Not intended to satisfy the affirmative defense of Rule 10b5-1(c)

(1) Adopted pursuant to Rule 10b5-1(c)(1)(ii)(D)(2).
(2) The actual number of shares subject to the trading arrangement under the Rule 10b5-1 Plan is expected to be different due to (i) our withholding of certain shares to satisfy tax withholding obligations in connection with the vesting of restricted stock units and (ii) the amount of whole shares distributed in connection with the vesting of restricted stock units due to rounding, as applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Snowflake Inc.	8-K	001-39504	3.1	7/3/2025	
3.2	Amended and Restated Bylaws of Snowflake Inc.	8-K	001-39504	3.1	11/29/2023	
10.1+	Offer Letter by and between Snowflake Inc. and Brian Robins, dated August 27, 2025.	8-K	001-39504	10.1	9/3/2025	
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	The following financial information from Snowflake Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101).					X

+ Management contract or compensatory plan or arrangement.
* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 5, 2025

SNOWFLAKE INC.

By:	/s/ Sridhar Ramaswamy
Name:	Sridhar Ramaswamy
Title:	Chief Executive Officer *(Principal Executive Officer)*

By:	/s/ Brian Robins
Name:	Brian Robins
Title:	Chief Financial Officer *(Principal Financial Officer)*

By:	/s/ Emily Ho
Name:	Emily Ho
Title:	Chief Accounting Officer *(Principal Accounting Officer)*

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Sridhar Ramaswamy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Snowflake Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2025

By:	/s/ Sridhar Ramaswamy
Name:	Sridhar Ramaswamy
Title:	Chief Executive Officer
	(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Robins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Snowflake Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2025

By:	/s/ Brian Robins
Name:	Brian Robins
Title:	Chief Financial Officer
	(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Sridhar Ramaswamy, do hereby certify, to the best of my knowledge and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Quarterly Report on Form 10-Q of Snowflake Inc. for the period ended October 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Snowflake Inc.

Date: December 5, 2025

By:	/s/ Sridhar Ramaswamy
Name:	Sridhar Ramaswamy
Title:	Chief Executive Officer *(Principal Executive Officer)*

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Robins, do hereby certify, to the best of my knowledge and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Quarterly Report on Form 10-Q of Snowflake Inc. for the period ended October 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Snowflake Inc.

Date: December 5, 2025

By:	/s/ Brian Robins
Name:	Brian Robins
Title:	Chief Financial Officer *(Principal Financial Officer)*