
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): December 6, 2021

Sumo Logic, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-39502

(Commission File Number)

**305 Main Street
Redwood City, California 94063**

(Address of principal executive offices, including zip code)

(650) 810-8700

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

27-2234444

(I.R.S. Employer
Identification Number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$0.0001 per share	SUMO	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On December 6, 2021, Sumo Logic, Inc. issued a press release announcing its financial results for its third quarter ended October 31, 2021. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*Appointment of New Officer*

On December 6, 2021, the Company announced the appointment of Stewart Grierson as Chief Financial Officer, effective December 13, 2021, which will be Mr. Grierson's first day of employment with the Company.

Prior to joining the Company, Mr. Grierson, 55, was the chief financial officer of Delphix, an enterprise software development and IT operations company, from April 2015 until December 2021. Prior to joining Delphix, Mr. Grierson served as chief financial officer and senior vice president, operations at Coraid, and as chief financial officer of ArcSight. Earlier in Mr. Grierson's career, he worked at KPMG. Mr. Grierson also serves as a board member of a privately-held company. Mr. Grierson holds a bachelor's degree in economics from McGill University.

The Company entered into an employment letter with Mr. Grierson. The employment letter does not have a specific term and provides that Mr. Grierson will serve as an at-will employee. Mr. Grierson's annual base salary will be \$400,000 and he will be eligible to participate in the Company's executive bonus program with a discretionary bonus target of 62.5% of his annual base salary. In addition, subject to approval of the board of directors or the compensation committee, Mr. Grierson will be granted an equity award of 480,000 restricted stock units ("RSUs"). The RSUs will vest as to 25% on the one year anniversary of the applicable vesting commencement date, and 1/16th of the RSUs will vest on a quarterly basis thereafter in accordance with the Company's equity grant practices and subject to Mr. Grierson's continuous service with the Company through each such date. Further, subject to approval of the board of directors or the compensation committee, Mr. Grierson will also be granted an equity award of 120,000 performance-based units ("PSUs"). The PSUs will vest in accordance with the Company's PSU program on terms similar to other executive officers and the Company's equity grant practices, and subject to Mr. Grierson's continuous service with the Company through each such date. The RSUs and PSUs will otherwise be subject to the terms of the Company's 2020 Equity Incentive Plan and the form of RSU agreement used under the plan.

The foregoing description of Mr. Grierson's compensatory arrangement with the Company does not purport to be complete and is qualified in its entirety by reference to the full text of the employment offer letter, which is attached to this Current Report on Form 8-K as Exhibit 10.1, and is incorporated herein by reference.

The Company also entered into the Company's standard change of control and severance agreement with Mr. Grierson. The change of control and severance agreement provides for certain severance payments and benefits if Mr. Grierson's employment is terminated other than for "cause" (as defined in the agreement) or she resigns for "good reason") as defined in the agreement, subject to Mr. Grierson satisfying certain other terms as set forth in the agreement. The Company will also enter into the Company's standard indemnification agreement with Mr. Grierson. For a full description of the Company's change in control and severance agreements and indemnification agreements, please see the Company's Proxy Statement for its 2021 annual general meeting of stockholders, filed with the Securities and Exchange Commission on May 21, 2021.

A copy of the Company's press release announcing Mr. Grierson's appointment is filed herewith as Exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number**Description**

10.1	Employment Letter between Sumo Logic, Inc. and Stewart Grierson
99.1	Press Release dated December 6, 2021
99.2	Press Release dated December 6, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)



November 6, 2021

Stewart Grierson

Dear Stewart,

On behalf of Sumo Logic, Inc. ("**Sumo Logic**" or the "**Company**"), it is my pleasure to offer you the position of Chief Financial Officer, reporting to me, Ramin Sayar, Chief Executive Officer. We are excited to have you join the Sumo Logic team! Please take some time to read through the important information below.

1. **Position.** This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.
2. **Cash Compensation.** The Company will pay you a starting salary at the rate of \$400,000 per year, payable in accordance with the Company's standard payroll schedule. You will be eligible to participate in our executive bonus program. Your discretionary bonus target will be 62.5% of your annual base salary per fiscal year, subject to any mutually agreed reduction in on-target earnings between you and the Company. Bonus payments are calculated and paid based on the achievement of Company or other performance objectives, as periodically established and evaluated by Sumo Logic. The specific terms and conditions applicable to your individual participation in the bonus program will be based on your position within Sumo Logic and are subject to change at Sumo Logic's sole discretion. You must be employed by Sumo Logic at the time bonuses are paid to earn and receive a bonus payment.
3. **Employee Benefits.** As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits. We have a flexible paid time off policy that gives employees the freedom to take time away out of the office, with their supervisor's approval, without being dependent on a vacation balance. The Company reserves the right to modify, amend, suspend, or terminate the benefit plans, programs, and policies it offers to its employees at any time.
4. **Restricted Stock Units.** In each instance subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be granted (i) an award of restricted stock units ("**RSUs**") and (ii) an award of performance-based RSUs ("**PSUs**"), with an aggregate value of \$10,200,000 as described below.

The RSUs will have a value of \$8,160,000, with the number of shares to be based on a price per share of the Company's Common Stock of \$17.00, rounded to the nearest whole share. The RSUs will be subject to the terms and conditions applicable to RSUs granted under the Company's 2020 Equity Incentive Plan (the "**Plan**"), as described in the Plan and the applicable restricted stock unit award agreement. The RSUs will vest according to the following schedule: 25% of the RSUs will vest on the first quarterly vesting date that is on or after the 1 year anniversary of the vesting commencement date, with 1/16th of the RSUs vesting on each quarterly vesting date thereafter. The quarterly vesting dates will be the first trading day on or after each of March 15, June 15, September 15, and December 15. All vesting is subject to your continuous service to the Company (or a subsidiary of the Company) through the applicable vesting dates

In addition, subject to your continued employment through the grant date, you will be eligible to participate in any PSU program on terms similar to other executive officers of the Company. Your PSUs will have a value of \$2,040,000, with the number of shares to be based on a price per share



of the Company's Common Stock of \$17.00, rounded to the nearest whole share. The PSUs will be subject to the terms and conditions set forth in the Plan and the applicable award agreement, with vesting and other conditions to be determined by the Company in its sole discretion.

5. **Severance Agreement.** As an executive officer of the Company, you will also be entitled to participate in the Company's executive severance arrangements. A copy of the Change of Control and Severance Agreement is attached hereto as **Exhibit A** for your review and signature.
6. **Proprietary Information.** Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as **Exhibit B**. The Company respects the right of every employer to protect its confidential and proprietary information. You therefore agree to abide by the Company's strict policy that prohibits any new employee from using, disclosing or bringing with them from any prior employer any confidential information, trade secrets, proprietary materials or processes of such former employers. You hereby represent that you have returned all property and confidential information belonging to any prior employers.
7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).
8. **Withholding Taxes.** All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.
9. **Interpretation, Amendment and Enforcement.** This letter agreement, the Proprietary Information and Inventions Agreement, and the Change of Control and Severance Agreement constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "**Disputes**") will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute.

As a Company employee, you will be expected to abide by the Company's rules and standards. Specifically, you will be required to sign an acknowledgment that you have read and that you understand the Company's Code of Business Conduct and Ethics.

[Remainder of page intentionally left blank]

Sumo Logic, Inc.
305 Main Street
Redwood City, CA 94063



sumo logic

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating this letter agreement, the enclosed, the enclosed Change of Control and Severance Agreement, and the enclosed Proprietary Information and Inventions Agreement, and returning them to me. **If not accepted, this offer will expire at the close of business on November 10, 2021.** As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. Your employment and start date are also contingent upon successful completion of the background check process, and you starting work with the Company by **December 13, 2021**, or an alternate start date mutually agreed to in writing (including via email) by you and the Company.

If you have any questions, please call me at [*] or Shea Kelly at [*]. The Company's principal place of business is Redwood City, California, USA. Its mailing address is 305 Main Street, Redwood City, California, 94063 USA, and its phone number is (650) 810-8700.

Very truly yours,

Sumo Logic, Inc.

/s/ Ramin Sayar

Ramin Sayar
Chief Executive Officer

Agreed to and accepted:

/s/ Stewart Grierson 11/08/2021
Stewart Grierson Date

Sumo Logic, Inc.
305 Main Street
Redwood City, CA 94063



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EXHIBIT A
CHANGE OF CONTROL AND SEVERANCE AGREEMENT

Sumo Logic, Inc.
305 Main Street
Redwood City, CA 94063



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EXHIBIT B
PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

Sumo Logic Announces Third Quarter Fiscal 2022 Financial Results*Third quarter revenue grew 20% year-over-year to \$62.0 million*

REDWOOD CITY, CA. — December 6, 2021 — Sumo Logic (Nasdaq: SUMO), a pioneer of continuous intelligence, today announced financial results for the third quarter of its fiscal 2022 ended October 31, 2021.

“Sumo Logic delivered another strong quarter of revenue growth for the fiscal third quarter. Results were again driven by continued adoption of our leading Continuous Intelligence platform, which helps our customers ensure application reliability, manage and optimize multi-cloud infrastructure, as well as secure and protect against modern security threats,” said Ramin Sayar, President and CEO of Sumo Logic. “We continue to leverage our differentiated DevSecOps platform across a broad range of observability and security uses cases, which we believe strengthens our position and helps us further capture the significant opportunity created by digital transformations and cloud migrations.”

Third Quarter Fiscal 2022 Financial Highlights

- Revenue was \$62.0 million, an increase of 20% year-over-year
- Revenue, excluding our largest revenue customer, was \$57.4 million, an increase of 19% year-over-year
- GAAP gross margin was 67%; non-GAAP gross margin was 73%
- GAAP operating loss was \$31.4 million; GAAP operating margin was (51)%
- Non-GAAP operating loss was \$13.9 million; non-GAAP operating margin was (22)%
- GAAP net loss was \$30.8 million or \$0.28 per share
- Non-GAAP net loss was \$13.3 million or \$0.12 per share
- Net cash used in operating activities was \$12.7 million; free cash flow was \$(13.2) million
- Cash and cash equivalents and marketable securities were \$362.1 million as of October 31, 2021

Recent Highlights

- Appointed Lynne Doherty as President, Worldwide Field Operations. Lynne brings extensive sales and go-to-market leadership experience scaling go-to-market operations at multiple large tech companies. Her expertise will help accelerate Sumo Logic's go-to-market strategy and transformation, strengthen its global sales and partner ecosystem, and help Sumo further scale over the coming years.
- Appointed Stewart Grierson as Chief Financial Officer effective December 13, 2021. Stewart brings extensive finance and operations experience at high growth private and public technology companies. His expertise in security and observability will allow him to help Sumo Logic execute on its strategy and operational plans over the coming years.
- Named Independent Software Vendor (ISV) Partner of the Year by Amazon Web Services (AWS) for 2021.
- Released Sumo Logic's inaugural Environmental, Social and Governance Report, highlighting the ways in which Sumo Logic is enabling progress and sustainable growth in communities across the world.
- Announced new products and features at Illuminate, Sumo Logic's annual user conference, where Sumo community experts shared how they are leveraging Sumo to better navigate digital transformation. Product announcements included:
 - New and enhanced observability improvements to Sumo Logic's monitoring and troubleshooting capabilities with new alert response features, new real-time data sources and integrations, as well as additional enhancements to support open source.
 - The integration of Sensu Go to Sumo Logic's platform and Sensu Go Plus which further enhances the monitoring-as-code capabilities of Sensu Go and allows real-time insights from all data types for improved troubleshooting, reliability, and security.
 - Enhancements to Sumo Logic's Cloud Security Analytics and Monitoring solution, which improve our customers' ability to address modern workload protection, Open XDR out-of-the-box XDR threat detection and response, and expanded security insights with new and updated applications for AWS, multi-cloud, SaaS and productivity applications, and regulatory standards.

Financial Outlook

For the fourth quarter of fiscal 2022, Sumo Logic expects:

- Total revenue between \$63.7 million and \$64.7 million, representing 18% to 20% growth year over year
- Revenue, excluding our largest revenue customer, between \$59.5 million and \$60.5 million, representing 17% to 19% growth year over year
- Non-GAAP operating loss of \$15.9 million to \$15.4 million; non-GAAP operating margin of (25)% to (24)%
- Non-GAAP net loss per share of \$0.17 on approximately 112.0 million weighted average shares outstanding

For the full fiscal year 2022, Sumo Logic expects:

- Total revenue between \$238.8 million and \$239.8 million, representing 18% growth year over year
- Revenue, excluding our largest revenue customer, between \$222.8 million and \$223.8 million, representing 19% growth year over year
- Non-GAAP operating loss of \$53.0 million to \$52.5 million; non-GAAP operating margin of (22)%
- Non-GAAP net loss per share of \$0.51 to \$0.50 on approximately 108.5 million weighted average shares outstanding

These statements are forward-looking and actual results may differ materially. Please refer to the Forward-Looking Statements safe harbor below for information on the factors that could cause our actual results to differ materially from these forward-looking statements.

Guidance for non-GAAP financial measures excludes stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, and acquisition-related expenses. We have not provided the most directly comparable GAAP measures because certain items are out of our control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking non-GAAP operating loss and non-GAAP net loss per share is not available without unreasonable effort. Refer to Non-GAAP Financial Measures below.

Conference Call Details

The company will host a conference call and live webcast on Monday, December 6, 2021, at 1:30 p.m. Pacific time (4:30 p.m. Eastern time). The news release with the financial results will be accessible on Sumo Logic's investor relations website at investor.sumologic.com prior to the conference call. To access the conference call, dial (877) 407-0784 from the United States or (201) 689-8560 internationally and reference the company name and conference title. Following the completion of the call, a replay will be available for approximately two weeks. The replay can be accessed by dialing (844) 512-2921 from the United States or (412) 317-6671 internationally and using the recording passcode 13725119. A live webcast and replay of the conference call can also be accessed from the Sumo Logic Investor Relations website at investor.sumologic.com.

Supplemental Financial and Other Information

Supplemental financial and other information can be accessed through Sumo Logic's investor relations website at investor.sumologic.com. Sumo Logic uses the investor relations section on its website as the means of complying with its disclosure obligations under Regulation FD. Accordingly, we recommend that investors should monitor Sumo Logic's investor relations website in addition to following Sumo Logic's press releases, SEC filings and social media.

Non-GAAP Financial Measures

In addition to our financial information presented in accordance with GAAP, we believe the following non-GAAP financial measures are useful in evaluating our operating performance. We use the following non-GAAP financial measures, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance. We believe that non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, may be helpful to investors because they provide consistency and comparability with past financial performance and meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. The non-GAAP financial measures are presented for supplemental informational purposes only, have limitations as analytical tools, and should not be considered in isolation or as a substitute for financial information

presented in accordance with GAAP and may be different from similarly-titled non-GAAP financial measures used by other companies. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business, which it includes in press releases announcing quarterly financial results, including this press release.

Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP loss from operations, non-GAAP operating margin, non-GAAP net loss and non-GAAP net loss per share: We define these non-GAAP financial measures as their respective GAAP measures, excluding expenses related to stock-based compensation expense and related employer taxes on equity, amortization of acquired intangibles, and acquisition-related expenses. We use these non-GAAP financial measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance.

Free cash flows: We define free cash flow as cash used in operating activities less purchases of property and equipment and capitalized internal-use software costs. We believe free cash flow is a useful indicator of liquidity that provides our management, board of directors, and investors with information about our future ability to generate or use cash to enhance the strength of our balance sheet and further invest in our business and pursue potential strategic initiatives.

Please see the reconciliation tables at the end of this release for the reconciliation of GAAP and non-GAAP results.

Forward-Looking Statements

This press release contains express and implied forward-looking statements including but not limited to, statements regarding our GAAP and non-GAAP guidance for the fourth fiscal quarter and full fiscal year 2022, the expected benefits of hiring new executives and expectations regarding the benefits of our offerings, our growth strategy and investments, our market opportunity, and our ability to achieve success. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to our ability to realize the anticipated benefits from our acquisitions, our ability to achieve and maintain future profitability, our ability to attract new customers and retain and sell additional functionality and services to our existing customers, our ability to sustain and manage our growth, our ability to successfully add new features and functionality to our platform, our ability to compete effectively in an increasingly competitive market, and general market, political, economic, and business conditions, including the impact of COVID-19, and other risks detailed in our Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2021, filed with the Securities and Exchange Commission (SEC) on September 10, 2021, and other filings and reports that we may file from time to time with the SEC. Additional information will be made available in our Quarterly Report on Form 10-Q for the quarter ended October 31, 2021 that will be filed with the SEC, which should be read in conjunction with this press release and the financial results included herein.

Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent our views as of the date of this press release. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release. We anticipate that subsequent events and developments could cause our views to change. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About Sumo Logic

Sumo Logic, Inc. (Nasdaq: SUMO), is the pioneer in continuous intelligence, a new category of software, which enables organizations of all sizes to address the data challenges and opportunities presented by digital transformation, modern applications, and cloud computing. The Sumo Logic Continuous Intelligence Platform™ automates the collection, ingestion, and analysis of application, infrastructure, security, and IoT data to derive actionable insights within seconds. More than 2,100 customers around the world rely on Sumo Logic to build, run, and secure their modern applications and cloud infrastructures. Only Sumo Logic delivers its platform as a true, multi-tenant SaaS architecture, across multiple use-cases, enabling businesses to thrive in the Intelligence Economy. For more information, visit www.sumologic.com.

For more information, please contact:

Investor Relations Contact

Investor Relations
IR@sumologic.com

Media Contact

Melissa Beck
mliton@sumologic.com
(650) 814-3882

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
Revenue	\$ 62,016	\$ 51,868	\$ 175,076	\$ 148,485
Cost of revenue	20,384	13,601	55,557	42,140
Gross profit	<u>41,632</u>	<u>38,267</u>	<u>119,519</u>	<u>106,345</u>
Operating expenses:				
Research and development	25,464	18,753	69,768	51,756
Sales and marketing	33,565	26,904	95,300	80,534
General and administrative	14,015	15,507	45,258	32,096
Total operating expenses	<u>73,044</u>	<u>61,164</u>	<u>210,326</u>	<u>164,386</u>
Loss from operations	(31,412)	(22,897)	(90,807)	(58,041)
Interest and other (expense) income, net	(19)	(322)	34	(249)
Interest expense	(44)	(290)	(133)	(654)
Loss before provision for income taxes	<u>(31,475)</u>	<u>(23,509)</u>	<u>(90,906)</u>	<u>(58,944)</u>
Provision (benefit) for income taxes	(639)	417	(1,107)	764
Net loss	<u>\$ (30,836)</u>	<u>\$ (23,926)</u>	<u>\$ (89,799)</u>	<u>\$ (59,708)</u>
Net loss per share, basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.43)</u>	<u>\$ (0.84)</u>	<u>\$ (1.92)</u>
Weighted-average shares used to compute net loss per share, basic and diluted	<u>110,409</u>	<u>55,816</u>	<u>107,479</u>	<u>31,044</u>

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

	October 31, 2021	January 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 78,288	\$ 404,140
Marketable securities, current	210,633	—
Accounts receivable, net	43,404	44,761
Prepaid expenses	10,639	10,509
Deferred sales commissions, current	15,810	12,790
Other current assets	2,647	3,110
Total current assets	361,421	475,310
Marketable securities, noncurrent	73,153	—
Property and equipment, net	4,864	4,156
Operating lease right-of-use assets	7,162	—
Goodwill	95,815	50,672
Acquired intangible assets, net	30,421	10,656
Deferred sales commissions, noncurrent	29,736	27,857
Other assets	1,507	1,856
Total assets	\$ 604,079	\$ 570,507
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,338	\$ 4,832
Accrued expenses and other current liabilities	25,839	23,316
Operating lease liabilities, current	4,612	—
Deferred revenue, current	118,668	102,625
Total current liabilities	158,457	130,773
Operating lease liabilities, noncurrent	3,514	—
Deferred revenue, noncurrent	5,594	4,076
Other liabilities	4,789	4,246
Total liabilities	172,354	139,095
Stockholders' equity:		
Common stock	11	10
Additional paid-in-capital	921,710	829,238
Accumulated other comprehensive loss	(2,406)	(45)
Accumulated deficit	(487,590)	(397,791)
Total stockholders' equity	431,725	431,412
Total liabilities and stockholders' equity	\$ 604,079	\$ 570,507

Sumo Logic, Inc.
Condensed Consolidated Statement of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
Cash flows from operating activities				
Net loss	\$ (30,836)	\$ (23,926)	\$ (89,799)	\$ (59,708)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	4,282	2,080	9,889	6,152
Amortization of deferred sales commissions	4,188	2,934	11,353	8,148
Accretion (amortization) of marketable securities purchased at a premium (discount)	789	—	2,156	—
Stock-based compensation, net of amounts capitalized	12,937	18,943	39,127	28,666
Non-cash operating lease cost	1,038	—	3,132	—
Other	(806)	104	(1,852)	186
Changes in operating assets and liabilities				
Accounts receivable	(12,807)	(12,256)	1,910	(14,717)
Prepaid expenses	(3,678)	(5,534)	(133)	(2,276)
Other assets	(282)	(799)	1,104	(619)
Deferred sales commissions	(6,762)	(10,800)	(16,252)	(17,718)
Accounts payable	2,730	843	4,283	(149)
Accrued expenses and other current liabilities	5,874	1,611	1,806	1,781
Deferred revenue	11,550	7,828	16,436	1,695
Operating lease liabilities	(1,124)	—	(3,371)	—
Other noncurrent liabilities	218	673	265	2,354
Net cash used in operating activities	(12,689)	(18,299)	(19,946)	(46,205)
Cash flows from investing activities				
Purchases of marketable securities	(67,917)	—	(359,587)	—
Maturities of marketable securities	42,750	—	57,958	—
Sales of marketable securities	15,480	—	15,480	—
Purchases of property and equipment	(498)	(168)	(1,799)	(358)
Capitalized internal-use software costs	—	(246)	—	(1,205)
Cash paid for acquisitions, net of cash and restricted cash acquired	(43)	—	(40,340)	—
Net cash used in investing activities	(10,228)	(414)	(328,288)	(1,563)
Cash flows from financing activities				
Proceeds from initial public offering, net of underwriting discounts	—	349,166	—	349,166
Proceeds from borrowings	—	—	—	24,250
Repayment of borrowings	—	(24,250)	—	(24,250)
Payments of deferred offering costs	—	(765)	(93)	(1,321)
Proceeds from employee stock purchase plan	—	—	4,725	—
Proceeds from exercise of common stock options	4,647	3,990	17,974	6,113
Cash paid for holdback consideration in connection with acquisitions	—	—	—	(100)
Net cash provided by financing activities	4,647	328,141	22,606	353,858
Effect of exchange rate changes on cash and cash equivalents	(25)	(76)	(174)	(134)
Change in cash and cash equivalents and restricted cash	(18,295)	309,352	(325,802)	305,956
Cash and cash equivalents and restricted cash:				
Beginning of period	96,933	98,417	404,440	101,813
End of period	\$ 78,638	\$ 407,769	\$ 78,638	\$ 407,769

Sumo Logic, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except per share data and percentages)
(unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2021	2020	2021	2020
Reconciliation of gross profit and gross margin				
GAAP gross profit	\$ 41,632	\$ 38,267	\$ 119,519	\$ 106,345
Add: Stock-based compensation and related employer payroll tax	192	213	558	314
Add: Amortization of acquired intangible assets	3,614	1,706	8,157	5,117
Add: Acquisition-related expenses	97	—	151	—
Non-GAAP gross profit	<u>\$ 45,535</u>	<u>\$ 40,186</u>	<u>\$ 128,385</u>	<u>\$ 111,776</u>
GAAP gross margin	67 %	74 %	68 %	72 %
Non-GAAP gross margin	73 %	77 %	73 %	75 %
Reconciliation of operating expenses				
GAAP research and development	\$ 25,464	\$ 18,753	\$ 69,768	\$ 51,756
Less: Stock-based compensation and related employer payroll tax	(6,538)	(5,728)	(17,499)	(9,606)
Less: Acquisition-related expenses	(297)	—	(535)	—
Non-GAAP research and development	<u>\$ 18,629</u>	<u>\$ 13,025</u>	<u>\$ 51,734</u>	<u>\$ 42,150</u>
GAAP sales and marketing	\$ 33,565	\$ 26,904	\$ 95,300	\$ 80,534
Less: Stock-based compensation and related employer payroll tax	(3,794)	(4,747)	(11,807)	(7,863)
Less: Amortization of acquired intangible assets	(150)	—	(233)	—
Less: Acquisition-related expenses	(95)	—	(181)	—
Non-GAAP sales and marketing	<u>\$ 29,526</u>	<u>\$ 22,157</u>	<u>\$ 83,079</u>	<u>\$ 72,671</u>
GAAP general and administrative	\$ 14,015	\$ 15,507	\$ 45,258	\$ 32,096
Less: Stock-based compensation and related employer payroll tax	(2,727)	(8,255)	(10,821)	(10,883)
Less: Acquisition-related expenses	—	—	(3,756)	—
Non-GAAP general and administrative	<u>\$ 11,288</u>	<u>\$ 7,252</u>	<u>\$ 30,681</u>	<u>\$ 21,213</u>
Reconciliation of operating loss and operating margin				
GAAP loss from operation	\$ (31,412)	\$ (22,897)	\$ (90,807)	\$ (58,041)
Add: Stock-based compensation and related employer payroll tax	13,251	18,943	40,685	28,666
Add: Amortization of acquired intangible assets	3,764	1,706	8,390	5,117
Add: Acquisition-related expenses	489	—	4,623	—
Non-GAAP operating loss	<u>\$ (13,908)</u>	<u>\$ (2,248)</u>	<u>\$ (37,109)</u>	<u>\$ (24,258)</u>
GAAP operating margin	(51)%	(44)%	(52)%	(39)%
Non-GAAP operating margin	(22)%	(4)%	(21)%	(16)%
Reconciliation of net loss				
GAAP net loss	\$ (30,836)	\$ (23,926)	\$ (89,799)	\$ (59,708)
Add: Stock-based compensation and related employer payroll tax	13,251	18,943	40,685	28,666
Add: Amortization of acquired intangible assets	3,764	1,706	8,390	5,117
Add: Acquisition-related expenses	489	—	4,623	—
Non-GAAP net loss	<u>\$ (13,332)</u>	<u>\$ (3,277)</u>	<u>\$ (36,101)</u>	<u>\$ (25,925)</u>
GAAP net loss per share	\$ (0.28)	\$ (0.43)	\$ (0.84)	\$ (1.92)
Non-GAAP net loss per share	\$ (0.12)	\$ (0.06)	\$ (0.34)	\$ (0.84)
Weighted average shares outstanding, basic and diluted	110,409	55,816	107,479	31,044
Reconciliation of cash used in operating activities to free cash flow				
GAAP cash used in operating activities	\$ (12,689)	\$ (18,299)	\$ (19,946)	\$ (46,205)
Less: Capital expenditures	(498)	(168)	(1,799)	(358)
Less: Capitalized internal-use software costs	—	(246)	—	(1,205)
Free cash flow	<u>\$ (13,187)</u>	<u>\$ (18,713)</u>	<u>\$ (21,745)</u>	<u>\$ (47,768)</u>

Sumo Logic Names Stewart Grierson Chief Financial Officer

Seasoned Executive with Broad Financial and Operational Experience Joins Sumo Logic to Help to Drive its Next Stage of Growth

REDWOOD CITY, Calif. – Dec. 6, 2021 – Sumo Logic (Nasdaq: SUMO), the pioneer in [continuous intelligence](#), today announced the appointment of Stewart Grierson as Chief Financial Officer, effective Dec. 13, 2021. As a member of the company's senior executive team, Stewart will focus on operational efficiency, financial management, and investor relations to drive Sumo Logic's long-term growth.

"As every company increasingly embraces a digital-first strategy, Sumo Logic is strongly positioned as a real-time data analytics leader that can help them build, run and secure their digital applications and multi-cloud infrastructure," said Ramin Sayar, president and CEO, Sumo Logic. "I'm thrilled to have Stewart join Sumo Logic and am excited to partner with him to capture the large and growing market opportunity in front of us."

Stewart has been leading finance and operations teams of public and private technology companies for more than 25 years. He joins Sumo Logic from Delphix, a leader in DevOps software, where he served as CFO. In addition, Stewart previously spent 8 years as CFO at ArcSight, the first generation SIEM leader. This experience in two of the primary markets that Sumo Logic competes in, Security and Observability, will allow Stewart to quickly come up to speed on the company's strategy and operational plans. Earlier in his career, Stewart worked at KPMG and holds a bachelor's degree in economics from McGill University.

"Today's digital economy requires fully integrated and automated applications and infrastructure that operates reliably in a multi-cloud environment to quickly deliver new software features, optimize customer experience, and maximize operational efficiencies, while managing security and compliance risk," Grierson said. "The Sumo Logic Continuous Intelligence Platform allows customers to quickly identify and respond to security and compliance risks and pinpoint breakdowns across applications and multi-cloud infrastructures that negatively impact customer experience. It is a substantial market opportunity, and Sumo Logic is well positioned to be a leader with its cloud native unified platform, rich machine learning algorithms and proven ability to manage data at scale. I'm excited to join the team as we tackle the next phase of growth for the company."

Additional Resources

- [Learn more](#) about Sumo Logic's Continuous Intelligence Platform™
- [Sign up](#) for a free trial of Sumo Logic

About Sumo Logic

Sumo Logic Inc. (Nasdaq: SUMO) is the pioneer in continuous intelligence, a new category of software, which enables organizations of all sizes to address the data challenges and opportunities presented by digital transformation, modern applications, and cloud computing. The Sumo Logic Continuous Intelligence Platform™ automates the collection, ingestion, and analysis of application, infrastructure, security, and IoT data to derive actionable insights within seconds. More than 2,100 customers around the world rely on Sumo Logic to build, run, and secure their modern applications and cloud infrastructures. Only Sumo Logic delivers its platform as a true, multi-tenant SaaS architecture, across multiple use-cases, enabling businesses to thrive in the Intelligence Economy. For more information, visit www.sumologic.com.

Sumo Logic is a trademark or registered trademark of Sumo Logic in the United States and in foreign countries. All other company and product names may be trademarks or registered trademarks of their respective owners.

Any information regarding offerings, updates, functionality, or other modifications, including release dates, is subject to change without notice. The development, release, and timing of any offering, update, functionality, or modification described herein remains at the sole discretion of Sumo Logic, and should not be relied upon in making a purchase decision, nor as a representation, warranty, or commitment to deliver specific offerings, updates, functionalities, or modifications in the future.

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