

Investor Presentation



December 2023

Forward Looking Statements and Disclaimer

Forward-Looking Statements

This presentation contains, and statements made during this presentation contain, "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding Braze's market opportunity, growth strategy, anticipated product development efforts and anticipated product performance. Words such as "anticipate," "believe," "could," "estimate," "expect," "goal," "hope," "intend," "may," "might," "potential," "predict," "project," "shall," "should," "target," "will" and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are based on Braze's current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Braze's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, risks and uncertainties related to: (1) unstable market and economic conditions may have serious adverse consequences on Braze's business, financial condition and share price; (2) Braze's recent rapid revenue growth may not be indicative of its future revenue growth; (3) Braze's history of operating losses; (4) Braze's limited operating history at its current scale; (5) Braze's ability to successfully manage its growth; (6) the accuracy of estimates of market opportunity and forecasts of market growth and the impact that global and domestic socioeconomic events on Braze's business; (7) Braze's ability and the ability of its platform to adapt and respond to changing customer or consumer needs, requirements or preferences; (8) Braze's ability to attract new customers and renew existing customers; (9) the competitive markets in which Braze participates and the intense competition that it faces; (10) Braze's ability to adapt and respond effectively to rapidly changing technology, evolving cybersecurity and data privacy risks, evolving industry standards or changing regulations; and (11) Braze's reliance on third-party providers of cloud-based infrastructure. Further information on potential factors that could affect Braze's business and financial results is included in Braze's Annual Report on Form 10-K, filed with the SEC on March 31, 2023, Braze's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2023, filed with the SEC on September 8, 2023, and other subsequent reports filed with the SEC. The forward-looking statements included in this presentation represent Braze's views only as of the date of this presentation and Braze assumes no obligation, and does not intend to update these forward-looking statements, except as required by law.

Use of Non-GAAP Financial Measures

This presentation contains the following non-GAAP financial measures: non-GAAP gross profit and margin, non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP operating loss and margin, non-GAAP net loss, non-GAAP net loss per share, basic and diluted, and non-GAAP free cash flow and non-GAAP free cash flow margin. Braze defines non-GAAP gross profit and margin, non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP operating loss and margin and non-GAAP net loss as the respective GAAP balances, adjusted for stock-based compensation expense, employer taxes related to stock-based compensation, charitable contribution expense, acquisition related expense, amortization of intangible assets and restructuring expense. Prior to the fourth quarter of the fiscal year ended January 31, 2023, Braze did not adjust non-GAAP gross profit and margin, non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP operating loss and margin or non-GAAP net loss for acquisition related expense, because there was not acquisition activity by Braze in prior periods. Additionally, prior to the second quarter of the fiscal year ended January 31, 2024, Braze did not adjust non-GAAP gross profit and margin, non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP operating loss and margin or non-GAAP net loss for amortization of intangible assets, because there were no such amortizations in prior periods, or for restructuring expense, because such amounts were not material in prior periods. Braze defines non-GAAP free cash flow as net cash used in operating activities, minus purchases of property and equipment and minus capitalized internal use software costs. Investors are encouraged to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures. Braze uses this non-GAAP financial information internally in analyzing its financial results and believes that this non-GAAP financial information, when taken collectively with GAAP financial measures, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with generally accepted accounting principles in the United States (GAAP), and may be different from similarly-titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in Braze's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by Braze's management about which expenses are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided at the end of this presentation for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Braze encourages investors to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, which it includes in press releases announcing quarterly and fiscal year financial results, and not to rely on any single financial measure to evaluate Braze's business.

Customer Metrics and Market Data

Unless otherwise noted, information in this presentation concerning Braze's industry, including industry statistics and forecasts, competitive position and the markets in which Braze operates is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third party sources, as well as data from Braze's internal research, and are based on assumptions made by Braze upon reviewing such data, and Braze's experience in, and knowledge of, such industry and markets, which it believes to be reasonable. Projections, forecasts, assumptions and estimates of the future performance of the industry in which Braze operates and Braze's future performance are necessarily subject to uncertainty and risk due to a variety of factors. Braze has not independently verified the accuracy or completeness of the information provided by independent industry and research organizations, other third parties or other publicly available information. Accordingly, Braze makes no representations as to the accuracy or completeness of that information nor does Braze undertake to update such information after the date of this presentation.

Trademarks

All third-party trademarks, including names, logos and brands, referenced by Braze in this presentation are property of their respective owners. All references to third-party trademarks are for identification purposes only. Such use should not be construed as an endorsement of the products or services of us.

With Braze, brands can continually
imagine, create and evolve
their customer engagement strategies
to build stronger businesses

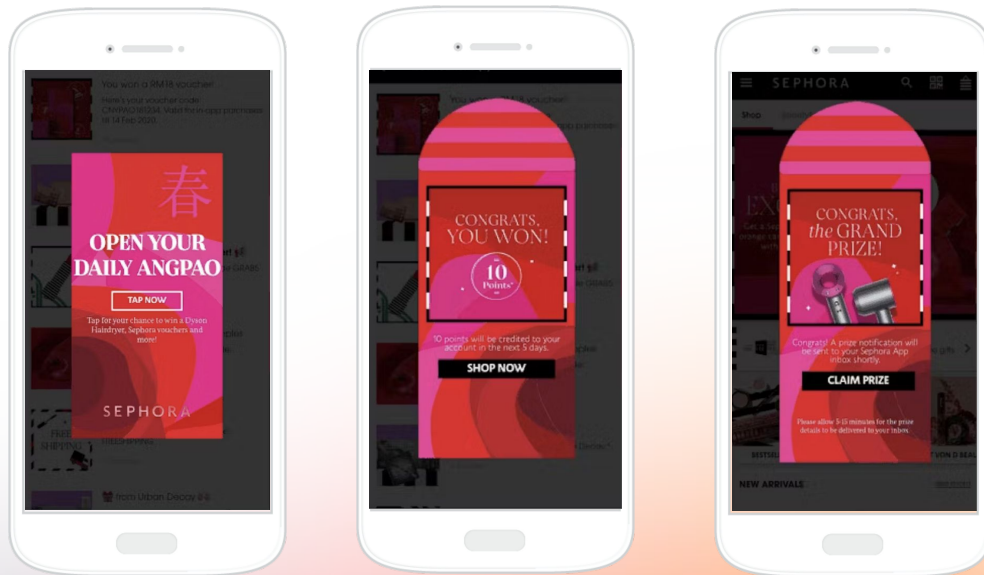
Sephora Uses In-App Message Gamification to Increase Purchases

Sephora Southeast Asia leveraged Braze's data streaming capabilities to stand out in the saturated Malaysian market

In Braze, they built a customer HTML in-app message themed as an "Ang Pao" gesture of good fortune during Lunar New Year

Via API triggers, Sephora users received the Ang Pao message revealing a gift

The campaign achieved a 132% increase in purchases for participants versus non-participants





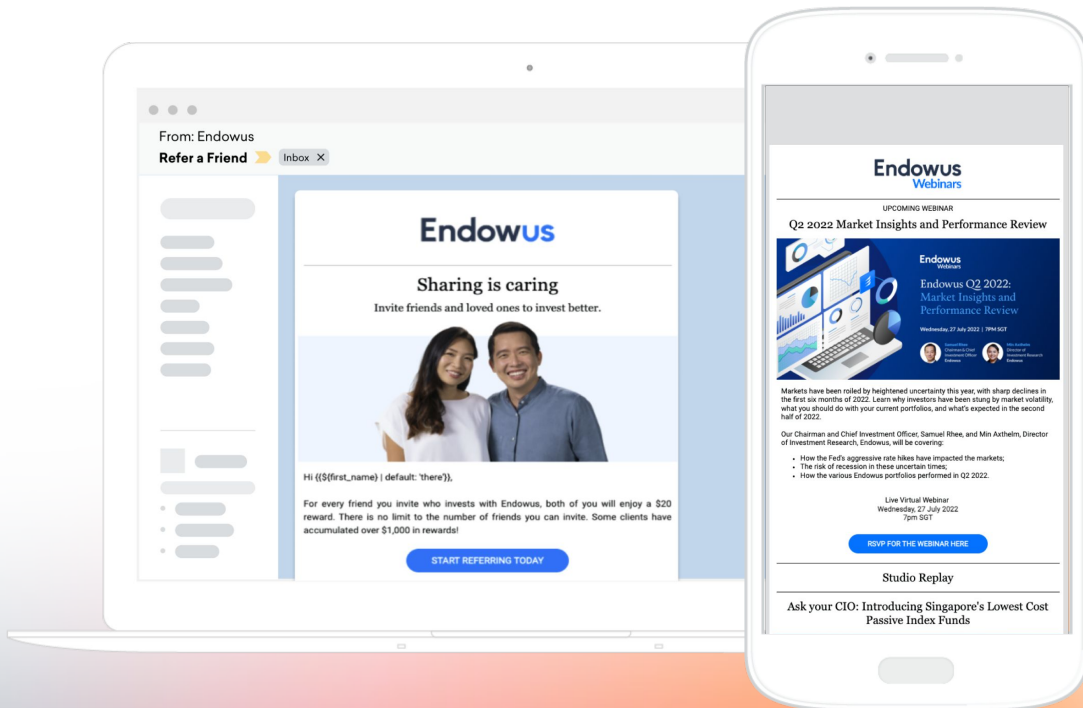
Endowus Transforms the Investing Experience with Cross-Channel Customer Journeys

Digital Wealth platform Endowus personalized messaging cross channel, efficiently building trust with customers

Using Braze Canvas, Endowus tested and experimented with different channels and audience segments based on first-party data

Automated journeys using action and time-based triggers and frequency capping, delivering a more personalized experience

Realized a 30% increase in email open rate and a significant decrease in time spent to create and execute campaigns



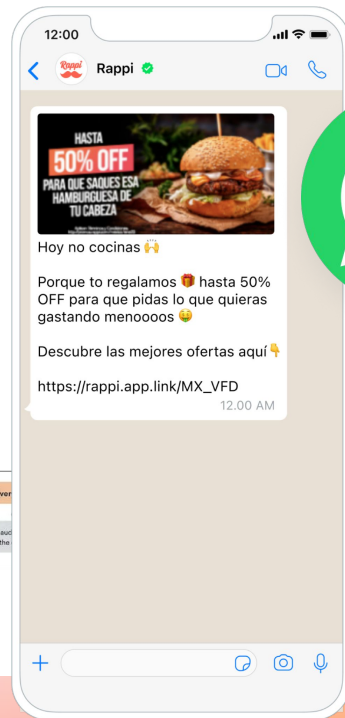
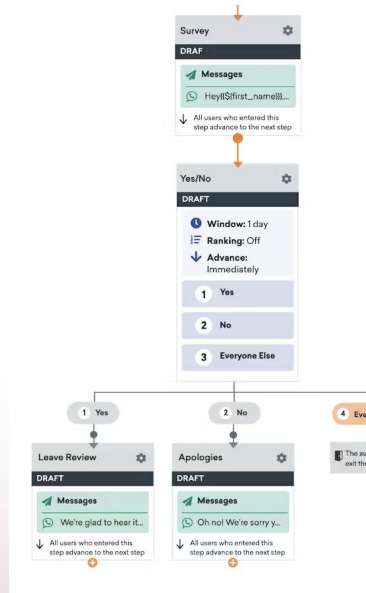


Rappi Reactivates Users and Increases Purchases with WhatsApp

Rappi built targeted and personalized push notifications, in-app messages, and email

But needed a more effective out-of-product channel to motivate lapsed users to return to the app

Leveraging Braze and WhatsApp, Rappi drove an 80% uplift in users making purchases compared to the control group



Braze at a Glance

\$496M



QUARTERLY REVENUE
RUN RATE¹

33%



Y/Y REVENUE
GROWTH

95%



SUBSCRIPTION
REVENUE

\$31M



GAAP
NET LOSS

2,011



CUSTOMERS IN 72
COUNTRIES

118%



DOLLAR-BASED NET
RETENTION RATE

6.0B



MONTHLY ACTIVE
USERS

~2.2T



MESSAGES SENT IN
FISCAL 2023

Unless otherwise noted, data is as of October 31, 2023 or the three months ended, as applicable

1. Represents quarterly GAAP revenue multiplied by 4

Experienced, tenured leadership team with strong technical backgrounds



Bill Magnuson
CEO and Cofounder
2011



Isabelle Winkles
Chief Financial Officer
2020



Myles Kleeger
President and Chief
Commercial Officer
2014



Jon Hyman
Chief Technology
Officer and Cofounder
2011



Astha Malik
Chief Business Officer
2022



Rod McLeod
VP, Social Impact
2019



Priyanka Singh
Chief People Officer
2023



Kevin Wang
Chief Product Officer
2012



Brian Wheeler
SVP, Engineering
2013



Susan Wiseman
General Counsel
2016

Our Values: The foundation of everything.



**Take Your Seat
at the Table**



**Don't Ignore
Smoke**



**Seek
the Truth**



**Shape
the Future**

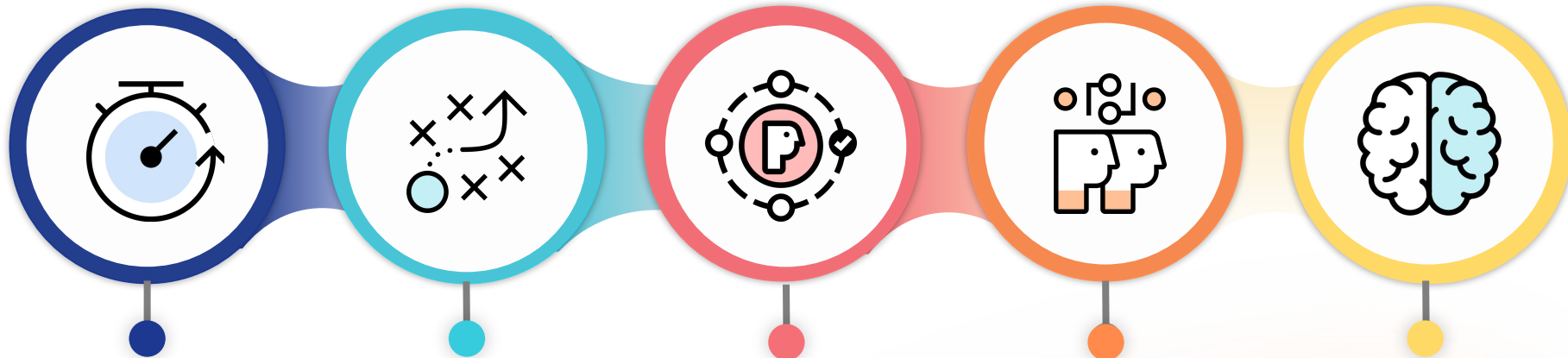


**Embrace
Curiosity**



**Be a
Human**

Key Trends in Our Favor



Consumers Expect
Real-Time, Personalized
Brand Interactions Across
Channels

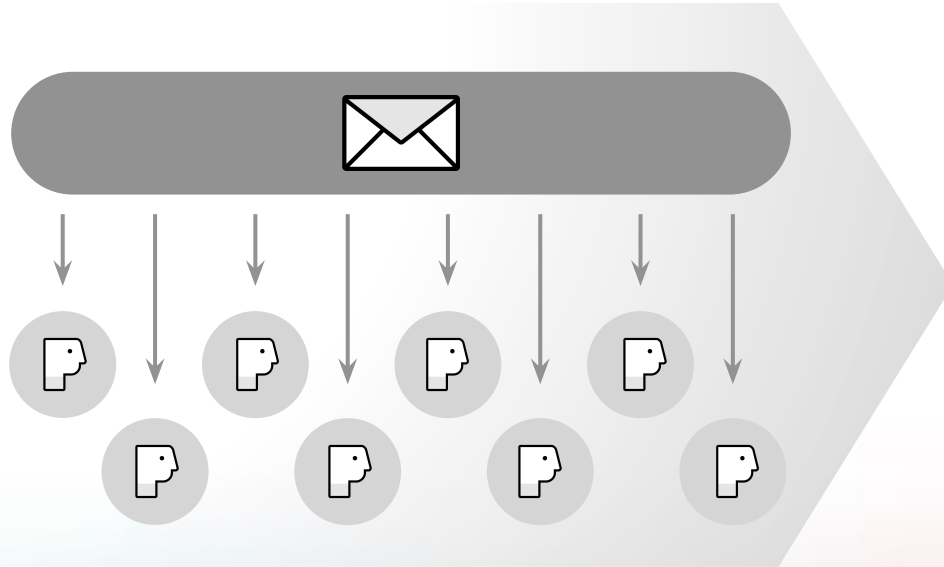
Customer Experience
is the New
Battleground for
Business

First-Party Data is
Critical for
Effective
Customer
Engagement

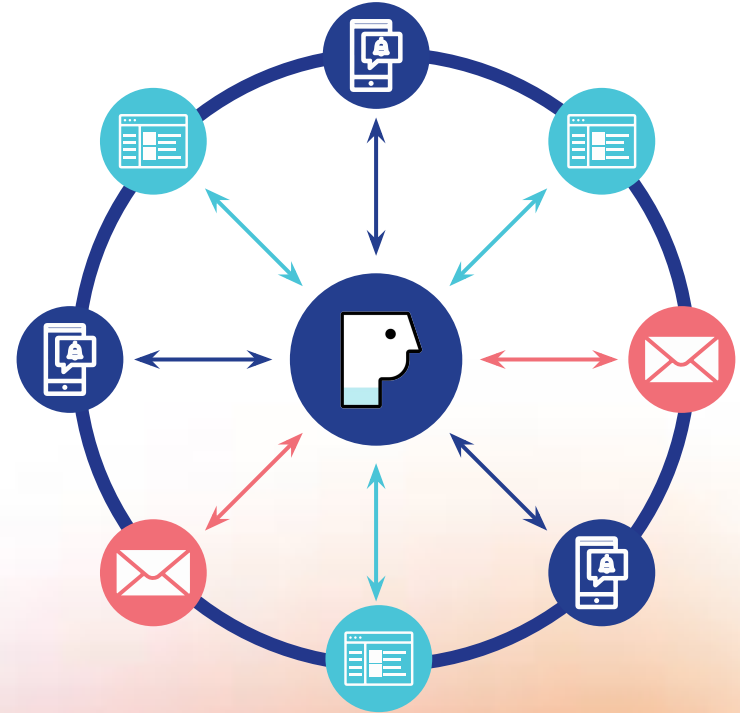
Customer
Engagement
Demands
Cross-Functional
Collaboration

AI/ML Drives Efficiency,
Better Testing, and
More Experimentation
in Customer
Engagement

We Believe a Customer's Experience Should Revolve around the Customer, Not the Channel



CHANNEL-CENTRIC



CUSTOMER-CENTRIC

Existing Solutions Do Not Meet Consumer Expectations and Needs



LEGACY MARKETING CLOUDS

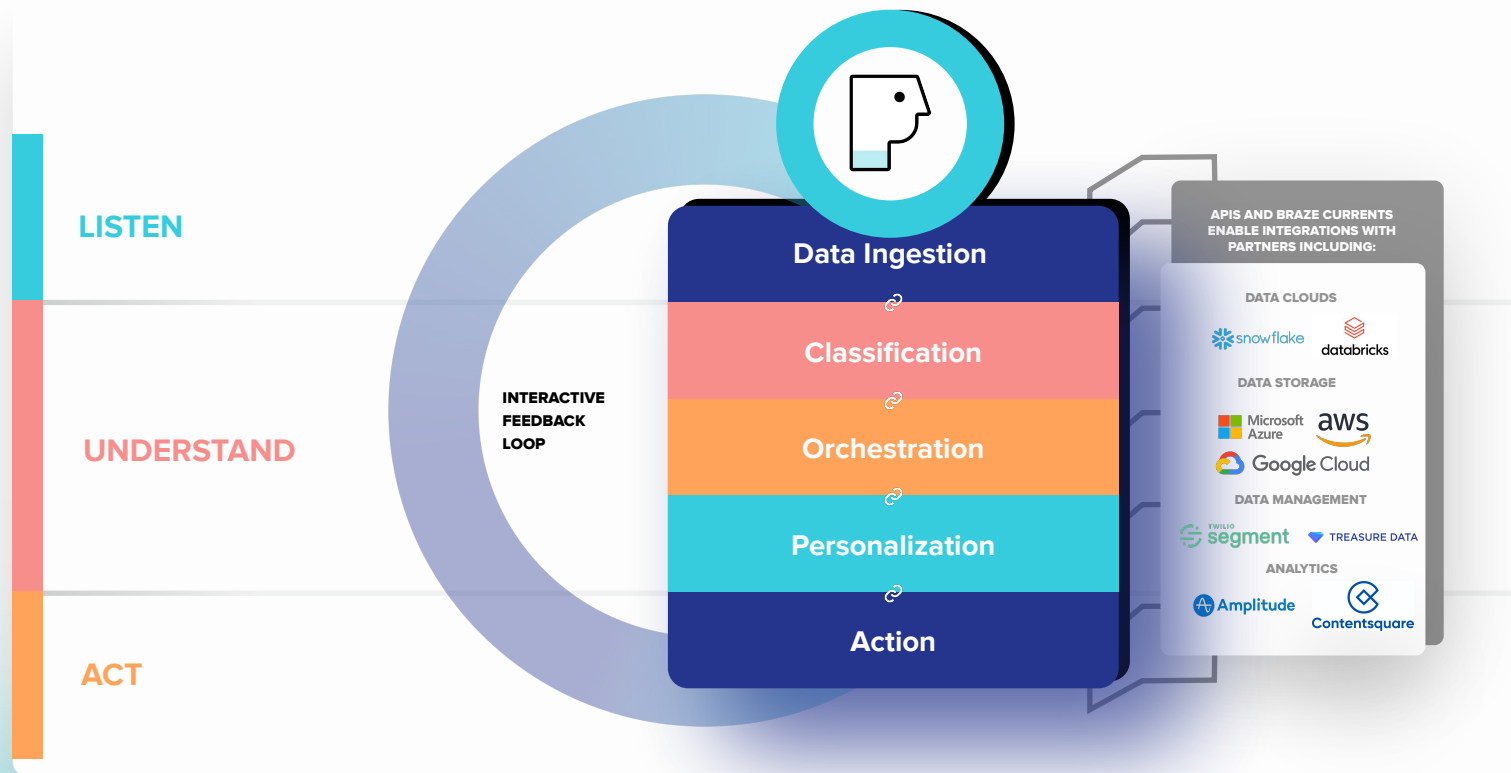


POINT SOLUTIONS

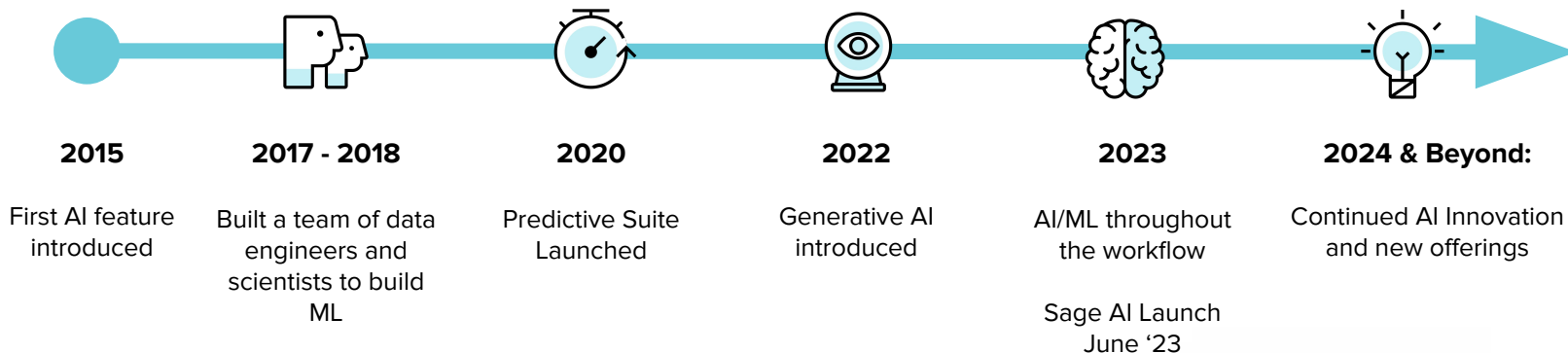
- Initially Architected as Single-Channel Point Solutions
- Lack of Comprehensiveness
- Limited Interoperability
- High Latency
- Time-Consuming and Difficult to Implement and Use
- Not Enterprise-Grade

The Braze Platform

The Braze Platform's five functional layers create an interactive feedback loop that allows us to:



Proven AI Track Record with Product Momentum



BRAZE MILESTONES

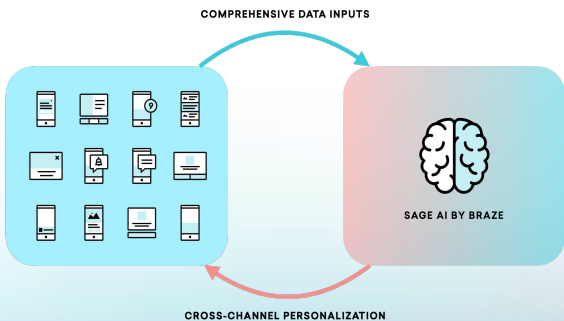
BRAZE SOLUTIONS

Intelligent Selection	Increased AI/ML functionality in Braze	Predictive Churn Predictive Events	GPT3 integration March '22 (AI Copywriting Assistant) Dall-E integration December '22 Personalized Variant	Winning Path AI Content QA AI Query Builder AI SQL Segment Extensions Estimated Real Open Rates AI Data Transformations	AI Item Recommendations Personalized Path AI Canvas Step A/B Test Prediction
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Sage AI Drives Stronger Customer Engagement Outcomes

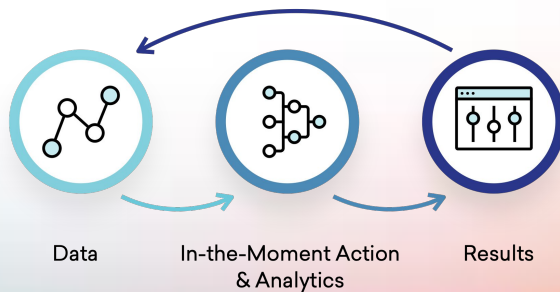
Cross-Channel Touchpoints

Native cross-channel interactions power more comprehensive inputs into AI decisioning while unlocking a wider range of personalized engagement on all relevant touchpoints.



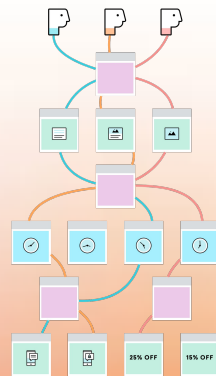
Real-Time Execution

Real-time processing of customer behavior data, user preferences, and the latest attribute updates enable Sage AI by Braze to make better, faster decisions.



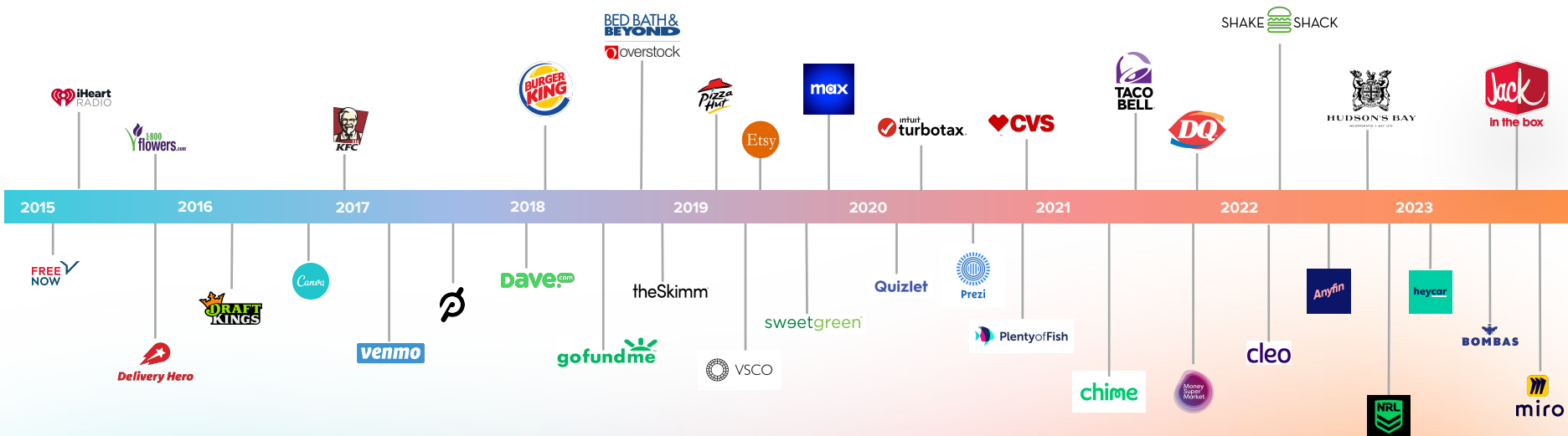
Flexible Experimentation

Easily accessible A/B testing tools open up more opportunities for AI optimization and personalization at every step of the customer journey.



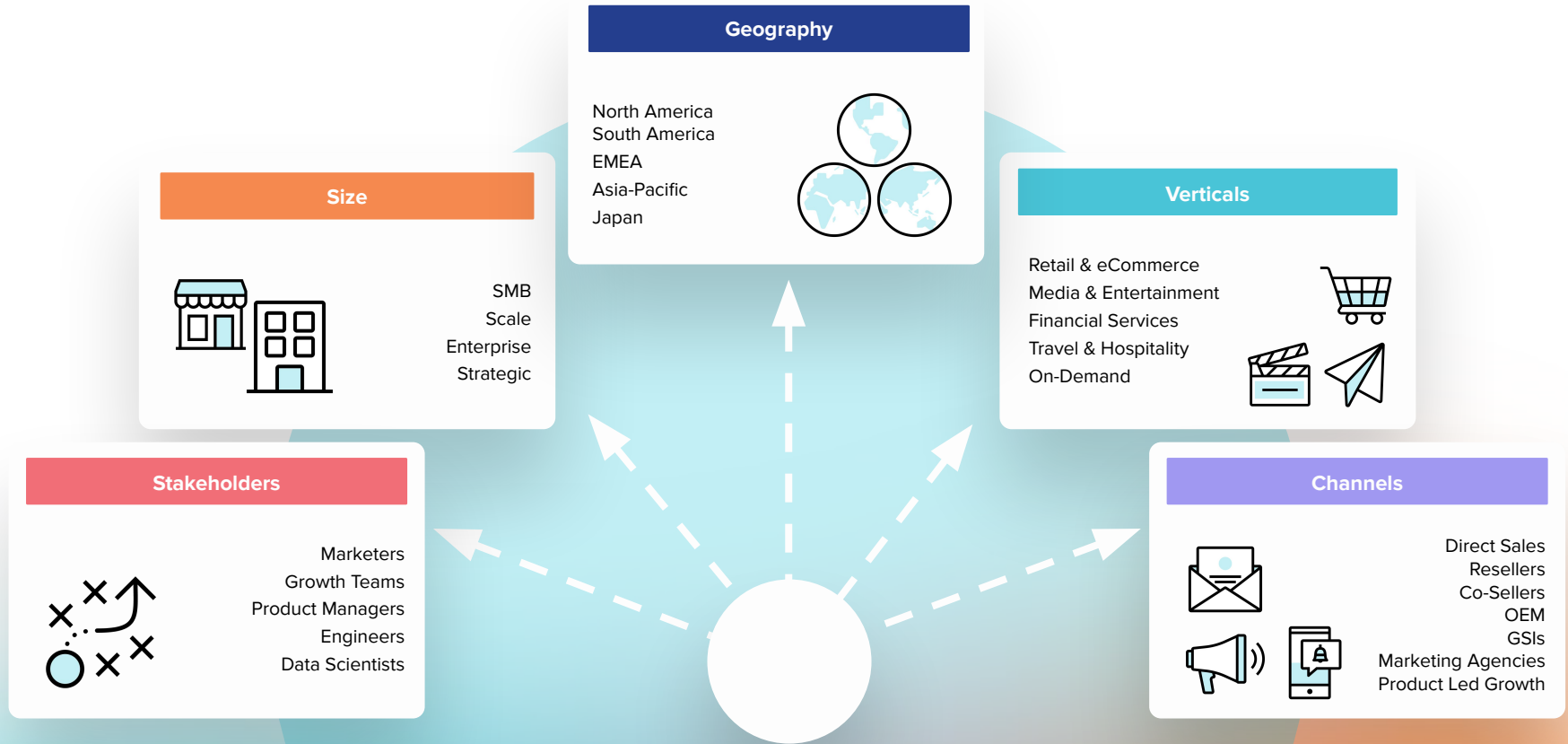
We Continue to Build Momentum as Brands of all Sizes and Types Place a Higher Value on Customer Engagement

TRADITIONAL ENTERPRISES



EMERGING DISRUPTORS

GTM Strategy Vectors

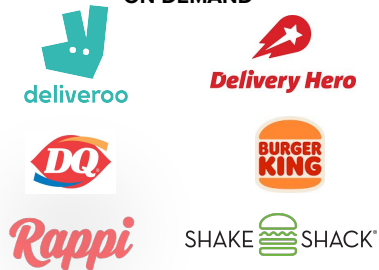


Diverse Customer Base that Cuts Across Industry Verticals and Company Sizes

RETAIL & E-COMMERCE



QUICK SERVE RESTAURANTS & ON-DEMAND



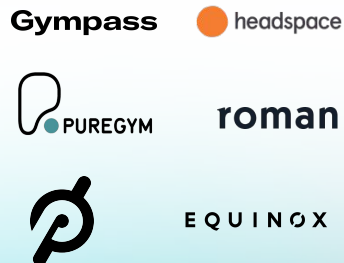
MEDIA & ENTERTAINMENT



FINANCIAL SERVICES



HEALTH & FITNESS



SOCIAL, MESSAGING & GAMING



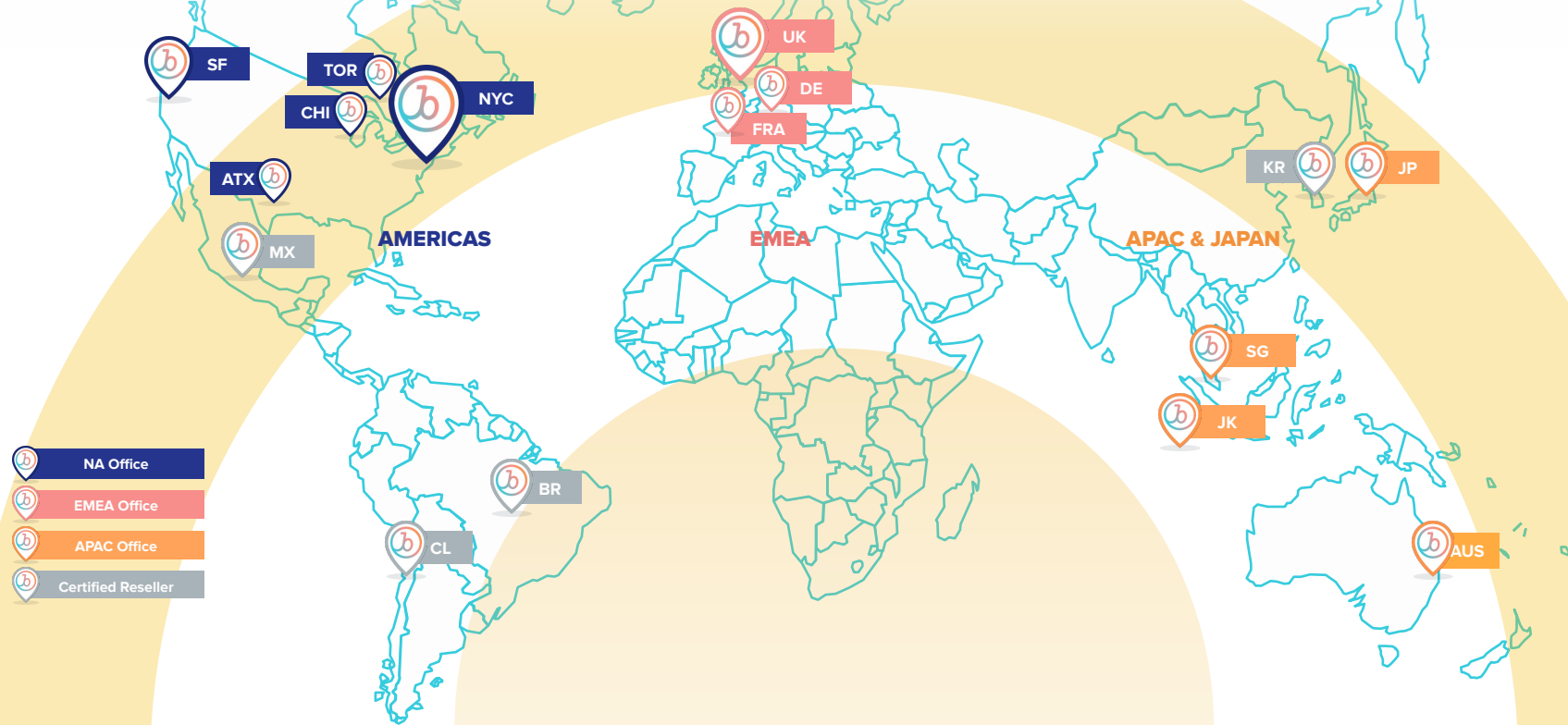
PRODUCTIVITY & UTILITIES



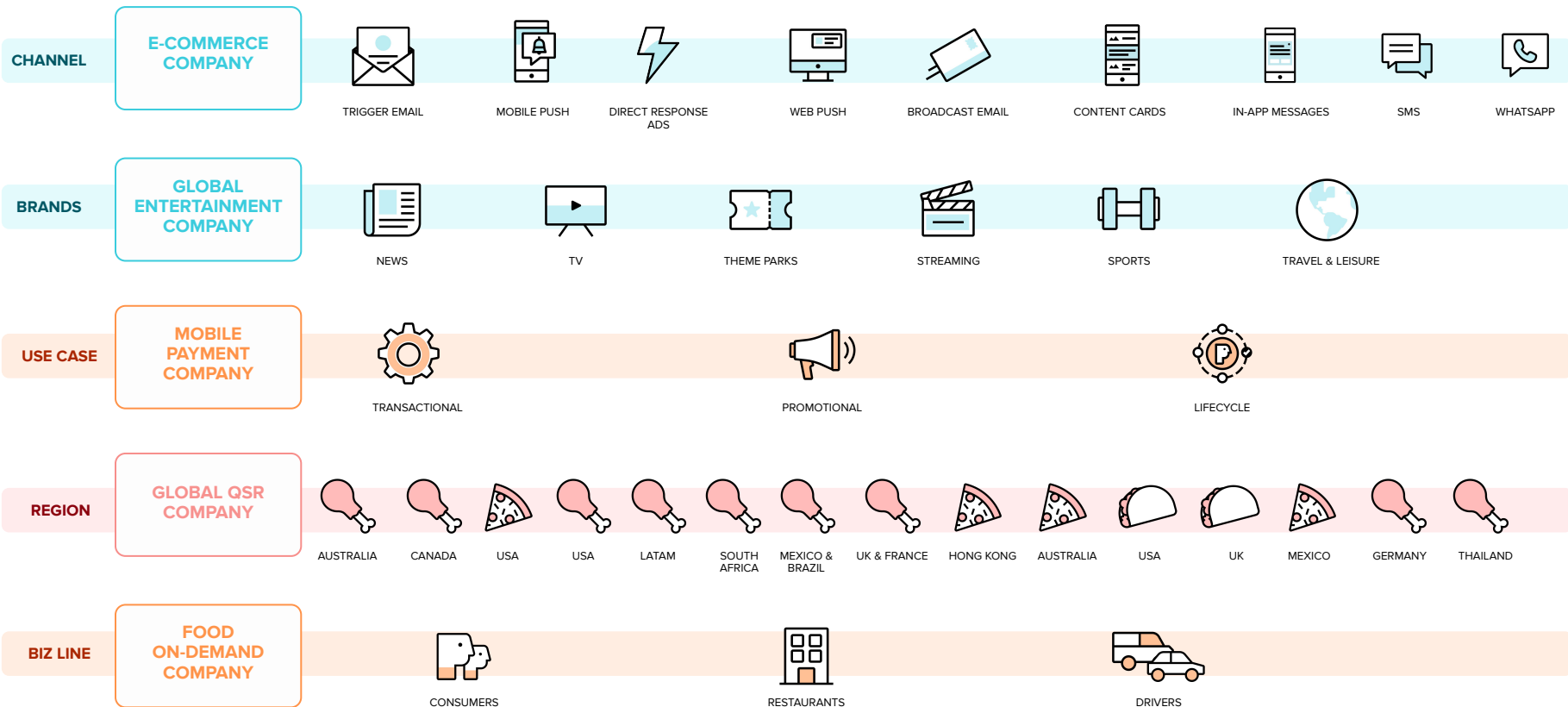
TRAVEL & HOSPITALITY



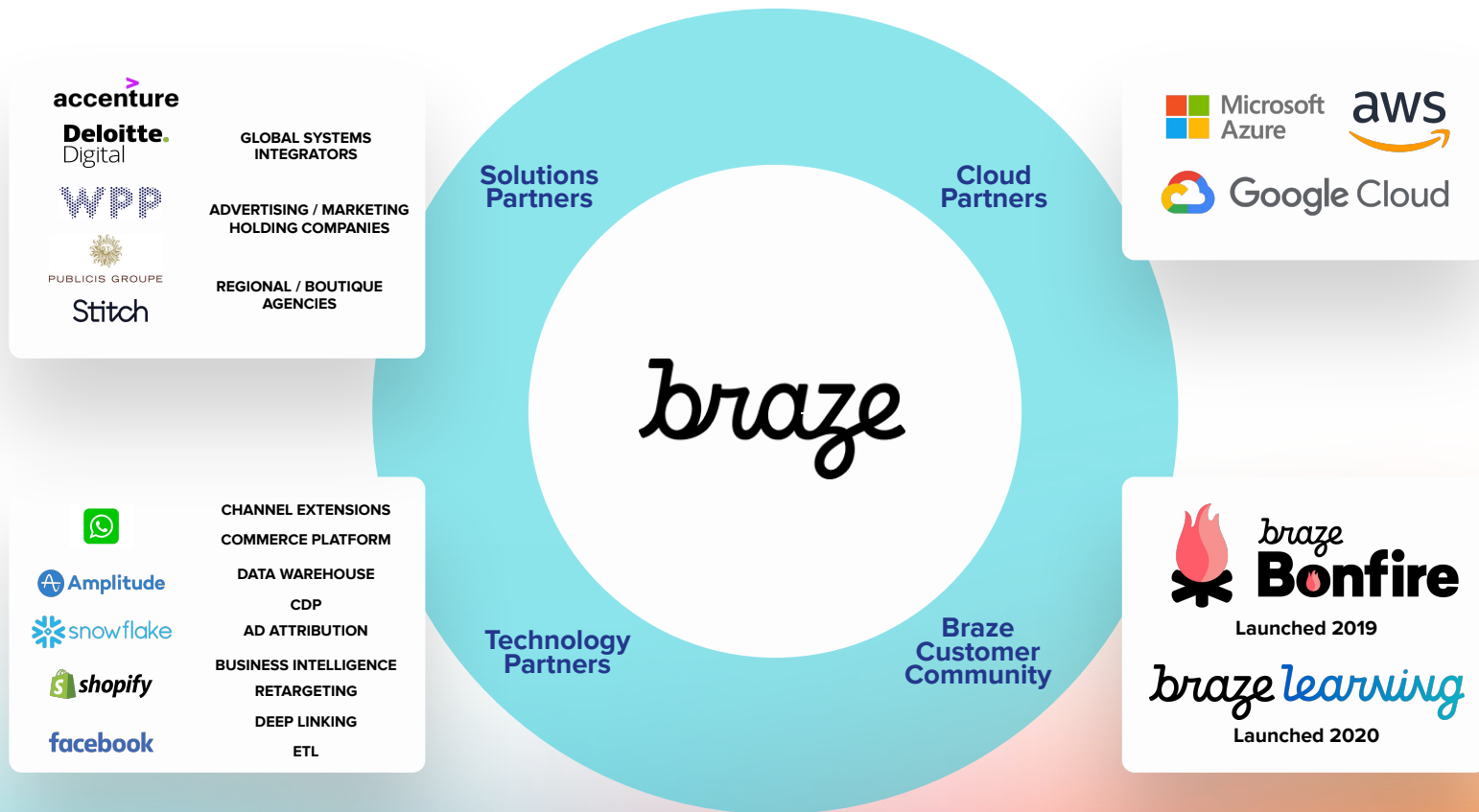
Growing International Footprint to Capitalize on our Global Opportunity



Expansion Opportunities Across Multiple Vectors



Our Partner Ecosystem and Community Provide a Deep Competitive Moat



Q3 FY'24 Key Financial Highlights



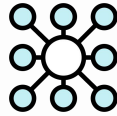
**Growth
at Scale**

33%

Y/Y Revenue Growth

\$496M

Quarterly Revenue Run
Rate¹



**Strong Large
Customer Growth**

28%

Y/Y Growth in Large
Customers²



**Proven Ability to
Land and
Expand**

118%

Dollar-Based NRR

121%

Large Customer²
Dollar-Based NRR



**Recurring and
Visible Business
Model**

95%

Subscription Revenue

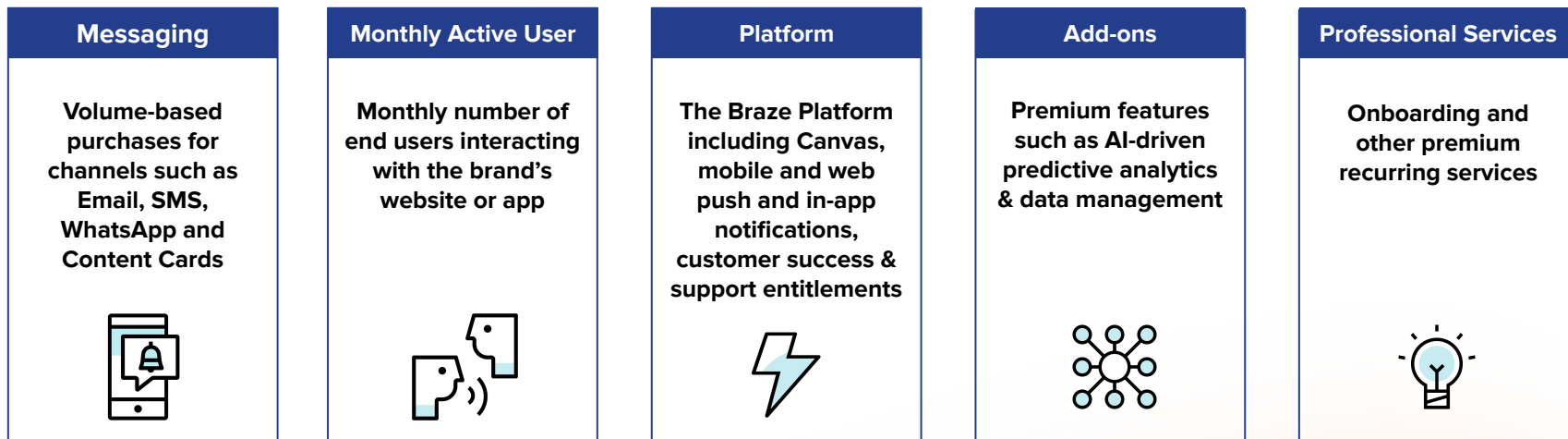


**Stable Margins
While Investing
for Growth**

71%

Non-GAAP
Gross Margin³

Customer Contract Components & Revenue Recognition Model



- Subscription fees are principally based on upfront commitments for messaging volumes, monthly active users, platform access, support, and add-on solutions
- Majority of contracts are billed annually upfront, with revenue recognized ratably over the life of the contract
- Contracts cannot be cancelled or downsized during the contract term; contracts may be upsized or renewed prior to the end of the term
- Dollar weighted contract length of approximately two years across Braze's customer base
- Overages typically represent less than 1% of revenue

Appendix

Operating Metrics - Definitions

Number of Customers: We define a customer as the separate and distinct, ultimate parent-level entity that has an active subscription with us to use our products. A single organization could have multiple distinct contracting divisions or subsidiaries, all of which together would be considered a single customer.

Dollar-based Net Retention Rate: We calculate our dollar-based net retention rate as of a period end by starting with the ARR from a cohort of customers as of 12 months prior to such period-end (the Prior Period ARR). We then calculate the ARR from the same cohort of customers as of the end of the current period (the Current Period ARR). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate. We then calculate the weighted average point-in-time dollar-based net retention rates as of the last day of each month in the current trailing 12-month period to arrive at the dollar-based net retention rate.

Annual Recurring Revenue (ARR): We define ARR as the annualized value of customer subscription contracts, including certain premium professional services that are subject to contractual subscription terms, as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms (including contracts for which we are negotiating a renewal). Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, expansion or contraction of existing customers relationships or price increases or decreases) that may cause any such contract not to be renewed on its existing terms.

Remaining Performance Obligations: The transaction price allocated to remaining performance obligations represents amounts under non-cancelable contracts expected to be recognized as revenue in future periods, and may be influenced by several factors, including seasonality, the timing of renewals, the timing of service delivery and contract terms. Unbilled portions of the remaining performance obligation are subject to future economic risks including bankruptcies, regulatory changes and other market factors.

GAAP to Non-GAAP Reconciliation

DOLLARS IN THOUSANDS

Reconciliation of GAAP to Non-GAAP Gross Margin

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2023	2022	2023	2022
Gross Profit	\$87,582	\$63,990	\$236,308	\$174,358
Plus:				
Stock-based compensation expense	900	889	2,690	2,720
Employer taxes related to stock-based compensation expense	29	17	81	57
Non-GAAP Gross Profit	\$88,511	\$64,896	\$239,079	\$177,135
GAAP Gross Margin	70.7%	68.7%	69.3%	67.9%
Non-GAAP Gross Margin	71.4%	69.7%	70.1%	69.0%

Reconciliation of GAAP to Non-GAAP Operating Expenses

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2023	2022	2023	2022
GAAP sales and marketing expense	\$66,395	\$52,841	\$184,074	\$148,892
Less:				
Stock-based compensation expense	7,899	6,512	23,554	17,618
Employer taxes related to stock-based compensation expense	245	156	609	543
Restructuring expense	-	-	541	-
Non-GAAP sales and marketing	\$58,251	\$46,173	\$159,370	\$130,731
GAAP research and development expense	\$29,872	\$25,583	\$88,749	\$70,539
Less:				
Stock-based compensation expense	9,479	8,060	29,251	21,154
Employer taxes related to stock-based compensation expense	199	53	721	304
Non-GAAP research and development	\$20,194	\$17,470	\$58,777	\$49,081
GAAP general and administrative expense	\$26,448	\$22,430	\$75,884	\$66,547
Less:				
Stock-based compensation expense	5,761	3,847	17,466	11,900
Employer taxes related to stock-based compensation expense	84	23	239	252
1% Pledge charitable contribution expense	1,427	-	2,391	4,260
Acquisition related expense	-	-	1,946	-
Amortization of intangibles expense	215	-	363	-
Restructuring expense	-	-	103	-
Non-GAAP general and administrative	\$18,961	\$18,560	\$53,376	\$50,135

GAAP to Non-GAAP Reconciliation

DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Reconciliation of GAAP to Non-GAAP Operating Loss

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2023	2022	2023	2022
Loss from operations	(\$35,133)	(\$36,864)	(\$112,399)	(\$111,620)
Plus:				
Stock-based compensation expense	24,039	19,308	72,961	53,392
Employer taxes related to stock-based compensation expense	557	249	1,650	1,156
1% Pledge charitable contribution expense	1,427	-	2,391	4,260
Acquisition related expense	-	-	1,946	-
Amortization of intangibles expense	215	-	363	-
Restructuring expense	-	-	644	-
Non-GAAP loss from operations	(\$8,895)	(\$17,307)	(\$32,444)	(\$52,812)
GAAP operating margin	(28.3%)	(39.6%)	(33.0%)	(43.5%)
Non-GAAP operating margin	(7.2%)	(18.6%)	(9.5%)	(20.6%)

Reconciliation of GAAP to Non-GAAP Net Loss

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2023	2022	2023	2022
Net loss attributable to Braze, Inc.	(\$30,741)	(\$33,360)	(\$100,889)	(\$105,515)
Plus:				
Stock-based compensation expense	24,039	19,308	72,961	53,392
Employer taxes related to stock-based compensation expense	557	249	1,650	1,156
1% Pledge charitable contribution expense	1,427	-	2,391	4,260
Acquisition related expense	-	-	1,946	-
Amortization of intangibles expense	215	-	363	-
Restructuring expense	-	-	644	-
Non-GAAP net loss attributable to Braze, Inc. ¹	(\$4,503)	(\$13,803)	(\$20,934)	(\$46,707)
Non-GAAP net loss per share attributable to Braze, Inc. common stockholders, basic and diluted	(\$0.05)	(\$0.15)	(\$0.21)	(\$0.50)
Weighted-average shares used to compute net loss per share attributable to Braze, Inc. common stockholders, basic and diluted	97,880	94,469	97,615	94,168

¹ Assumes no tax impact due to the Company's net loss position and deferred tax assets.

GAAP Cash Flows from Operations to Free Cash Flow

DOLLARS IN THOUSANDS

Reconciliation of GAAP Cash Flow from Operating Activities to Non-GAAP Free Cash Flow

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2023	2022	2023	2022
Net cash provided by/ (used in) operating activities	(\$2,003)	(\$23,920)	\$3,029	(\$22,320)
Less:				
Purchases of property and equipment	(3,012)	(4,222)	(3,439)	(14,066)
Capitalized internal-use software costs	(896)	78	(2,536)	(705)
Non-GAAP Free cash flow	(\$5,911)	(\$28,064)	(\$2,946)	(\$37,091)

braze