

Investor Presentation

braze

March 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 financial outlook and anticipated business results. 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 macroeconomic uncertainty, including from global and domestic disruptions, such as the instability among financial institutions, the COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, and other general market, political, economic and business conditions, that could effect Braze's or its customers' businesses, financial condition and results of operations; (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 that will be filed with the SEC for the fiscal year ended January 31, 2023. 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, 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 non-GAAP net loss as the respective GAAP balances, adjusted for stock-based compensation expense employer taxes related to stock-based compensation and charitable contribution expense. Prior to the first 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 or non-GAAP net loss for employer taxes related to stock-based compensation or charitable contribution expense, because these amounts were immaterial 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.

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venmo

GAP

Glossier.

wine.com®

OLD NAVY

Etsy

yelp

intuit

ellation

foodpanda

Canva

Skyscanner

Grindr

NASCAR

Quizlet

BIRCHBOX♦

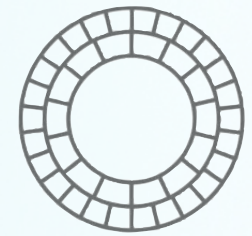
Dave®

MERCARI

sweetgreen®

Braze forges human connections

headspace



VSCO

between consumers and the brands they

HBO

love through relevant and memorable

GRUBHUB

experiences

FOXNEXT



Glovo?

zynga

chime®

BRAD'S DEALS

viva
aerobus

trainline

deliveroo

SOUNDCLOUD

The Guardian

Delivery Hero

HEARST

overstock.com®

SOULCYCLE

American Cancer Society®

iHeart MEDIA

DRAFT KINGS

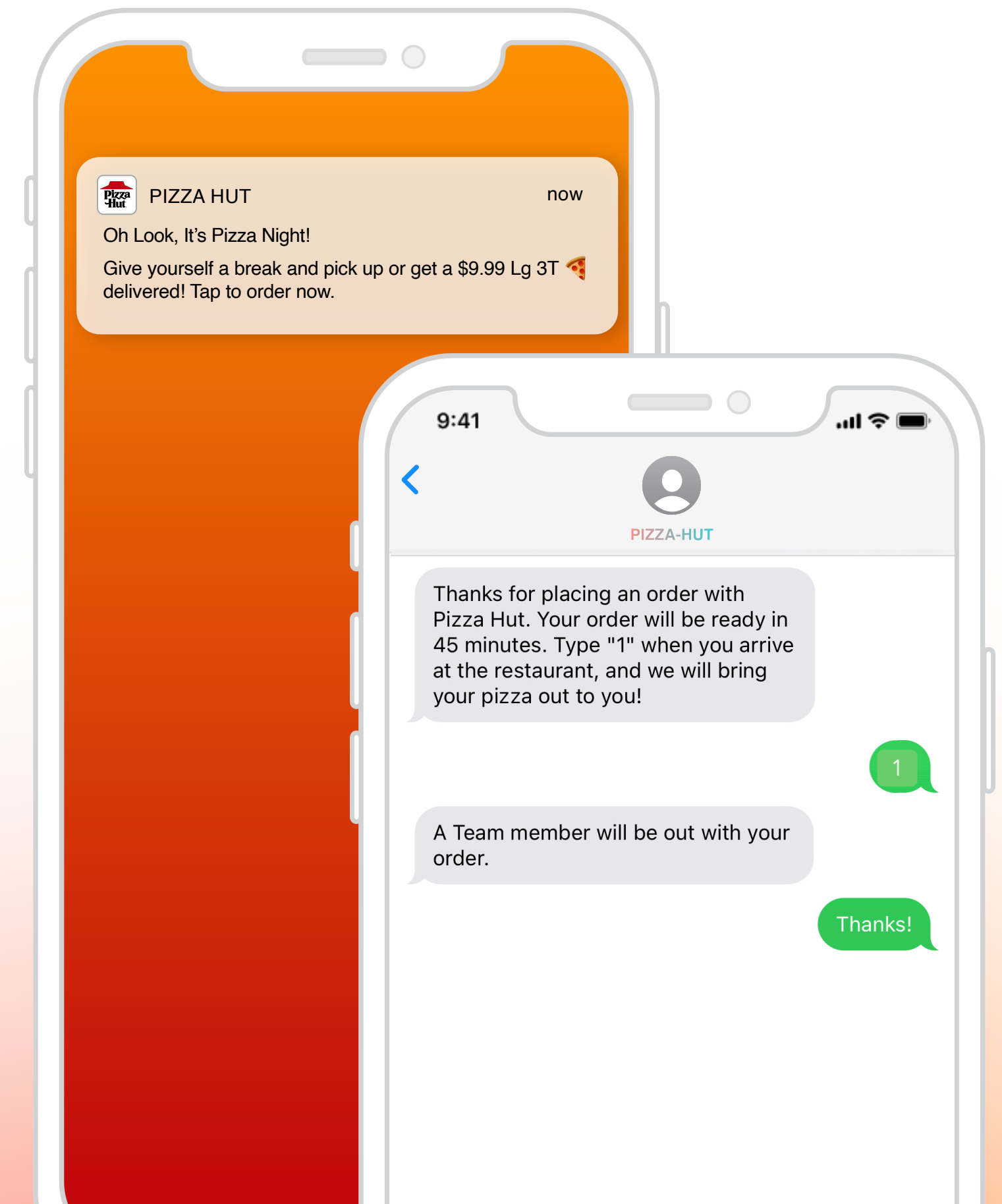
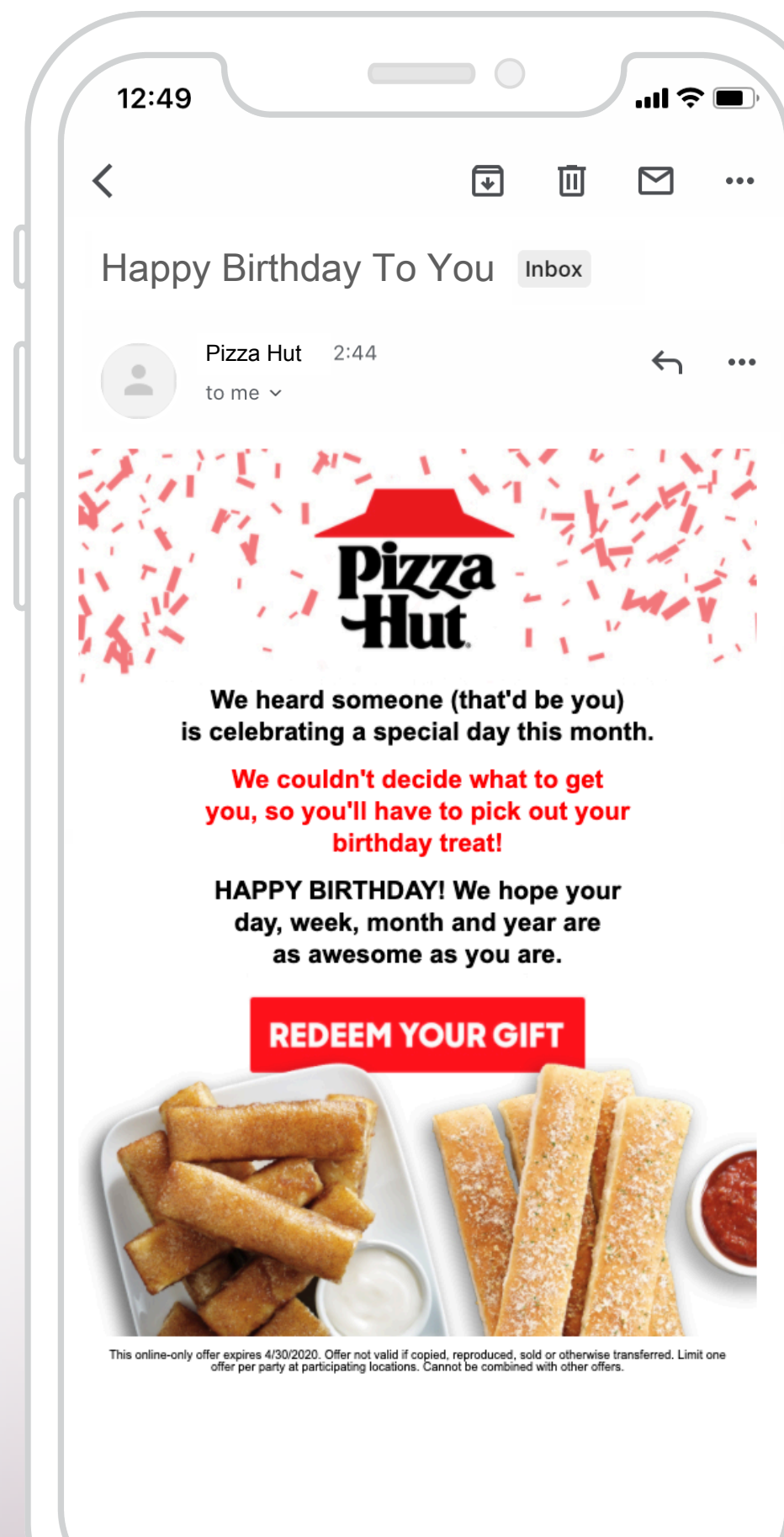
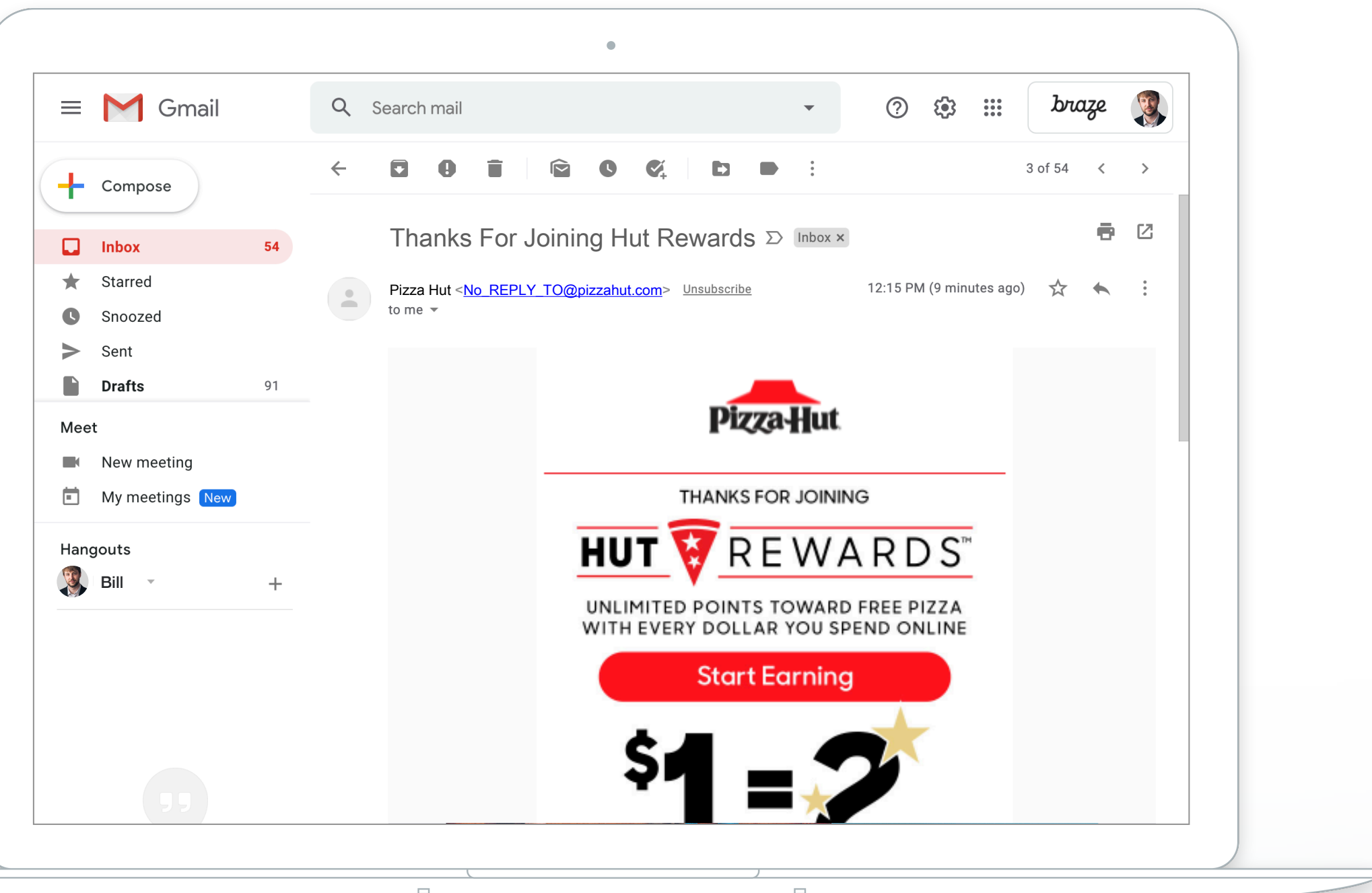
With Braze, brands can continually
imagine, create and evolve
their customer engagement strategies
to build stronger businesses

Pizza Hut Meets Every Individual Customer on Their Own Terms

Welcome new rewards members ▶

Celebrate milestones ▶

Bring customers back for more ▶

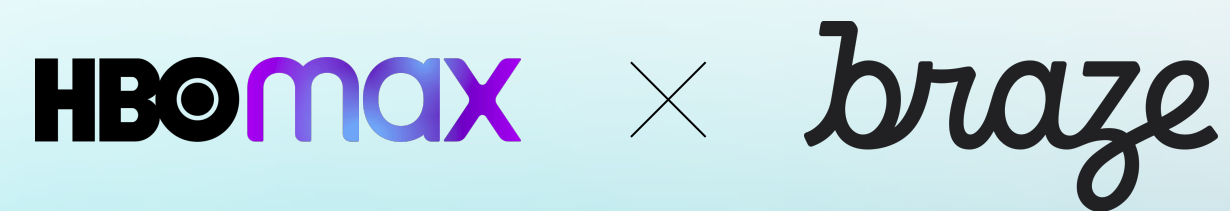
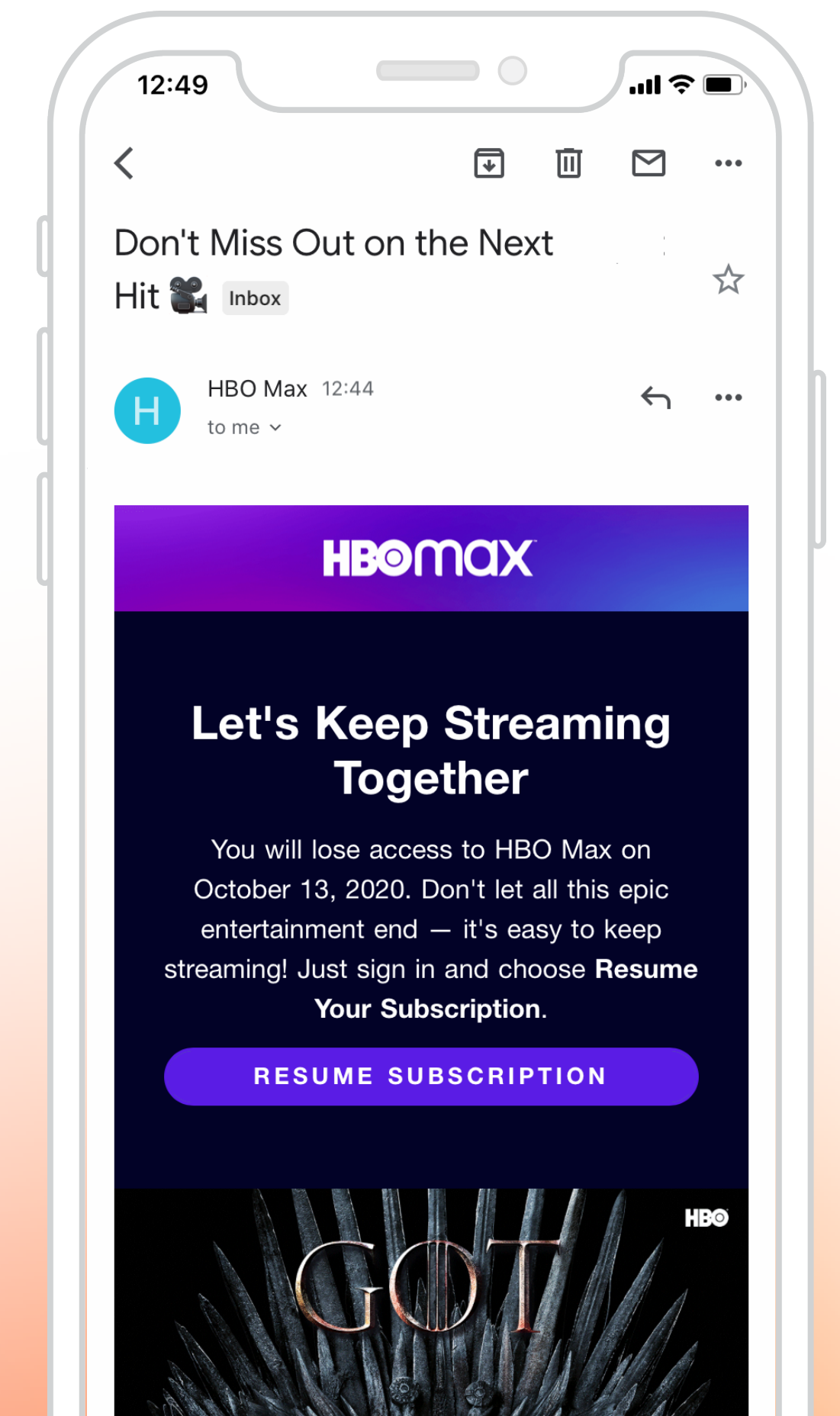
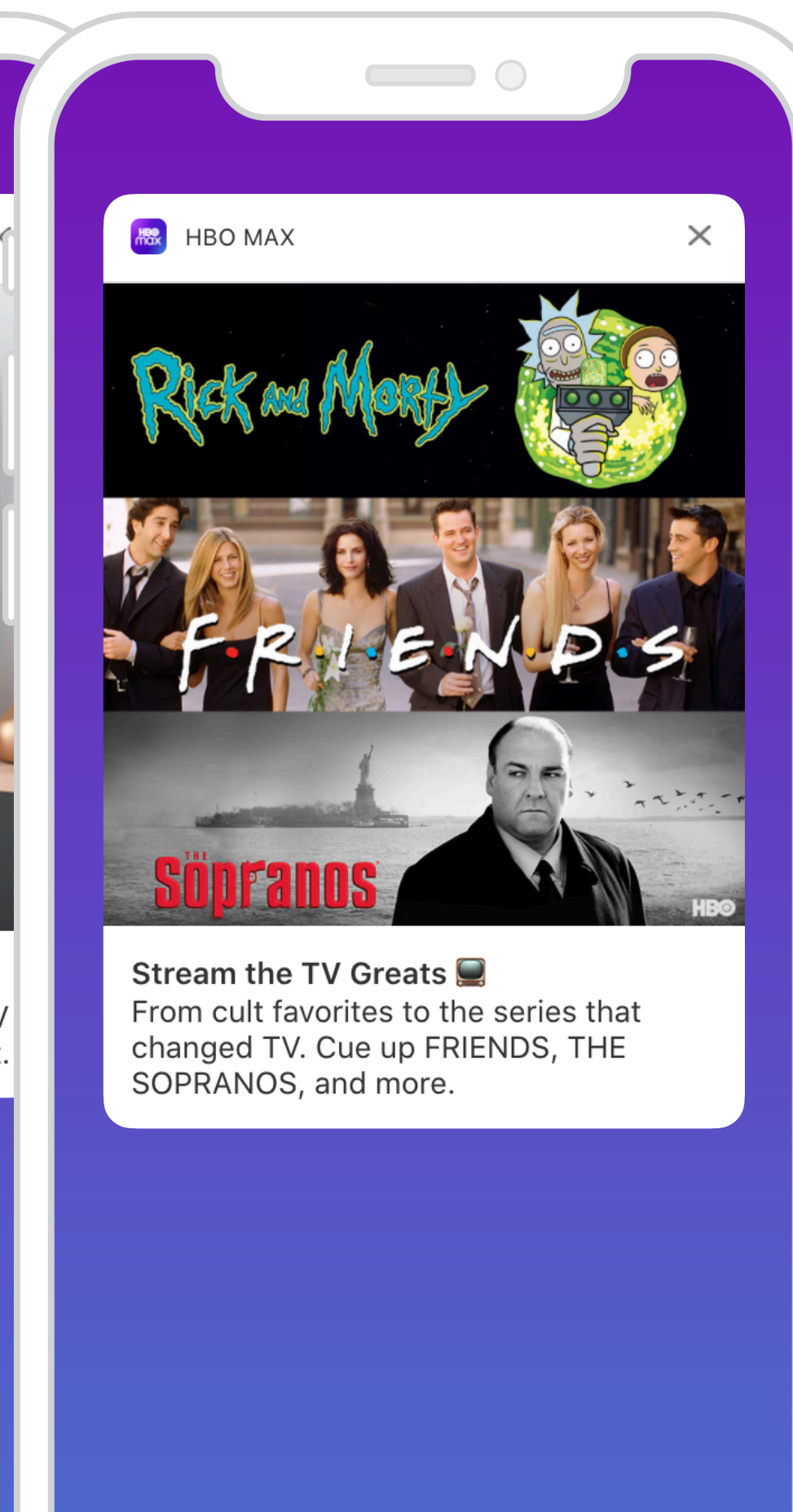
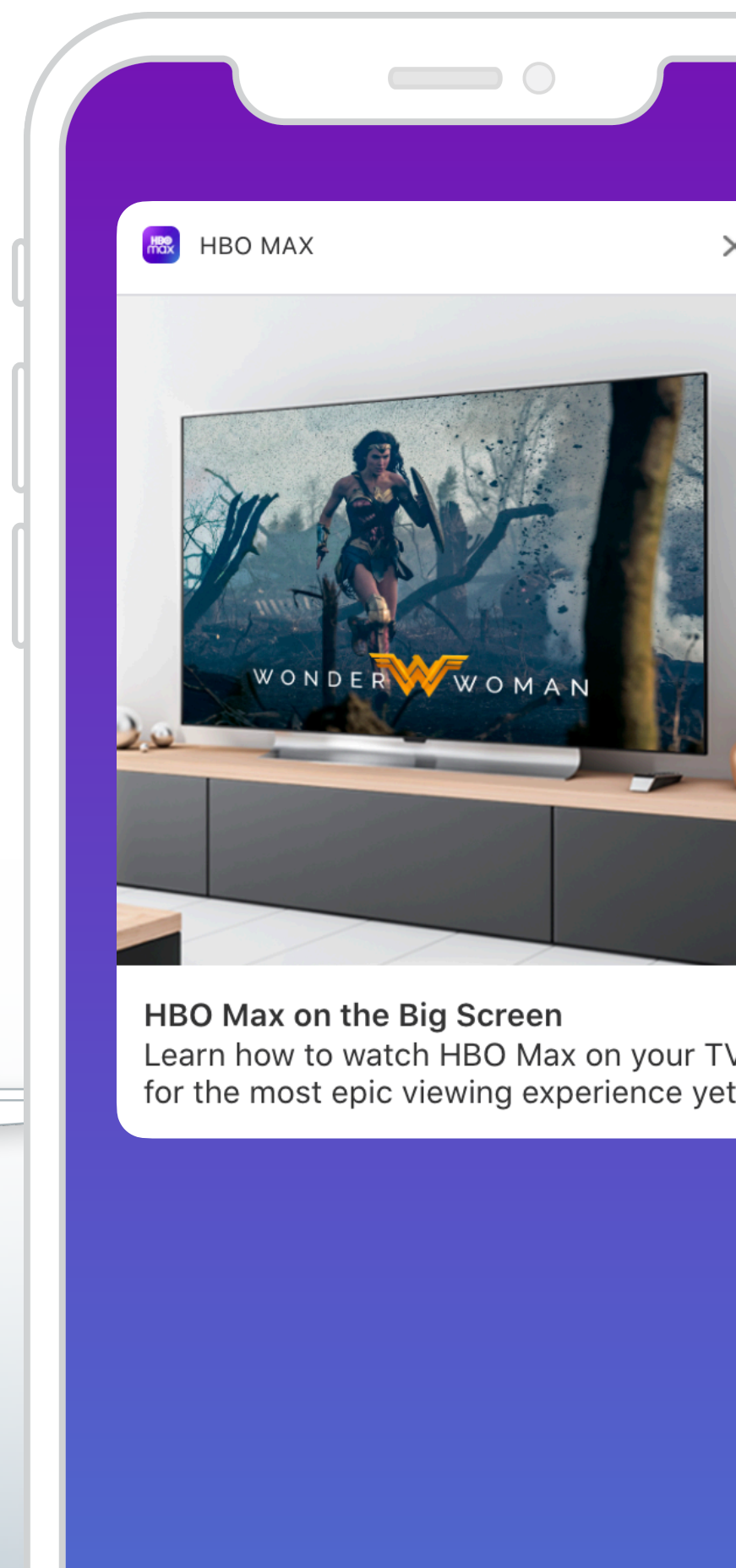
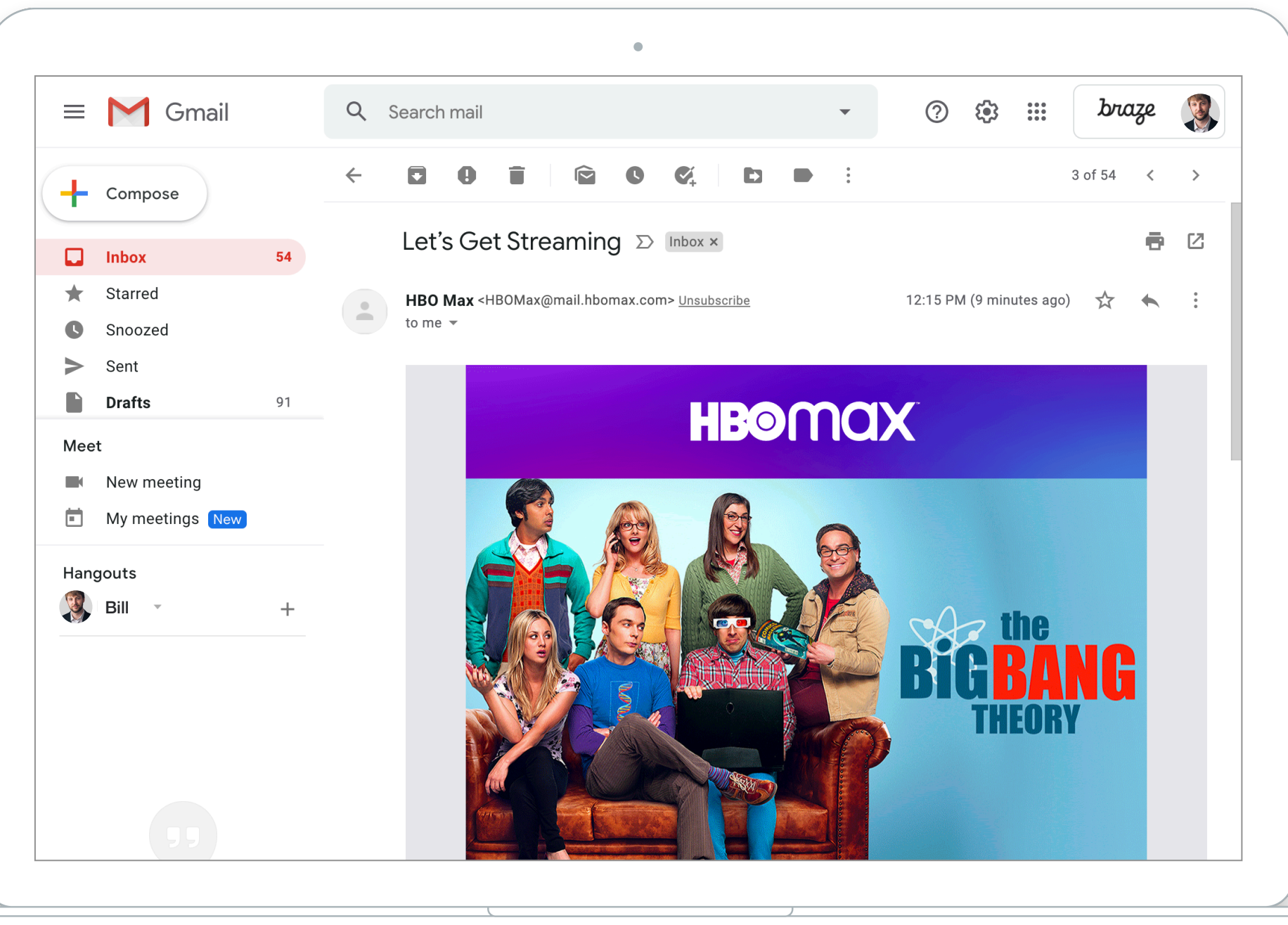


HBO Max Inspires New Users to Consume More Content

Welcome new customers ▶

Grow with your customers ▶

Bring your customers back ▶



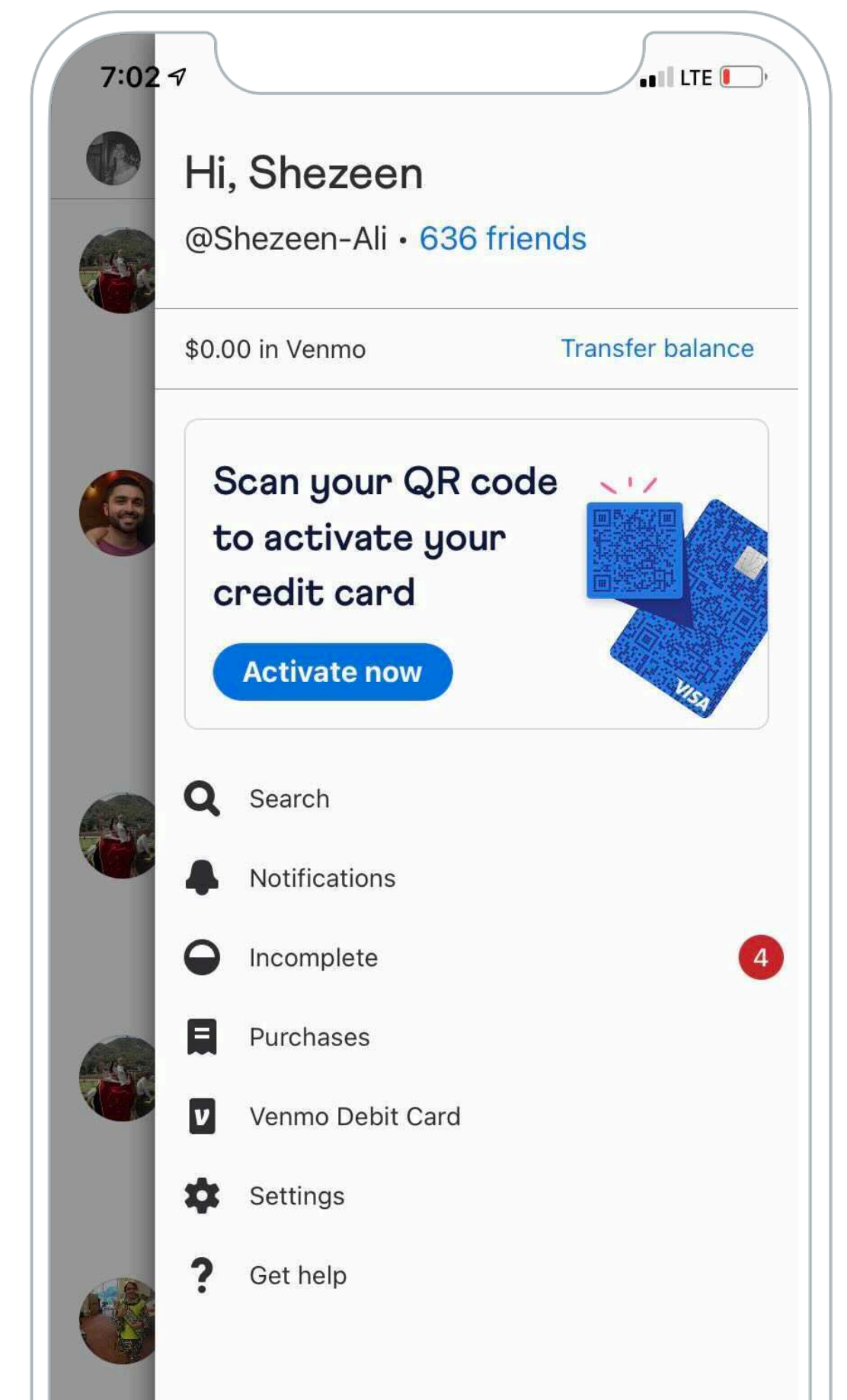
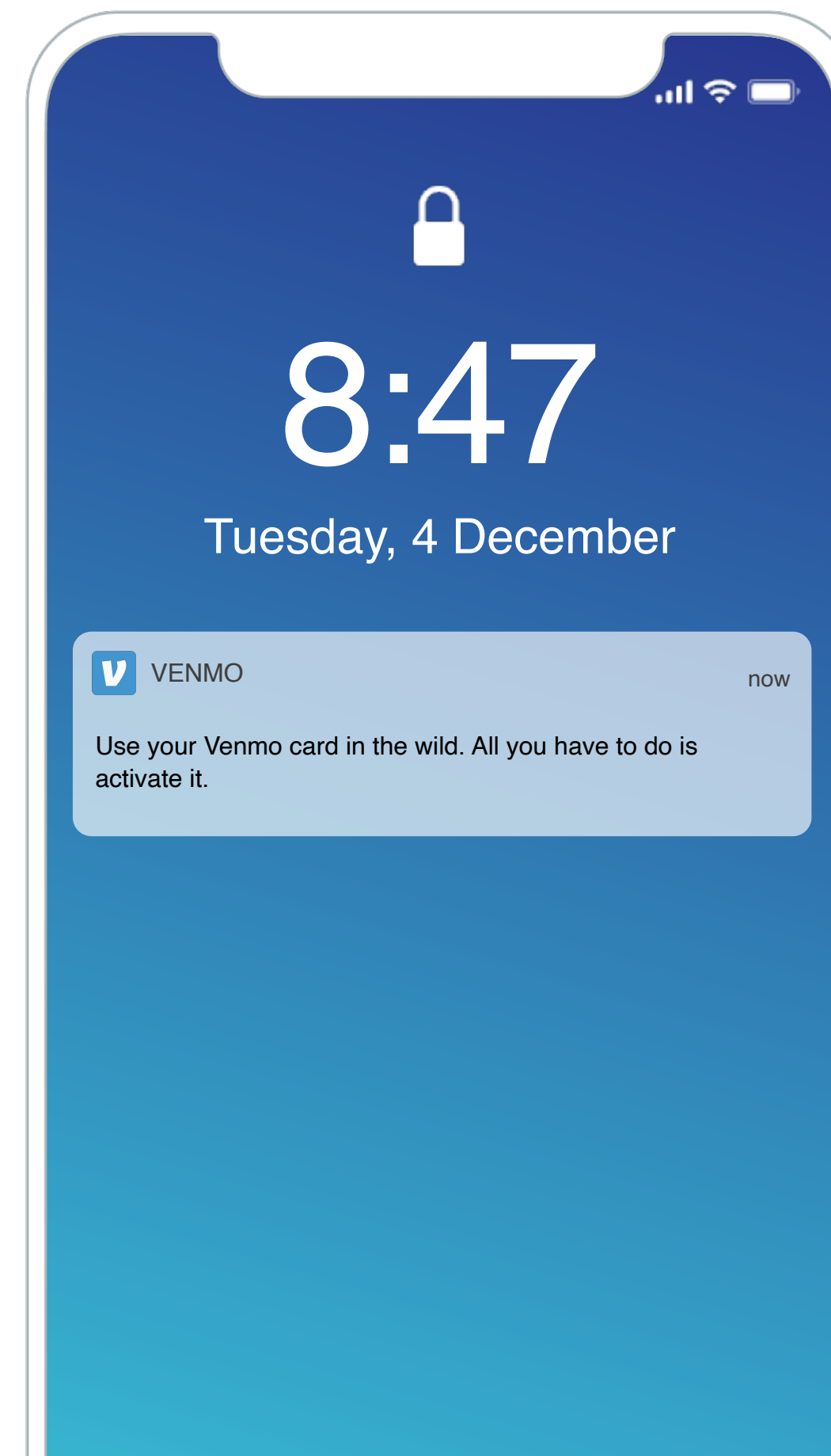
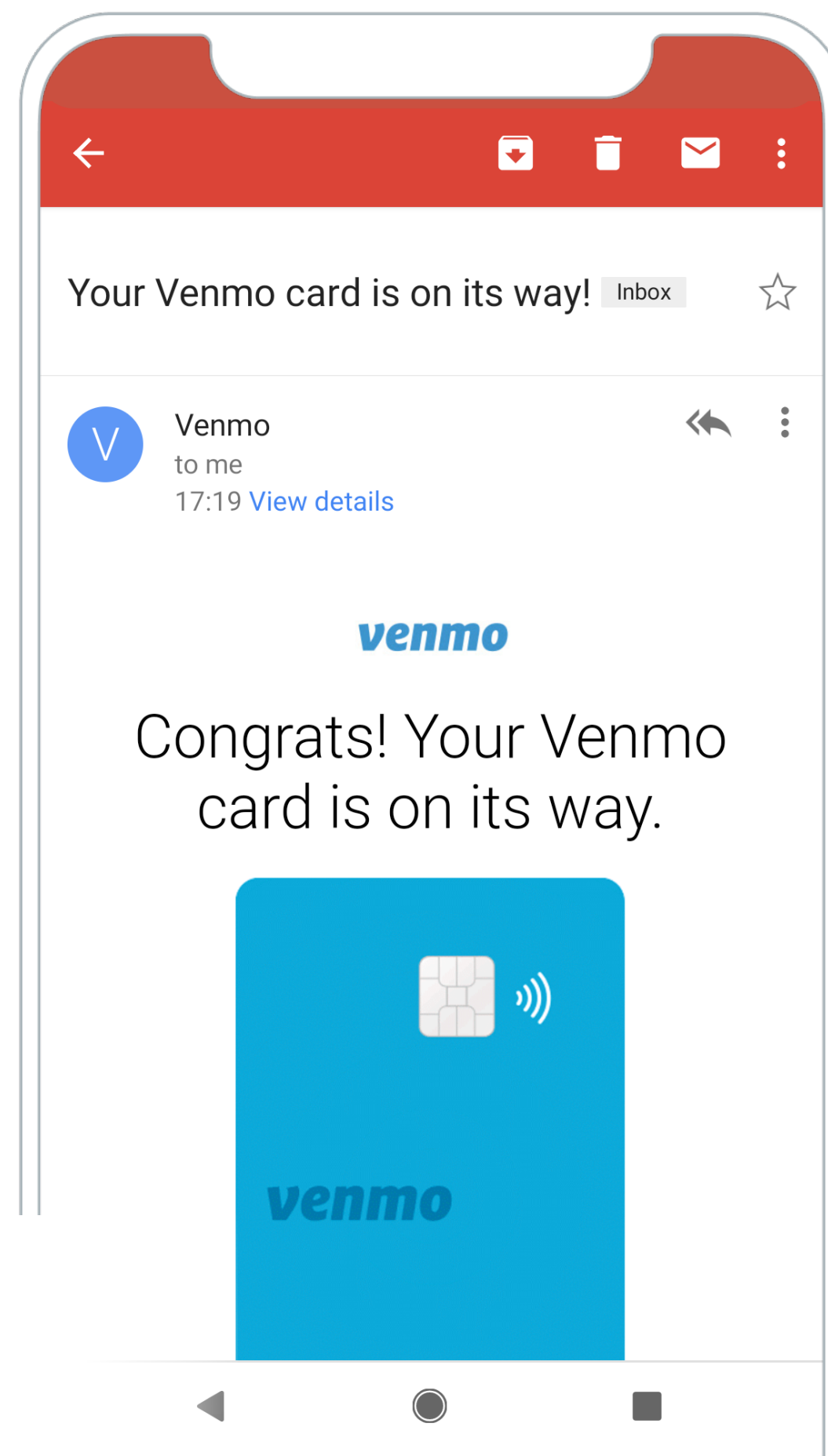
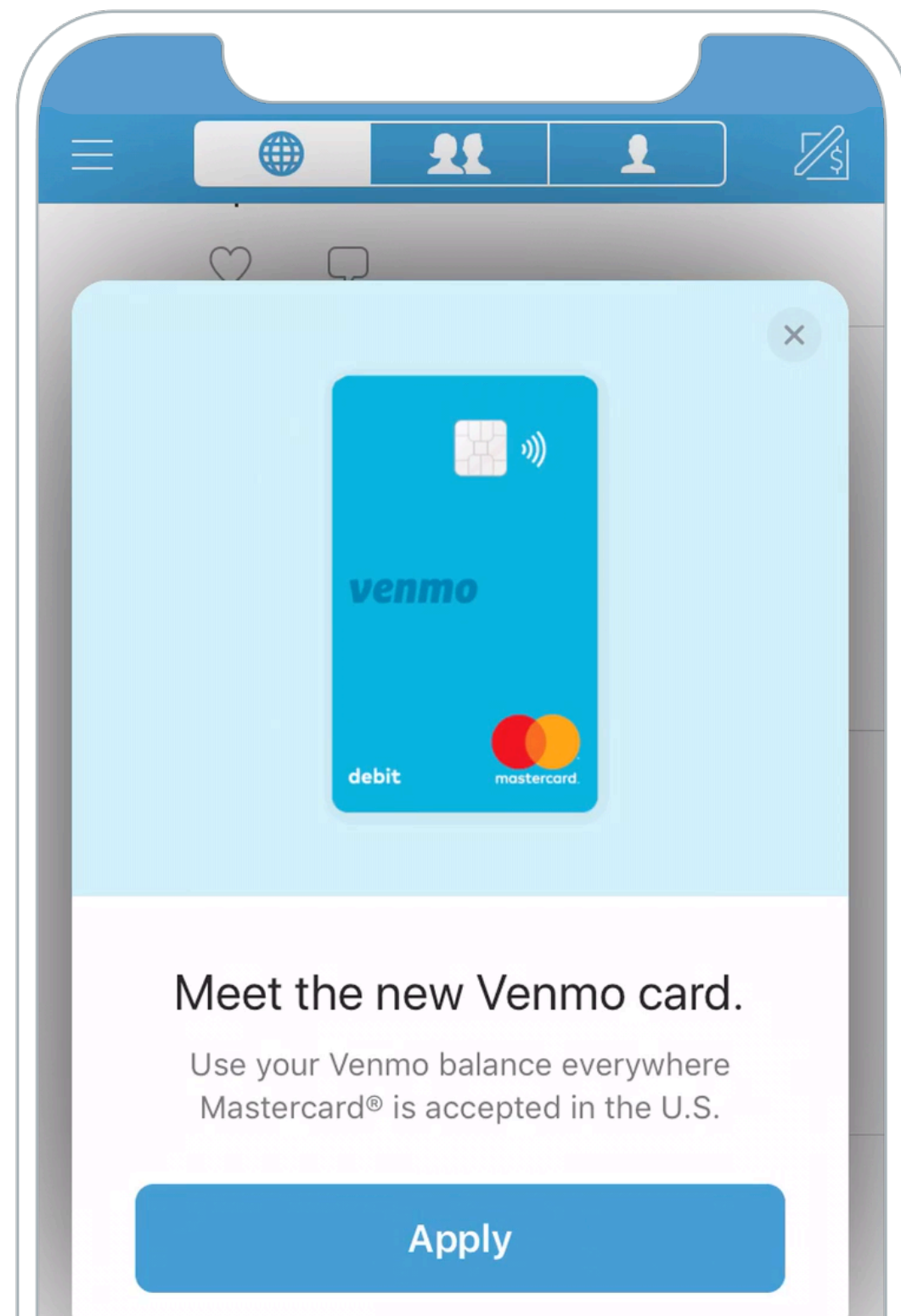
Venmo Enhances the User's Experience with the Product

Introduce new feature ▶

Update on status ▶

Encourage usage ▶

Share a subtle reminder ▶



venmo × *braze*

Braze by the Numbers as of Q4 FY'23

Scale

1,770 Customers
4.8B MAU
13T+ Data Points Processed in FY'23
~2.2T Messages Sent in FY'23
1,500+ Employees

Growth

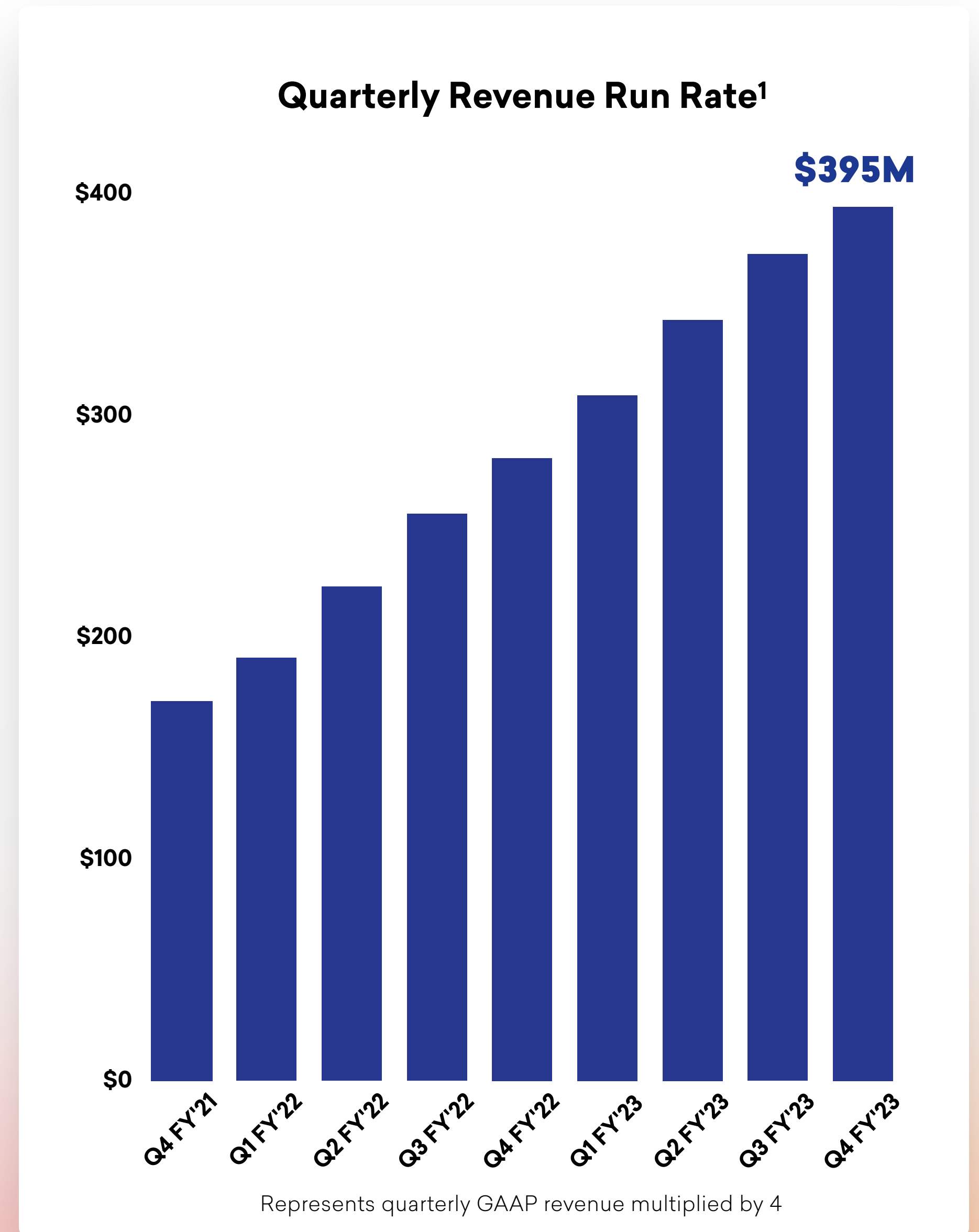
40% Y/Y Revenue Growth

Stability

124% Dollar-Based NRR
96% Subscription Revenue

Efficiency

(\$39.0)M Non-GAAP FCF in FY'23



Experienced, stable leadership team with strong technical backgrounds



Bill Magnuson
CEO and Cofounder
2011



Isabelle Winkles
CFO
2020



Myles Kleeger
President and CCO
2014



Jon Hyman
CTO and Cofounder
2011



Astha Malik
Chief Business Officer
2022



Pankaj Malik
CAO
2021



Rod McLeod
VP, Social Impact
2019



Priyanka Singh
Chief People Officer
2023



Kevin Wang
Chief Product Officer
2012



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**

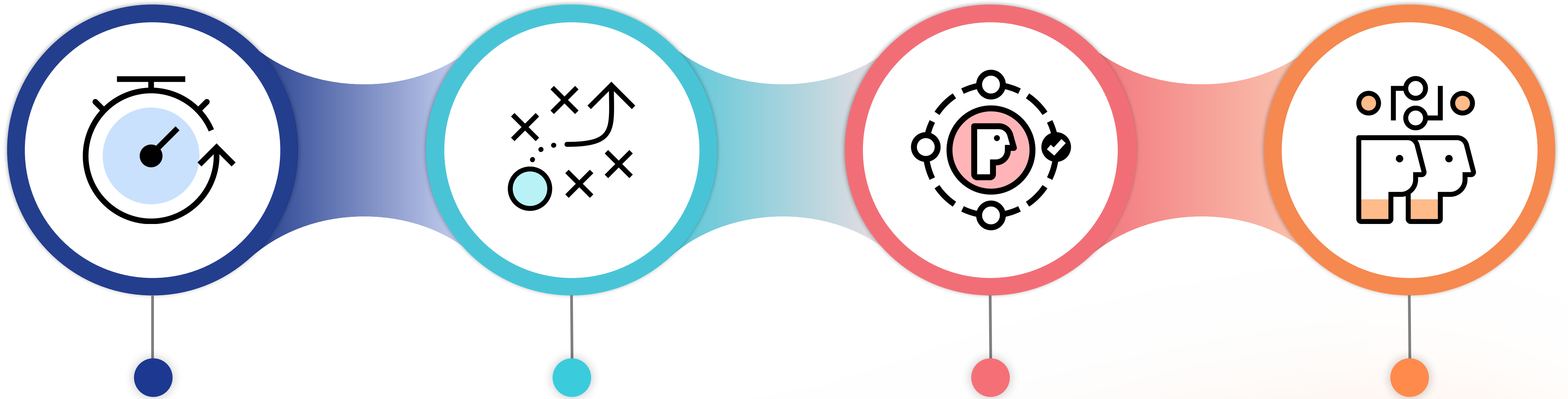


**Embrace
Curiosity**



**Be a
Human**

Key Trends in Our Favor



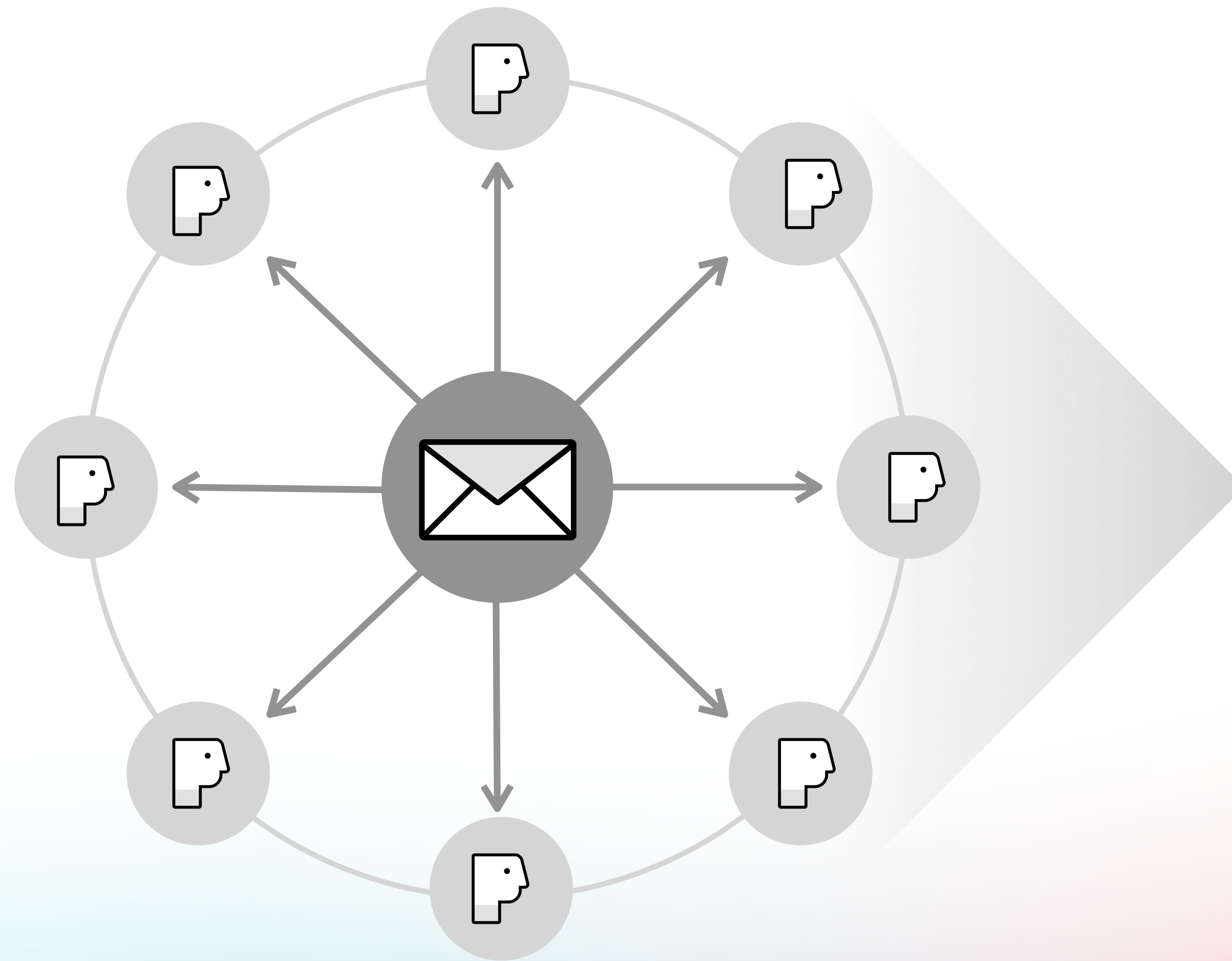
Consumers Expect Real-Time, Personalized Brand Interactions Across Channels

Customer Experience is the New Battleground for Business

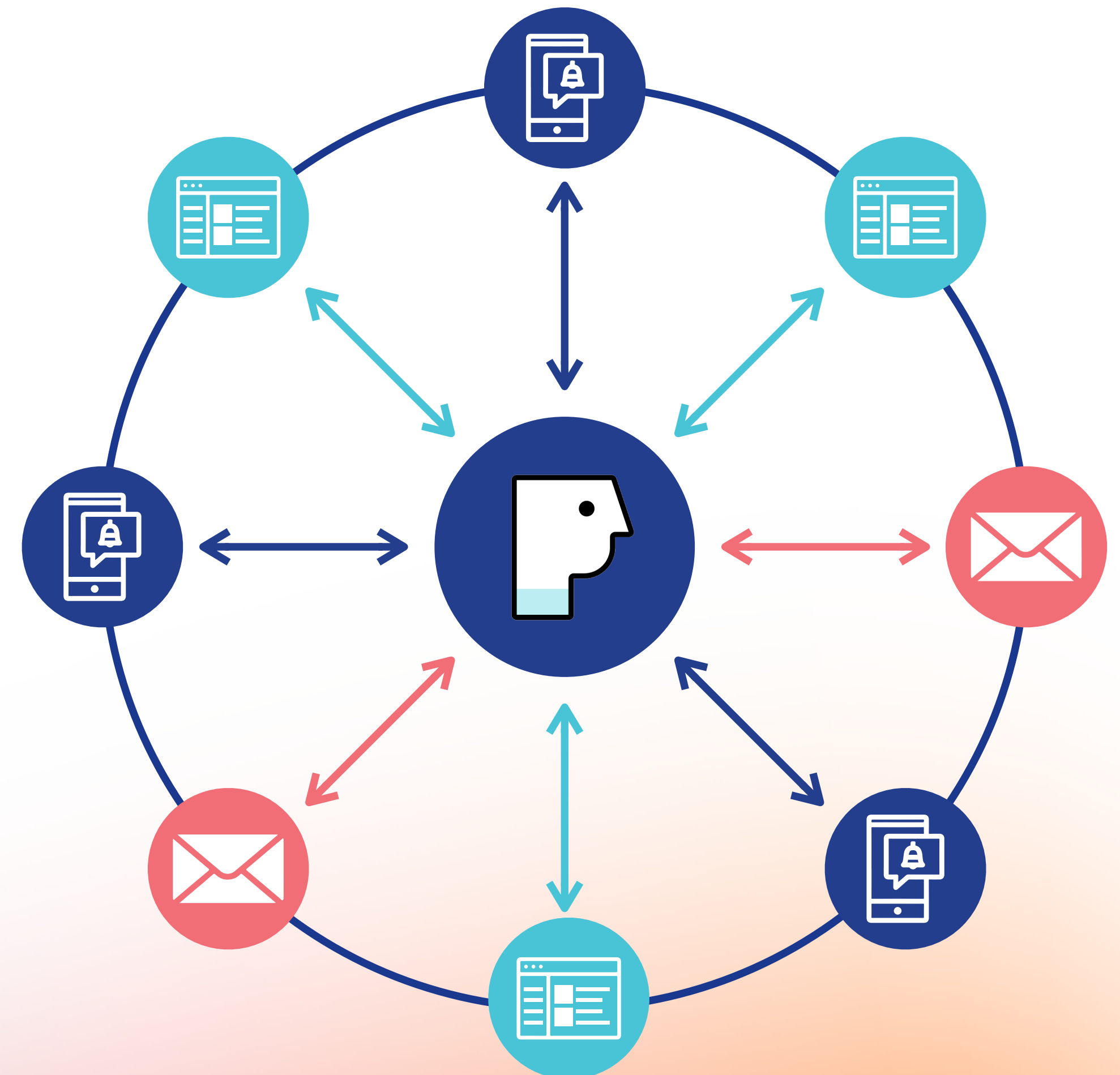
First-Party Data is Critical for Effective Customer Engagement

Customer Engagement Demands Cross-Functional Collaboration

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



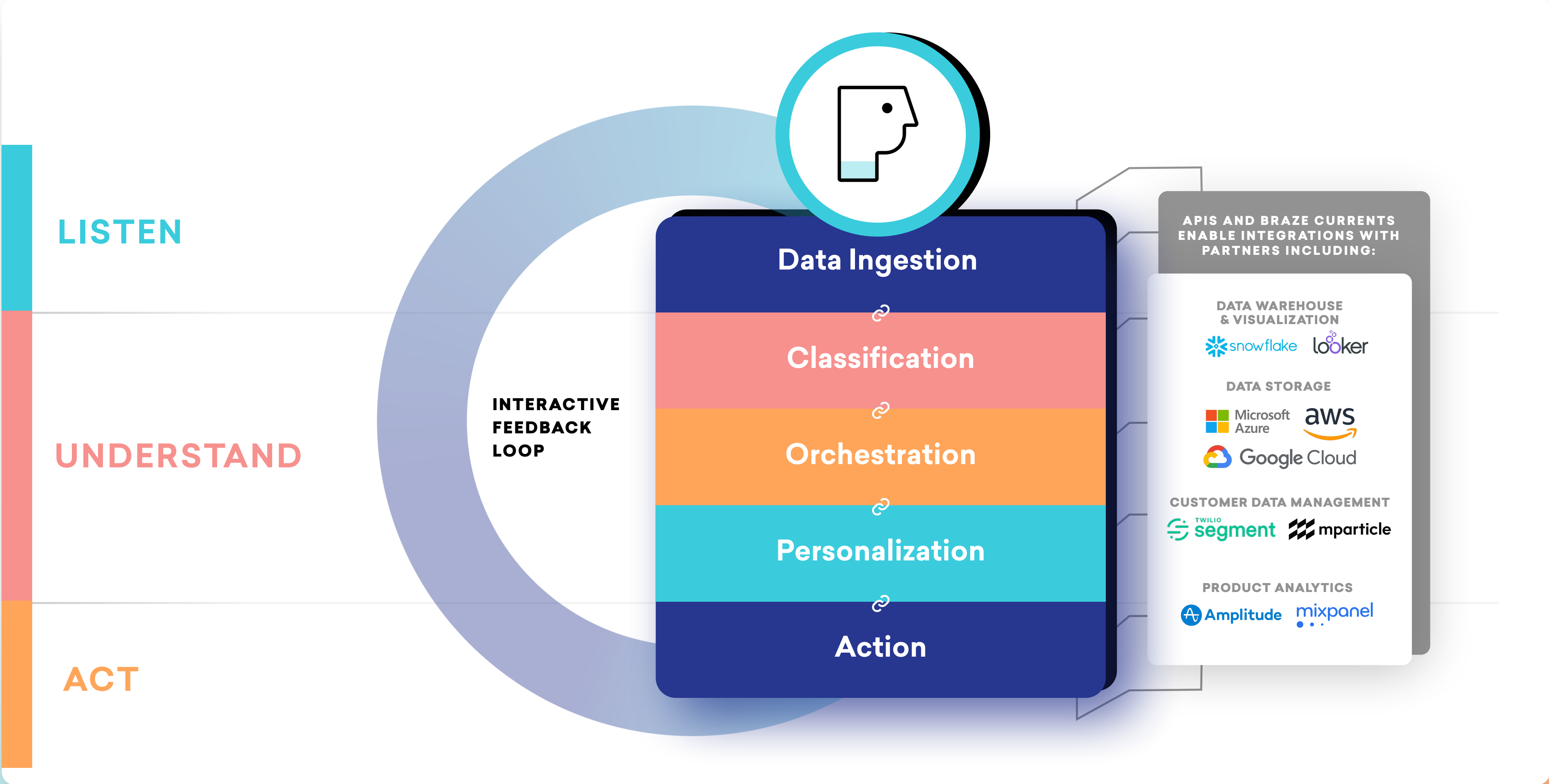
CHANNEL-CENTRIC



CUSTOMER-CENTRIC

The Braze Platform

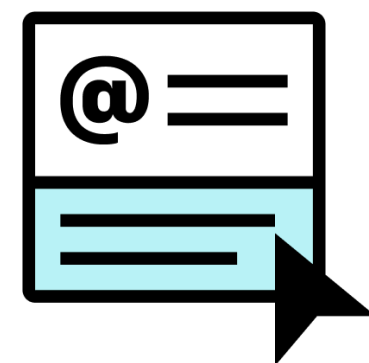
The Braze Platform's five functional layers create an interactive feedback loop that allows us to:



Existing Solutions Do Not Meet Consumer Expectations and Needs



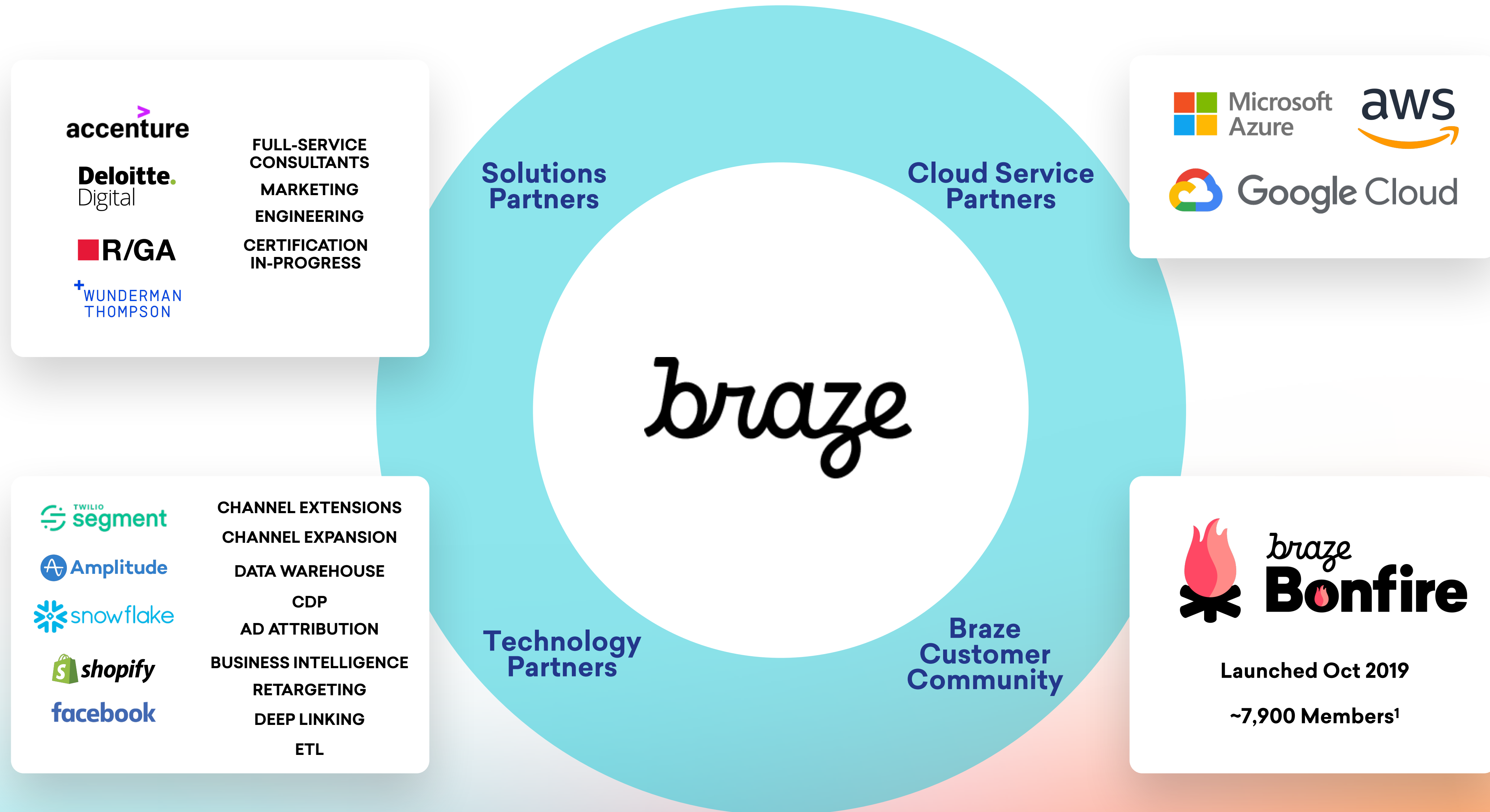
LEGACY MARKETING CLOUDS



POINT SOLUTIONS

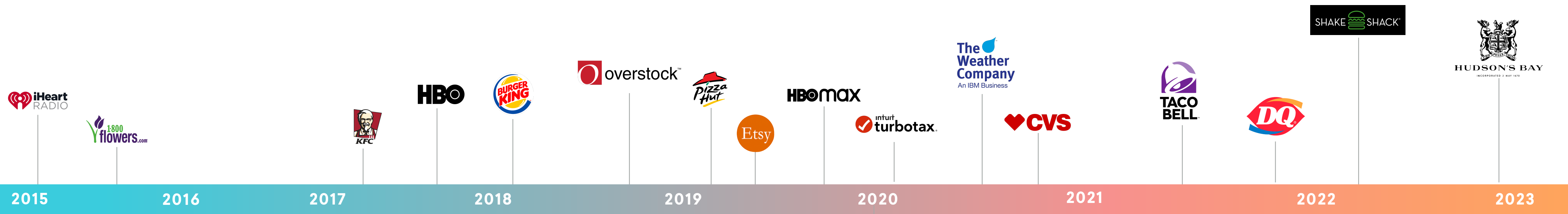
- Initially Architected as Single-Channel Point Solutions
- Lack of Comprehensiveness
- Limited Interoperability
- High Latency
- Time-Consuming and Difficult to Implement and Use
- Not Enterprise-Grade

Our Partner Ecosystem and Community Provide a Deep Competitive Moat

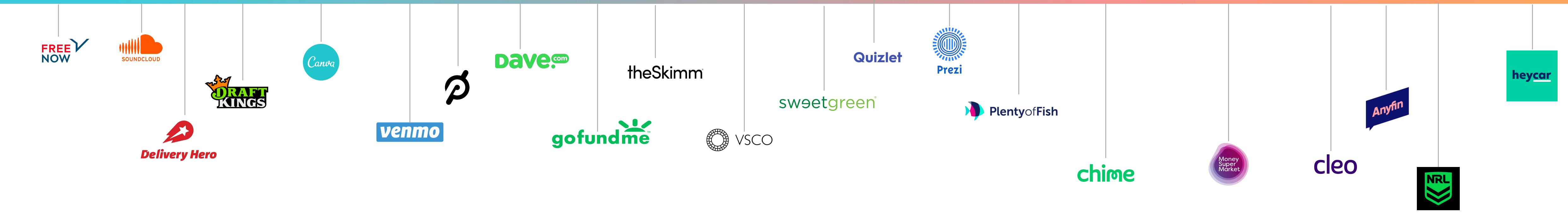


We Continue to Build Momentum as Brands of all Sizes and Types Place a Higher Value on Customer Engagement

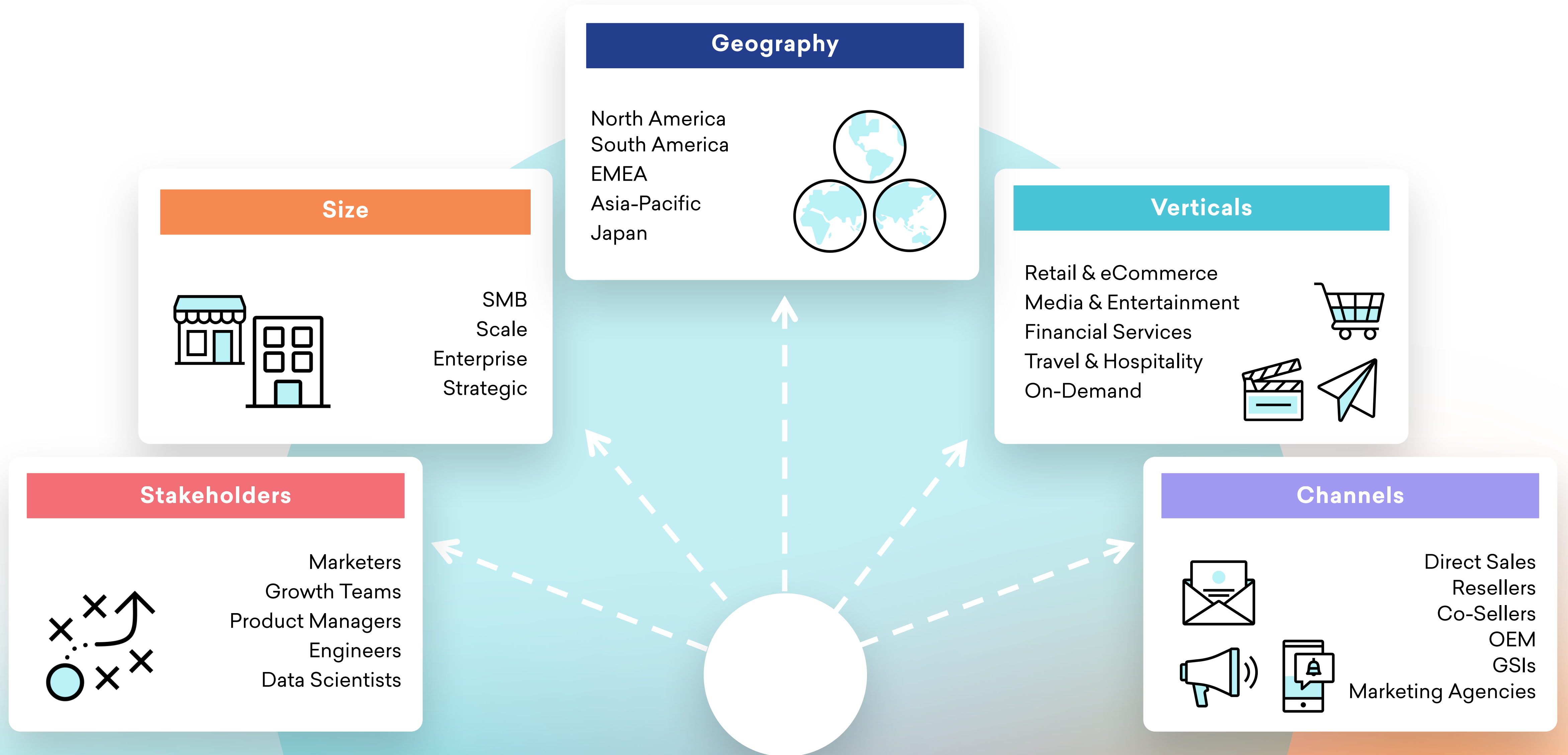
TRADITIONAL ENTERPRISES



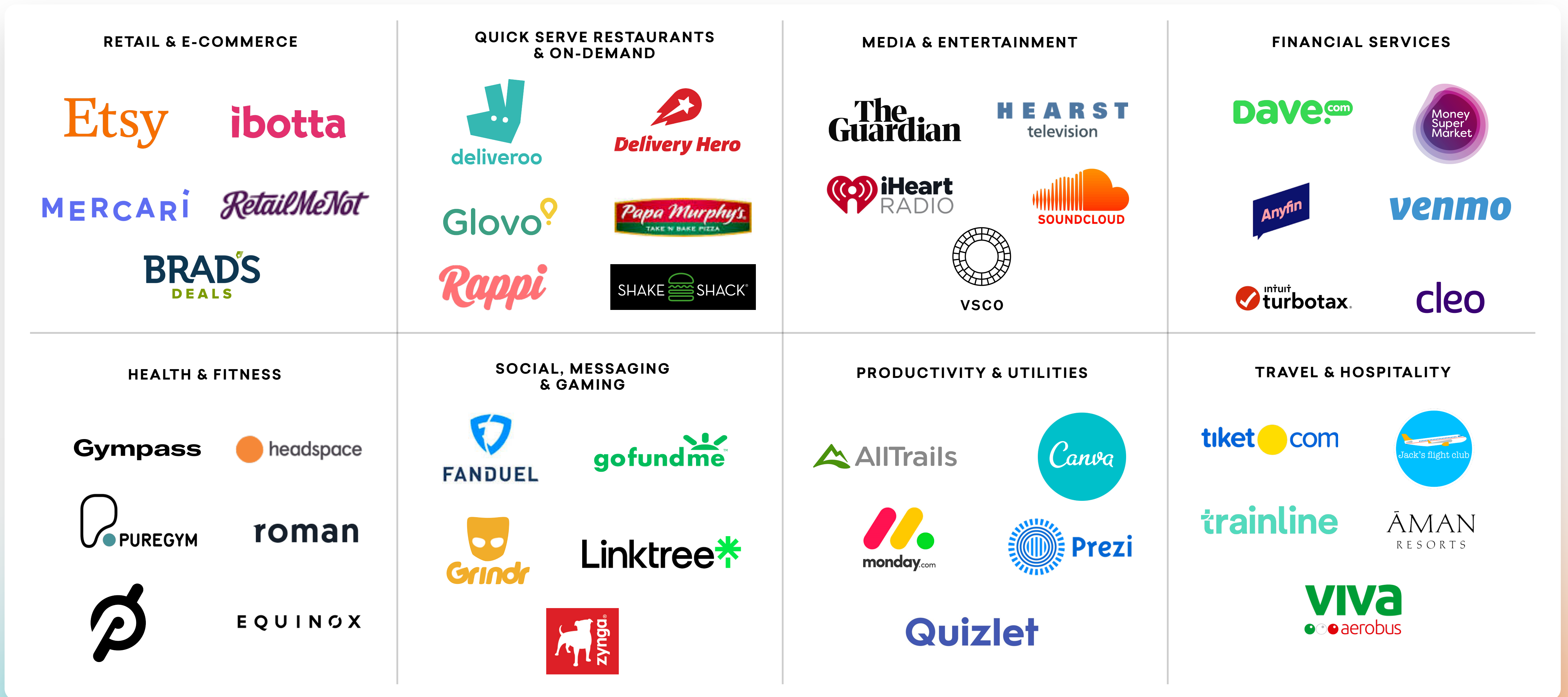
EMERGING DISRUPTORS



GTM Strategy Vectors



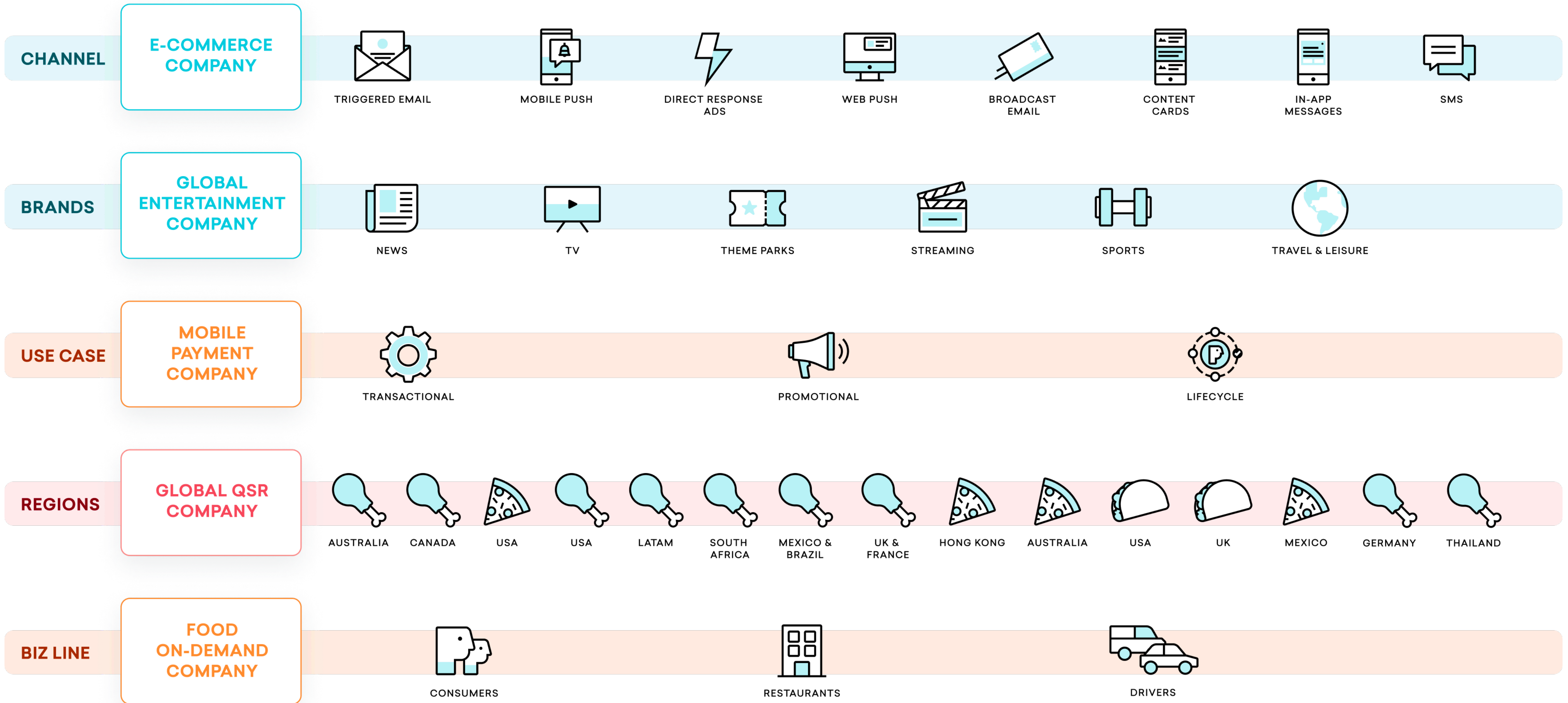
Diverse Customer Base that Cuts Across Industry Verticals and Company Sizes



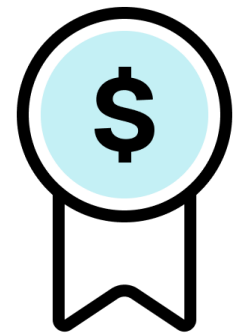
Growing International Footprint to Capitalize on our Global Opportunity



Expansion Opportunities Across Multiple Vectors



Q4 FY'23 Key Financial Highlights



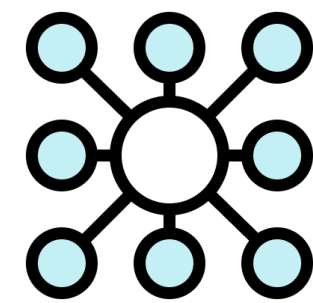
**Growth
at Scale**

40%

Y/Y Revenue Growth

\$395M

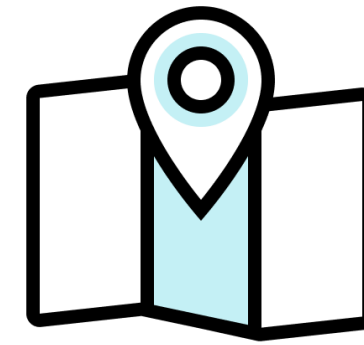
Quarterly Revenue
Run Rate¹



**Strong Large
Customer Growth**

46%

Y/Y Growth in Large
Customers²



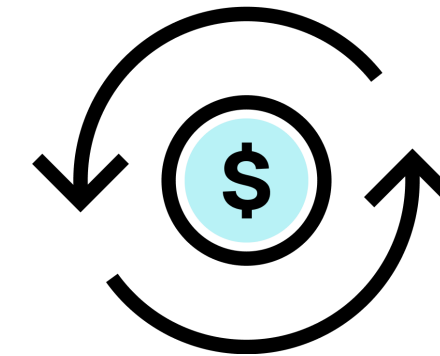
**Proven Ability
to Land and
Expand**

124%

Dollar-Based NRR

126%

Large Customer²
Dollar-Based NRR



**Recurring and
Visible Business
Model**

96%

Subscription
Revenue



**Stable Margins
While Investing
for Growth**

67%

Gross Margin³

1. Represents quarterly GAAP revenue multiplied by 4

2. Customers with \$500K+ ARR

3. Non-GAAP Metric

Note: All metrics represent figures as of or for the three months ended January 31, 2023 as applicable

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 January 31, | | Twelve Months Ended January 31, | |
|--|-----------------------------------|----------|------------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross Profit | \$65,250 | \$45,659 | \$239,608 | \$159,524 |
| Plus: | | | | |
| Stock-based compensation expense | 896 | 1,654 | 3,616 | 2,185 |
| Employer taxes related to stock-based compensation expense | 14 | - | 71 | - |
| Non-GAAP Gross Profit | \$66,160 | \$47,313 | \$243,295 | \$161,709 |
| GAAP Gross Margin | 66.1% | 64.8% | 67.4% | 67.0% |
| Non-GAAP Gross Margin | 67.0% | 67.2% | 68.5% | 67.9% |

Reconciliation of GAAP to Non-GAAP Operating Expenses

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|--|-----------------------------------|----------|------------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| GAAP sales and marketing expense | \$52,792 | \$45,726 | \$201,684 | \$127,137 |
| Less: | | | | |
| Stock-based compensation expense | 6,253 | 10,400 | 23,871 | 16,281 |
| Employer taxes related to stock-based compensation expense | 60 | - | 603 | - |
| Non-GAAP sales and marketing | \$46,479 | \$35,326 | \$177,210 | \$110,856 |
| GAAP research and development expense | \$26,754 | \$22,904 | \$97,293 | \$59,034 |
| Less: | | | | |
| Stock-based compensation expense | 7,743 | 9,833 | 28,897 | 15,613 |
| Employer taxes related to stock-based compensation expense | 49 | - | 353 | - |
| Non-GAAP research and development | \$18,962 | \$13,071 | \$68,043 | \$43,421 |
| GAAP general and administrative expense | \$22,224 | \$19,617 | \$88,771 | \$51,564 |
| Less: | | | | |
| Stock-based compensation expense | 3,933 | 7,257 | 15,833 | 13,101 |
| Employer taxes related to stock-based compensation expense | 67 | - | 319 | - |
| 1% Pledge charitable compensation expense | - | - | 4,260 | - |
| Acquisition related expense | 773 | - | 773 | - |
| Non-GAAP general and administrative | \$17,451 | \$12,360 | \$67,586 | \$38,463 |

GAAP to Non-GAAP Reconciliation

DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Reconciliation of GAAP to Non-GAAP Operating Loss

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|--|-----------------------------------|------------|------------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Loss from operations | (\$36,520) | (\$42,588) | (\$148,140) | (\$78,211) |
| Plus: | | | | |
| Stock-based compensation expense | 18,825 | 29,144 | 72,217 | 47,180 |
| Employer taxes related to stock-based compensation expense | 190 | - | 1,346 | - |
| 1% Pledge charitable compensation expense | - | - | 4,260 | - |
| Acquisition related expense | 773 | - | 773 | - |
| Non-GAAP Operating loss | (\$16,732) | (\$13,444) | (\$69,544) | (\$31,031) |

Reconciliation of GAAP to Non-GAAP Net Loss

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|---|-----------------------------------|------------|------------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss attributable to Braze, Inc. | (\$33,451) | (\$42,935) | (\$138,966) | (\$76,719) |
| Plus: | | | | |
| Stock-based compensation expense | 18,825 | 29,144 | 72,217 | 47,180 |
| Employer taxes related to stock-based compensation expense | 190 | - | 1,346 | - |
| 1% Pledge charitable compensation expense | - | - | 4,260 | - |
| Acquisition related expense | 773 | - | 773 | - |
| Non-GAAP net loss attributable to Braze, Inc. ¹ | (\$13,663) | (\$13,791) | (\$60,370) | (\$29,539) |
| Non-GAAP net loss per share attributable to Braze, Inc. common stockholders, basic and diluted | (\$0.14) | (\$0.18) | (\$0.64) | (\$0.85) |
| Weighted-average shares used to compute net loss per share attributable to Braze, Inc. common stockholders, basic and diluted | 94,966 | 78,364 | 94,569 | 34,897 |

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 January 31, | | Twelve Months Ended January 31, | |
|--|-----------------------------------|------------|------------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net cash provided by/ (used in) operating activities | \$12 | (\$24,530) | (\$22,308) | (\$35,398) |
| Less: | | | | |
| Purchases of property and equipment | (1,381) | (1,200) | (15,447) | (2,310) |
| Capitalized internal- use software costs | (553) | (223) | (1,258) | (2,065) |
| Non-GAAP Free cash flow | (\$1,922) | (\$25,953) | (\$39,013) | (\$39,773) |

GAAP to Non-GAAP Gross Margin Reconciliation

DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

| | FY'21 Q4 | FY'22 Q1 | FY'22 Q2 | FY'22 Q3 | FY'22 Q4 | FY'23 Q1 | FY'23 Q2 | FY'23 Q3 | FY'23 Q4 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Gross Profit | \$27,651 | \$32,070 | \$37,001 | \$44,794 | \$45,659 | \$51,589 | \$58,779 | \$63,990 | \$65,250 |
| Plus: | | | | | | | | | |
| Stock-based compensation expense | 245 | 190 | 177 | 164 | 1,654 | 920 | 911 | 889 | 896 |
| Employer taxes related to stock-based compensation expense | - | - | - | - | - | 16 | 24 | 17 | 14 |
| Non-GAAP Gross Profit | \$27,896 | \$32,260 | \$37,178 | \$44,958 | \$47,313 | \$52,525 | \$59,714 | \$64,896 | \$66,160 |
| GAAP Gross Margin | 64.4% | 67.0% | 66.4% | 70.0% | 64.8% | 66.6% | 68.2% | 68.7% | 66.1% |
| Non-GAAP Gross Margin | 65.0% | 67.4% | 66.7% | 70.3% | 67.2% | 67.8% | 69.3% | 69.7% | 67.0% |

GAAP to Non-GAAP Free Cash Flow Reconciliation

DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

| | FY'21 Q4 | FY'22 Q1 | FY'22 Q2 | FY'22 Q3 | FY'22 Q4 | FY'23 Q1 | FY'23 Q2 | FY'23 Q3 | FY'23 Q4 |
|---|----------|-----------|-----------|-----------|------------|----------|------------|------------|-----------|
| Net cash provided by/(used in) operating activities | \$20 | (\$3,807) | (\$4,607) | (\$2,454) | (\$24,530) | \$17,921 | (\$16,321) | (\$23,920) | \$12 |
| Less: | | | | | | | | | |
| Purchases of property and equipment | (416) | (298) | (457) | (355) | (1,200) | (1,960) | (7,884) | (4,222) | (1,381) |
| Capitalized internal-use software costs | (212) | (498) | (674) | (670) | (223) | (306) | (477) | 78 | (553) |
| Non-GAAP Free Cash Flow | (\$608) | (\$4,603) | (\$5,738) | (\$3,479) | (\$25,953) | \$15,655 | (\$24,682) | (\$28,064) | (\$1,922) |
| Non-GAAP Free Cash Flow Gross Margin | (1.4%) | (9.6%) | (10.3%) | (5.4%) | (36.8%) | 20.2% | (28.7%) | (30.1%) | (1.9%) |

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