

Investor Presentation

September 2024

braze

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 for the third quarter and full fiscal year ended January 31, 2025. 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 April 1, 2024, and Braze's Quarterly Report on Form 10-Q that will be filed with the SEC for the fiscal quarter ended July 31, 2024. 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 income (loss), non-GAAP net income (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 income (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, contingent consideration adjustments, amortization of intangible assets and restructuring expense. Further, prior to the fourth 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 contingent consideration adjustments, because there were no such adjustments in prior periods. Braze defines non-GAAP free cash flow as net cash provided by/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. Braze has not reconciled its guidance as to non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss or non-GAAP net loss per share to their most directly comparable GAAP measure as a result of uncertainty regarding, and the potential variability of, reconciling items such as stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in Braze's stock price. Accordingly, reconciliation is not available without unreasonable effort, although it is important to note that these factors could be material to Braze's results calculated in accordance with GAAP.

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

braze



KFC India boosts customer retention and revenue with gamified “Bucket It” campaign

KFC India wanted to further grow engagement and conversion rates on their mobile app while enhancing app appeal and functionality

Using Braze, they launched a gamified campaign across IAM, push notifications, SMS, and email; used Liquid to personalize messages with coupon codes and offer attributes

KFC then leveraged Braze Alloys tech partner Branch for tracking and Snowflake for robust data management and query handling

The “Bucket It” campaign led to a 22% increase in average daily order per store, a 23% lift in daily revenue per store, 22% growth in new users, and 27% growth in repeat orders



22%

Increase in average daily orders per store

23%

Lift in daily revenue per store

22%

Growth in new users

27%

Growth in repeat users

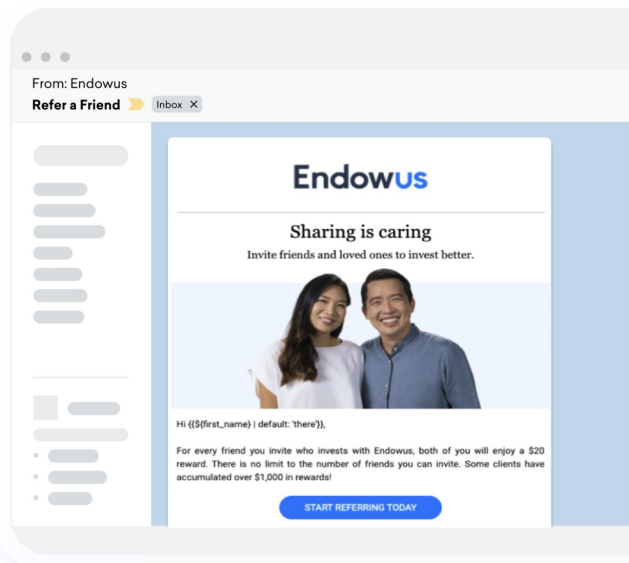
Endowus Transforms the Investing Experience with Cross-Channel Customer Journeys

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

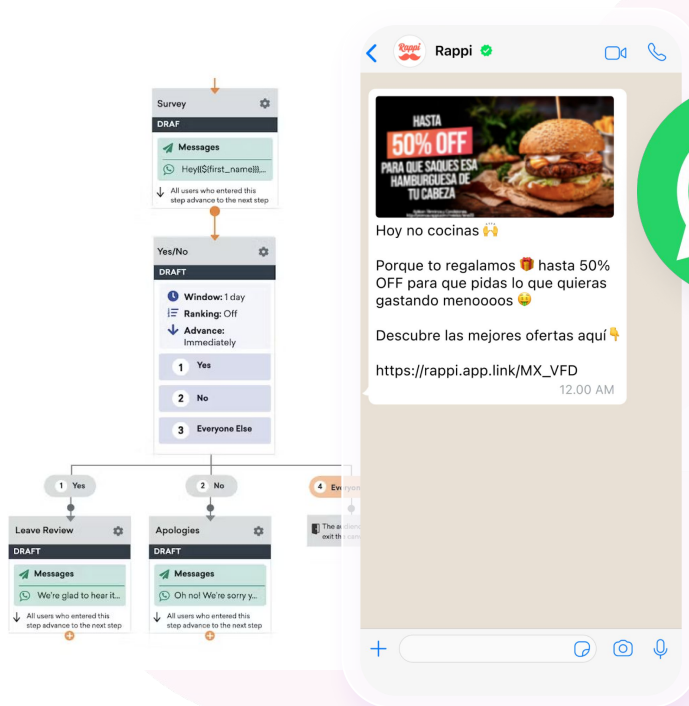


Rappi Reactivates Users and Increases Purchases with WhatsApp

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

\$582M

QUARTERLY REVENUE RUN
RATE¹

26%

Y/Y REVENUE
GROWTH

96%

SUBSCRIPTION
REVENUE

\$23M

GAAP
NET LOSS

2,163

CUSTOMERS IN OVER
75 COUNTRIES

114%

DOLLAR-BASED NET
RETENTION RATE

6.7B

MONTHLY ACTIVE
USERS

2.6T+

MESSAGING AND OTHER
CANVAS ACTIONS IN
CALENDAR YEAR 2023

Unless otherwise noted, data is as of July 31, 2024 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**

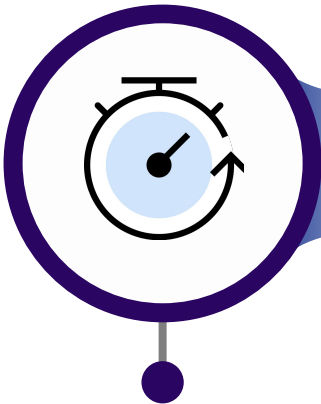


**Embrace
Curiosity**

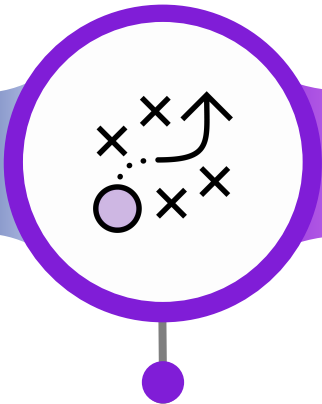


**Be a
Human**

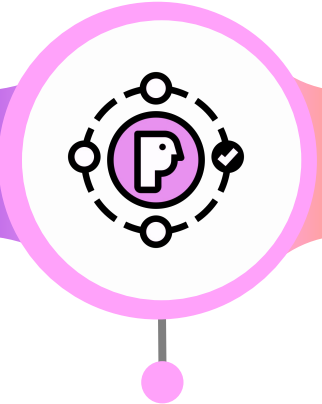
Key Trends in Our Favor



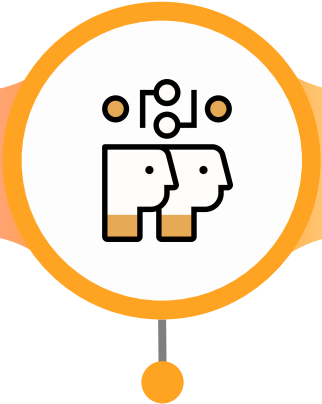
Consumers Expect Real-Time, Personalized Brand Interactions Across Channels



Customer Experience is the New Battleground for Business



First-Party Data is Critical for Effective Customer Engagement

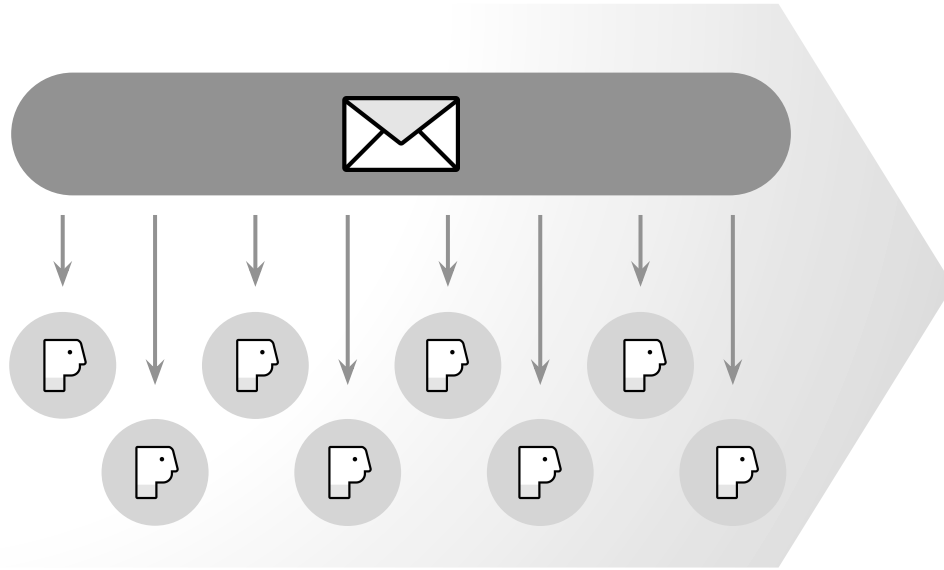


Customer Engagement Demands Cross-Functional Collaboration

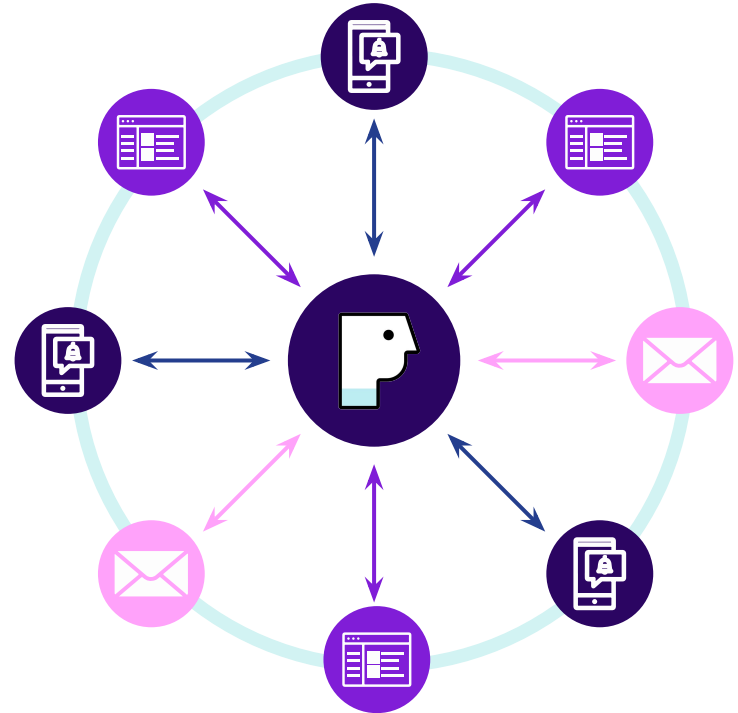


AI/ML Drives Efficiency, Better Testing, and More Experimentation in Customer Engagement

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



CHANNEL-CENTRIC



CUSTOMER-CENTRIC



LEGACY MARKETING CLOUDS



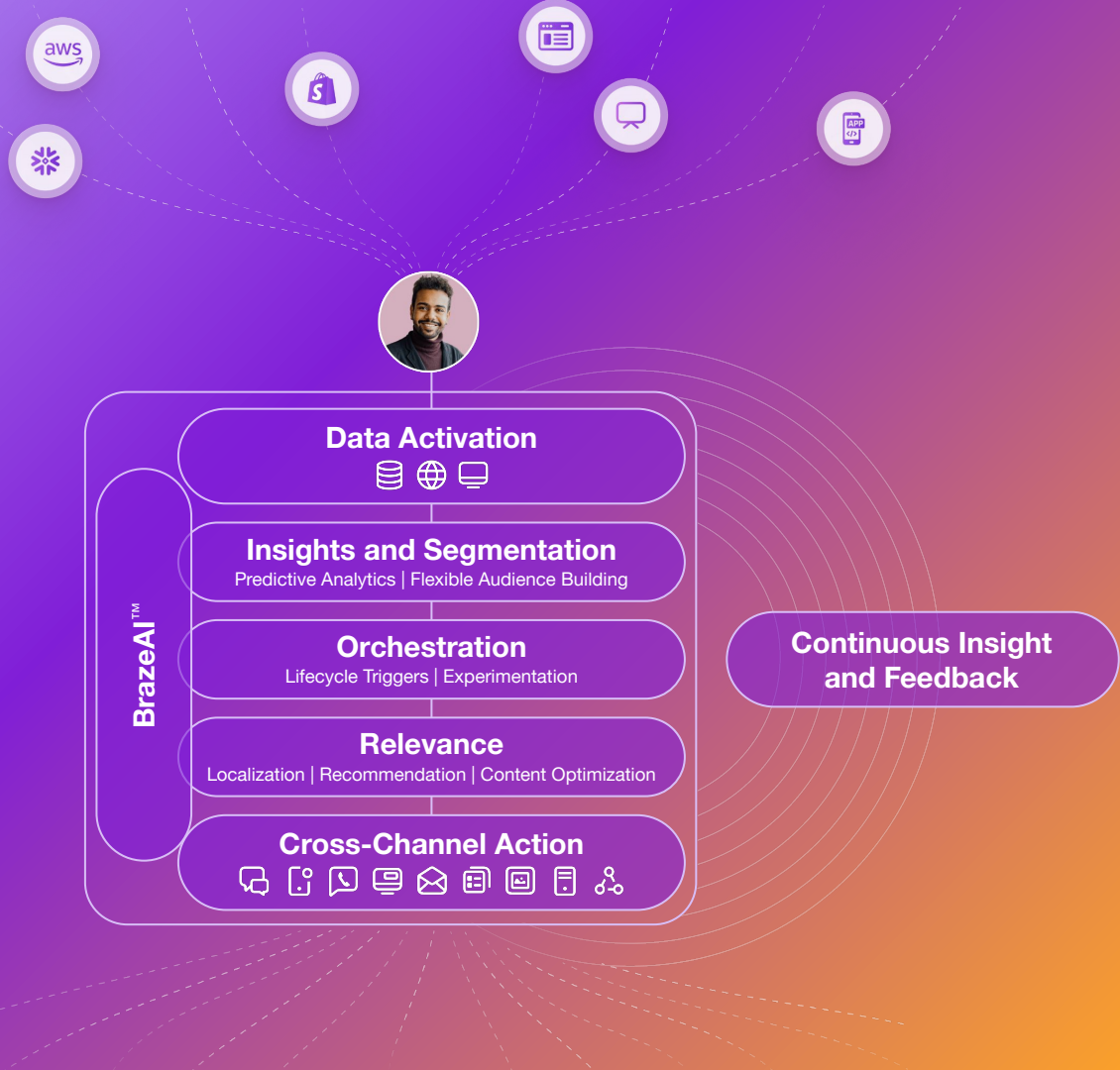
POINT SOLUTIONS

- 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

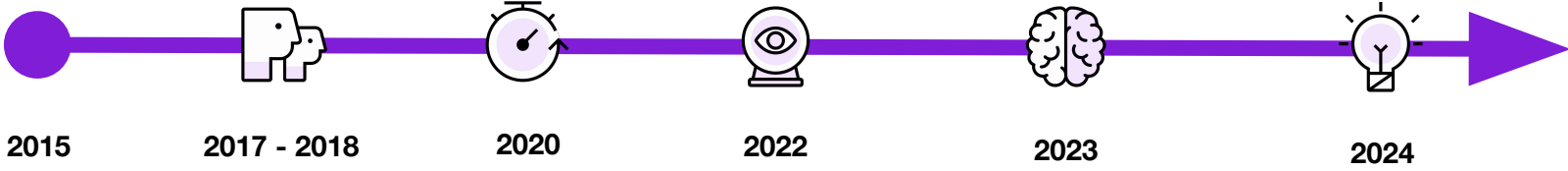
Braze Customer Engagement Platform

Five functional layers create an interactive feedback loop that allows us to:

Listen
Understand
Act



Proven AI Track Record with Product Momentum



BRAZE MILESTONES

| | | | | | |
|-----------------------------|-----------------------------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------------|
| 2015 | 2017 - 2018 | 2020 | 2022 | 2023 | 2024 |
| First AI feature introduced | Built a team of data engineers and scientists to build ML | Predictive Suite Launched | Generative AI introduced | BrazeAI™ Launch June '23 | Continued AI Innovation and new offerings |

BRAZE SOLUTIONS

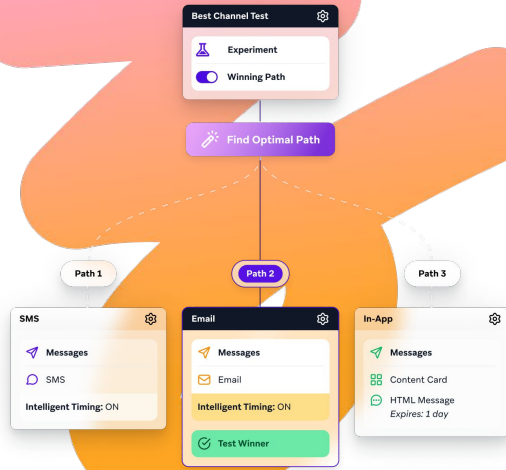
| | | | | | |
|-----------------------|----------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Intelligent Selection | Increased AI/ML functionality in Braze | Predictive Churn Predictive Events | GPT3 integration May '22 (AI Copywriting Assistant) Dall-E integration December '22 Personalized Variant | Personalized Variant Winning Paths AI Content QA AI Image Generator Estimated Real Open Rates | AI Item Recommendations Personalized Path Tone Control On-Brand Content Generation Brand Guidelines Message Likelihood Filter |
|-----------------------|----------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|

BrazeAI™ drives stronger customer engagement outcomes



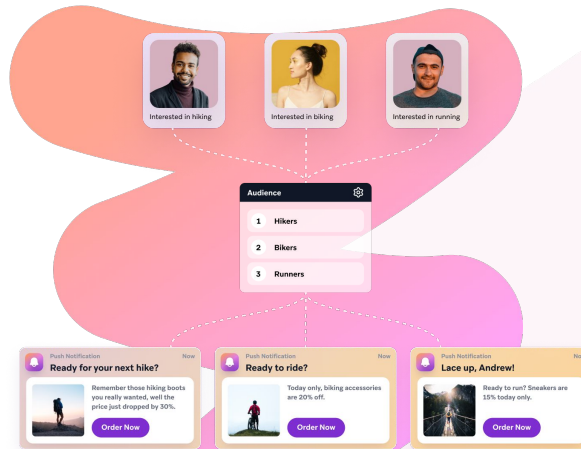
Flexible Experimentation

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



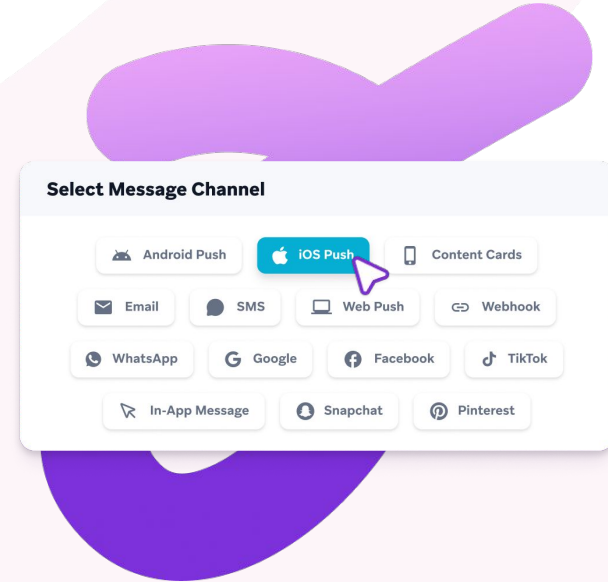
Real-Time Data Execution

Real-time processing of customer data enable BrazeAI™ to make better, faster decisions.



Cross-Channel Touchpoints

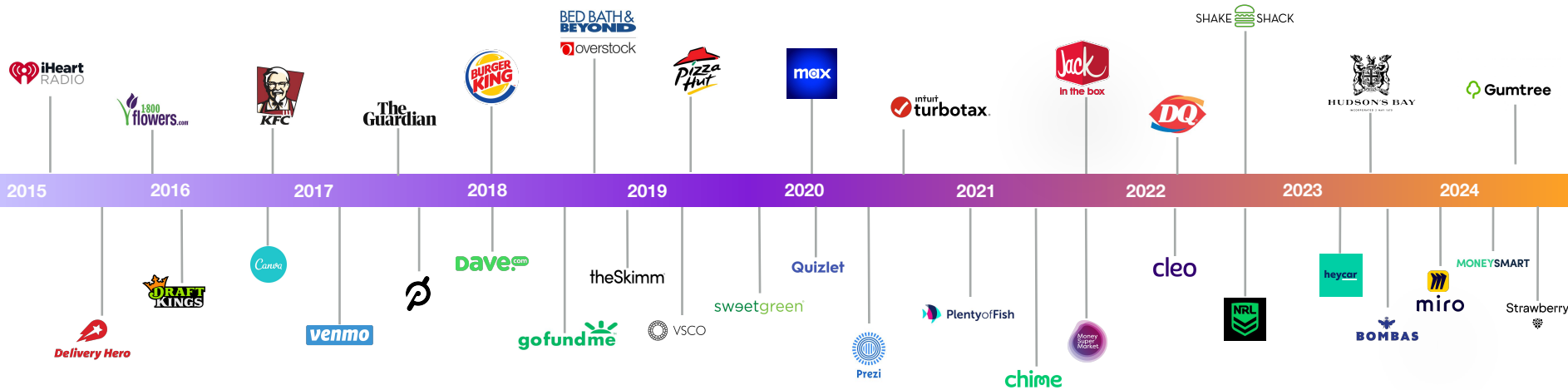
Native cross-channel interactions power comprehensive inputs into AI decisioning and unlock a wider range of engagement on all relevant touchpoints



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

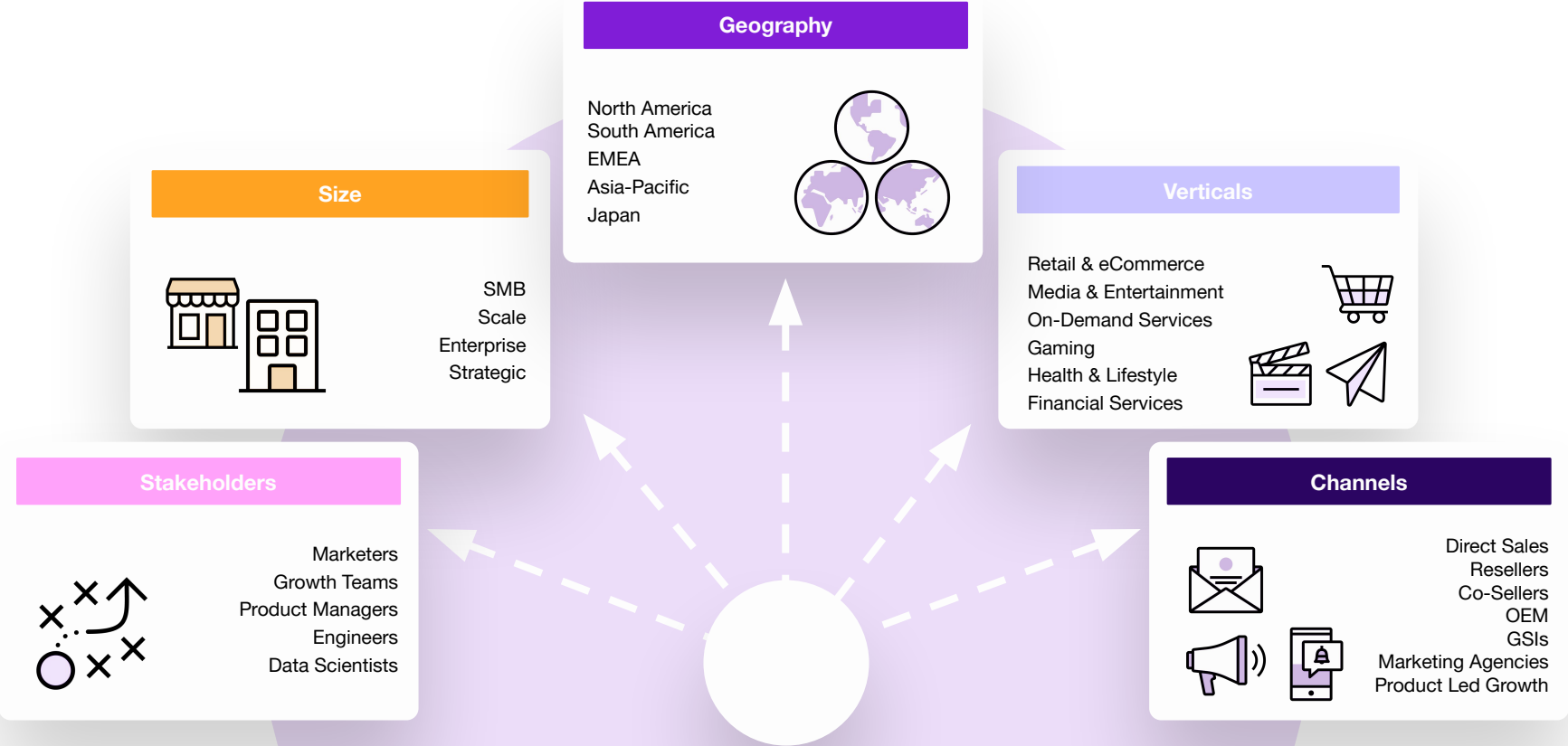
braze

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



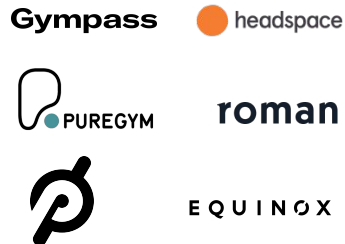
MEDIA & ENTERTAINMENT



FINANCIAL SERVICES



HEALTH & FITNESS



SOCIAL, MESSAGING & GAMING



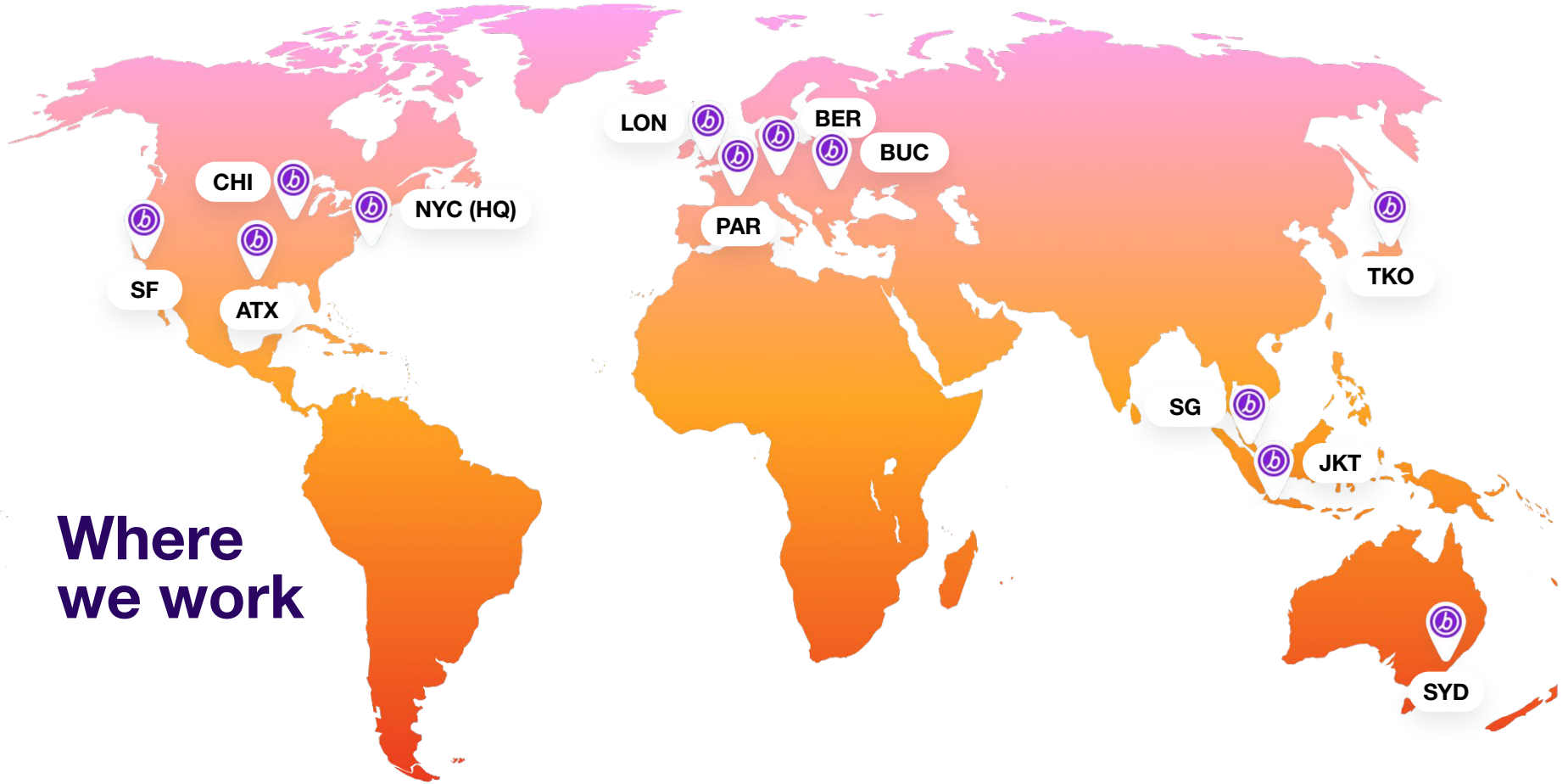
PRODUCTIVITY & UTILITIES



TRAVEL & HOSPITALITY



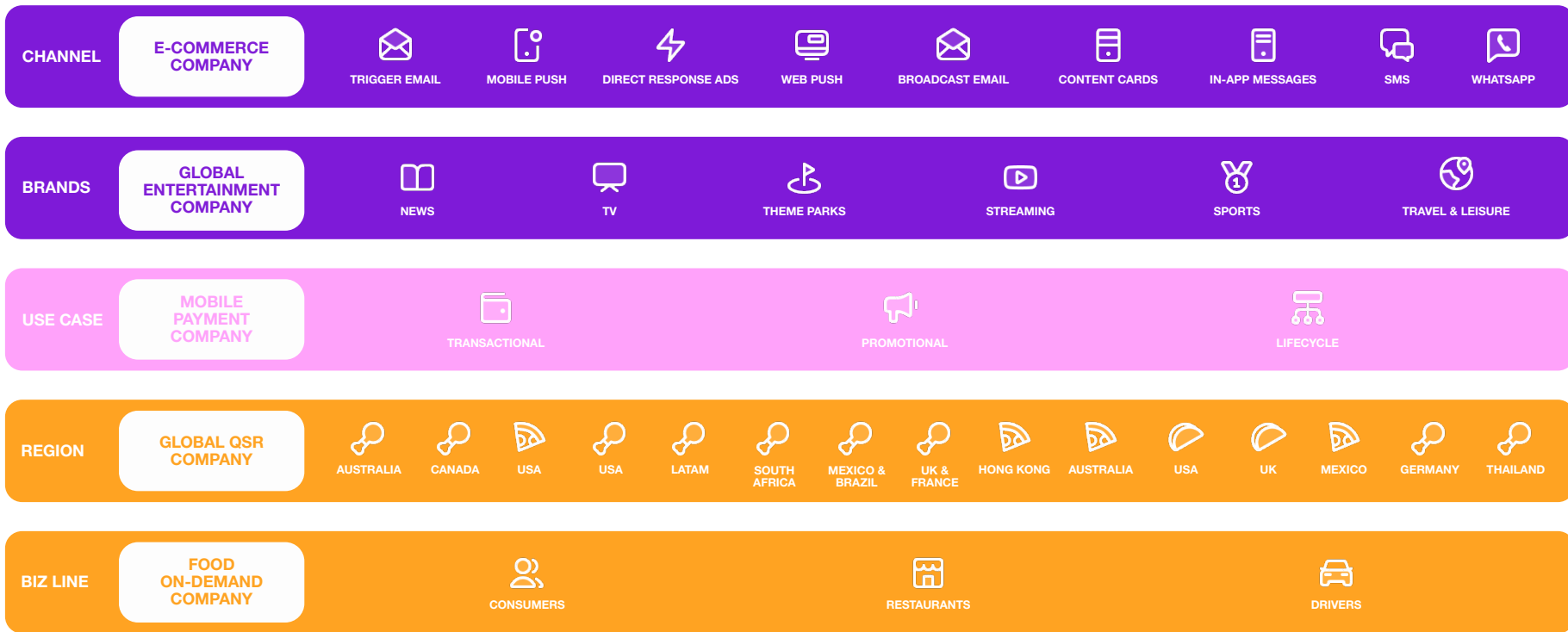
Where we work



Flexibility enables brands to solve a range of use cases:

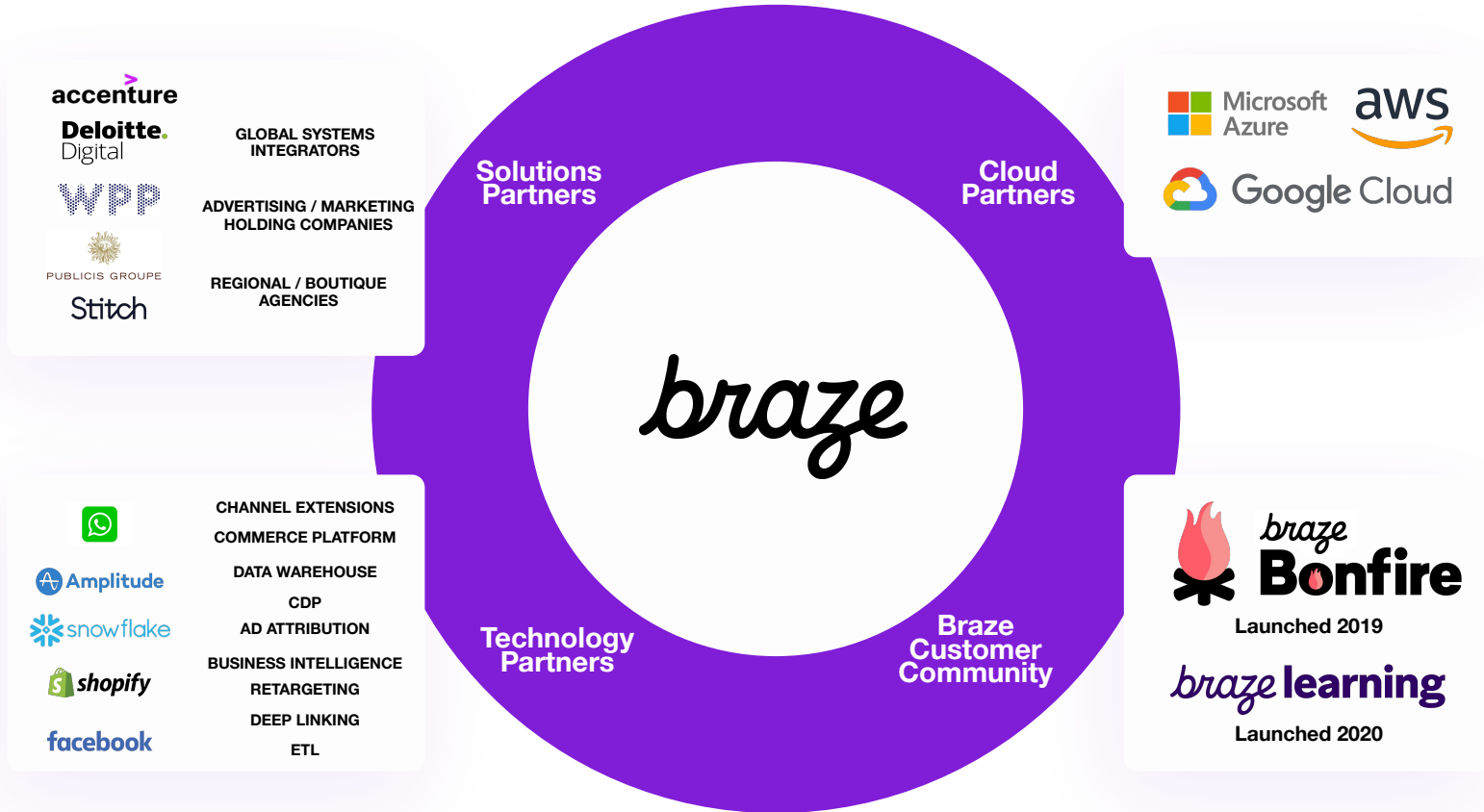
Start anywhere and go everywhere

braze



Our Partner Ecosystem and Community is Building a Deep Competitive Moat

braze



Q2 FY'25 Key Financial Highlights



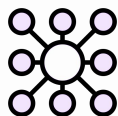
**Growth
at Scale**

26%

Y/Y Revenue Growth

\$582M

Quarterly Revenue
Run Rate¹



**Strong Large
Customer Growth**

28%

Y/Y Growth in Large
Customers²



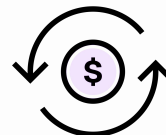
**Proven Ability
to Land and
Expand**

114%

Dollar-Based NRR

117%

Large Customer²
Dollar-Based NRR



**Recurring and
Visible Business
Model**

96%

Subscription Revenue



**Stable Margins
While Investing
for Growth**

71%

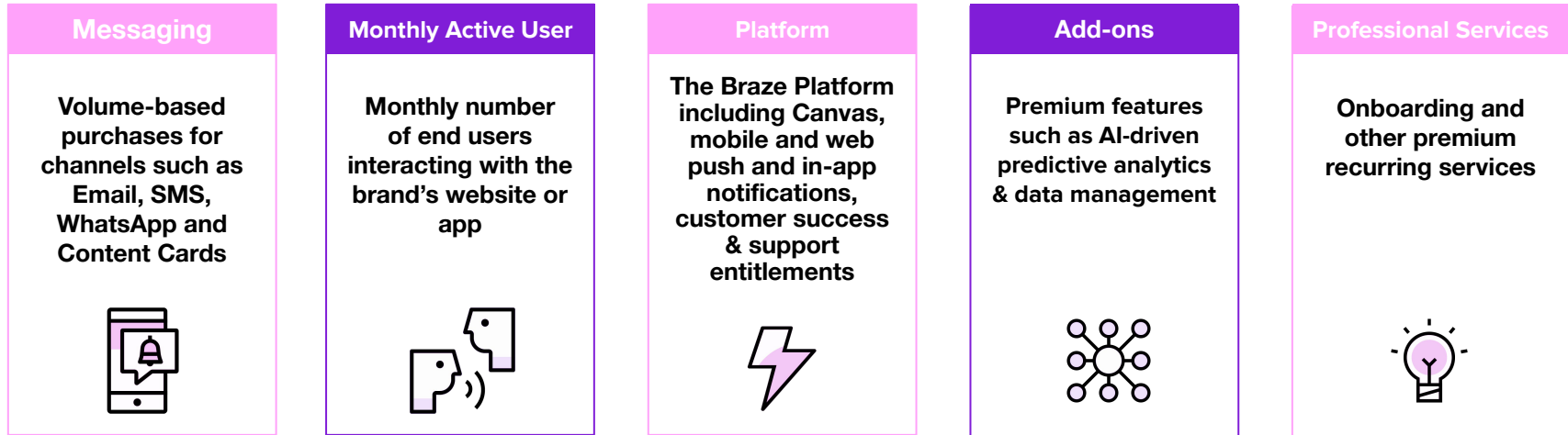
Non-GAAP
Gross Margin

1. Represents quarter GAAP revenue multiplied by 4
2. Customers with \$500K+ ARR

Note: All metrics represent figures as of or for the three months ended July 31, 2024 as applicable

See Appendix for GAAP to non-GAAP Reconciliations and other key definition

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

Note: As of the quarter ended July 31, 2024

Appendix

braze

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.

Monthly Active User: A monthly active user is an end user of a customer who has engaged with the customer's applications and websites in the previous 30-day period. We include each distinguishable end user in our calculation of monthly active users, even though some users may access our customers' applications and websites using more than one device, and multiple users may gain access using the same device.

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 July 31, | | Six Months Ended July 31, | |
|------------------------------------------------------------|--------------------------------|----------|------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Gross Profit | \$102,079 | \$79,633 | \$192,990 | \$148,726 |
| Plus: | | | | |
| Stock-based compensation expense | 1,078 | 901 | 2,042 | 1,790 |
| Employer taxes related to stock-based compensation expense | 46 | 30 | 114 | 52 |
| Non-GAAP Gross Profit | \$103,203 | \$80,564 | \$195,146 | \$150,568 |
| GAAP Gross Margin | 70.2% | 69.2% | 68.7% | 68.6% |
| Non-GAAP Gross Margin | 70.9% | 70.0% | 69.5% | 69.4% |

Reconciliation of GAAP to Non-GAAP Operating Expenses

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|------------------------------------------------------------|--------------------------------|----------|------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| GAAP sales and marketing expense | \$68,569 | \$60,417 | \$138,396 | \$117,679 |
| Less: | | | | |
| Stock-based compensation expense | 9,892 | 7,807 | 19,337 | 15,655 |
| Employer taxes related to stock-based compensation expense | 282 | 247 | 823 | 364 |
| Restructuring expense | - | 541 | - | 541 |
| Non-GAAP sales and marketing | \$58,395 | \$51,822 | \$118,236 | \$101,119 |
| GAAP research and development expense | \$33,141 | \$29,132 | \$67,514 | \$58,877 |
| Less: | | | | |
| Stock-based compensation expense | 11,448 | 9,929 | 22,280 | 19,772 |
| Employer taxes related to stock-based compensation expense | 344 | 266 | 1,180 | 522 |
| Non-GAAP research and development | \$21,349 | \$18,937 | \$44,054 | \$38,583 |
| GAAP general and administrative expense | \$28,319 | \$25,453 | \$55,110 | \$49,436 |
| Less: | | | | |
| Stock-based compensation expense | 7,404 | 6,139 | 14,441 | 11,705 |
| Employer taxes related to stock-based compensation expense | 143 | 65 | 440 | 155 |
| 1% Pledge charitable contribution expense | 1,347 | 964 | 1,347 | 964 |
| Acquisition related expense | - | 678 | - | 1,946 |
| Amortization of intangibles expense | 140 | 148 | 358 | 148 |
| Restructuring expense | - | 103 | - | 103 |
| Contingent consideration adjustment | - | - | (137) | - |
| Non-GAAP general and administrative | \$19,285 | \$17,356 | \$38,661 | \$34,415 |

GAAP to Non-GAAP Reconciliation



DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

Reconciliation of GAAP to Non-GAAP Operating Income (Loss)

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|------------------------------------------------------------|--------------------------------|------------|------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Loss from operations | (\$27,950) | (\$35,369) | (\$68,030) | (\$77,266) |
| Plus: | | | | |
| Stock-based compensation expense | 29,822 | 24,776 | 58,100 | 48,922 |
| Employer taxes related to stock-based compensation expense | 815 | 608 | 2,557 | 1,093 |
| 1% Pledge charitable contribution expense | 1,347 | 964 | 1,347 | 964 |
| Acquisition related expense | - | 678 | - | 1,946 |
| Amortization of intangibles expense | 140 | 148 | 358 | 148 |
| Restructuring expense | - | 644 | - | 644 |
| Contingent consideration adjustment | - | - | (137) | - |
| Non-GAAP income (loss) from operations | \$4,174 | (\$7,551) | (\$5,805) | (\$23,549) |
| GAAP operating margin | (19.2%) | (30.7%) | (24.2%) | (35.6%) |
| Non-GAAP operating margin | 2.9% | (6.6%) | (2.1%) | (10.9%) |

Reconciliation of GAAP to Non-GAAP Net Income (Loss)

| | Three Months Ended July 31, | | Six Months Ended July 31, | |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------|------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net loss attributable to Braze, Inc. | (\$22,999) | (\$31,694) | (\$58,640) | (\$70,148) |
| Plus: | | | | |
| Stock-based compensation expense | 29,822 | 24,776 | 58,100 | 48,922 |
| Employer taxes related to stock-based compensation expense | 815 | 608 | 2,557 | 1,093 |
| 1% Pledge charitable contribution expense | 1,347 | 964 | 1,347 | 964 |
| Acquisition related expense | - | 678 | - | 1,946 |
| Amortization of intangibles expense | 140 | 148 | 358 | 148 |
| Restructuring expense | - | 644 | - | 644 |
| Contingent consideration adjustment | - | - | (137) | - |
| Non-GAAP net income (loss) attributable to Braze, Inc. ¹ | \$9,125 | (\$3,876) | \$3,585 | (\$16,431) |
| Non-GAAP net income (loss) per share attributable to Braze, Inc. common stockholders, basic | \$0.09 | (\$0.04) | \$0.04 | (\$0.17) |
| Non-GAAP net income (loss) per share attributable to Braze, Inc. common stockholders, diluted | \$0.09 | (\$0.04) | \$0.03 | (\$0.17) |
| Weighted-average shares used to compute net income (loss) per share attributable to Braze, Inc. common stockholders, basic | 101,449 | 97,180 | 101,239 | 97,023 |
| Weighted-average shares used to compute net income (loss) per share attributable to Braze, Inc. common stockholders, diluted | 105,902 | 97,180 | 106,407 | 97,023 |

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 July 31, | | Six Months Ended July 31, | |
|------------------------------------------------------|--------------------------------|------------|------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Net cash provided by/ (used in) operating activities | \$11,612 | (\$17,517) | \$31,007 | \$5,032 |
| Less: | | | | |
| Purchases of property and equipment | (3,309) | (387) | (10,224) | (427) |
| Capitalized internal-use software costs | (1,069) | (788) | (2,108) | (1,640) |
| Non-GAAP Free cash flow | \$7,234 | (\$18,692) | \$18,675 | \$2,965 |

The background consists of several overlapping, rounded, organic shapes in shades of purple, orange, and pink. The colors transition from deep purple on the left to bright orange on the right, with a soft pink gradient in the center. The word "brazze" is centered in a white, cursive font.

brazze