CONFLUENT

INVESTOR DAY

Forward Looking Statements and Non-GAAP Financial Measures

This presentation and the accompanying oral presentation (together, the "presentation") contain forward-looking statements including, among other things, statements regarding our business, strategy, financial performance and outlook, customers, technology, market opportunity, products, growth, and our overall future prospects. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "seek," "plan," "project," "target," "looking ahead," "look to," "move into," and similar expressions are intended to identify forward-looking statements. Forward-looking statements represent our current beliefs, estimates and assumptions only as of the date of this presentation and information contained in this presentation should not be relied upon as representing our estimates as of any subsequent date. These forward-looking statements are subject to risks, uncertainties, and assumptions. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Risks include, but are not limited to: (i) our limited operating history, including in uncertain macroeconomic environments, (ii) our ability to sustain and manage our rapid growth, including following our recent restructuring, (iii) our ability to attract new customers and retain and sell additional features and services to our existing customers, (iv) inflationary conditions, economic uncertainty, recessionary risks, and exchange rate fluctuations, which have resulted and may continue to result in customer pullback in information technology spending, lengthening of sales cycles, reduced contract sizes, reduced consumption of Confluent Cloud or customer preference for open source alternatives, as well as the potential need for cost efficiency measures, (v) our ability to increase consumption of our offering, including by existing customers and through the acquisition of new customers, and successfully add new features and functionality to our offering, (vi) our ability to achieve profitability and improve margins annually, by our expected timelines or at all, (vii) our ability to operate our business and execute on our strategic initiatives following our recent restructuring, (viii) the estimated addressable market opportunity for our offering, including our Flink offering and stream processing, (ix) our ability to compete effectively in an increasingly competitive market, including achieving market acceptance over competitors and open source alternatives, (x) our ability to successfully execute our go-to-market strategy and initiatives and increase market awareness and acceptance of the benefits of our offering, including the total cost of ownership benefits of Confluent Cloud, (xi) our ability to attract and retain highly qualified personnel, which could be negatively impacted by our recent restructuring, (xii) breaches in our security measures or unauthorized access to our platform, our data, or our customers' or other users' personal data, (xiii) our reliance on third-party cloud-based infrastructure to host Confluent Cloud, and (xiv) general market, political, economic, and business conditions, including continuing impacts from the COVID-19 pandemic. These risks are not exhaustive. Further information on these and other risks that could affect Confluent's results is included in our filings with the Securities and Exchange Commission ("SEC"), including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and our future reports that we may file from time to time with the SEC. Confluent assumes no obligation to, and does not currently intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Certain financial measures we use in the presentation are expressed on a non-GAAP basis. We use these non-GAAP financial measures and other key metrics internally to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We believe these non-GAAP financial measures, when taken collectively, may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, non-GAAP financial measures have limitations as an analytical tool and are presented for supplemental informational purposes only. They should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation between these GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

CONFLUENT

The Power of Our GTM Model

Erica Schultz
President of Field Operations

Capturing Our Massive Market Opportunity

Traditional data architecture is a **giant mess** of silos, point-to-point connections, and batch processes

>150K organizations have turned to Kafka for data streaming

~4,690 are Confluent customers

Still in the **early innings** of tapping into the full potential of our TAM

Note: Stats as of Q1'23.

Confluent Is the Proven Leader for Data in Motion

FINANCIAL SERVICES

citi, ING, SGX, KeyBank, Nationwide Building Society, AFFIN HWANG CAPITAL Asset Management, EURONEXT, Morgan Stanley, Goldman Sachs, RBC, bank btpn, PNC, guaranteedRate

TECHNOLOGY

Square, ebay, 10x, Q2, PayPal, new relic, ARMIS, Care.com, SAP, PLAID, WiX, instacart, Viewpoint, homepoint, snagajob, SecurityScorecard, Robinhood

COMMUNICATIONS & MEDIA

Telefónica, sky, ticketmaster, NETFLIX, 8x8, brightspeed, TiVo, Ziff Davis, dish wireless

MANUFACTURING

BOSCH, ENGEL, Amway, Whirlpool, RODAN+FIELDS

CONSUMER & RETAIL

Walmart, nuuly, Boden, MIGROS, ao.com, Sainsbury's, Shipt, s.Oliver, BESTSELLER, meesho, DICK'S SPORTING GOODS, PIC NIC, Domino's

AUTOMOTIVE & TRANSPORTATION

Advance Auto Parts, POLARIS, DKV, Lufthansa, BMW GROUP, DriveTime, DB, Fraport, DriveCentric, GTÜ

HEALTHCARE

alight, BHG, RECURSION, surescripts

INSURANCE

GENERALI, Ladder, beazley, Humana, Vitality, CENTENE Corporation

Sainsbury's

"In retail, everything is becoming data-driven. It's no longer just a facet of IT, it's quickly become essential to the entire business. Kafka has become a company-wide nervous system for us, and Confluent has really taken it to the next level."

Our TAM Spans Across Three Segments

	Fortune 500	Enterprise (LTM Revenue >$1B)	Commercial – Mid Market (LTM Revenue <$1B)
Number of Companies[1]	500	~29,000	~300,000
Estimated Average ARR per Company[2]	$10M+	$1M+	$100K+

$60B+

(1) Source: Capital IQ as of September 2022.
(2) Estimates based on evaluation of spending patterns across Confluent's customer base.

Early Innings With Our Opportunity in Large Enterprises

	Fortune 500	Enterprise (LTM Revenue >$1B)	Commercial – Mid Market (LTM Revenue <$1B)
Number of Companies[1]	500	~29,000	~300,000
Estimated Average ARR per Company[2]	$10M+	$1M+	$100K+

$60B+

(1) Source: Capital IQ as of September 2022.
(2) Estimates based on evaluation of spending patterns across Confluent's customer base.

Current Large Enterprises Footprint

3
$10M+ ARR

9
$5M+ ARR

135
$1M+ ARR

1,075
$100K+ ARR

36%
of the F500 are Confluent Customers

+53% YoY
$1M+ Customers Growth

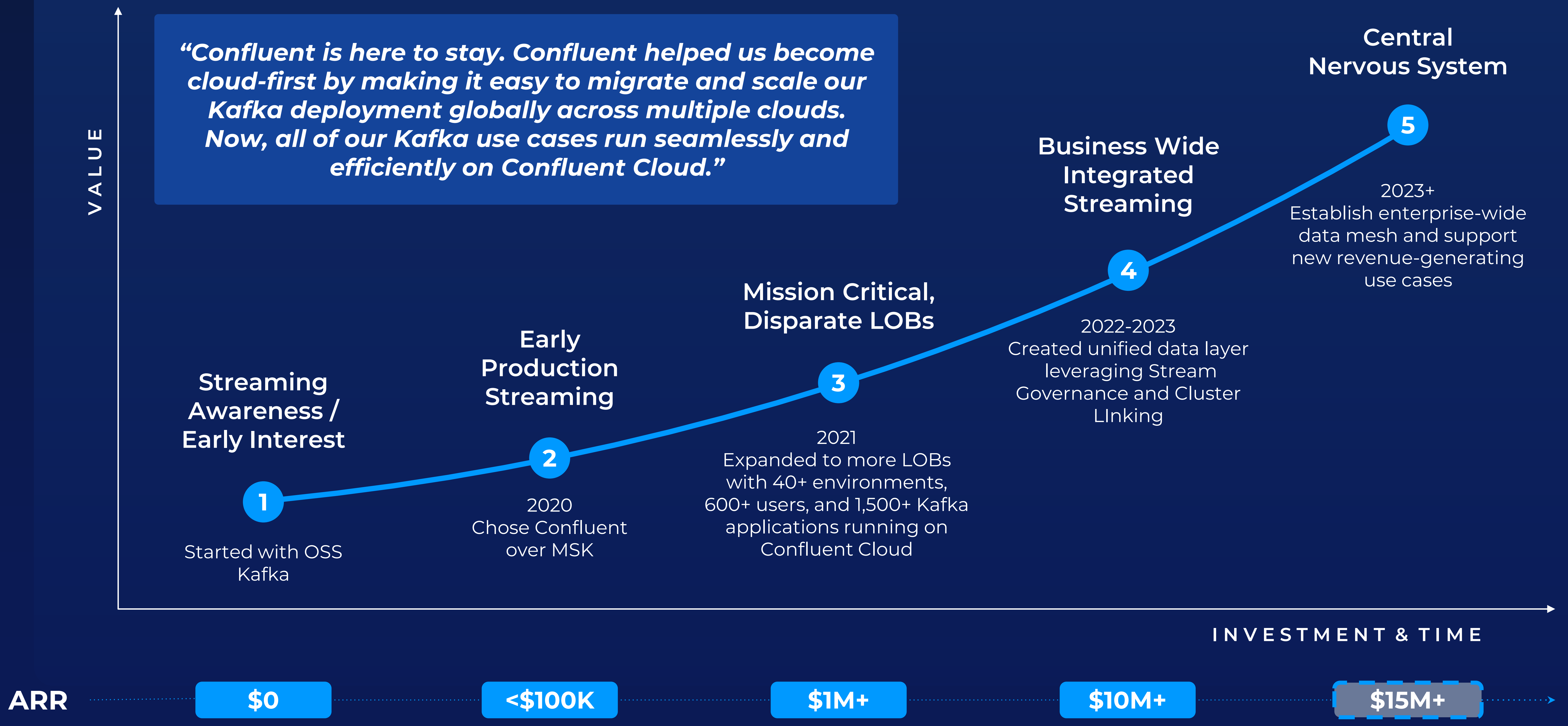
+34% YoY
$100K+ Customers Growth

>50%
$100K+ ARR Customers Using Cloud

Note: Stats as of Q1'23.
ARR related customer count metrics are as of period ended March 31, 2023. Commencing with the first quarter of 2023, we updated our methodology for calculating ARR using a consumption-based method for Confluent Cloud, which has been applied retroactively to prior year periods. However, for 2018 figures we are using our previous methodology. Refer to our investor presentation on our investor relations website at investors.confluent.io for total NRR before and after the methodology change for certain prior year periods.

Global Online Job Site's Journey With Confluent to Support Cloud Migration Initiative

"Confluent is here to stay. Confluent helped us become cloud-first by making it easy to migrate and scale our Kafka deployment globally across multiple clouds. Now, all of our Kafka use cases run seamlessly and efficiently on Confluent Cloud."



Equally Significant Growth Opportunity in Startups, Digital Natives & Emerging Markets

	Fortune 500	Enterprise (LTM Revenue >$1B)	Commercial – Mid Market (LTM Revenue <$1B)
Number of Companies[1]	500	~29,000	~300,000
Estimated Average ARR per Company[2]	$10M+	$1M+	$100K+

$60B+

(1) Source: Capital IQ as of September 2022.
(2) Estimates based on evaluation of spending patterns across Confluent's customer base.

Strong Performance with Our Commercial Engine

Over The Last 3 Years in the Commercial Segment

Increase in Customer Count	Increase in $100K+ ARR Customers	Global Presence Number of Countries
7x	13x	>100

>90% Commercial customers started on pay-as-you-go (PAYG)
~5 Quarters to reach $100K+ in ARR

Note: Stats are as of period ended March 31, 2023.

METRONOME

Journey from PAYG to Commit to 10X Expansion

2019

Adopted OSS Kafka as foundation of real-time, usage-based billing platform

2020

Started on Confluent Cloud via PAYG to alleviate ops burden and support growth

2022

Increased usage 7X due to rising demand of usage-based billing across software vendors

2023

Signed 10X Expansion contract due to over-consumption

*“Using Confluent Cloud has **saved us at least 60%** of Kafka engineering FTE-time. We've been able to build a high-scale streaming infrastructure around Kafka without the hassle and overhead of maintaining the clusters ourselves."*

— Scott Woody, Co-Founder & CTO, Metronome

Customer Growth GTM Model

Our Customer Growth Go-to-Market Model Sets Us Up to Win

1

Product Led

Getting customers' hands on product early to qualify and deliver faster time-to-value

2

Consumption Oriented

Customer health and actual usage are primary indicators for customer success

3

Purpose Built for the Data in Motion Journey

Targeted features and expertise from early stage to Central Nervous System

1 Product Led + Enterprise Sales Motions Are Complementary

Awareness of Solution

Evaluation

Development

Mission Critical

Production

Central Nervous System

Developers, Architects, Operators

Tech Exec, CIO/CTO, Infosec/CISO

2

Our Powerful Cloud Consumption Model

Serve mission-critical workloads in data infrastructure

Power revenue *(frontend)* and operational *(backend)* use cases

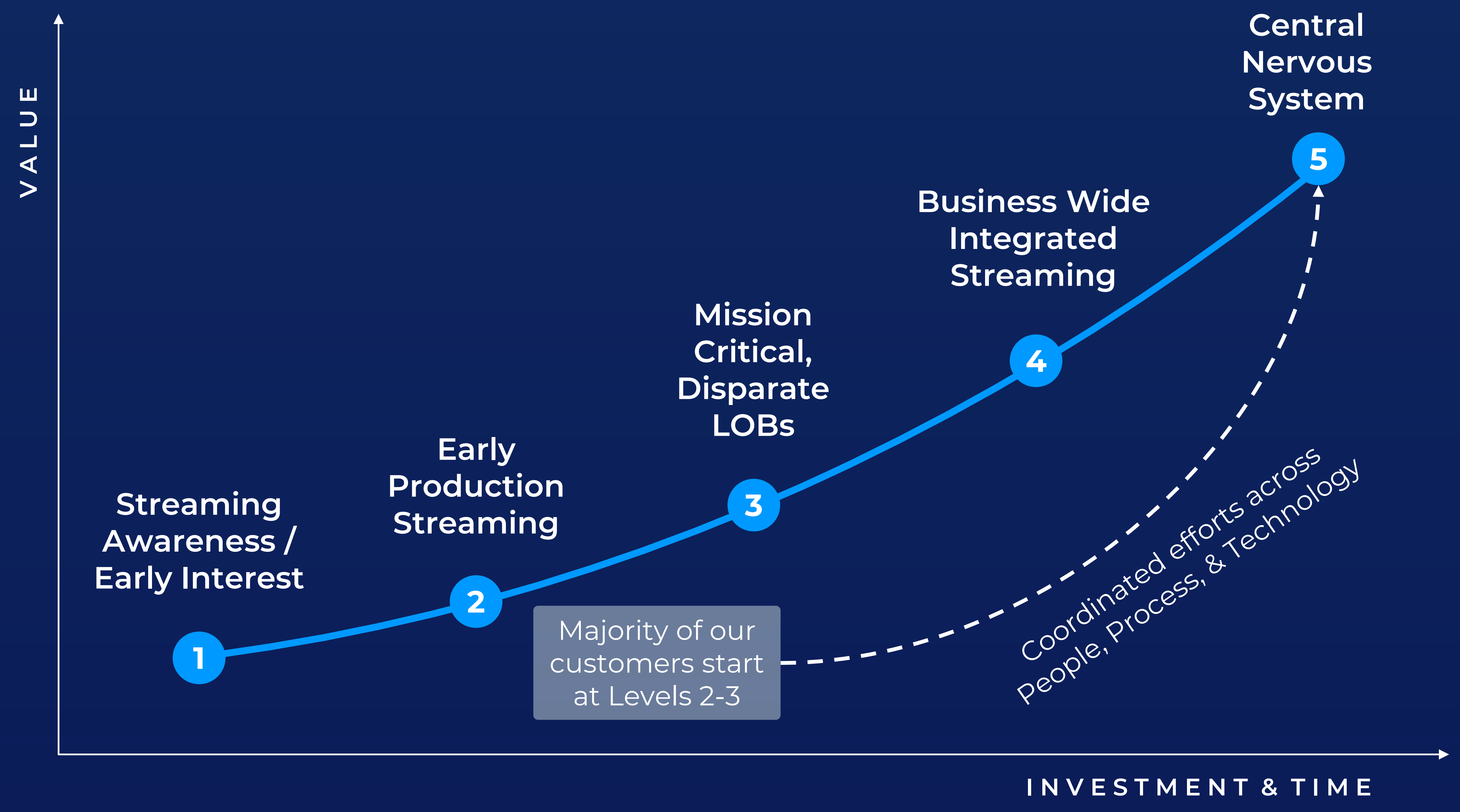
Expand seamlessly in the cloud with strong network effects

Moving up the stack with Flink and capitalizing on Cloud and Gen AI opportunities

The Data in Motion Journey

3

Targeted Capabilities and Expertise Across Every Stage of the Customer Journey



People
- Talent identification & upskilling
- Exec buy-in

Process
- Center of Excellence
- Business case justification

Technology
- Security, governance, resilience
- Connectivity across legacy and cloud-based apps & systems
- Hybrid & multicloud

BHG

"We are making **Confluent the true backbone of BHG**, including leveraging over 20 Confluent connectors **across both modern, cloud-based technologies and legacy systems**, to help **integrate our critical apps and data systems together**."

Case Studies of Our Customer Growth GTM

Annualized Consumption $

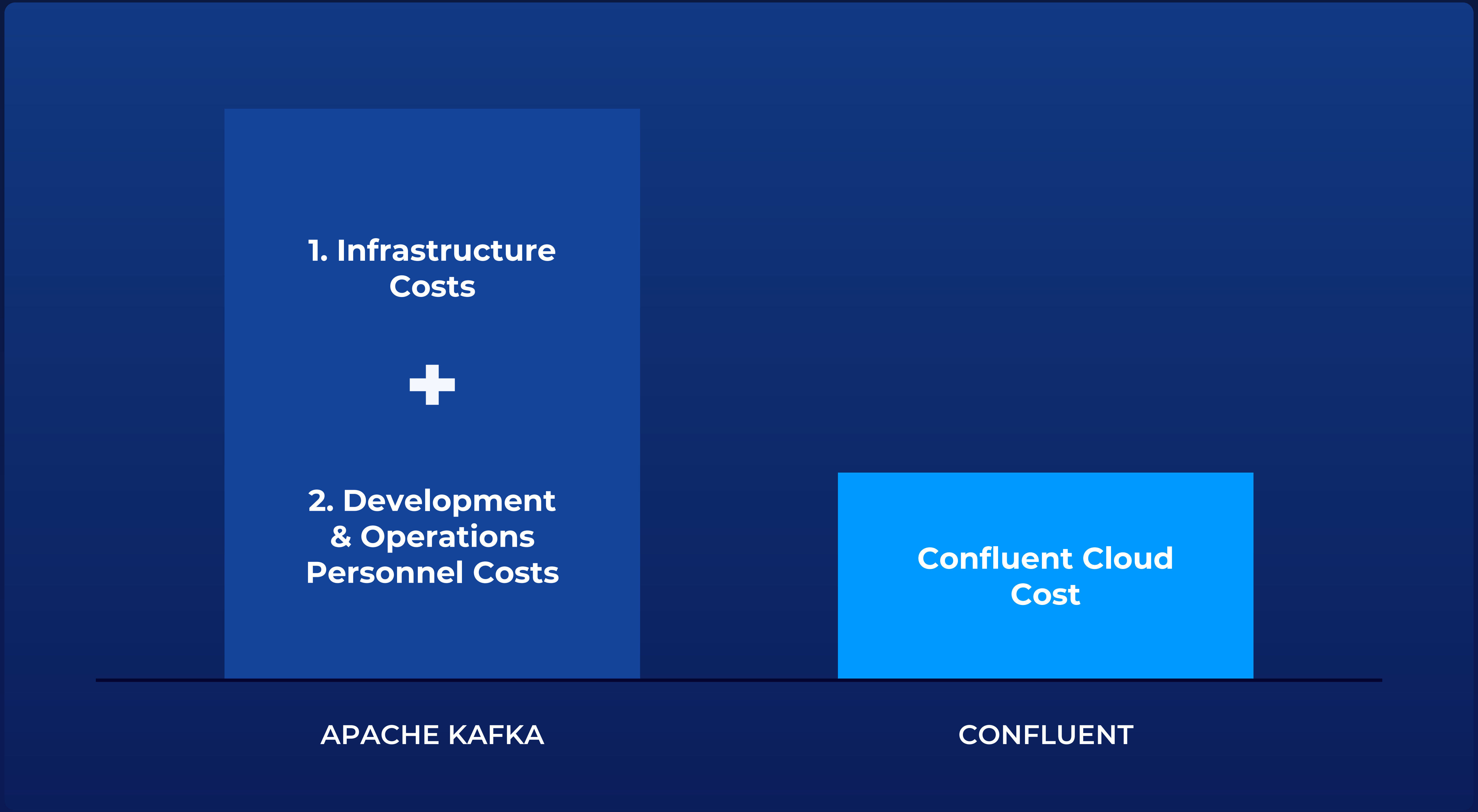
Gen AI Research Technology Company

Online Delivery Service

Online Gaming Platform

Driving Better TCO for Our Customers

Confluent's TCO Advantage



We Save Customers Money Across Both Cost Categories

1. Infrastructure Savings with Confluent

Multi-tenancy

Elastic

Data Balancing

Networking and Replication

2. Development & Operations Savings with Confluent

Higher Utilization of Infrastructure

Software-driven Operations

Real-time Monitoring & Validation

We’ve Provided Hundreds of Customized TCO Assessments to Drive Savings With Confluent

~45%
Average Savings

~75%
of Assessments Exceed 25% in Savings

$300M+
in Total Savings

ETC
A QUARTERHILL COMPANY

“With Confluent, we’ve been able to **optimize our in-house Kafka-support resources by ~50% and redeploy our engineering and development talent to creating innovative and value-added features** for our customers instead. Additionally, engaging Confluent gave us the peace-of-mind that comes with minimizing downtime and knowing that our Kafka systems are in the hands of one of the industry’s leading data-in-motion experts.”

...Including $7.1M in Savings for a Premier Global Nutrition Company

$2.1M
Infrastructure savings

Reduced Infrastructure Costs

Increased Operational Agility

$2.1M
Operational cost savings

$7.1M
Total Savings

$0.7M
Reduction in third-party support costs

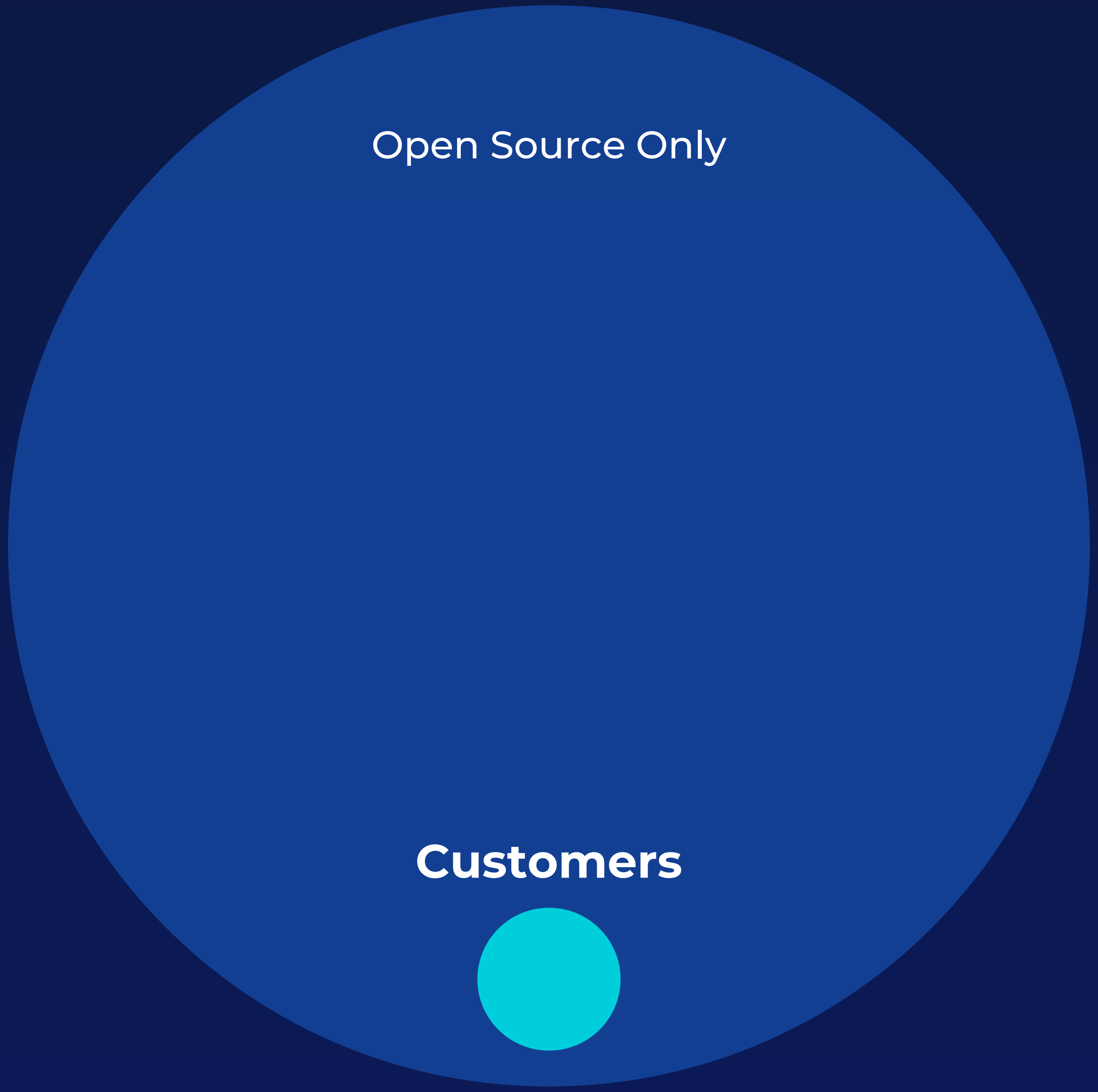
Reduced External Support Costs

Accelerated Time-to-Market

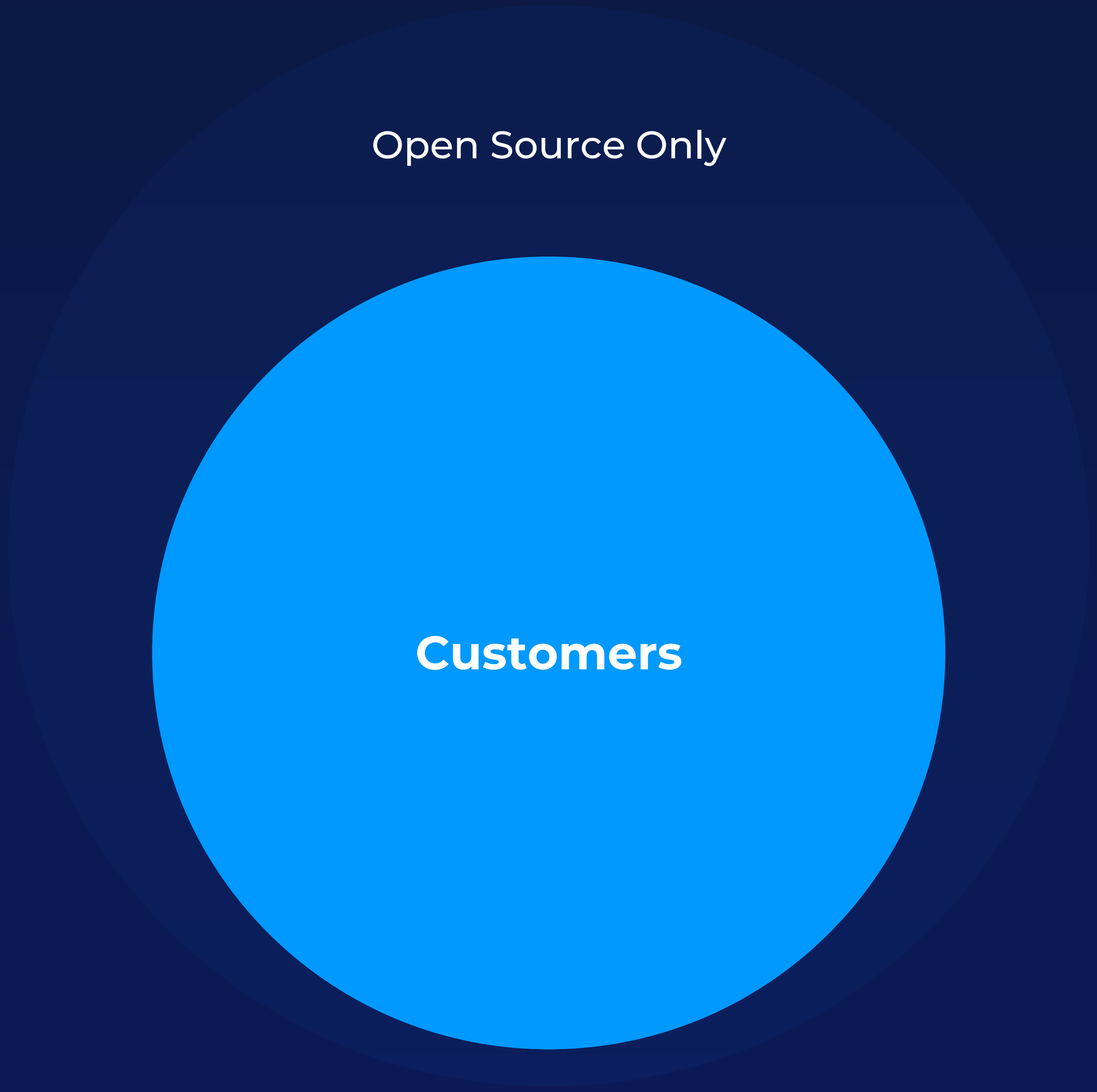
14 months
Faster to production (**$2.2M** in accelerated operating income)

This Enables Us to Capture Far More of the OSS Kafka Market

On-prem Premium SW



Cloud-native Service



Growing Our Partner Ecosystem

Partner Ecosystem is Essential for a Data Streaming Platform's Role as the Central Nervous System

Network Effects Drive Partner Engagement

CSPs

ISVs

SIs

Partner of the Year Awards

Azure

Google Cloud

databricks

mongoDB

Three Types of Partners

1 CSP: HYPERSCALE

- aws
- Google Cloud
- Microsoft Azure

2 ISV: CONNECT

- ClickHouse
- databricks
- elastic
- imply
- MongoDB
- new relic
- ROCKSET
- snowflake
- startree

3 SI: DEVELOP

- accenture
- Deloitte.
- LOGICALIS Architects of Change
- NESS
- epam
- softserve
- TCS Tata Consultancy Services
- SVA
- ST Engineering

How We Partner

CSP	ISV	SI
Integrations with CSP native services	Integrations with ISV services	Bringing customers to business outcomes
CSP marketplace transactions, including commit burndowns and incentives	Embrace network effects that drive mutual consumption	SI revenue drives partner-sourced revenue for CFLT
Joint innovation, roadmap planning, and account planning	Joint sales and solution plays (delivered by SIs)	Joint reference architectures and marketing events

Driving Increased Leverage in Our GTM Model

Multiple Levels of Growth

Large and Growing TAM

Secular Shift to Cloud

Penetrate and Expand in High Propensity Segments

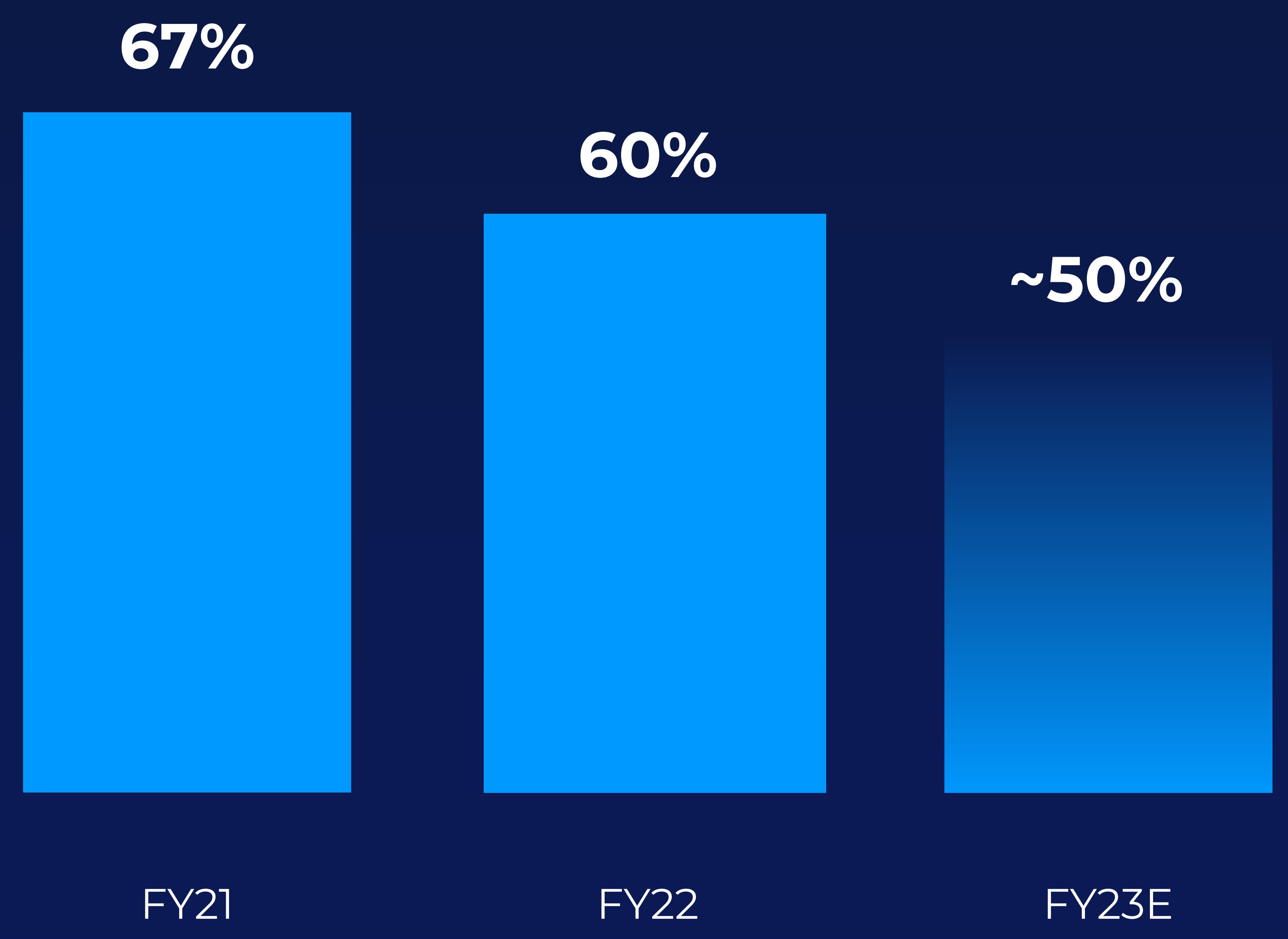
Grow and Harness Our Partner Ecosystem

Continued International Expansion

Large Cross-sell and Upsell Opportunities

Driving Increased Leverage in Our GTM Model

Non-GAAP Sales & Marketing
as % of Revenue



>130%

NRR for 8
consecutive quarters

~50%

Cloud customers
started on PAYG

Note: NRR under consumption methodology. See Appendix for the “NRR” definition.

Fireside Chat:
Winning Together with AWS

Matt Yanchyshyn
GM, AWS Marketplace & Partner Engineering
Amazon Web Services

Erica Schultz
President of Field Operations
Confluent

Appendix

Definitions

Current Remaining Performance Obligations ("cRPO"):
Represents the estimated amount of contracted future revenue expected to be recognized as revenue over the next 12 months.

Remaining Performance Obligations ("RPO"):
Represents the estimated amount of contracted future revenue expected to be recognized as revenue at the end of each period, including both deferred revenue that has been invoiced and non-cancelable committed amounts that will be invoiced and recognized as revenue in future periods. RPO excludes pay-as-you-go arrangements.

Annual Recurring Revenue ("ARR"):
We define ARR as (1) with respect to Confluent Platform customers, the amount of revenue to which our customers are contractually committed over the following 12 months assuming no increases or reductions in their subscriptions, and (2) with respect to Confluent Cloud customers, the amount of revenue that we expect to recognize from such customers over the following 12 months, calculated by annualizing actual consumption of Confluent Cloud in the last three months of the applicable period, assuming no increases or reductions in usage rate. Services arrangements are excluded from the calculation of ARR. Prior to the first quarter of 2023, ARR with respect to Confluent Cloud customers excluded pay-as-you-go arrangements and was based on contractual commitments over the following 12 months, regardless of actual consumption. We adjusted our methodology for calculating ARR commencing with the first quarter of 2023 to incorporate actual consumption of Confluent Cloud and applied this change retroactively.

Dollar-Based Net Retention Rate ("Total NRR"):
We calculate our dollar-based net retention rate (NRR) as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end ("Prior Period Value"). We then calculate the ARR from these same customers as of the current period end ("Current Period Value"), and divide the Current Period Value by the Prior Period Value to arrive at our dollar-based NRR. The dollar-based NRR includes the effect, on a dollar-weighted value basis, of our Confluent Platform subscriptions that expand, renew, contract, or attrit. The dollar-based NRR also includes the effect of annualizing actual consumption of Confluent Cloud in the last three months of the applicable period, but excludes ARR from new customers in the current period. Our dollar-based NRR is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

Dollar-Based Gross Retention Rate ("GRR"):
We calculate our dollar-based gross retention rate as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end ("Prior Period Value"). We then calculate the ARR from these same customers, which includes contract contraction and attrition but excludes contract expansion, as of the current period end ("Current Period Value"). We divide the Current Period Value by the Prior Period Value to arrive at a dollar-based gross retention rate.

Cloud NRR:
We calculate our dollar-based NRR for Confluent Cloud using the same methodology as total dollar-based NRR, with the exception that only the ARR from Confluent Cloud consumption is included in the calculation.

Total Customers:
Represents the total number of customers at the end of each period. For purposes of determining our customer count, we treat all affiliated entities with the same parent organization as a single customer and include pay-as-you-go customers. Our customer count is subject to adjustments for acquisitions, consolidations, spin-offs, and other market activity.

Customers with $100,000 or greater in ARR:
Represents the number of customers that contributed $100,000 or more in ARR as of period end.

Customers with $1,000,000 or greater in ARR:
Represents the number of customers that contributed $1,000,000 or more in ARR as of period end.

Net Dilution:
(Shares granted during period - Share forfeited) / Weighted average shares outstanding

GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY21	FY22
Total revenue	$387,864	$585,944
Total gross profit on a GAAP basis	$250,572	$383,529
Add: Stock-based compensation expense	17,989	32,389
Add: Employer taxes on employee stock transactions	1,013	1,173
Non-GAAP total gross profit	$269,574	$417,091
Non-GAAP total gross margin	*69.5%*	*71.2%*

GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY21	FY22
Total revenue	$387,864	$585,944
Operating expenses on a GAAP basis	$590,192	$846,203
Less: Stock-based compensation expense	137,635	245,267
Less: Employer taxes on employee stock transactions	9,076	5,837
Less: Common stock charitable donation expense	13,290	-
Less: Acquisition-related expenses	-	1,104
Non-GAAP Operating expenses	$430,191	$593,995
Non-GAAP Operating expenses as a % of total revenue	*110.9%*	*101.4%*

	FY21	FY22
Total revenue	$387,864	$585,944
Research and development (R&D) expense on a GAAP basis	$161,925	$264,041
Less: Stock-based compensation expense	49,051	101,499
Less: Employer taxes on employee stock transactions	2,278	2,632
Non-GAAP R&D expense	$110,596	$159,910
Non-GAAP R&D expense as a % of total revenue	*28.5%*	*27.3%*

GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY21	FY22
Total revenue	$387,864	$585,944
Sales and marketing (S&M) expense on a GAAP basis	$319,331	$456,452
Less: Stock-based compensation expense	55,506	99,366
Less: Employer taxes on employee stock transactions	4,266	2,485
Non-GAAP S&M expense	$259,559	$354,601
Non-GAAP S&M expense as a % of total revenue	*66.9%*	*60.5%*

	FY21	FY22
Total revenue	$387,864	$585,944
General and administrative (G&A) expense on a GAAP basis	$108,936	$125,710
Less: Stock-based compensation expense	33,078	44,402
Less: Employer taxes on employee stock transactions	2,532	720
Less: Common stock charitable donation expense	13,290	-
Less: Acquisition-related expenses	-	1,104
Non-GAAP G&A expense	$60,036	$79,484
Non-GAAP G&A expense as a % of total revenue	*15.5%*	*13.6%*

GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

	FY21	FY22	Q1'21	Q1'23
Total revenue	$387,864	$585,944	$77,028	$174,302
Operating loss on a GAAP basis	$(339,620)	$(462,674)	$(45,144)	$(166,093)
Add: Stock-based compensation expense	155,624	277,656	13,353	79,289
Add: Employer taxes on employee stock transactions	10,089	7,010	263	3,663
Add: Common stock charitable donation expense	13,290	-	-	-
Add: Amortization of acquired intangibles	-	-	-	113
Add: Acquisition-related expenses	-	1,104	-	9,317
Add: Restructuring and other related charges	-	-	-	33,382
Non-GAAP operating loss	$(160,617)	$(176,904)	$(31,528)	$(40,329)
Non-GAAP operating margin	*(41.4%)*	*(30.2%)*	*(40.9%)*	*(23.1%)*

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