Welcome! The program will begin shortly after 1PM ET
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.
Data Streaming and the Emerging Data Landscape

Jay Kreps
CEO & Co-founder
<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SPEAKERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Streaming and the Emerging Data Landscape</td>
<td>Jay Kreps, Co-Founder and CEO</td>
</tr>
<tr>
<td>Innovating for the Future</td>
<td>Shaun Clowes, Chief Product Officer</td>
</tr>
<tr>
<td></td>
<td>Chad Verbowski, Chief Technology Officer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>Jay, Shaun, Chad</td>
</tr>
<tr>
<td>The Power of Our Go-To-Market Model</td>
<td>Erica Schultz, President of Field Operations</td>
</tr>
<tr>
<td>Fireside Chat: Winning Together with AWS</td>
<td>Erica Schultz, President of Field Operations</td>
</tr>
<tr>
<td></td>
<td>Matt Yanchyshyn, GM, AWS Marketplace &amp; Partner Engineering</td>
</tr>
<tr>
<td>Driving Efficient Growth</td>
<td>Steffan Tomlinson, Chief Financial Officer</td>
</tr>
<tr>
<td>Financial Modeling Session</td>
<td>Rohan Sivaram, SVP Finance</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td>Management Team</td>
</tr>
<tr>
<td>Customer Panel</td>
<td>Babak Bashiri, Director of Data Engineering, Vimeo</td>
</tr>
<tr>
<td></td>
<td>Mahesh Tyagarajan, VP, Platform Engineering and Architecture, McAfee</td>
</tr>
<tr>
<td></td>
<td>Sarvant Singh, VP, Data &amp; Emerging Digital Solutions, Penske Transportation Solutions</td>
</tr>
<tr>
<td></td>
<td>Stephanie Buscemi, Chief Marketing Officer</td>
</tr>
<tr>
<td>Reception and Product Demos</td>
<td></td>
</tr>
</tbody>
</table>
Confluent: The Pioneer in Data Streaming Platforms

- Total Revenue Run Rate: ~$700M
- Q1'23 Revenue YoY Growth: +38%
- Cloud Revenue Run Rate: ~$300M
- Dollar-Based Net Retention Rate (NRR): >130%
- Breakeven: Q4'23 Non-GAAP Operating Margin
- Cloud NRR: >140%

Founded in 2014 by the Creators of Apache Kafka
Apache Kafka used by >75% of Fortune 500

Note: All financials are as of period ended March 31, 2023.
Breakeven target for Q4'23 non-GAAP operating margin is as of Confluent’s Q1'23 earnings call dated May 3, 2023.
See Appendix for the definitions for “Dollar-Based Net Retention Rate” and “Cloud NRR.”
The Foundational Assumption of Every Database: Data at Rest

Simple, static real-time queries

Slow, daily batch processing

Databases
Databases focus on stored silos of data. This Leads to a **Giant Mess** in Data Architecture.
A New Paradigm is Required for Data in Motion: Continuously Processing Evolving Streams of Data in Real-time

Real-time Stream Processing

Real-time Data

A Sale

A Shipment

A Trade

A Customer Experience

Rich Front-End Customer Experiences

Real-Time Backend Operations
From **Giant Mess** to Central Nervous System
From Giant Mess to **Central Nervous System**
The Kafka Community’s Growth is Accelerating

Active Monthly Unique Users

Source: Sonatype.
Top Fortune 500 Companies Use Kafka

- **Travel & Retail**: 10 out of 10
- **Banking**: 10 out of 10
- **Insurance**: 10 out of 10
- **Entertainment**: 10 out of 10
- **Technology**: 10 out of 10
- **Healthcare**: 10 out of 10
- **Auto & Trans.**: 9 out of 10
- **Telco**: 7 out of 8

>75% Fortune 500 Companies Estimated to be Using Kafka

Note: Top company count by industry and >75% are calculated using the 2022 Fortune 500 list, released in August 2022, and are as of March 31, 2023.
Top Fortune 500 Companies Use Confluent

9 OUT OF 10 - Travel & Retail
10 OUT OF 10 - Banking
8 OUT OF 10 - Insurance
7 OUT OF 10 - Entertainment
9 OUT OF 10 - Technology
4 OUT OF 10 - Healthcare
7 OUT OF 10 - Auto & Trans.
5 OUT OF 8 - Telco

36% Fortune 500 Companies Estimated to be Using Confluent

Note: Confluent customer counts by Fortune 500 top industry and 36% are as of Q1'23 ended March 31, 2023, using the 2022 Fortune 500 list.
Use Cases Span Every Industry

- **Travel & Retail**
  - Inventory Management
  - Personalized Promotions
  - Dynamic Pricing
  - Fraud Detection
  - Real-time Patient Monitoring
  - Connected Health Records
  - Proactive Patient Care
  - DevOps Monitoring & Alerting
  - Cybersecurity Threat Analysis
  - Network / Infra Capacity Planning

- **Banking**
  - Fraud Detection
  - Risk Analysis & Regulatory Reporting
  - Trade-flow Monitoring
  - Real-time Patient Monitoring
  - Connected Health Records
  - Proactive Patient Care

- **Insurance**
  - Claims Automation & Approval
  - Telematics-based Insurance
  - Churn Prevention
  - Advanced Navigation
  - Predictive Maintenance
  - Fleet Management

- **Auto & Trans.**
  - Claims Automation & Approval
  - Telematics-based Insurance
  - Churn Prevention
  - Advanced Navigation
  - Predictive Maintenance
  - Fleet Management
  - Network Performance Monitoring
  - IoT Device Management
  - Real-time Usage / Billing Analytics

- **Telco**
  - Personalized Content / Recommendations
  - Targeted Advertising
  - Moderation of UGC & Comments
  - Network Performance Monitoring
  - IoT Device Management
  - Real-time Usage / Billing Analytics

- **Healthcare**
  - Fraud Detection
  - Risk Analysis & Regulatory Reporting
  - Trade-flow Monitoring
  - Real-time Patient Monitoring
  - Connected Health Records
  - Proactive Patient Care

- **Technology**
  - DevOps Monitoring & Alerting
  - Cybersecurity Threat Analysis
  - Network / Infra Capacity Planning

- **Entertainment**
  - Personalized Content / Recommendations
  - Targeted Advertising
  - Moderation of UGC & Comments

- **Common In All Industries**
  - Data Pipelines
  - Hybrid Cloud Integration
  - Microservices
  - Security and Fraud
  - Customer 360
  - …and more

- **Infrastructure Use Cases**
  - Fraud Detection
  - Risk Analysis & Regulatory Reporting
  - Trade-flow Monitoring
  - Real-time Patient Monitoring
  - Connected Health Records
  - Proactive Patient Care
  - DevOps Monitoring & Alerting
  - Cybersecurity Threat Analysis
  - Network / Infra Capacity Planning

- **Use Cases Span Every Industry**
What Trends Are Driving the Adoption of Data Streaming?

- Expansion of Data, Software, & The Cloud
- Digital Customer Experiences
- Artificial Intelligence
What Trends Are Driving the Adoption of Data Streaming?

- Expansion of Data, Software, & The Cloud
- Digital Customer Experiences
- Artificial Intelligence
Data Grows, Applications Grow, and Infrastructure Grows

Worldwide Enterprise Application Software Spend

$ Billions of Dollars

Worldwide Enterprise Infrastructure Software Spend

$ Billions of Dollars

Worldwide Sizing Cloud Shift

$ Billions of Dollars


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This is what creates the mess
What Trends Are Driving the Adoption of Data Streaming?

- Expansion of data, software, & the cloud
- Digital customer experiences
- Artificial intelligence
<table>
<thead>
<tr>
<th>Customer Expectations</th>
<th>Infrastructure Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated</td>
<td>Universal</td>
</tr>
<tr>
<td>Instantaneous</td>
<td>Real-time</td>
</tr>
<tr>
<td>Personalized</td>
<td>Contextual</td>
</tr>
</tbody>
</table>
Harnessing Data Across Silos Is Key to Meeting Modern Customer Expectations

**OPERATIONAL DATABASES**
- Cloud BigTable
- Cassandra
- Azure Cosmos DB
- Couchbase
- DynamoDB
- MongoDB
- ORACLE
- PostgreSQL
- SQL Server

**SAAS APPLICATIONS**
- AppDynamics
- Datadog
- GitHub
- Marketo
- New Relic
- Splunk
- ServiceNow
- Workday

**ANALYTIC SYSTEMS**
- Amazon Redshift
- Azure Synapse
- Google BigQuery
- Cloudera
- Databricks
- OpenAI
- Snowflake
- Spark
- Teradata

**CUSTOM APPLICATIONS**
- Shipment Tracking / Alerting
- Geofencing
- APT Detection
- Customer Retention / Loyalty
- De-identification
- Dynamic Pricing
- Payment Verification
- IT Inventory Logistics
- Personal Recommendations
- Credit Card Fraud Detection
- Route Optimization
- Fleet Management
Companies Need to Span Multiple Cloud and On-Premises Environments

Unlike databases, which operate in each environment, your data streaming platform must operate between them as well.

This enables a data fabric across the entire business.
What Trends Are Driving the Adoption of Data Streaming?

- Expansion of Data, Software, & the Cloud
- Digital Customer Experiences
- Artificial Intelligence
Artificial Intelligence

Drives increased use of

Compute

Data
Generative AI & LLMs

How are LLMs different?

- Models are prohibitively difficult and expensive ($100M+) to train.
- Models are trained on 1+ year-old public data.
- Models are inherently reusable.

CONCLUSION:
Challenge moves from model building to combining reusable foundation model with the up-to-date proprietary business data.
Generative AI Fundamentally Changes Model Construction

TRADITIONAL MACHINE LEARNING

- Data Lake
- Custom Training & Feature Engineering

Training Layer

Batch Data Transfer

Enterprise Data

Inference Layer

Inference

REAL-TIME

BATCH

GENERATIVE AI & LLMs

- Generative AI SaaS (eg OpenAI)
- Pre-trained Model from 3rd Party

Enterprise Data

Real-Time Data Access

Inference

Real-Time Data Access

Primary Focus
Generative AI What Does This Mean for Enterprise AI?

Historic Public Data

Generative AI Model

Intelligent Business-Specific Co-Pilot

User Interaction

??
Generative AI What Does This Mean for Enterprise AI?

Historic Public Data

Generative AI Model

Intelligent Business-Specific Co-Pilot

User Interaction

CONFLUENT DATA STREAMING PLATFORM
Artificial Intelligence:
Many Subareas Are Highly Competitive and Hard to Call

PAAS LLMS
Google, MSFT/OpenAI, Anthropic, AWS...

OSS LLMS
Llama, Falcon, Alpaca, Vicuna...

DATA FLOW
Confluent

COMPUTE
NVIDIA

AI-Enabled SaaS
Salesforce, Wix, Adobe, Zoom, GitHub...

VECTOR DBS
Pinecone, Elastic, Chroma, Weaviate, Qdrant...
Tech Trends Driving the Adoption of Data Streaming

- Expansion of data, software, & the cloud
- Digital customer experiences
- Artificial intelligence

Economic uncertainty
Delivering Value During Economic Uncertainty

**BUDGETARY CONSTRAINTS**

ELEVATE SAAS OVER DIY OPTIONS

- Redeploy Headcount
- Better Infrastructure Utilization
- Greater Flexibility & Lower Risk

**OPERATIONAL EFFICIENCIES**

REQUIRE REAL-TIME DATA

- Automated, Better Decision Making
- Logistics, Inventory, & Supply Chain
- Proactive Issue Detection & Resolution
OUR MISSION

Set Data in Motion
“We chose event-driven architecture as the core of our platform, for which we needed a messaging service that gave us all the guarantees...not to mention that it had to be extremely scalable, highly available, and simple to use. Kafka hit all of these markers, and by using Confluent Cloud, our team was able to reduce the bottom line and operational burden.”

Ravi Vankamamidi
Senior Director, Technology, at Expedia Group
“Confluent plays an integral role in accelerating our journey to becoming a data-first and digital business... We use Confluent Cloud as an essential piece of our data infrastructure to unlock data and stream it in real time.”

Yves Caseau  
CIO at Michelin
“For me to go hire a bunch of engineers to babysit Kafka, I don’t have the ability to go do that. Being able to offload those concerns [to Confluent] is such a relief for us and lets us focus on delivering value to the organization and not worrying about ops and the other overhead”

Nate Kupp
Director of Engineering, Instacart
HOW IT’S MADE

Lessons Learned: The Journey to Real-Time Machine Learning at Instacart

Source: Instacart Blog.
Our Product & Differentiation
The Confluent Advantage

CLOUD NATIVE
Re-imagined Kafka experience for the Cloud

COMPLETE
Enable developers to reliably & securely build next-gen apps faster

EVERYWHERE
Be everywhere our customers want to be
Confluent’s Cloud Advantage: Kora Architecture

CUSTOMERS

NETWORK

COMPUTE

OBJECT STORAGE

GLOBAL CONTROL PLANE

30X ELASTICITY
Scale to handle GBps+ workloads and peak customer demands 30x faster without operational burden

10X RESILIENCY
Ensure high availability and offload Kafka ops with 99.99% uptime SLA, multi-AZ clusters, and no-touch Kafka patches

∞X STORAGE
Never worry about Kafka storage again with Intelligent Tiered Storage and Infinite Retention

Other Confluent Cloud Services

METRICS & OBSERVABILITY
GOVERNANCE
CONNECT
PROCESSING

Multi-Cloud Networking & Routing Tier

Real-time feedback data

Cells

AZ

AZ

AZ

Cells

Cells

GLOBAL CONTROL PLANE
Stronger Capabilities, With Up to 60% Lower TCO

Confluent Cost Savings Challenge

**HEADCOUNT**

SAVINGS WITH CONFLUENT

Development & Operations Personnel

**INFRASTRUCTURE**

SAVINGS WITH CONFLUENT

- Multi-tenancy
- Elastic
- Data Balancing
- Networking & Replication

**DEVELOPMENT & OPERATIONS**

SAVINGS WITH CONFLUENT

- Higher Utilization of Infrastructure
- Software-driven Operations
- Real-time Monitoring & Validation
The Confluent Advantage

CLOUD NATIVE
Re-imagined Kafka experience for the Cloud

COMPLETE
Enable developers to reliably & securely build next-gen apps faster

EVERYWHERE
Be everywhere our customers want to be
DATA STREAMING PIPELINES & APPLICATIONS

- Data Pipelines
- Data Sharing
- Data Analytics
- Cyber-Security
- IoT & Telematics
- ML & AI
- Geofencing
- Streaming ETL
- Dynamic Pricing
- Shipment Tracking / Alerting
- Customer 360
- and more...

KORA: THE APACHE KAFKA ENGINE, BUILT FOR THE CLOUD
Data Streaming Requires a Complete Platform

<table>
<thead>
<tr>
<th>Application</th>
<th>DATA AT REST</th>
<th>DATA IN MOTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>Web App</td>
<td>Streaming App</td>
</tr>
<tr>
<td>Integrated Processing Layer</td>
<td>Database</td>
<td>Flink</td>
</tr>
<tr>
<td>Raw Storage Layer</td>
<td>File Systems</td>
<td>Kafka</td>
</tr>
</tbody>
</table>
Data Streaming Requires a Complete Platform

Two Apache Projects, Born a Few Years Apart

Source: Sonatype.
The Confluent Advantage

CLOUD NATIVE
Re-imagined Kafka experience for the Cloud

COMPLETE
Enable developers to reliably & securely build next-gen apps faster

EVERYWHERE
Be everywhere our customers want to be
Your data, everywhere you need it, instantly

Span all environments.

Deliver hybrid and multi-cloud consistency.

Make it easy.
Customer Journey & GTM
Network Effects Drive Further Expansion

Applications Bring Data In Motion

any source

Web

Custom Apps

Microservices

Monitoring

Analytics

...and more

any destination

NoSQL

Oracle

Mainframes

Salesforce

Marketo

Twitter

AWS, Azure, GCP

Data Warehouse
Network Effects Drive Partner Engagement

Applications Bring Data In Motion

CSPs

ISVs

GSIs

Data In Motion Brings New Applications

Partner of the Year Awards

Azure

Google Cloud

databricks

mongoDB
Our GTM Is Designed to Accelerate This Unique Customer Journey

1. Streaming Awareness / Early Interest
2. Early Production Streaming
3. Mission Critical, Disparate LOBs
4. Business Wide Integrated Streaming
5. Central Nervous System
Developer-led Motion and Enterprise Sales Motion are Complementary

PRODUCT LED
Self-serve Signup, Pay As You Go

ENTERPRISE SALES
Master Contract, Success Plan / Value Realization, Governance
Our Business
Our Business

CONSISTENT STRONG EXECUTION
Strong performance at scale
Cloud leading the way

DURABILITY OF GROWTH
Large and growing TAM
Customer Growth GTM
Best-in-Class NRR

BALANCING GROWTH & PROFITABILITY
Scaling cost efficiently
Non-GAAP OM breakeven exiting Q4’23

Note: Expectation of breakeven in non-GAAP operating margin upon Q4’23 exit is as of Confluent’s Q1’23 earnings call dated May 3, 2023.
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:**
\[
\frac{\text{Shares granted during period} - \text{Share forfeited}}{\text{Weighted average shares outstanding}}
\]
GAAP to Non-GAAP Reconciliations
(in thousands, except percentages)

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$387,864</td>
<td>$585,944</td>
</tr>
<tr>
<td>Total gross profit on a GAAP basis</td>
<td>$250,572</td>
<td>$383,529</td>
</tr>
<tr>
<td>Add: Stock-based compensation expense</td>
<td>17,989</td>
<td>32,389</td>
</tr>
<tr>
<td>Add: Employer taxes on employee stock transactions</td>
<td>1,013</td>
<td>1,173</td>
</tr>
<tr>
<td>Non-GAAP total gross profit</td>
<td>$269,574</td>
<td>$417,091</td>
</tr>
<tr>
<td>Non-GAAP total gross margin</td>
<td>69.5%</td>
<td>71.2%</td>
</tr>
</tbody>
</table>
# GAAP to Non-GAAP Reconciliations

(in thousands, except percentages)

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

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>$387,864</td>
<td>$585,944</td>
</tr>
<tr>
<td><strong>Research and development (R&amp;D) expense on a GAAP basis</strong></td>
<td>$161,925</td>
<td>$264,041</td>
</tr>
<tr>
<td>Less: Stock-based compensation expense</td>
<td>49,051</td>
<td>101,499</td>
</tr>
<tr>
<td>Less: Employer taxes on employee stock transactions</td>
<td>2,278</td>
<td>2,632</td>
</tr>
<tr>
<td><strong>Non-GAAP R&amp;D expense</strong></td>
<td>$110,596</td>
<td>$159,910</td>
</tr>
<tr>
<td><strong>Non-GAAP R&amp;D expense as a % of total revenue</strong></td>
<td>28.5%</td>
<td>27.3%</td>
</tr>
</tbody>
</table>
GAAP to Non-GAAP Reconciliations
(in thousands, except percentages)

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

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$387,864</td>
<td>$585,944</td>
</tr>
<tr>
<td>General and administrative (G&amp;A) expense on a GAAP basis</td>
<td>$108,936</td>
<td>$125,710</td>
</tr>
<tr>
<td>Less: Stock-based compensation expense</td>
<td>33,078</td>
<td>44,402</td>
</tr>
<tr>
<td>Less: Employer taxes on employee stock transactions</td>
<td>2,532</td>
<td>720</td>
</tr>
<tr>
<td>Less: Common stock charitable donation expense</td>
<td>13,290</td>
<td>-</td>
</tr>
<tr>
<td>Less: Acquisition-related expenses</td>
<td>-</td>
<td>1,104</td>
</tr>
<tr>
<td>Non-GAAP G&amp;A expense</td>
<td>$60,036</td>
<td>$79,484</td>
</tr>
<tr>
<td><strong>Non-GAAP G&amp;A expense as a % of total revenue</strong></td>
<td>15.5%</td>
<td>13.6%</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliations
(in thousands, except percentages)

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