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Welcome

Vernon Essi
VP, Investor Relations

fastly
Investor Day
2023

Safe Harbor and Other Information

This investor presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, about us and our industry that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or Fastly's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "continue," "would," or the negative of these words or other similar terms or expressions that concern Fastly"s expectations, goals, strategy, priorities, plans, projections, or intentions. Forward-looking statements in this investor presentation include, but are not limited to, statements regarding Fastly's future financial and operating performance, including its outlook and guidance; and Fastly's strategies, product and business plans. Fastly's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include the possibility that: Fastly is unable to attract and retain customers; Fastly's existing customers and partners do not maintain or increase usage of Fastly's platform; Fastly's platform and product features do not meet expectations, including due to defects, interruptions, security breaches, delays in performance or other similar problems; Fastly is unable to adapt to meet evolving market and customer demands and rapid technological change; Fastly is unable to comply with modified or new industry standards, laws and regulations; Fastly is unable to generate sufficient revenues to achieve or sustain profitability; Fastly's limited operating history makes it difficult to evaluate its prospects and future operating results; Fastly is unable to effectively manage its growth; and Fastly is unable to compete effectively. The forward-looking statements contained in this investor presentation are also subject to other risks and uncertainties, including those more fully described in Fastly's Annual Report on Form 10-K for the year ended December 31, 2022, and Fastly's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 and other filings and reports that we may file from time to time with the SEC. The forward-looking statements in this investor presentation are based on information available to Fastly as of the date hereof, and Fastly disclaims any obligation to update any forward-looking statements, except as required by law.

This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this presentation are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. This presentation also includes certain non-GAAP financial measures, which have not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). These non-GAAP financial measures are in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Please see the Appendix for definitions and reconciliations of these non-GAAP financial measures to their nearest GAAP equivalents and for the calculation of certain other financial metrics.

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Agenda

→ **CEO Open**
Todd Nightingale, Chief Executive Officer

→ **A Differentiated Architecture**
Artur Bergman, Chief Architect and Founder

→ **Durable Innovation Engine**
Lakshmi Sharma, Chief Product and Chief Strategy Officer
Laura Thomson, SVP Engineering

→ **Q&A**

→ **Go-to-Market**
Brett Shirk, Chief Revenue Officer
Kim Ogletree, Chief Customer Officer

→ **Scaling Operations**
Nick Rockwell, EVP Strategy and Operations

→ **Drivers to Our Financial Model**
Ron Kisling, Chief Financial Officer

→ **Closing Comments, Q&A**
Todd Nightingale, Chief Executive Officer; Team

Making the internet a better place
where all experiences are fast, safe, and engaging.

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Long Term Goal

User Experience

Edge Cloud

Market Leadership

Edge Cloud Positioning

Central Cloud

aws

Google Cloud

Azure

Private Cloud

fastly

Fastly's Global Network

Lightning-Fast Time to First Paint (TTFP)

0.0s	0.1s	0.2s	0.3s	0.4s	0.5s

1: Fastly `Test Run Details`

Fastly is the fastest CDN to start displaying content to the end-user for this e-commerce site

0%	0%	16%	82%	82%	83%

2: CDN 2 `Test Run Details`

0%	0%	0%	0%	0%	29%

3: CDN 3 `Test Run Details`

Half a second into the browsing, the page served by Fastly is 83% visually loaded while competition is showing only 11% and 29% of page

0%	0%	0%	0%	0%	11%
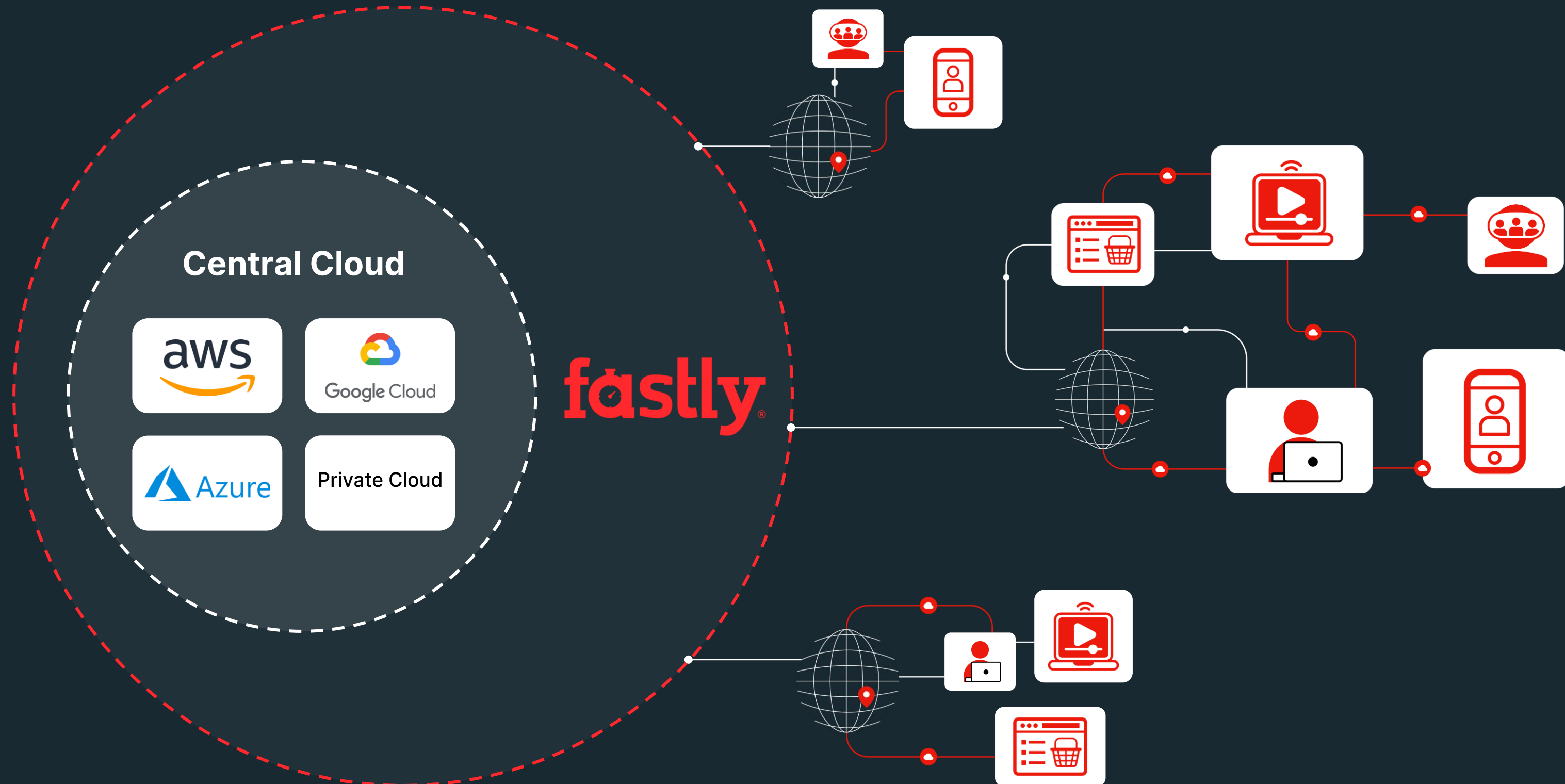
- Source: Catchpoint, December 13, 2022

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Platform Efficiency

Legend:
- 2022 Max Daily Gbps
- 2023 Max Daily Gbps
- 2022 Daily Avg Gbps
- 2023 Daily Avg Gbps

Y-axis: 75,000 / 65,000 / 55,000 / 45,000 / 35,000 / 25,000 / 15,000

X-axis: 01-Jan, 06-Jan, 11-Jan, 16-Jan, 21-Jan, 26-Jan, 31-Jan, 05-Feb, 10-Feb, 15-Feb, 20-Feb, 25-Feb, 02-Mar, 07-Mar, 12-Mar, 17-Mar, 22-Mar, 27-Mar

Peak bandwidth increased 46% during the Super Bowl in 2023 compared to 2022

Average bandwidth increased 29% in Q1 2023 compared to Q1 2022

- Internal Fastly operational data

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Fastly's Edge Cloud Solution

Core

Growth

Incubation

Network Services

Security

Compute

Observability

Future Modules

Developer Experience

Programmable Edge Platform
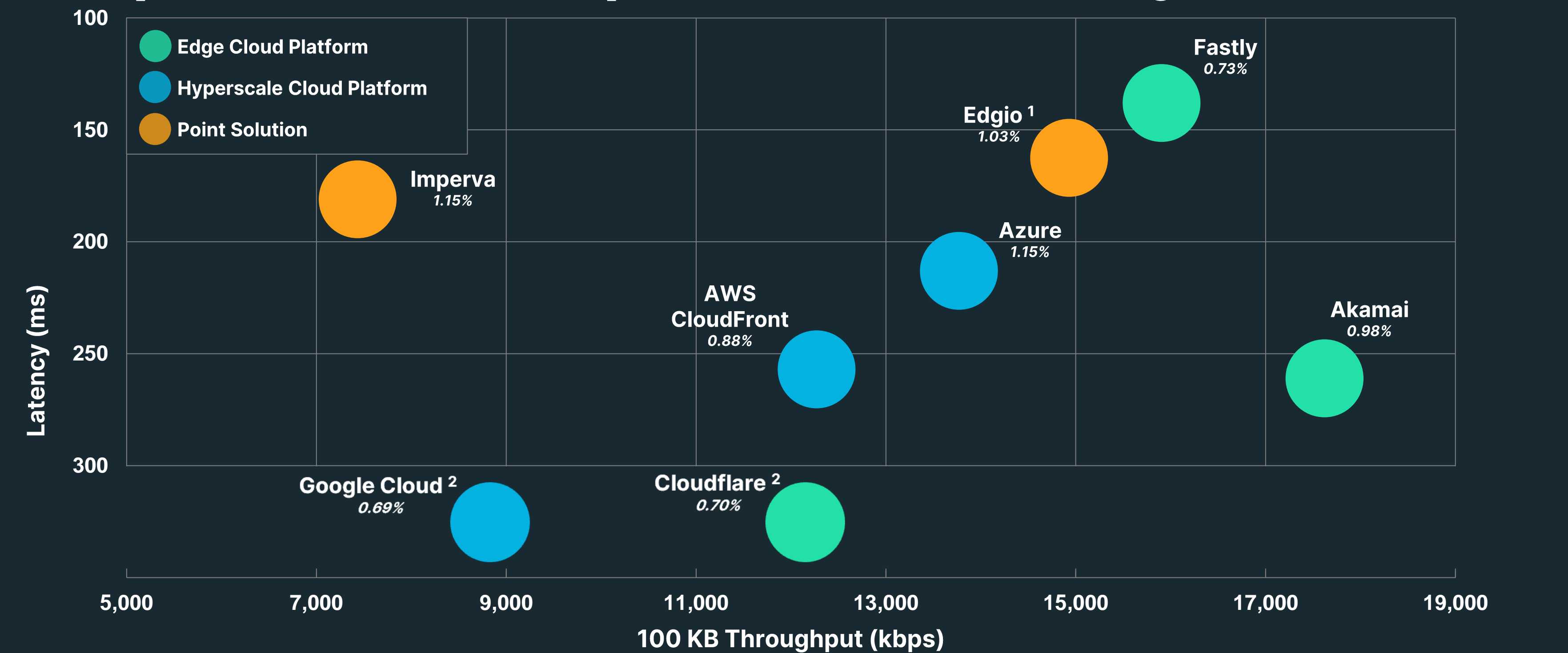
Fully configurable via APIs

Real-time visibility

Scale globally
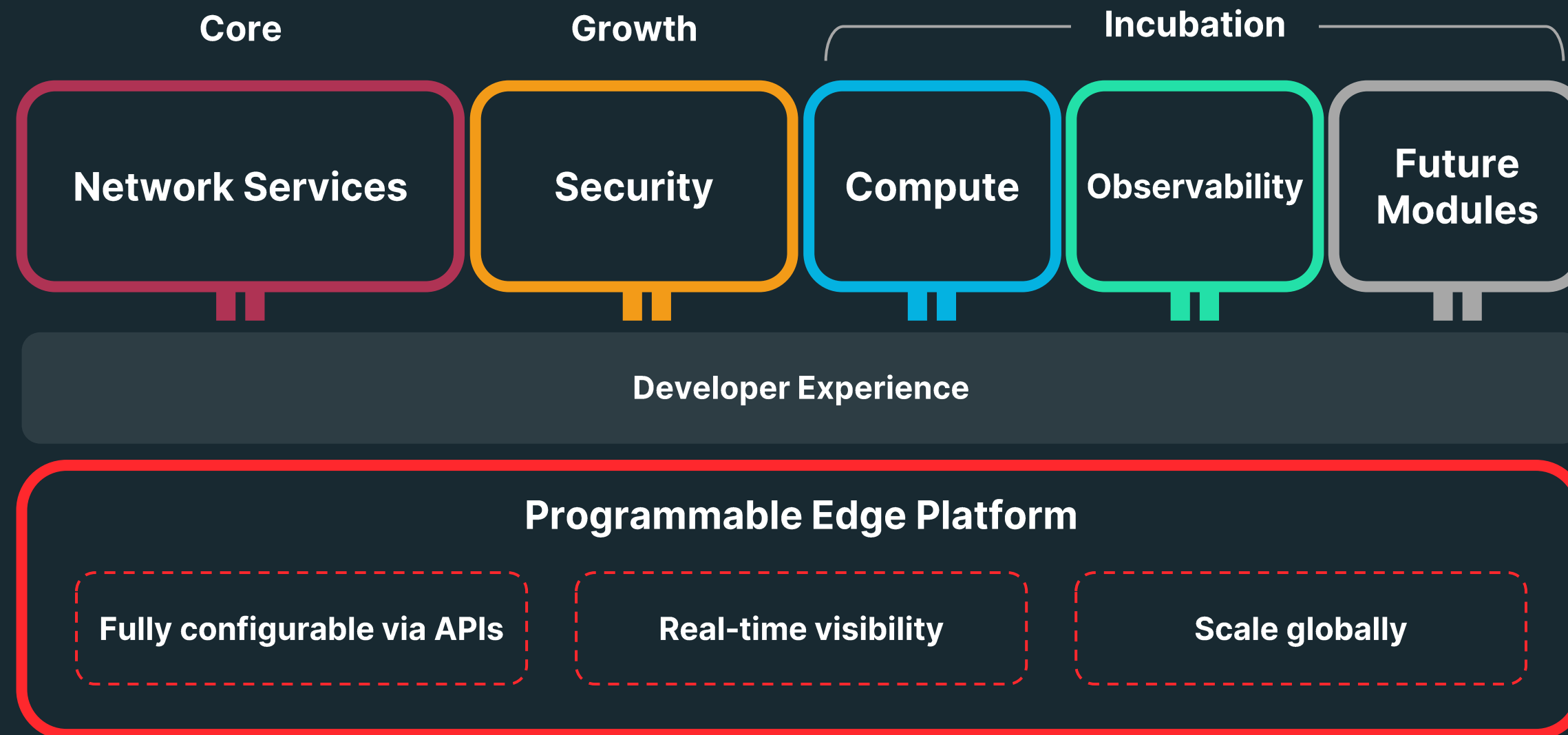
Our Opportunity is Big and Growing

Our TAM: The critical infrastructure and software that powers modern digital experiences
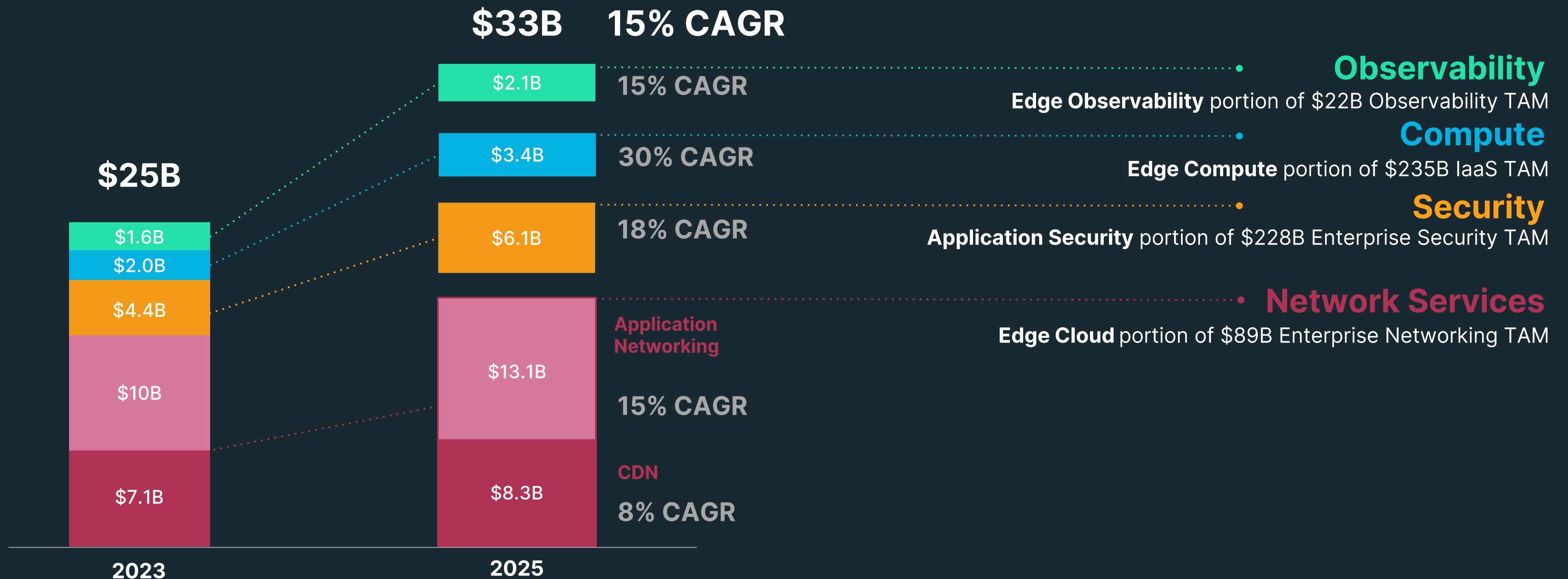
$33B   **15% CAGR**

$25B

Observability

$2.1B — 15% CAGR
Edge Observability portion of $22B Observability TAM

Compute

$3.4B — 30% CAGR
Edge Compute portion of $235B IaaS TAM

Security

$6.1B — 18% CAGR
Application Security portion of $228B Enterprise Security TAM

Network Services

Edge Cloud portion of $89B Enterprise Networking TAM

$1.6B
$2.0B
$4.4B
$10B
$7.1B

Application Networking
$13.1B
15% CAGR

CDN
$8.3B
8% CAGR

2023   **2025**

- TAM numbers are based on 2022 Gartner, 2022 IDC data, 2021 Forrester data supplemented with MarketsandMarkets, and Industry Research reports.

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Competitive Landscape: Content Delivery

Legend:
- 🟢 Edge Cloud Platform
- 🔵 Hyperscale Cloud Platform
- 🟠 Point Solution

Data points (100 KB Throughput (kbps) vs Latency (ms)):

- **Fastly** 0.73%
- **Edgio [1]** 1.03%
- **Imperva** 1.15%
- **Azure** 1.15%
- **AWS CloudFront** 0.88%
- **Akamai** 0.98%
- **Google Cloud [2]** 0.69%
- **Cloudflare [2]** 0.70%

Y-axis: Latency (ms) — 100, 150, 200, 250, 300
X-axis: 100 KB Throughput (kbps) — 5,000; 7,000; 9,000; 11,000; 13,000; 15,000; 17,000; 19,000

- Cedexis benchmarking data for the United States, dated May 25, 2023.
- Error rate is expressed in percentages; a lower score indicates higher delivery accuracy.
- Latency measures Dynamic Object Delivery or the time to serve an uncacheable 40KB object from regional origin servers; 100KB throughput is unfeatured bandwidth performance.

[1] Edgio's latency, throughput and error correction data is the average of both Edgecast and Limelight's benchmarking results.

[2] Google Cloud and Cloudflare do not have dynamic object delivery latency benchmarking results with Cedexis.

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Fastly Security

Empowering **future of application security** at the edge

Gartner
Peer Insights
Customers'
Choice 2023

**The only
Customers' Choice Leader
5 years in a row**

Traditional Approach	Fastly's Solution
Point products	**Edge Cloud Network Scale & Learning Exchange**
Disjointed product experience	**Unified Platform Experience**
Unprotected in monitoring mode	**Trusted with 88% customers in Blocking Mode[1]**
Constant tuning & break fix	**Secure by design with "Tune-free" Signals**
Error-prone regular expressions	**High Accuracy SmartParse Semantic Processing**

[1] As of March 2023

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Transformation Principles

One Fastly

Simplify Everything

Build to Scale

Functional Groups Drive Productivity

Products & Services
Product
Engineering
Client Services

Go-to-Market
Sales
Marketing
Customer Success

One Fastly

Operations
People
Finance & Legal
IT & Business Systems

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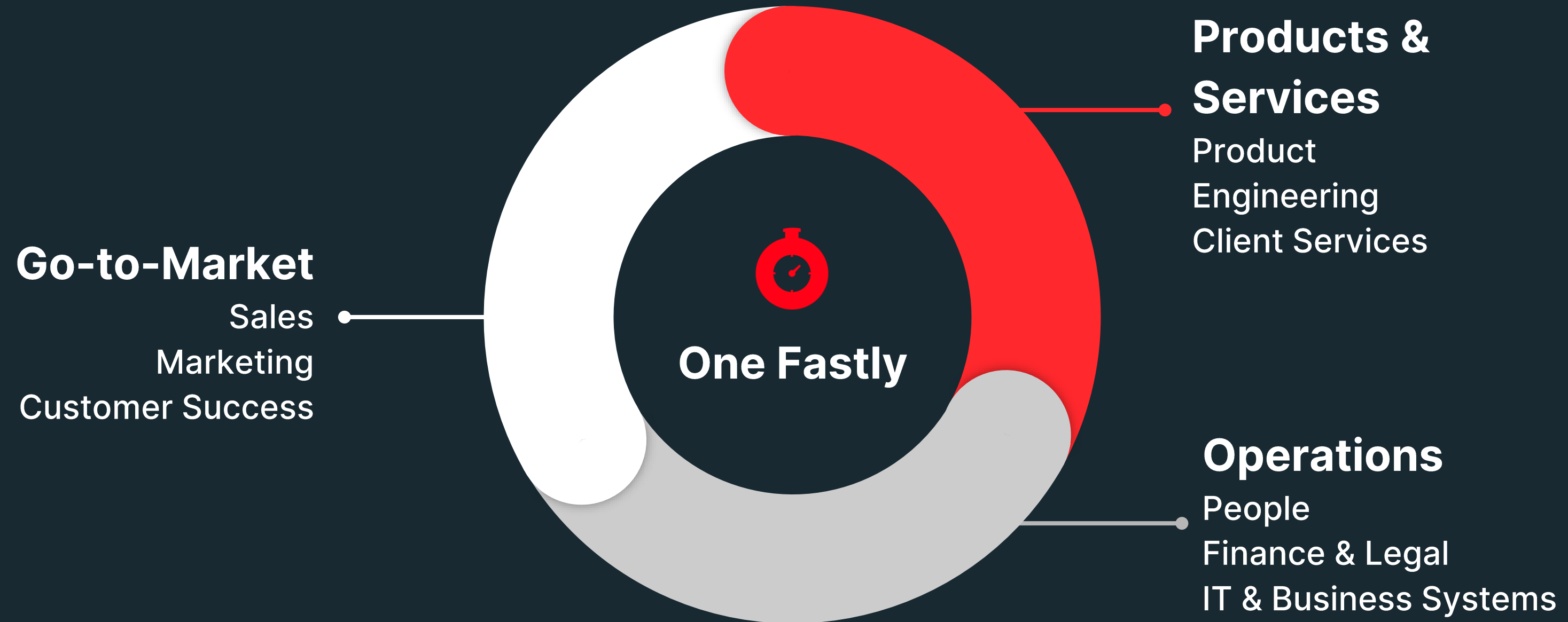
Fastly is the Premiere Edge Cloud Investment

User Experience is our North Star

Highly Performant, Differentiated Architecture

Right Solution, Right Time

Software Defined Platform, Efficient Growth

Model Leverages Growth, Shareholder Returns

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Making the internet a better place
where all experiences are fast, safe, and engaging.

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Differentiated Architecture

Artur Bergman
Chief Architect
and Founder

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Building Fastly for the Future

	Old Internet	New Internet
Content	Changes rarely	**Changes rapidly**
	Slow growth	**Growing exponentially**
	Limited group of creators	**Everyone can create**
	No personalization	**Personalization everywhere**
	Short-lived	**Long-tail**
Users	Low expectations	**High expectations (impatient)**
	Local and predictable	**Global and unpredictable**
Security	Limited	**Ubiquitous**
	No compliance needed	**Compliance required**

Global DX spending is forecast to reach nearly **$3.5 trillion** in 2026 with a 5 year **CAGR of 16.7%** [1]

[1] Source: IDC Worldwide Digital Transformation Spending Guide V1 2023, April 2023

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Proprietary Software Driving Every Layer of the Stack

Fastly servers are efficient because of our software

Custom Servers

Custom POPs

Real Time Network

99

# of POPS
(as of May 31, 2023)

265

Tb/s Capacity
(as of March 31, 2023)

74

# of Issued
Patents
(as of December 31, 2022)

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Fastly's 1st POP, 2008

Fastly POPs today

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Refocus on What Makes Fastly Unique

Our global distributed platform, programmable by customers

Software Architecture

Innovation Velocity

Revenue per Server

Legend:
- **TTM / Server Fastly**
- **TTM / Server inc Signal Sciences**

TTM revenue per server MRQ is 12% from peak

TTM revenue per server bottomed at 25% from peak
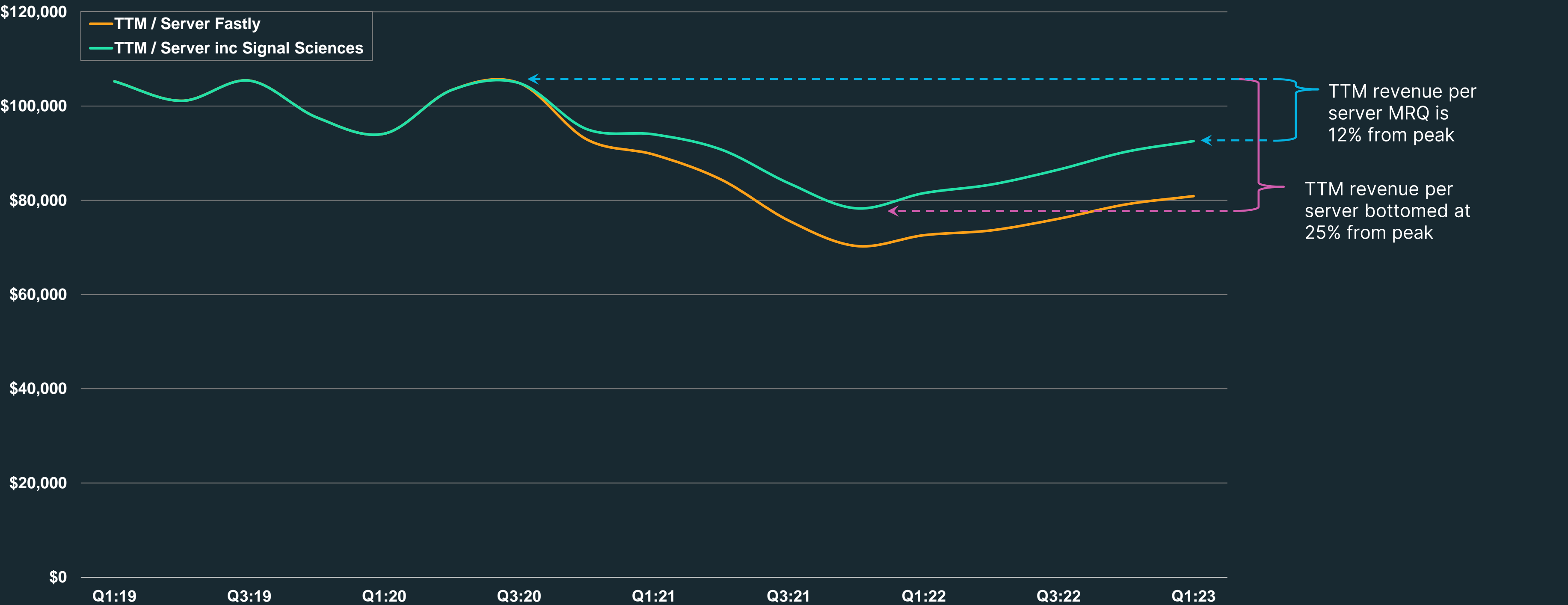
- Internal Fastly operational data.
- See definitions provided in the Appendix for financial metrics.

Fastly Anywhere

Durable Innovation Engine
Product Strategy & Roadmap

Lakshmi Sharma
Chief Product and
Chief Strategy Officer

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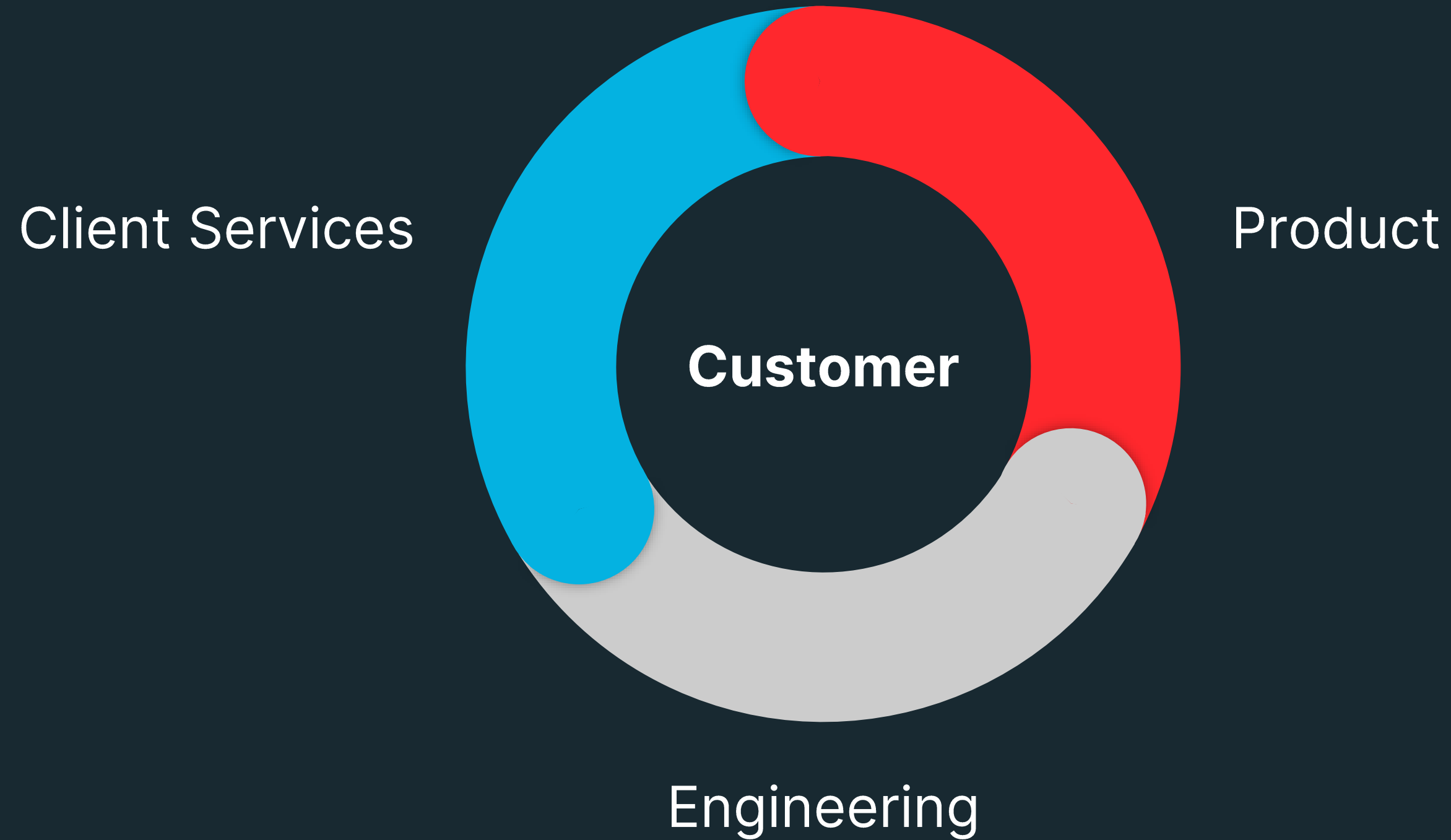
Developers of modern digital experiences face tradeoffs today

Fast

Safe

Legacy Edge

Legacy Security

Central Cloud

Engaging

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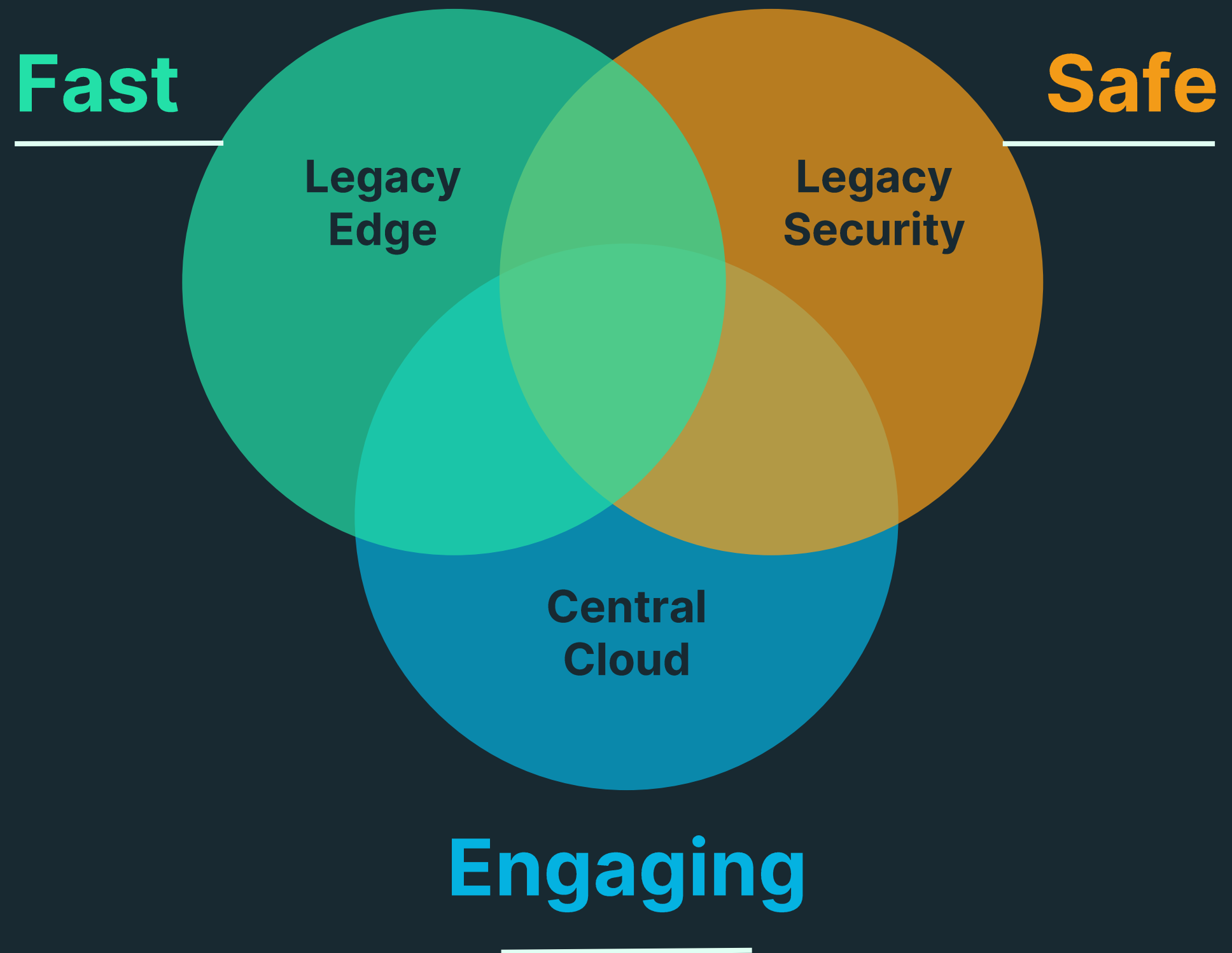
Our platform is where fast, safe, and engaging meet

Fast

Safe

Engaging
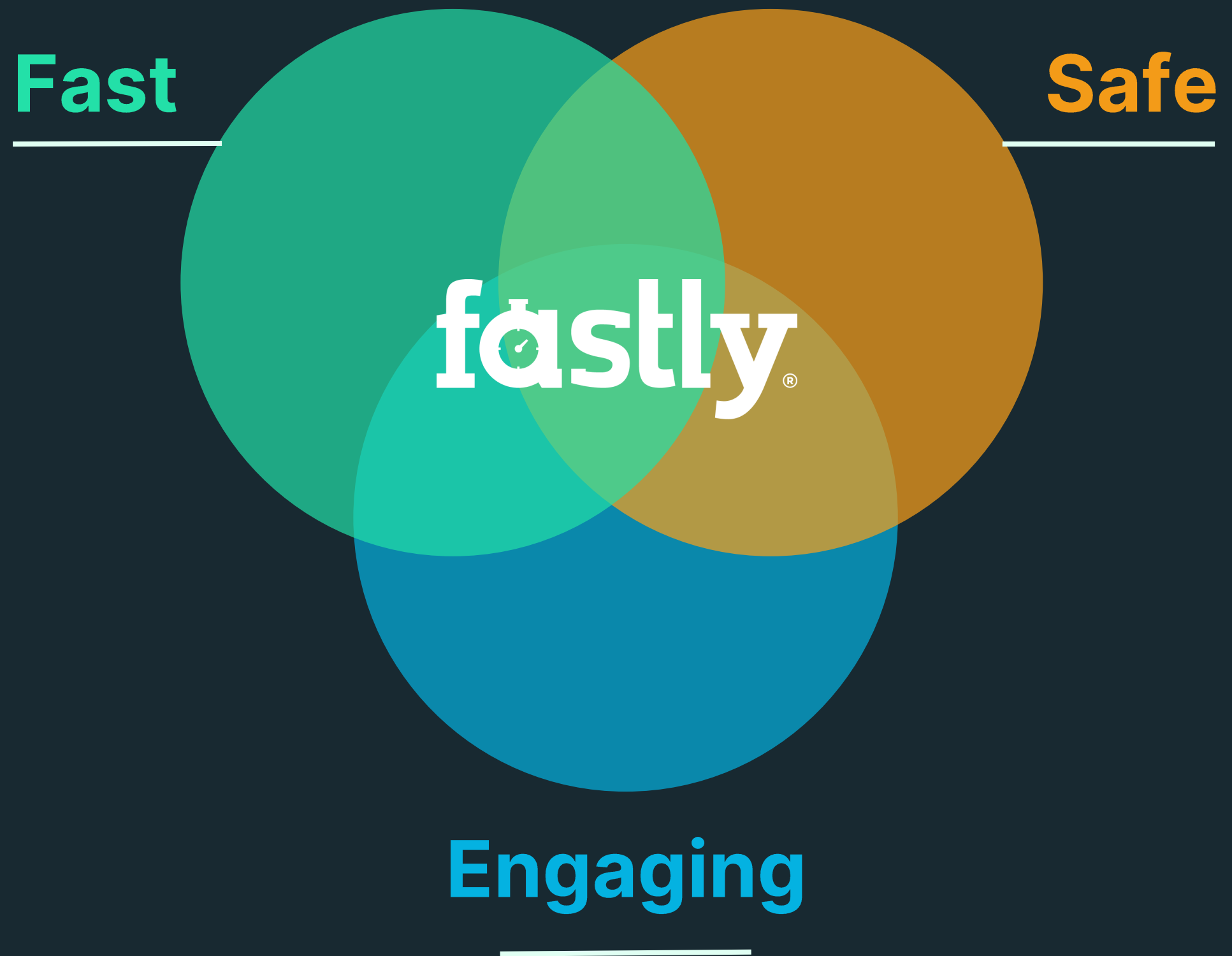
Fastly's Platform and Product Portfolio

- Fully programmable network
- Real time control and observability
- Industry-leading performance
- High accuracy security
- Developer-first
  (open interfaces/ open source)

Core
Growth
Incubation

| Network Services | Security | Compute | Observability | Future Modules |

Developer Experience

Programmable Edge Platform

| Fully configurable via APIs | Real-time visibility | Scale globally |
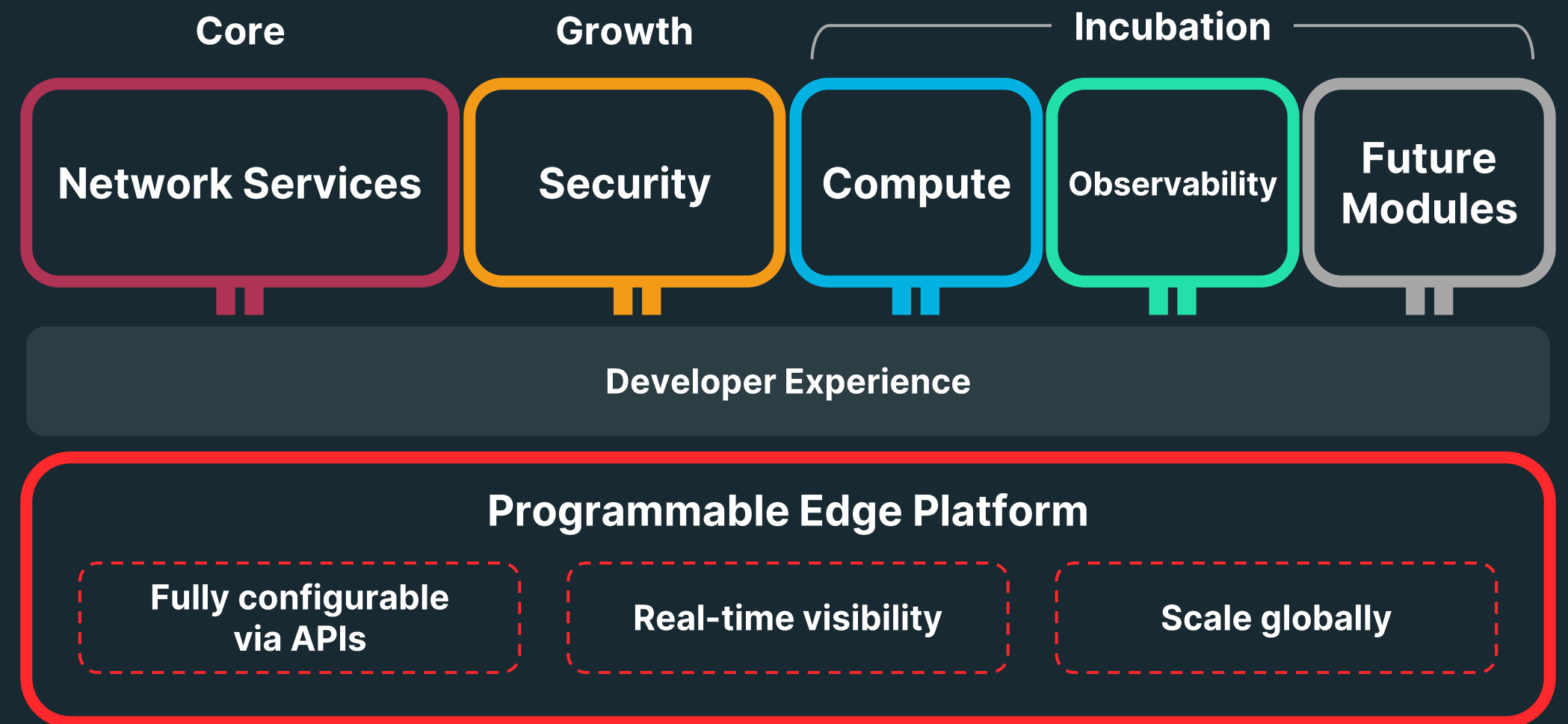
Product Strategy

User Experience is our North Star
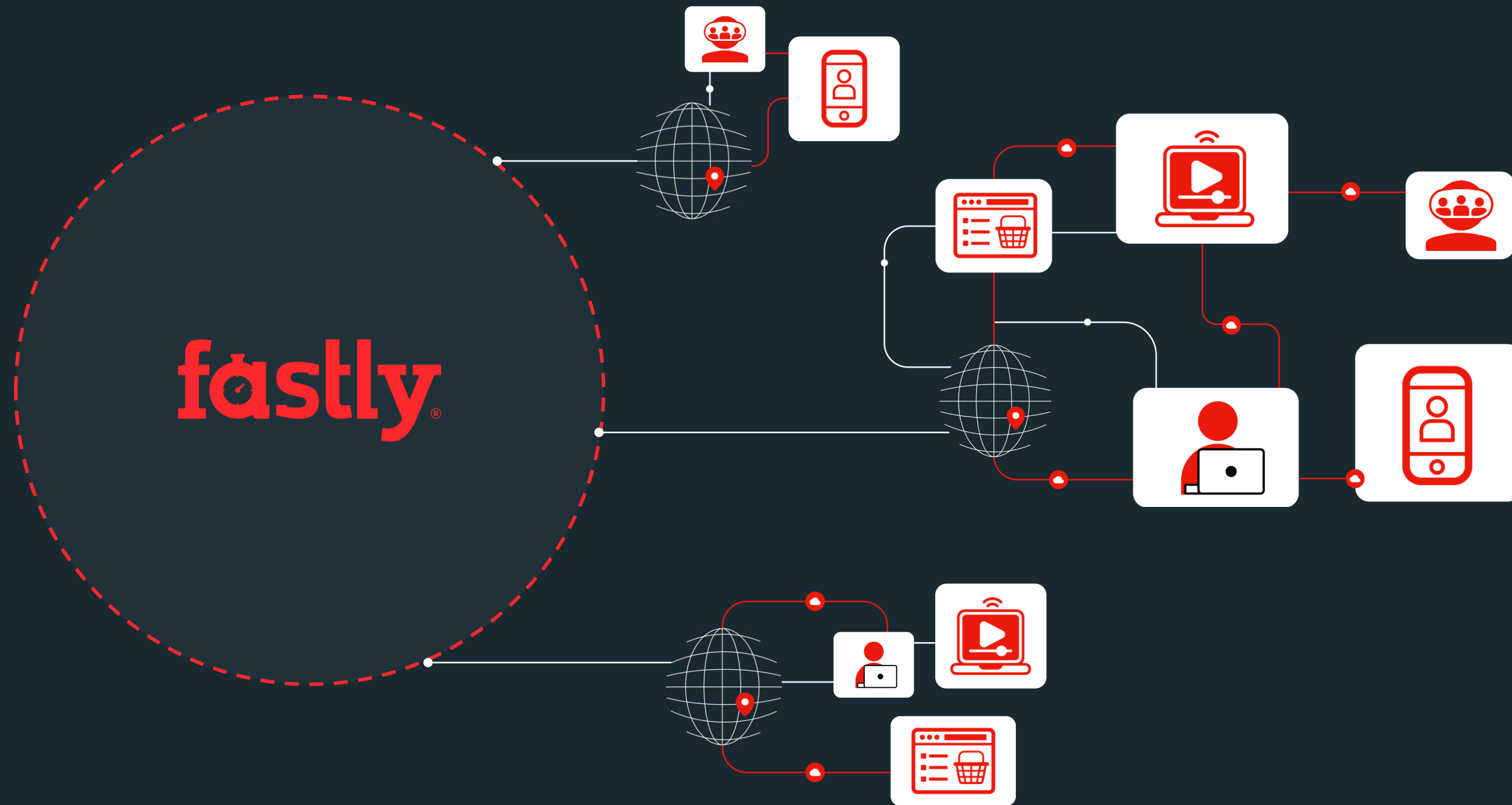
Network Services

Key Solutions & Use Cases

Consumer Privacy

Two of the largest tech firms leverage Privacy Proxy to power private browsing experiences

Mobile Performance

Global website builder cut TTFB p75 in half with Fastly using HTTP/3, significantly improving performance even in countries with weaker connectivity

2023	2025	Market Opportunity
$17.1B	$21.4B	**12% CAGR**

What's Ahead

- Compliance Regions
- Media Privacy

Security

Extending our portfolio to capture the larger market opportunities

2023
API Security,
Bot Management,
MSS

2020
Next-Gen WAF

2019
DDoS
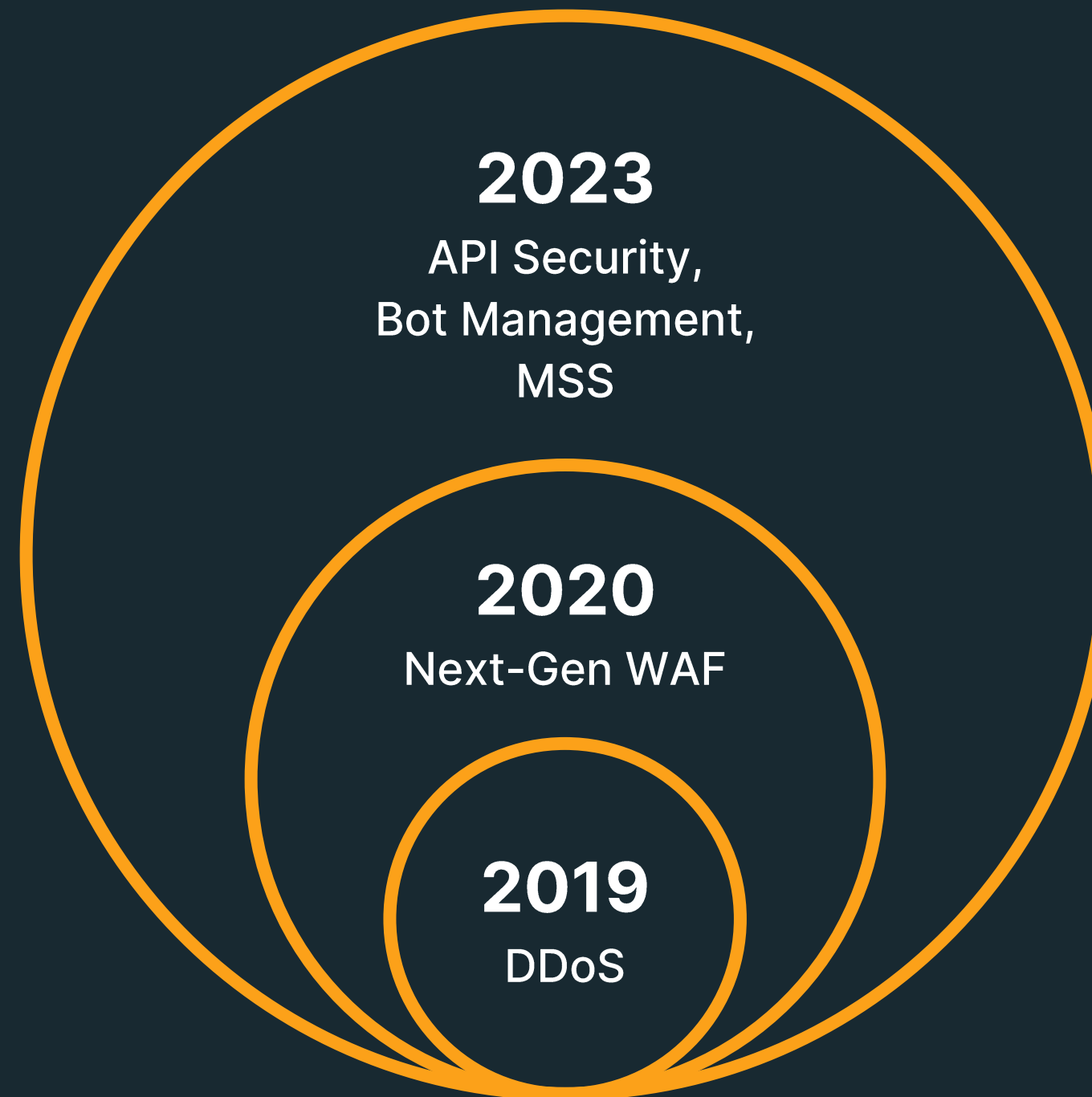
$6.1B TAM[1]

- TAM numbers are based on 2022 Gartner, 2022 IDC data, 2021 Forrester data supplemented with MarketsandMarkets, and Industry Research reports.

[1] Estimated 2025 TAM

Security

Key Solutions & Use Cases

NG-WAF Edge Deployment

Edge deployment of Fastly's NG-WAF enables e-commerce platform to migrate its delivery and security stack to Fastly from an edge cloud competitor

Managed Security

Large, global financial services company adopts Fastly's new Managed Security Service to improve their security posture for mission critical applications

2023	2025	Market Opportunity
$4.4B	$6.1B	**18% CAGR**

What's Ahead

- Bot Management
- Certainly (Certificate Authority)
- API Security Enforcement
- API Discovery

– TAM numbers are based on 2022 Gartner, 2022 IDC data, 2021 Forrester data supplemented with MarketsandMarkets, and Industry Research reports.

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Compute

Key Solutions & Use Cases

Edge Data Processing
An observability leader migrated their compute workloads to Fastly's Edge Cloud platform to optimize its data ingestion pipeline

Global Serverless
DevOps platform turned to Fastly's global serverless compute platform to bring their service closer to its global users, cutting latency by an order of magnitude

2023	2025	Market Opportunity
$2.0B	$3.4B	**30% CAGR**

What's Ahead

- Expanded language and framework support
- Single click onboarding with Glitch

Observability

Key Solutions & Use Cases

Origin Inspector

E-commerce platform adopts Fastly's new Origin Inspector product to quickly and efficiently diagnose performance and reliability issues for its customers

Real Time Visibility

Leading media platform adopts Fastly's real time visibility to optimize feature roll-outs and reduce risk by instantly diagnosing deployment issues

2023	2025	Market Opportunity
$1.6B	$2.1B	15% CAGR

What's Ahead

- Custom Metrics
- Alerting
- Regional Log Streaming
- End User Perf. Metrics

- TAM numbers are based on 2022 Gartner, 2022 IDC data, 2021 Forrester data supplemented with MarketsandMarkets, and Industry Research reports.

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AI on Fastly's Edge Cloud Platform

Images

Security

Model Hosting

Tooling

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Strengthening and Expanding Our Platform

	Network Services	Security	Compute	Observability	Platform
Recent Launches (H2 2022 - H1 2023)	• Privacy Proxy • Fanout + Websockets • Certainly CA • mTLS • Brotli Compression	• NG-WAF Edge Deployment • Managed Security Service • Edge Rate Limiting	• Config Store • Languages and Framework (JS SDK v1.0, RemixJS, Next.JS, Go, Rust SDK) • Fastly Labs	• Origin Inspector • Domain Inspector • C@E Log Tailing UI	• Automation Tokens • Expanded Terraform Provider Support • Billing Inspector
Planned Launches (H2 2023+)	• Cache Reservation • Compliance Regions • Dynamic Compression • Fastly Anywhere	• Bot Management • Productizing DDoS Mitigation • Positive API Security Model • API Discovery • Simplified UX	• KV Store • Secret Store • Fastly Storage • Core Cache API Shielding • HTTP/2 support • Origin Inspector on C@E	• Log Mgmt • Custom Metrics • Alerting • Regional Log Streaming • End User Perf Metrics • Sustainability Metrics	• Universal Login • Service Provider Initiated SSO • IDP integration for User Management • Granular Access Controls

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Making It Easier to Buy and Sell

Simplifying packaging

- No bandwidth
- Predictable pricing with no overages
- Transparent
- Channel friendly

	STARTER	ADVANTAGE	ULTIMATE
Network Services	**500M Requests** per month TLS, IO, Gold Support, etc.	**2B Requests** per month TLS, IO, Gold Support, etc.	**5B Requests** per month TLS, IO, Enterprise Support, etc.
Security	**25 Requests** per second OWASP Top 10, Gold Support	**150 Requests** per second OWASP Top 10, Custom Signal, ERL, Gold Support	**250 Requests** per second OWASP Top 10, Custom Signal, ERL, ARL & RSS, Ent. Support
Compute	**500M Requests** per month Config Store, etc.	**2B Requests** per month Config Store, etc.	**5B Requests** per month Config Store, Object Store, etc.

Making It Easier for Developers to Build

Putting the power back in developers' hands

developer.fastly.com

Our new developer portal

Glitch

2.4M developers
500K+ in the last 12 months[1]

Fast Forward

Added **28** program members since launch in Nov 2022, now supports **82** OSS initiatives

[1] As of May 31, 2023

Engineering Underpins a Complete Platform

Programmable Edge Platform

Fully configurable via APIs

Real-time visibility

Scale globally

Durable Innovation Engine

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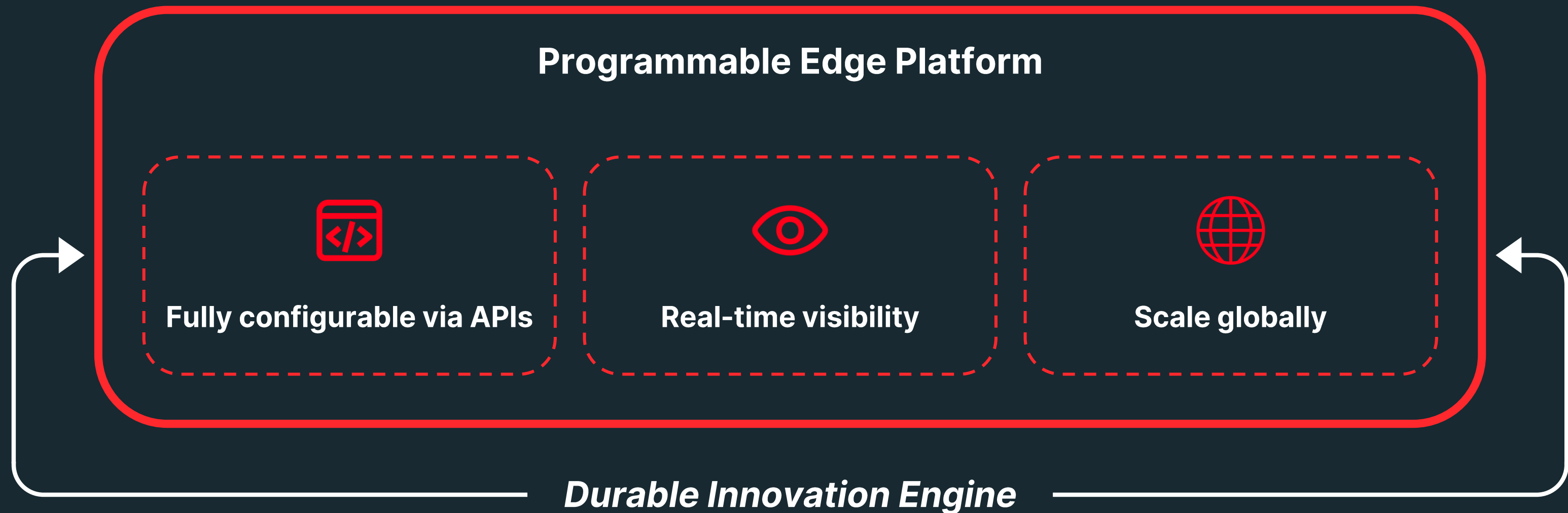
Fastly's Environment Propels Innovation

Platform Services

→ "Build Fastly with Fastly"

→ Enables adding new products easily

→ Reduces time to market

Product Lines

Network Services

Security

Compute

Observability

Scalable Edge Infrastructure

Platform Unification Drives Leverage

Measure

Enable

Shared Framework

Integrate

Ship
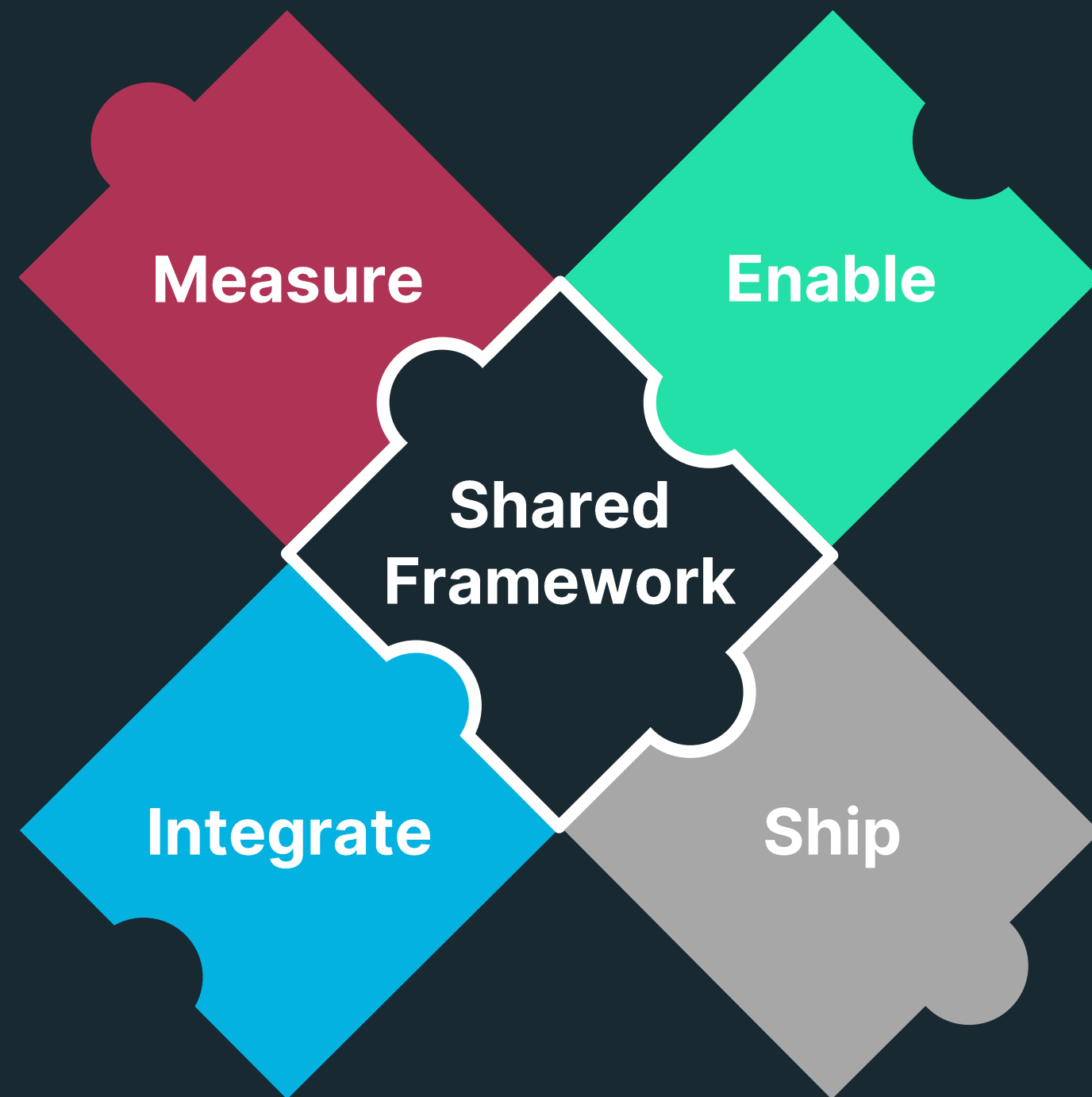
GTM Advantages
- Seamless brand experience
- Single user identity
- Common platform to launch and cross-sell

Innovation Acceleration
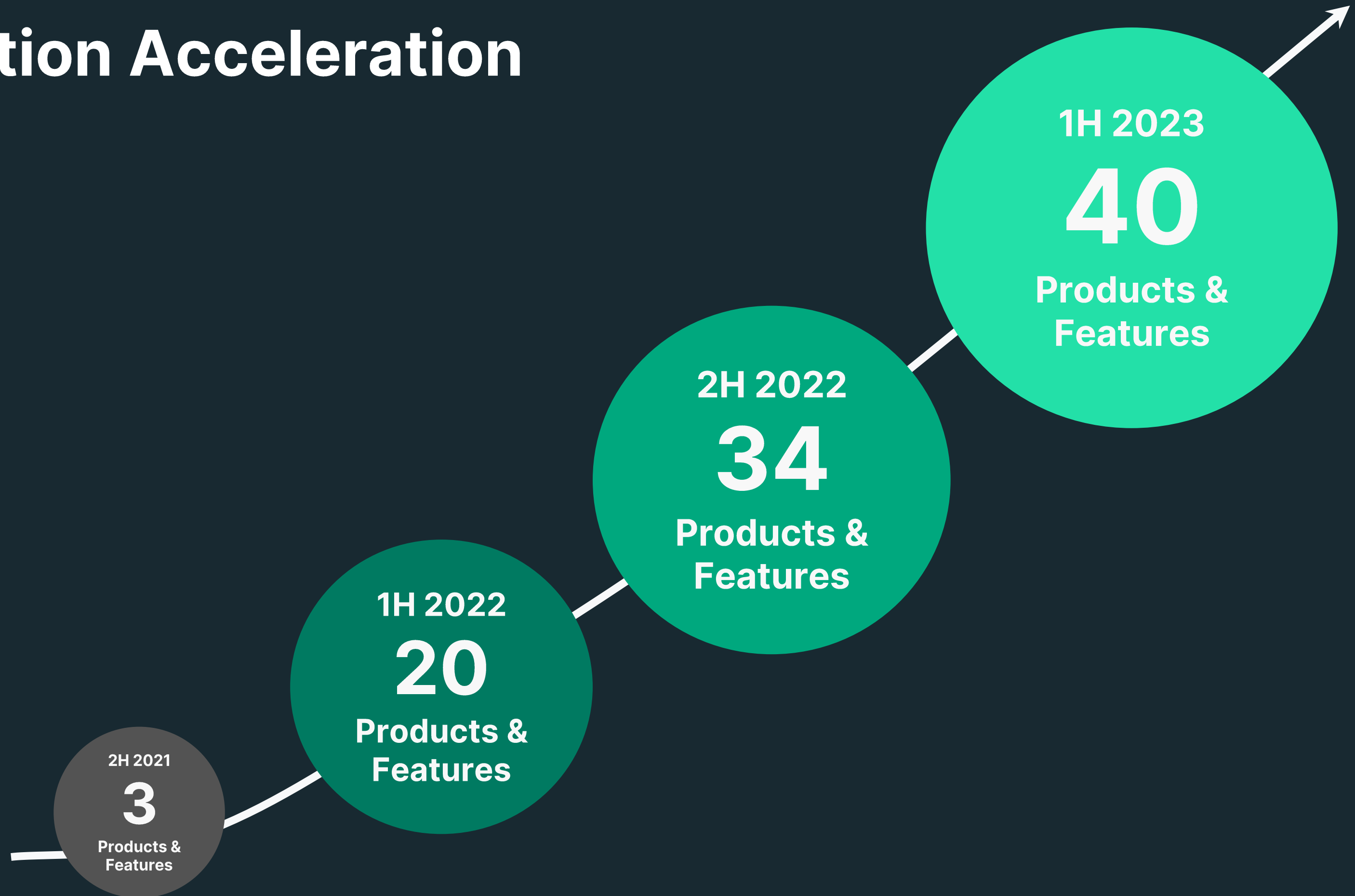
2H 2021
3
Products & Features

1H 2022
20
Products & Features

2H 2022
34
Products & Features

1H 2023
40
Products & Features

One Global Network

Thank you!

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Q&A

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2023

Go-to-Market
Acquisition, Retention, & Expansion

Brett Shirk
Chief Revenue Officer

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Go-to-Market Function

Customer Success

Sales

Prospects & Customers

Marketing

Segmentation and Coverage
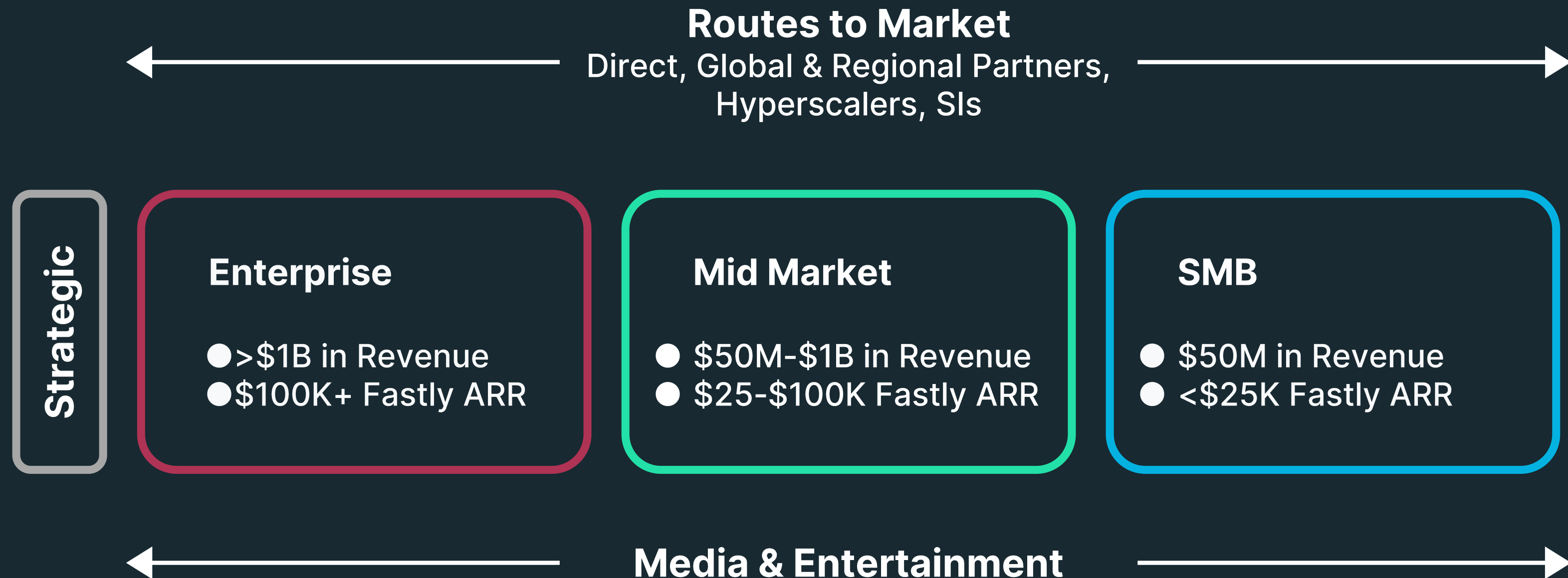
Routes to Market
Direct, Global & Regional Partners,
Hyperscalers, SIs

◀───▶

Strategic

Enterprise

- \>$1B in Revenue
- $100K+ Fastly ARR

Mid Market

- $50M-$1B in Revenue
- $25-$100K Fastly ARR

SMB

- $50M in Revenue
- <$25K Fastly ARR

◀──────────────── **Media & Entertainment** ────────────────▶

- See definitions provided in the Appendix for financial metrics.

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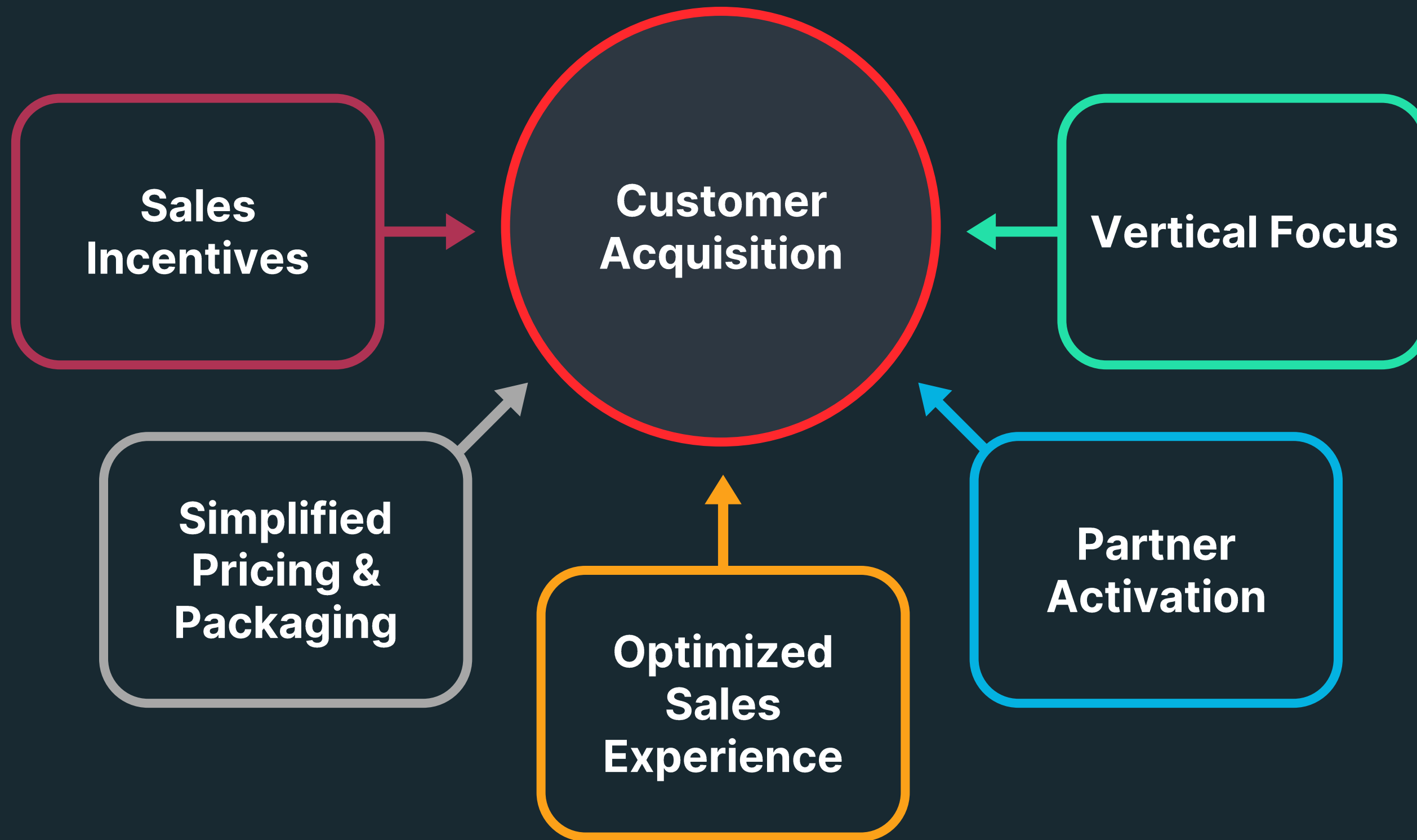
YTD May '23 Partner Results
Deal Registration

CRN THE CHANNEL CO. | PARTNER PROGRAM GUIDE
★★★★★ WINNER 2023

Deal Registrations - Monthly Received

■ 2022 ■ 2023

Month	2022	2023
Jan	9	13
Feb	10	10
Mar	16	28
Apr	8	22
May	4	34
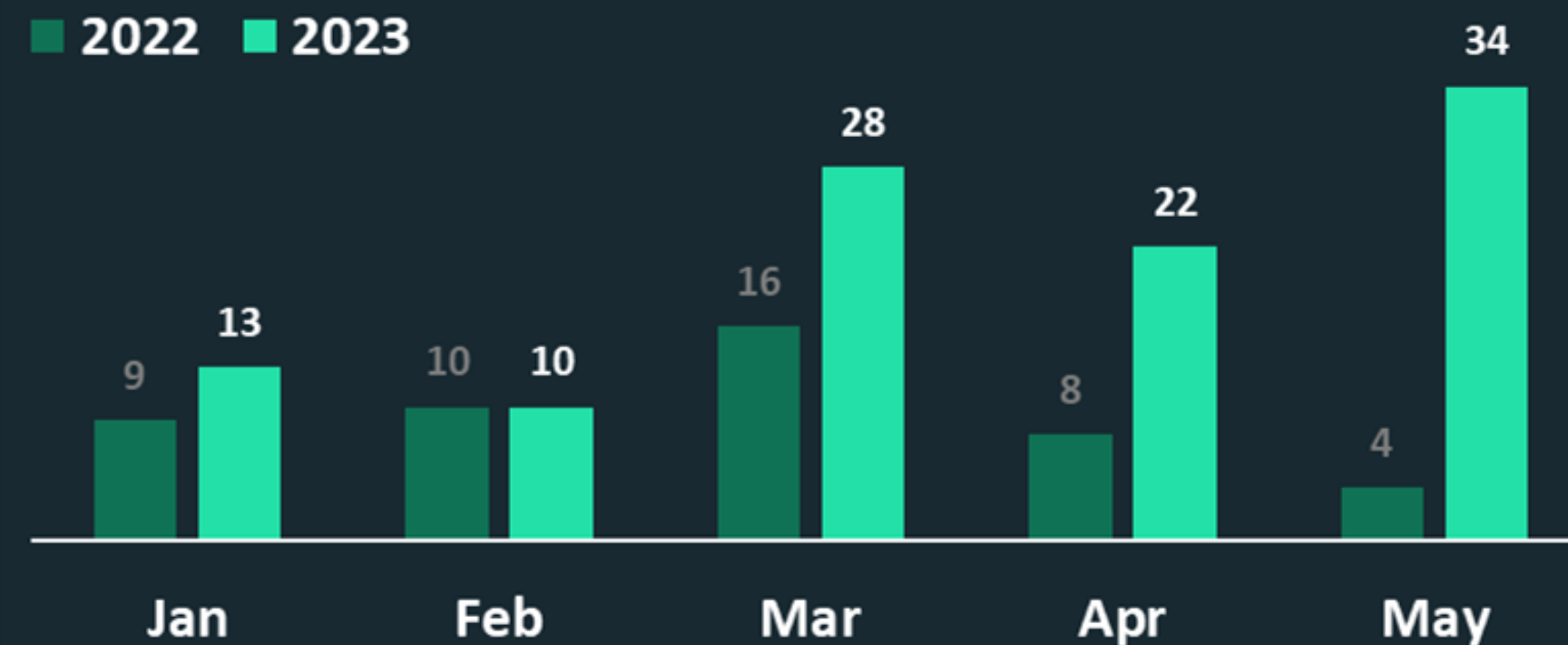
107
YTD Deal regs
(+128% YoY[1])

33
Partners engaged
(+27% YoY[1])

99%
New Logo %
(+29% YoY[1])

[1] As of May 31, 2023

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Addressing Key Business Issues Across Verticals

	E-Commerce, Travel & Hospitality 🎁	**Media & Entertainment** 🎧	**High Tech** 💻	**Finance** 💲
Fast	Experimentation and A/B Testing	Low Latency Video and Media Shield	Global Traffic Load Balancing	Global Optimization by Geo
Safe	DDoS Protection	Anti-Piracy (Watermarking, etc.)	Online Privacy	Account Takeover Protection (ATO)
Engaging	Targeted Shopping Experiences	Streaming Ad Insertion	Multi-Cloud API Management	Personalization

Building Pipeline at Fastly

Expanding Brand Awareness

Scaling Demand Generation

Inbound Leads → **Outbound Prospecting** → **Cross-Sell and Upsell** → **Online Trials** → **Partner Marketing** → **Deal Registrations**

Putting It All Together

Marketing

- Brand awareness
- Demand generation
- Analyst relations
- Content marketing

+

Sales

- New logo acquisition
- Vertical focus
- Partner leverage
- Geographic expansion

+

Customer Success

- Advocate for VoC
- Prevent churn
- Grow revenues
- Renew contracts

Go-to-Market Team

Go-to-Market
Customer Success

Kim Ogletree
Chief Customer Officer

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Drive Customer Satisfaction
Grow Wallet Share

Land and Expand Motion

Onboard

Account team strategy

Discover

Cultivate relationships

Explore

Increase adoption

Advocate

Sponsor and engage

Expand

Cross-sell and upsell
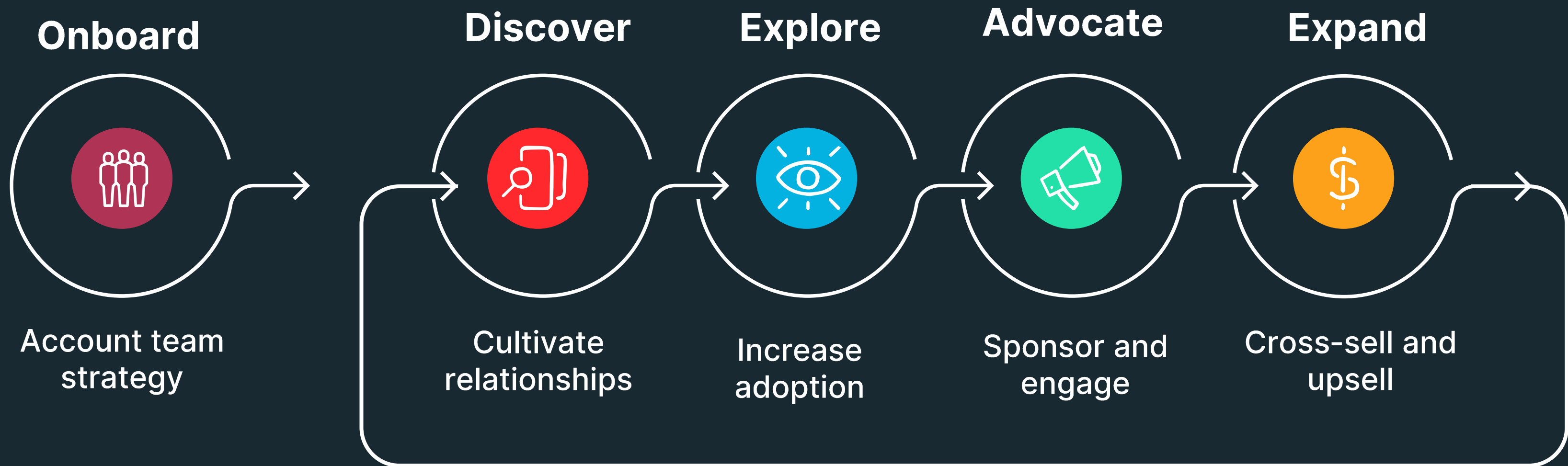
Account Management

Engagement model is right sized to account

➜ Customer Insights Panel

➜ Executive Sponsorships

➜ Voice of Customer (VoC) product use cases

➜ Support Model

Strategic
>$2M

Enterprise
>$100K

Mid-market
$25K-$99K
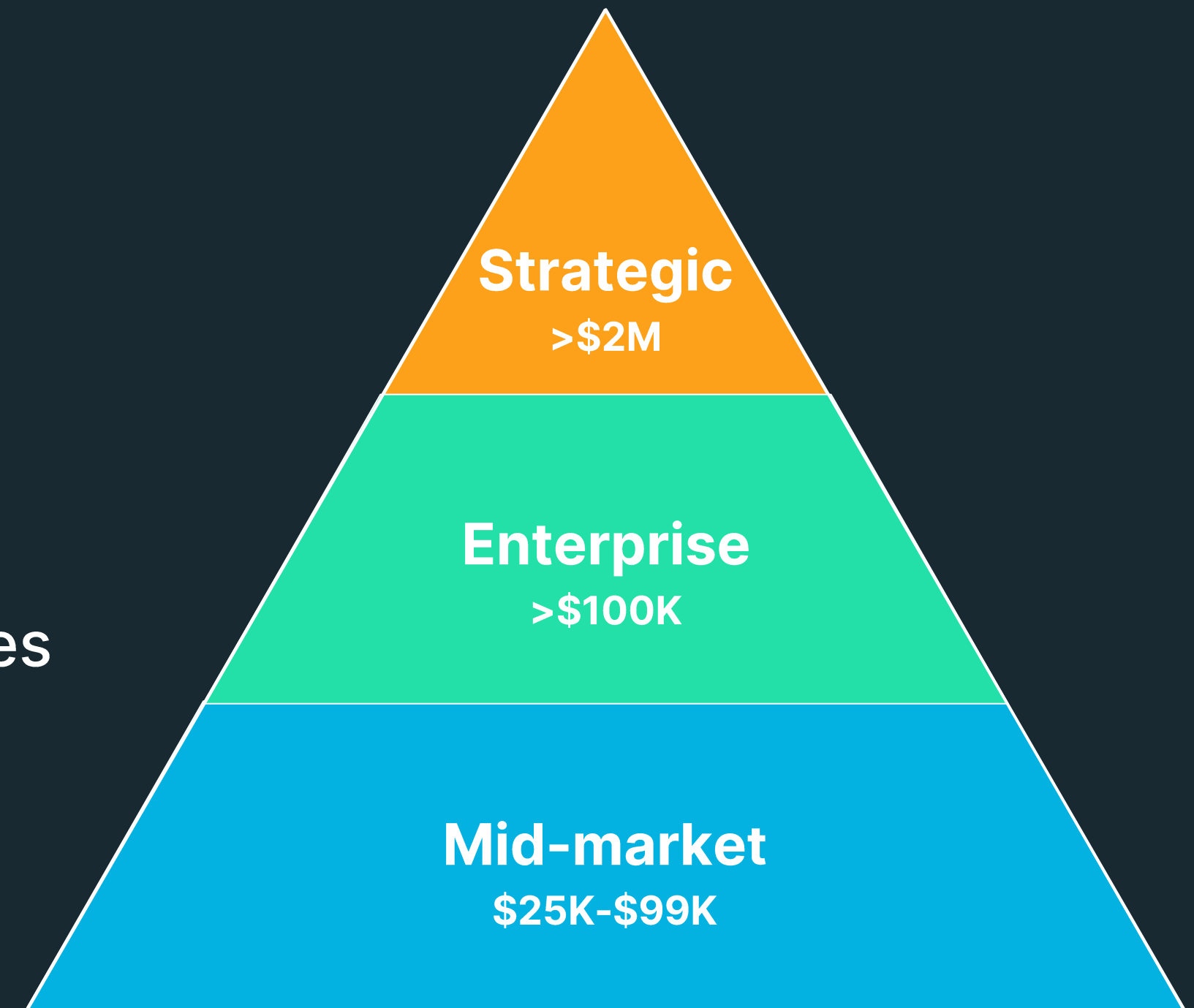
Analyst Recognition

LEADER
Edge Development
Highest Security Score

LEADER
Worldwide CDN
Highly Innovative

CUSTOMERS' CHOICE
Web App/API Protection
Highest Rated

Results

8.1
Employee Engagement[1]

98%
Transactional CSAT[2]

99%
Revenue Retention[3]

[1] Client Services Employee Engagement score as of April 1, 2023
[2] Annual average CSAT as of May 31, 2023
[3] Annual Revenue Retention rate as of December 31, 2022

The Network is at Scale

# of POPs: **99**[1]
Total Egress: **265 tbps**[2]

# of caches: **5677**[2]

[1] As of May 31, 2023
[2] As of March 31, 2023

Annualized Growth:
Total volume: **+40%**[3]

Utilization: **+30%**[4]
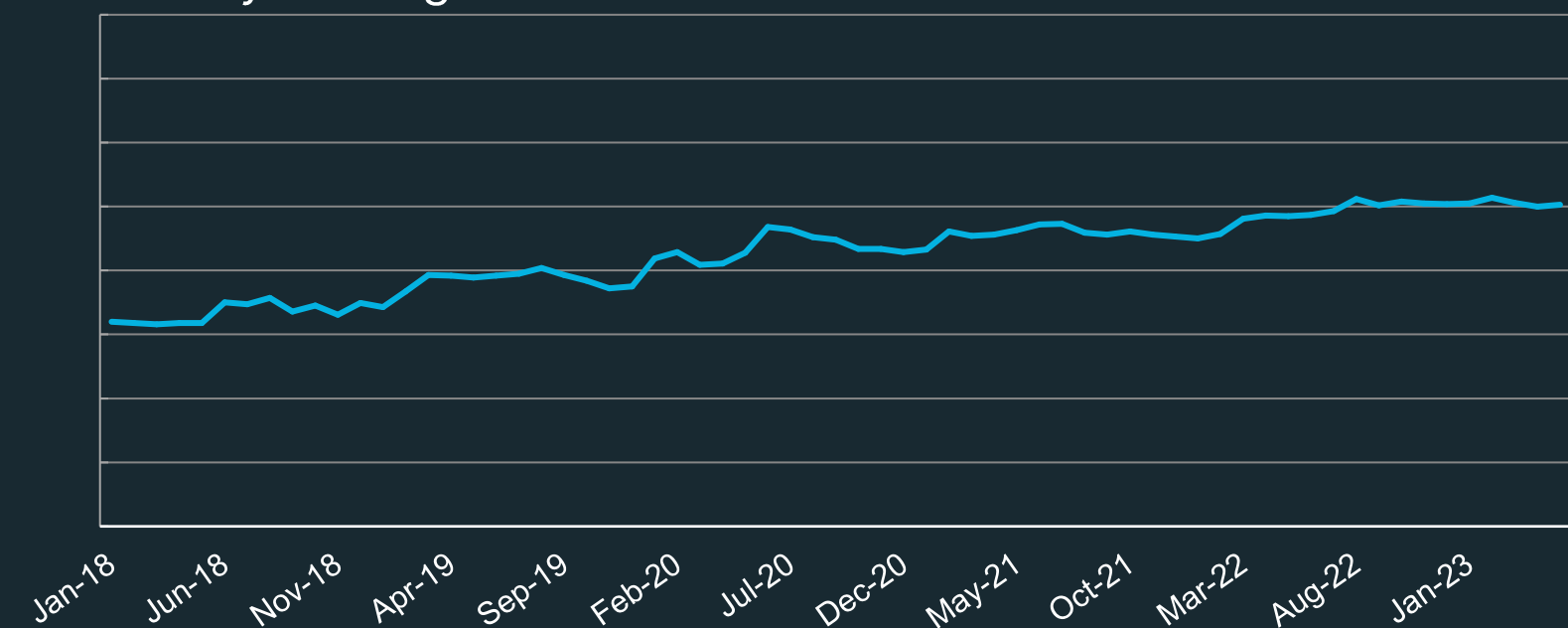
[3] Jan. 2023 actual vs. Dec. 2023 projected
[4] Trailing 12 months as of March 2023

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As The Network Grows, Key Metrics Continue to Improve

Dollars / GB Cost Curve Declining
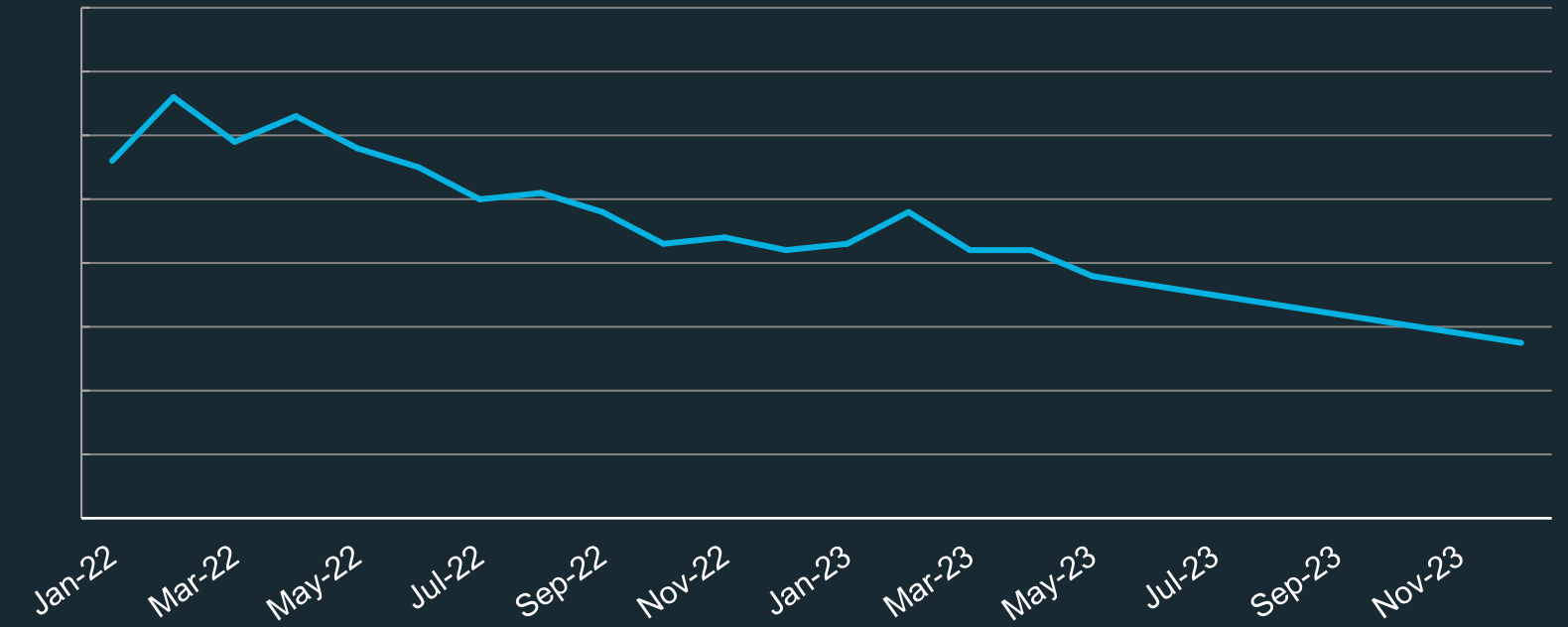
Monthly Peering Offload

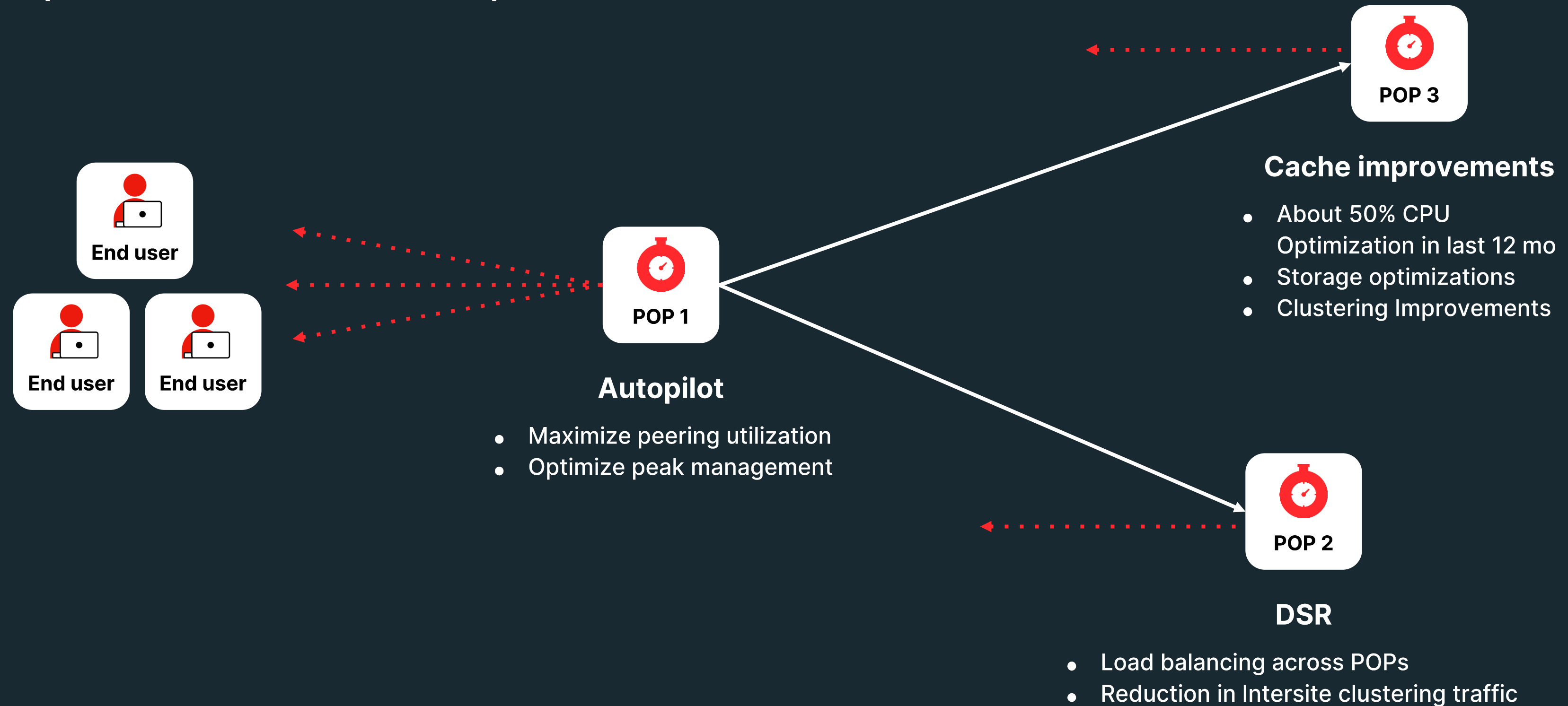## Rest of World Transit Costs Exceed N America & Europe

— NA/EU Transit Cost $ — ROW Transit Cost $

Backbone Modeling

■ Transit ■ Backbone
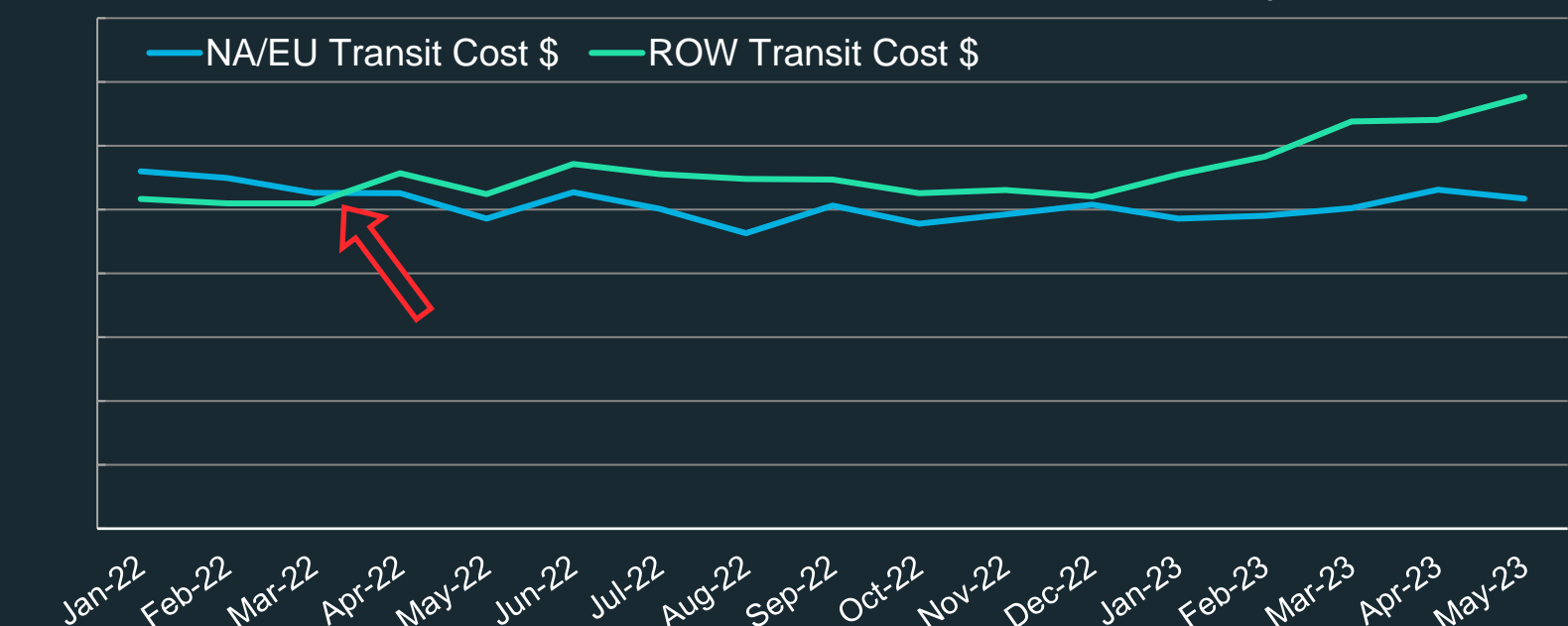
– Internal Fastly operational data
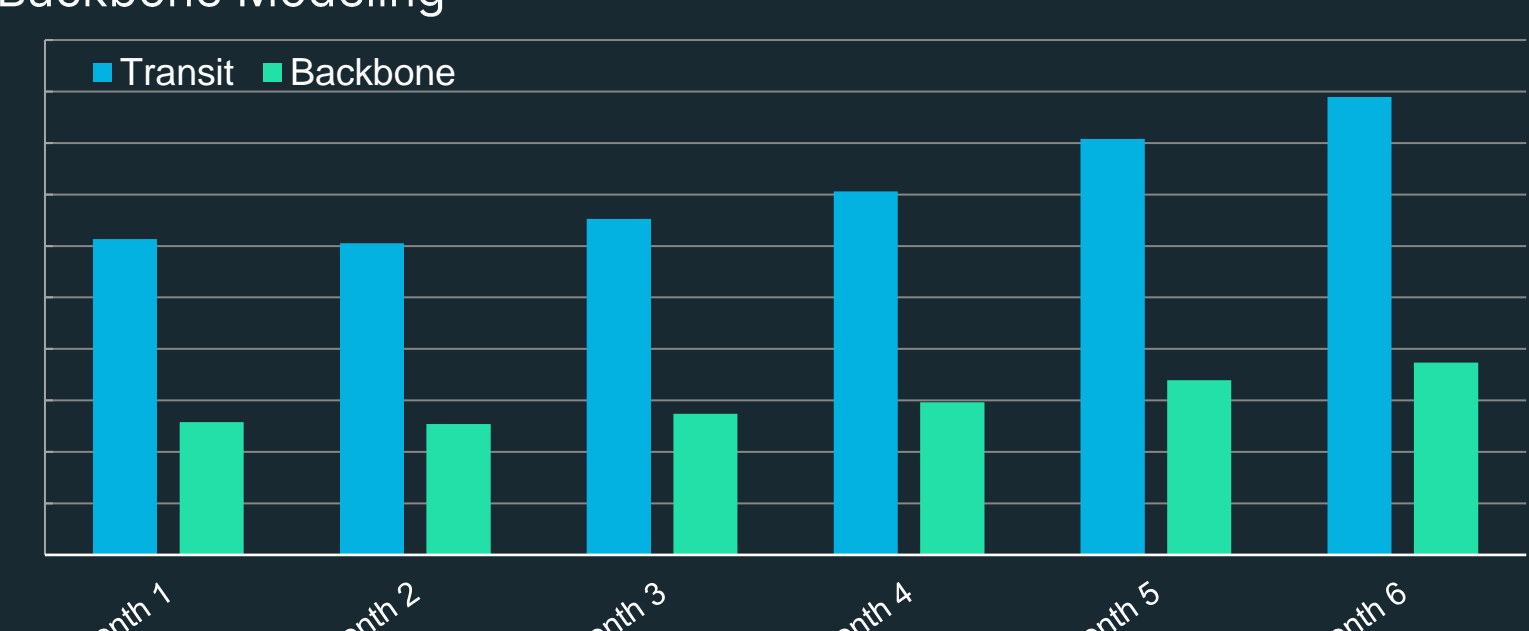
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The Biggest Lever is Innovation

Optimizations across the platform

POP 3

Cache improvements

- About 50% CPU Optimization in last 12 mo
- Storage optimizations
- Clustering Improvements

End user

End user   **End user**

POP 1

Autopilot

- Maximize peering utilization
- Optimize peak management

POP 2

DSR

- Load balancing across POPs
- Reduction in Intersite clustering traffic

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One Cloud, Software Defined

All products benefit

Compute

- More CPU capacity
- Higher performance on every cache
- Improved memory utilization

POP 3

POP 1

Delivery

- Higher throughput
- Avoid link congestion for improved performance
- More storage = higher origin offload

End user

End user

End user

POP 2

Edge WAF

- Higher per-cache RPS capacity
- Faster detection/blocking cycle

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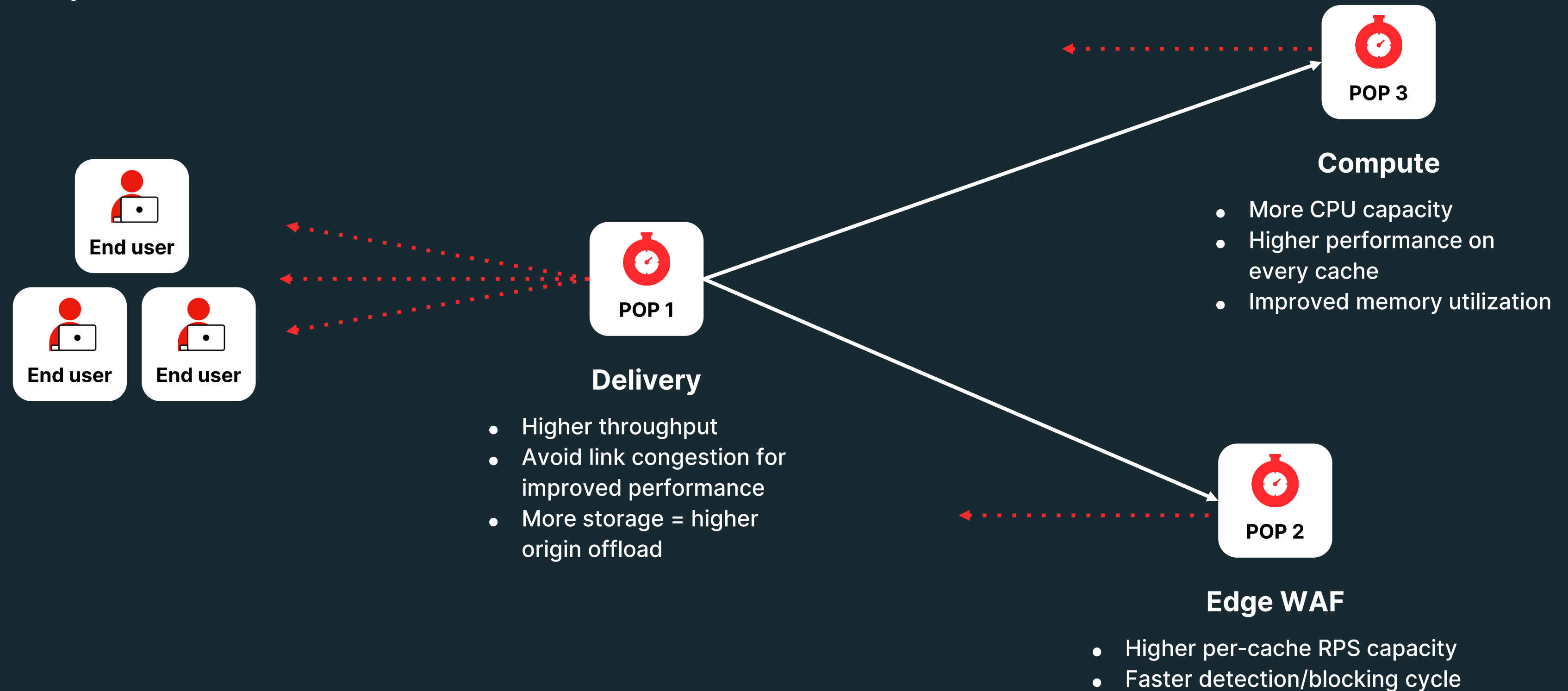
Scale Drives Data Drives Optimization

Scale

Consistency

Predictability

Smarter
Investment

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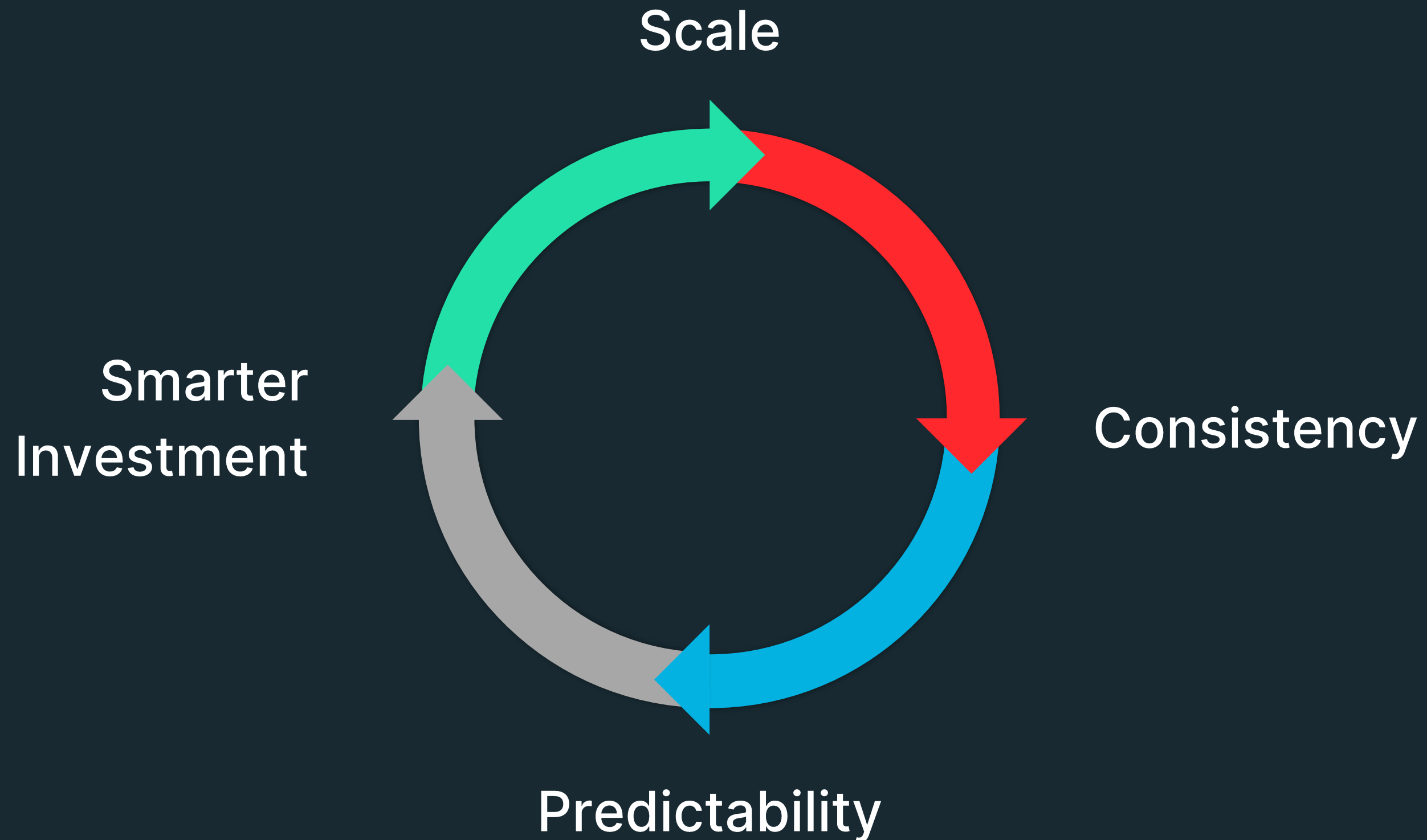
Engineering the Business

→ Understand production adoption
→ Streamline Quote-to-Cash process
→ Instrument the customer journey
→ Optimize demos, free trials, PoC's performance
→ Maximize cross-sell & upsell
→ Pipeline visibility

GTM Data

Data Lake

Operational Data
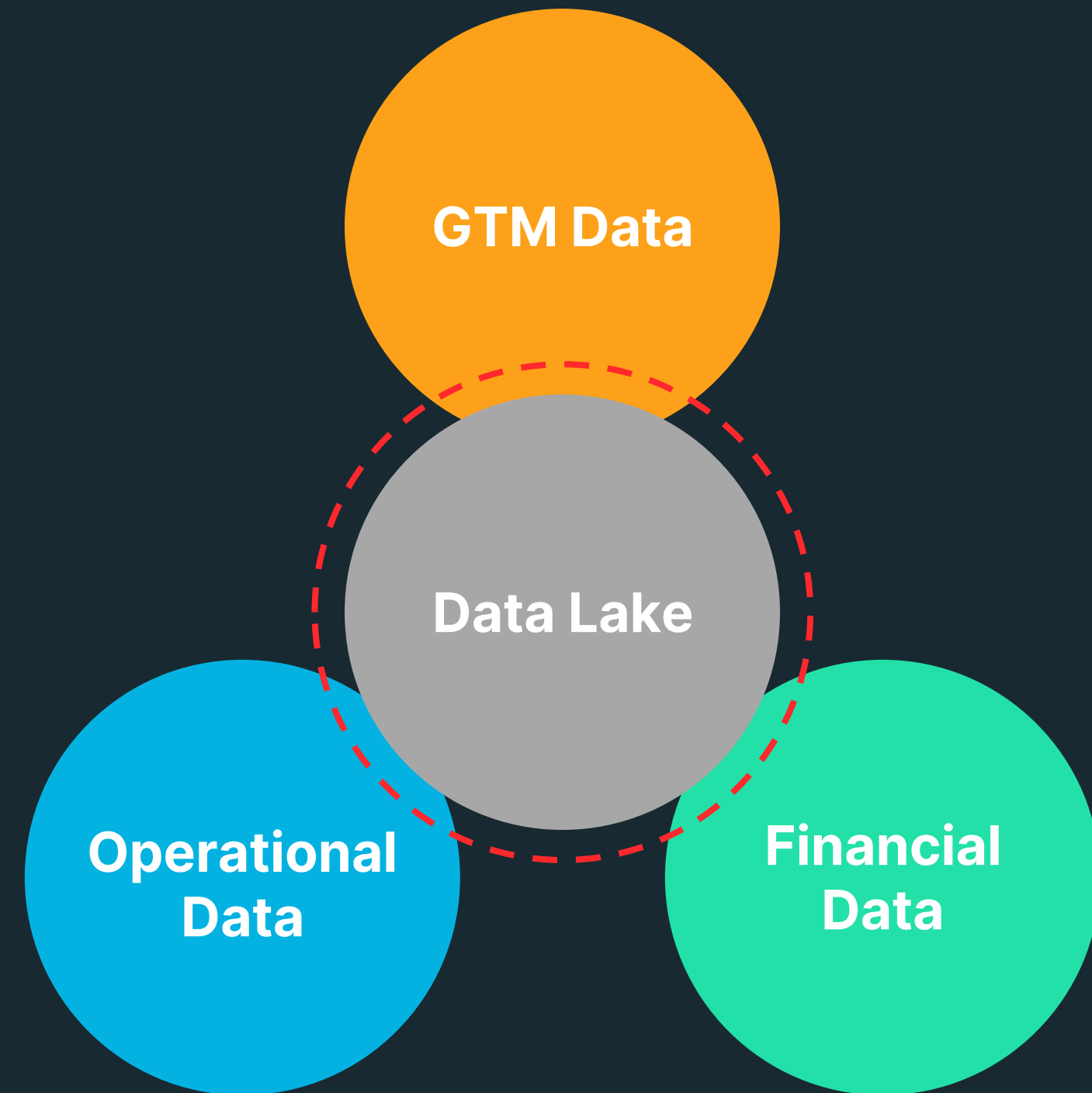
Financial Data

Simplify Everything

Reduce Cost

Stop Spending on Complexity

Reduce Friction

Free Sales Team to Sell

Drivers to our Financial Model

Revenue Growth

- Customer acquisition
- Revenue expansion
- Retention
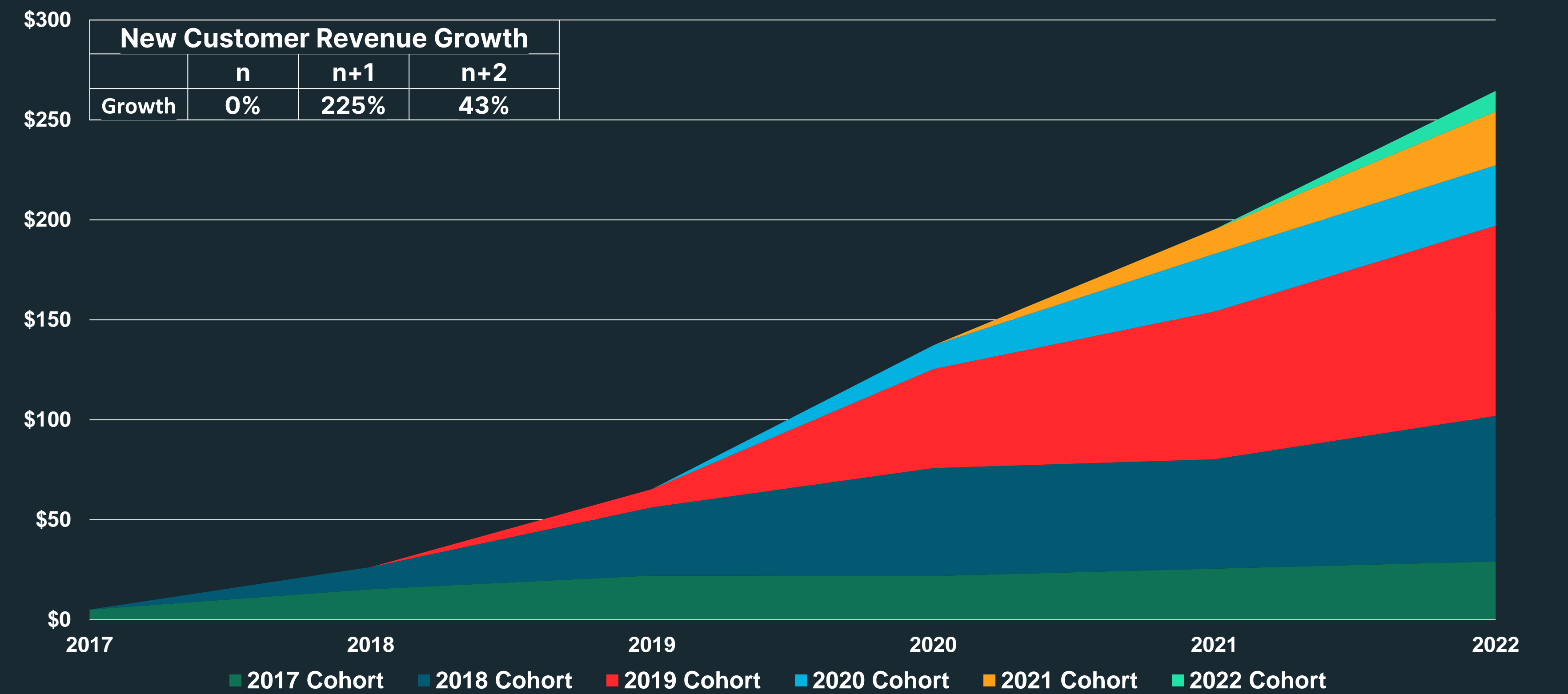- Revenue mix and cross-sell

Platform Leverage & Scale

- GM leverage with scale
- Platform efficiency gains through software updates
- Improved investment planning

Financial Rigor

- Disciplined cost management
- Strong expense planning processes
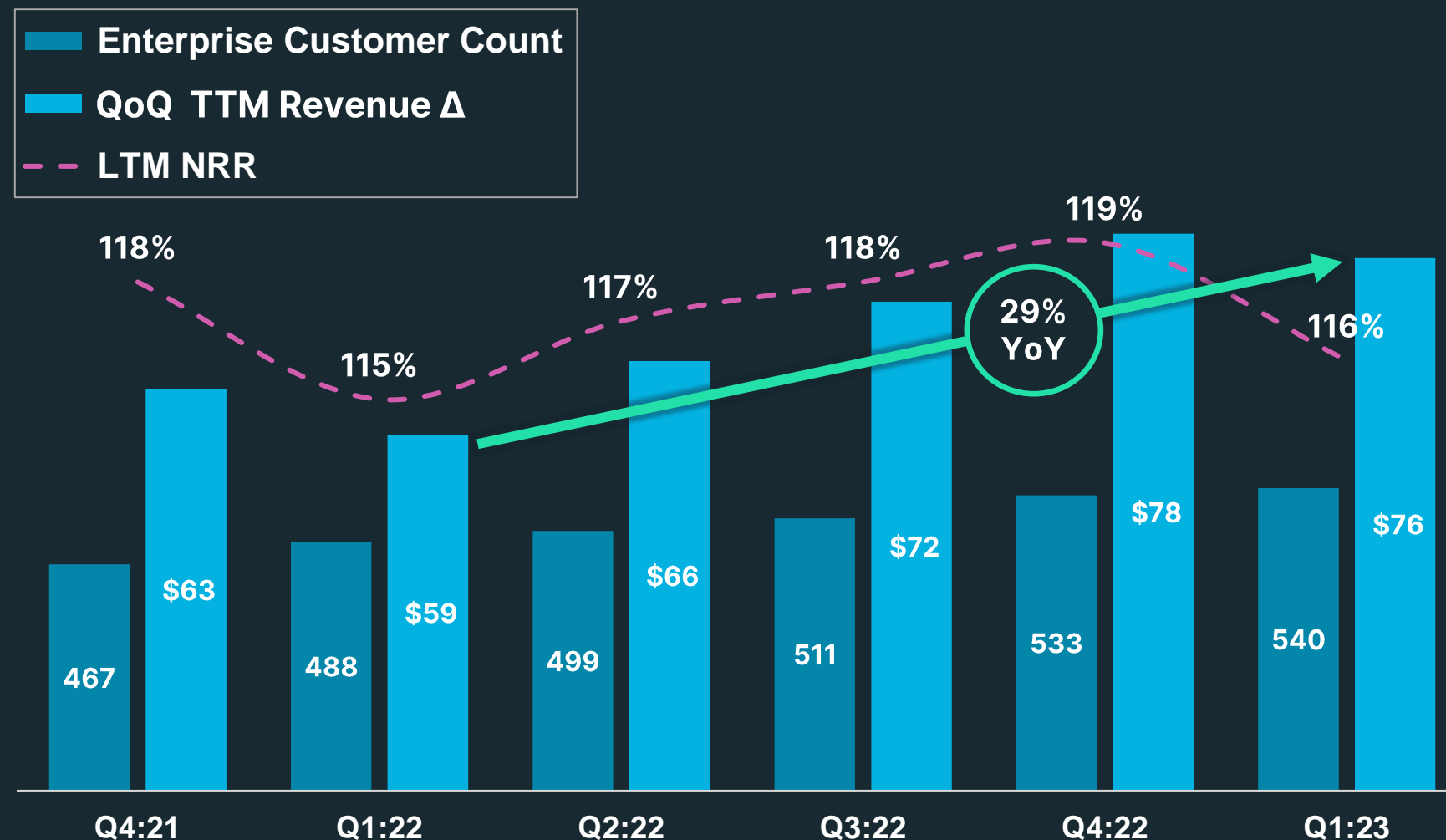- Improved information and reporting

Customer Cohort by Vintage

New Customer Revenue Growth			
	n	n+1	n+2
Growth	0%	225%	43%

Legend: 2017 Cohort, 2018 Cohort, 2019 Cohort, 2020 Cohort, 2021 Cohort, 2022 Cohort

Y-axis: $0, $50, $100, $150, $200, $250, $300

X-axis: 2017, 2018, 2019, 2020, 2021, 2022

- Growth represents the average rates for each cohort from 2016 onward.

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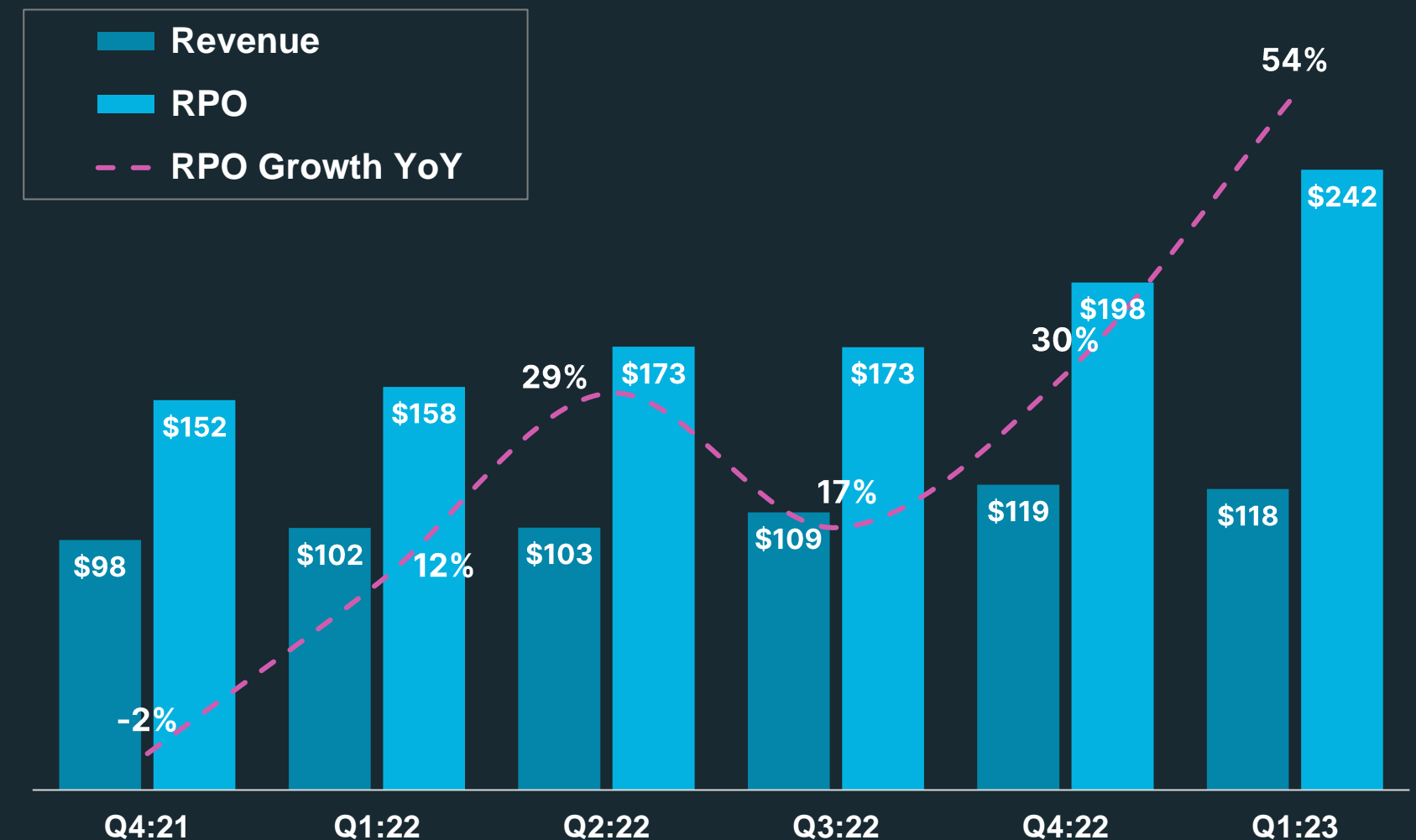
Gross Margin on a Course Correction
Incremental GM% Accelerating

2021 — $354, $150, $204 — 57.7% GM%, 42.9% Incremental GM% YoY
2022 — $433, $201, $232 — 53.6% GM%, 34.8% Incremental GM% YoY

Q2:22 — $103, $51, $52 — 50.4% GM%, 15.5% Incremental GM% YoY
Q3:22 — $109, $50, $58 — 53.6% GM%, 38.0% Incremental GM% YoY
Q4:22 — $119, $51, $68 — 57.0% GM%, 62.2% Incremental GM% YoY
Q1:23 — $118, $52, $65 — 55.6% GM%, 75.9% Incremental GM% YoY

Legend: Revenue — Cost of Revenue — Gross Profit — GM% — Incremental GM% YoY
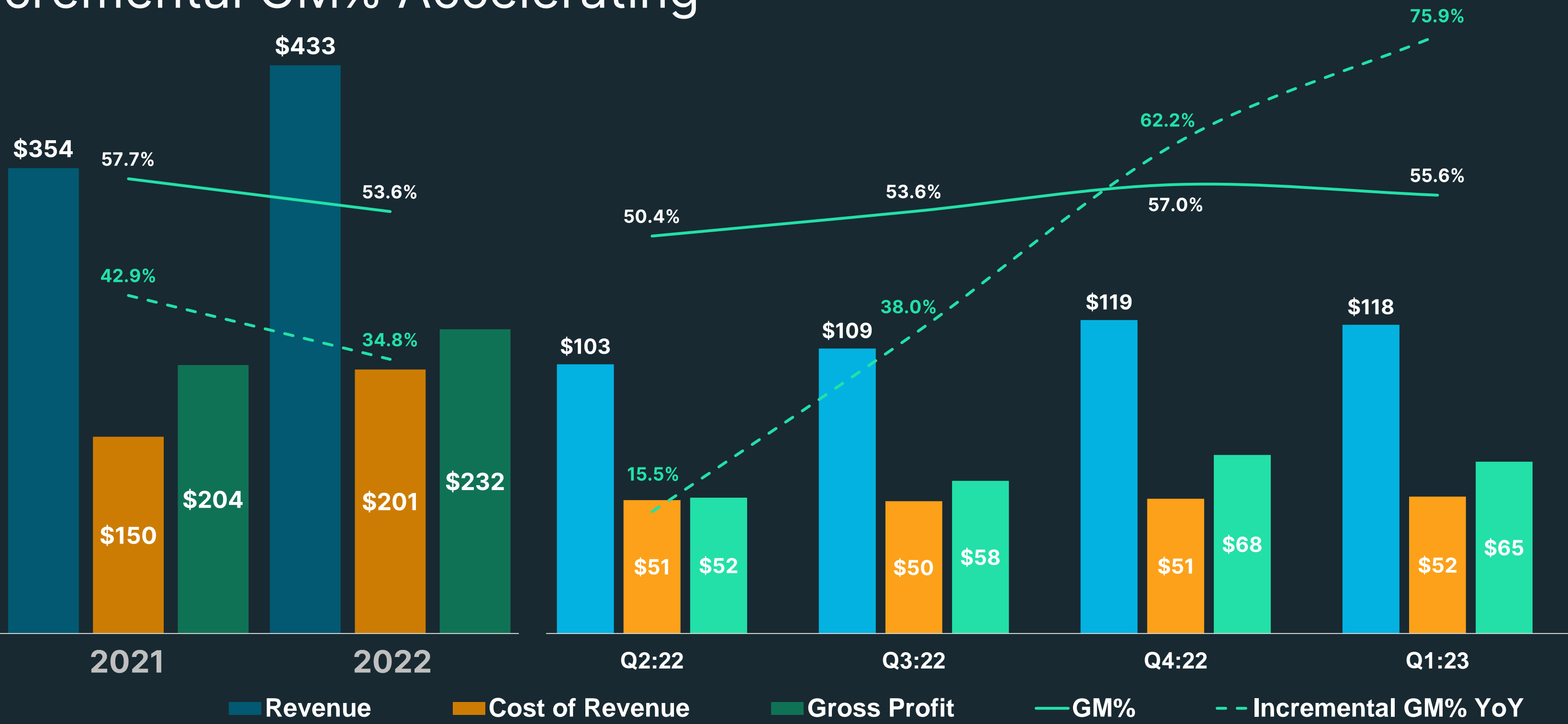
Operating Expense Rigor
Increased OPEX efficiency by 890 bps in 9 months

Sales & Marketing

- 2021: 31.2%
- 2022: 30.0%
- Q2:22: 33.0%
- Q3:22: 30.6%
- Q4:22: 28.6%
- Q1:23: 29.8%

-320 bps

Research & Development

- 2021: 22.5%
- 2022: 22.4%
- Q2:22: 24.2%
- Q3:22: 22.6%
- Q4:22: 21.6%
- Q1:23: 22.1%

-210 bps
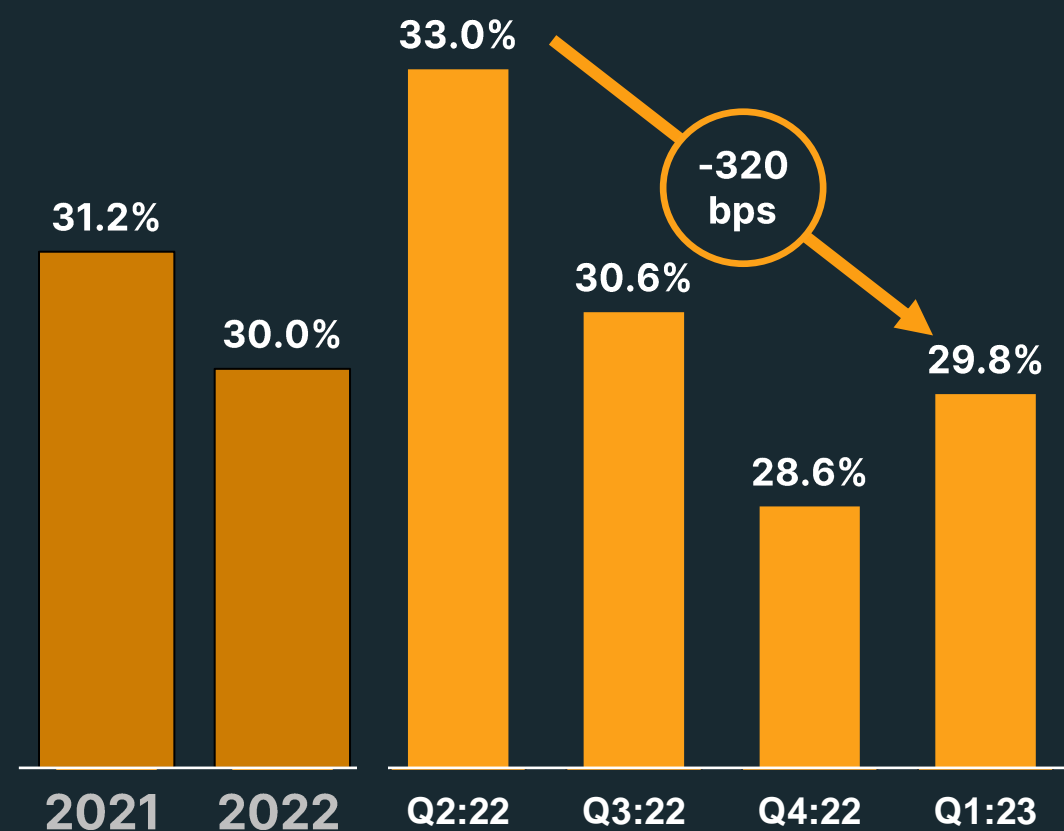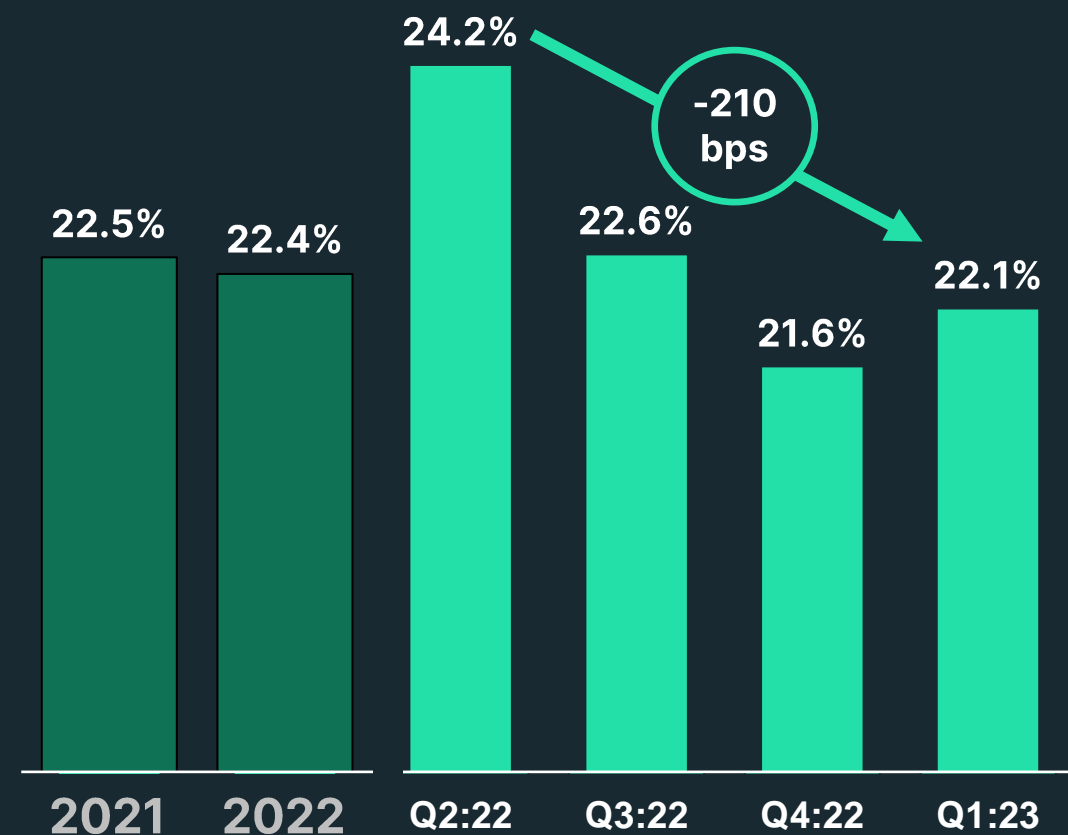
General & Administrative

- 2021: 19.5%
- 2022: 18.8%
- Q2:22: 19.4%
- Q3:22: 18.7%
- Q4:22: 16.8%
- Q1:23: 15.8%

-360 bps
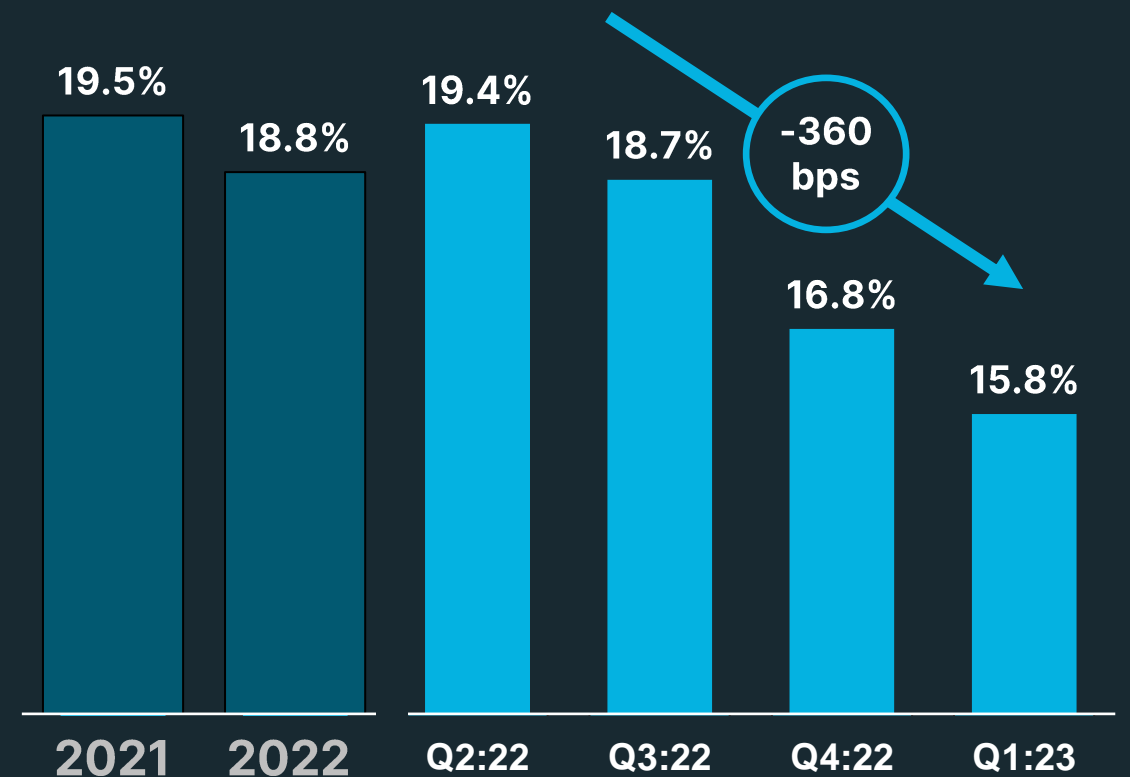
- Planning process to focus spend on investment areas
- Purchasing review to eliminate duplicate costs; renegotiate vendor contracts
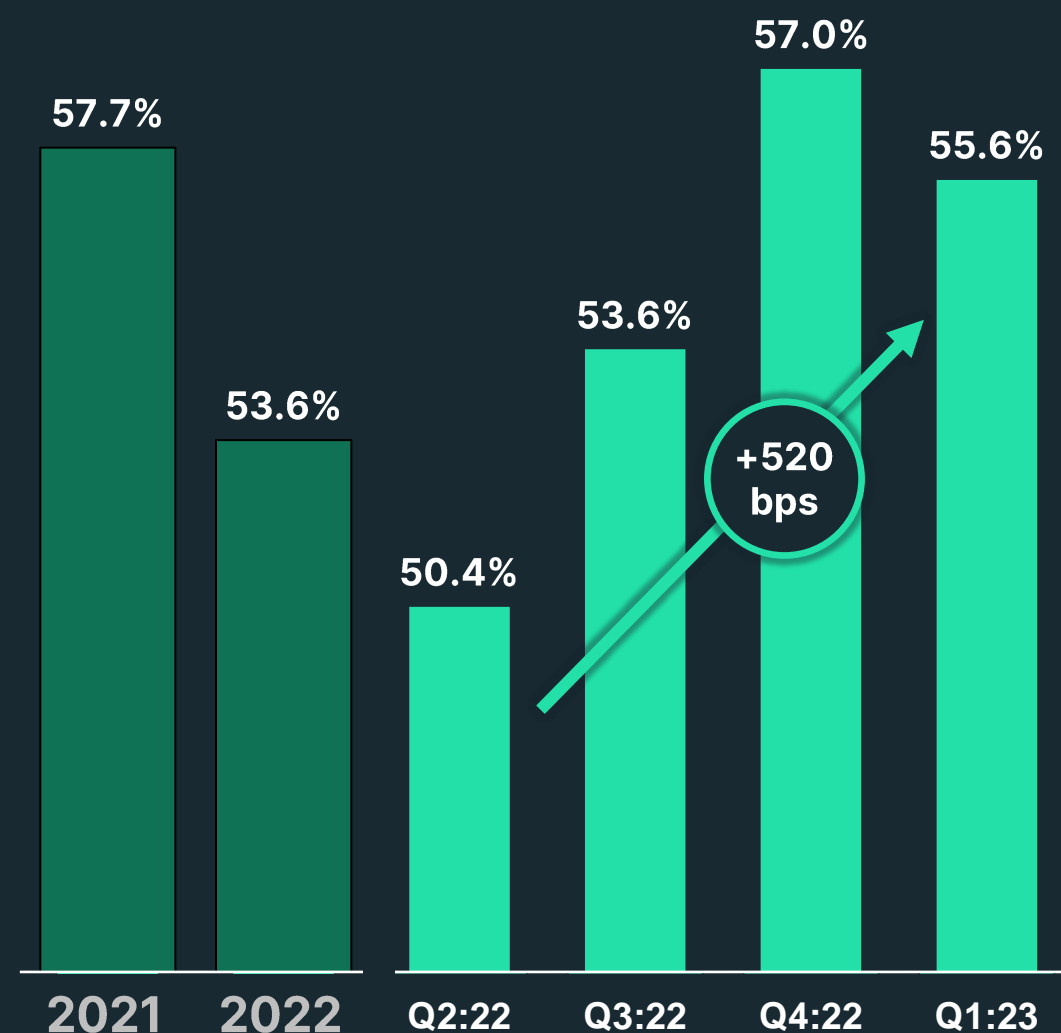- Review of organizational efficiency

- All figures expressed as percent revenue.
- Please see the Appendix for a reconciliation of non-GAAP operating expenses to their nearest GAAP equivalents and for the calculation of certain other financial metrics.
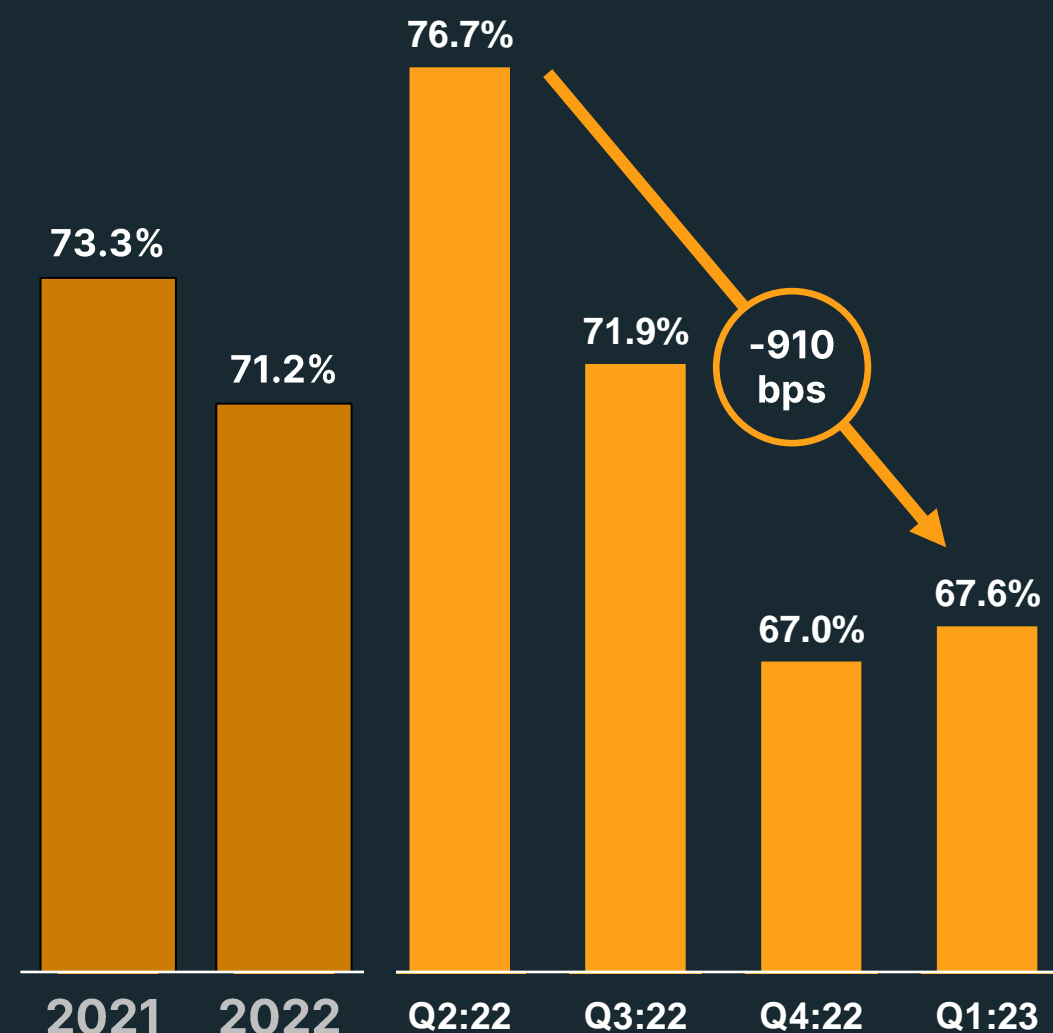
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Cash Generation on an Upswing
Capex rigor and improved margins driving to FCF breakeven

| | 2021 | 2022 | Q2:22 | Q3:22 | Q4:22 | Q1:23 | 2023F |

2021
(7%)
(14%)
(28%)

2022
(8%)
(10%)
(40%)

Q2:22
(16%)
(9%)
(59%)

Q3:22
(8%)
(8%)
(41%)

Q4:22
0%
(14%)
(34%)

Q1:23
(2%)
(8%)
(21%)

2023F
~0%
~(7%)
~(11%)

+3800 bps

■ Adjusted EBITDA
■ Cash Capex [1]
■ FCF
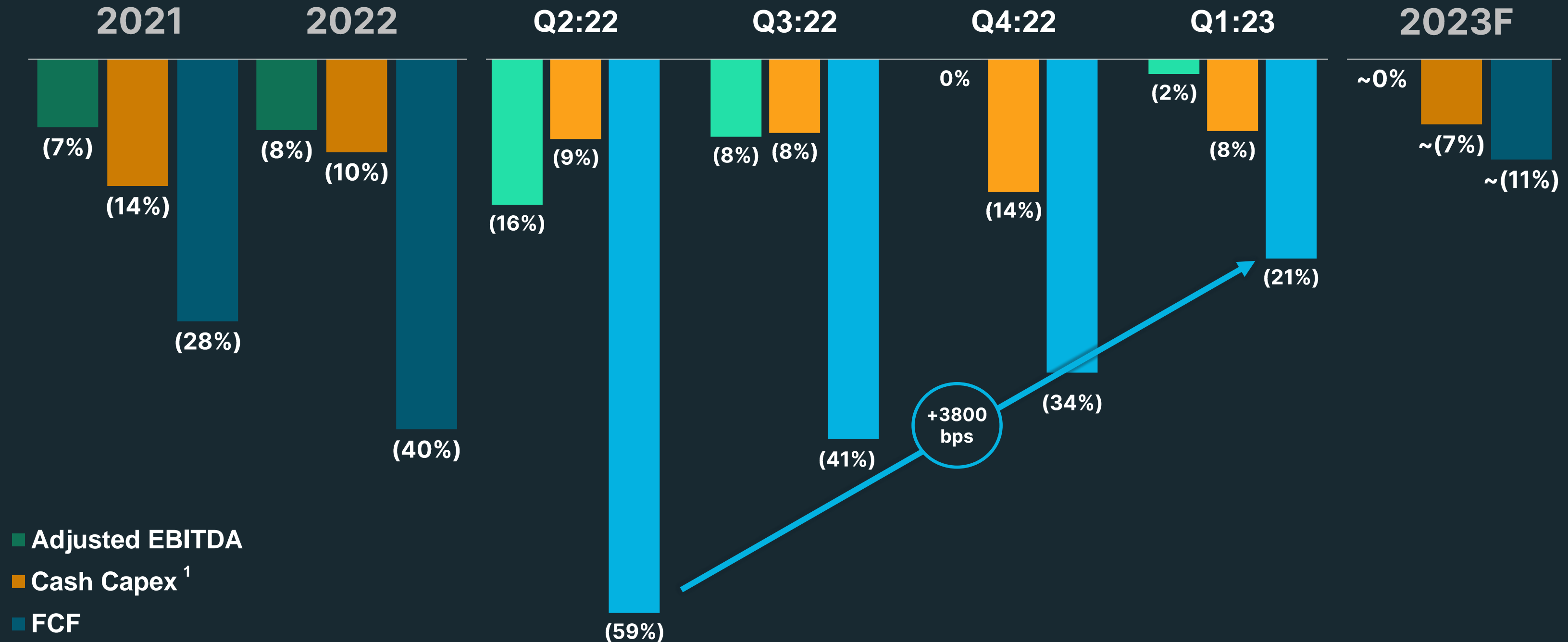
- All figures expressed as percent revenue; 2023 is a forecast.
[1] Cash Capex includes internally used software.
- Please see the Appendix for a reconciliation of free cash flow to its nearest GAAP equivalent and for the calculation of certain other financial metrics.

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Free Cash Flow Breakeven in 2024
Capex rigor and improved margins driving to FCF breakeven

Legend:
- ■ Cash Flow From Operations
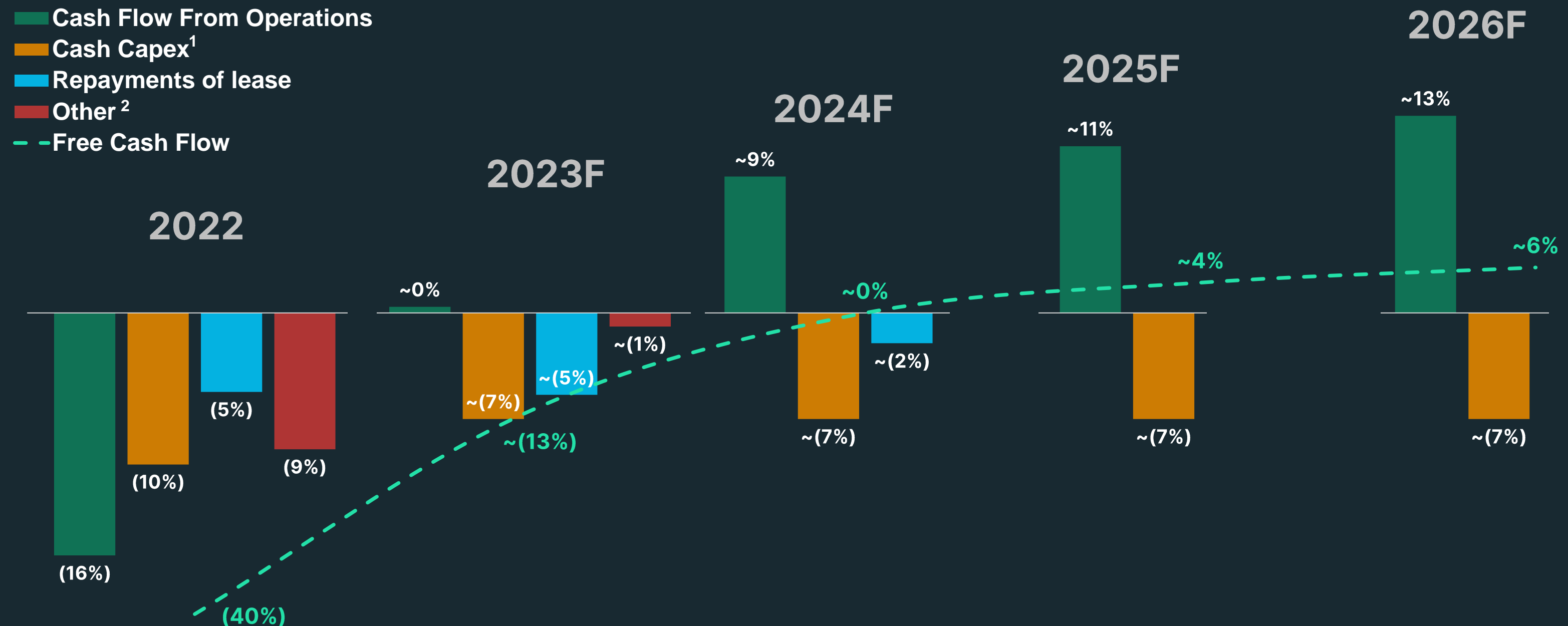- ■ Cash Capex[1]
- ■ Repayments of lease
- ■ Other[2]
- --- Free Cash Flow

2022
- Cash Flow From Operations: (16%)
- Cash Capex: (10%)
- Repayments of lease: (5%)
- Other: (9%)
- Free Cash Flow: (40%)

2023F
- Cash Flow From Operations: ~0%
- Cash Capex: ~(7%)
- Repayments of lease: ~(5%)
- Other: ~(1%)
- Free Cash Flow: ~(13%)

2024F
- Cash Flow From Operations: ~9%
- Cash Capex: ~(7%)
- Repayments of lease: ~(2%)
- Free Cash Flow: ~0%

2025F
- Cash Flow From Operations: ~11%
- Cash Capex: ~(7%)
- Free Cash Flow: ~4%

2026F
- Cash Flow From Operations: ~13%
- Cash Capex: ~(7%)
- Free Cash Flow: ~6%

- All figures expressed as percent revenue; 2023, 2024, 2025 and 2026 are forecasts.
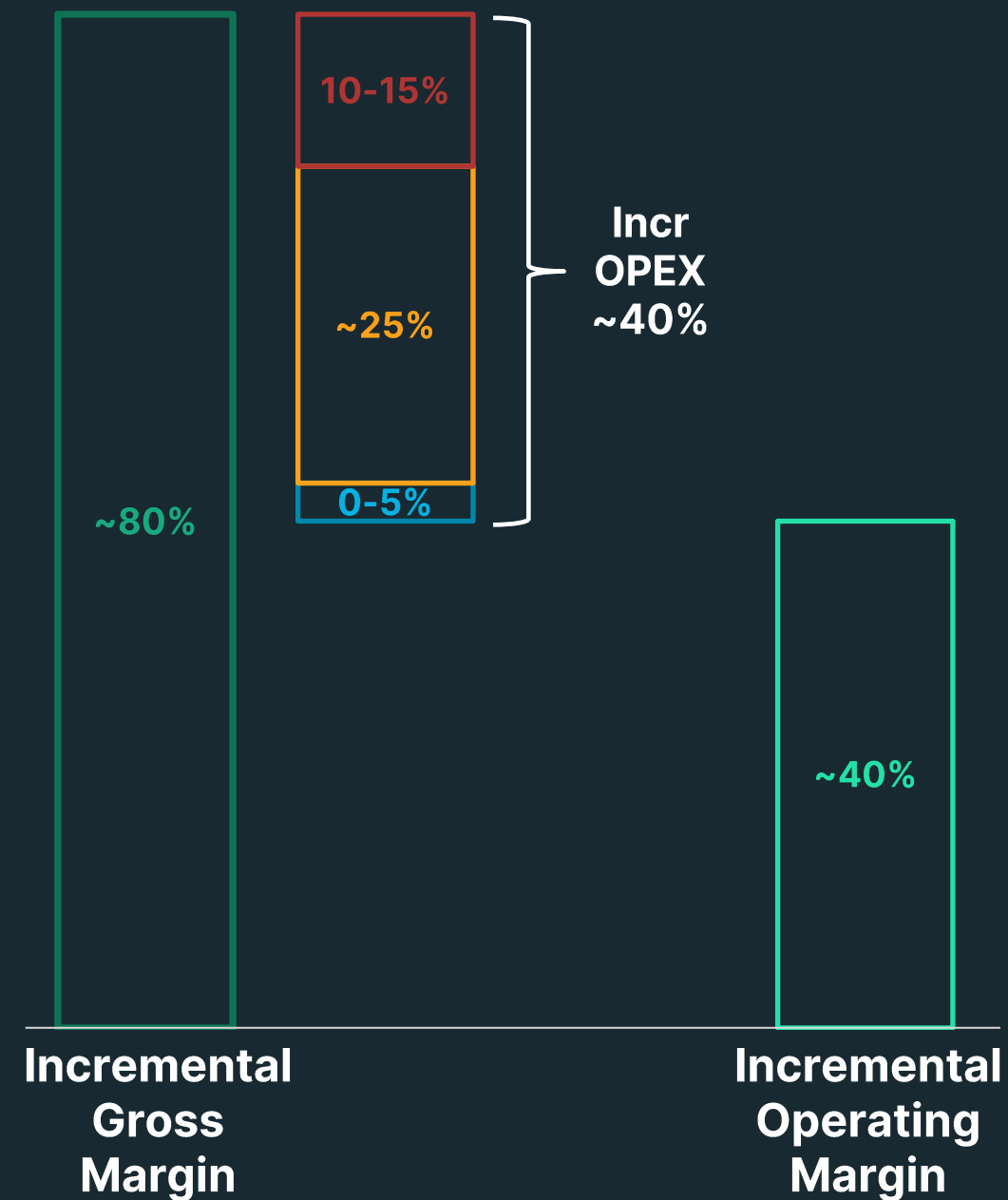[1] Cash Capex includes internally used software.
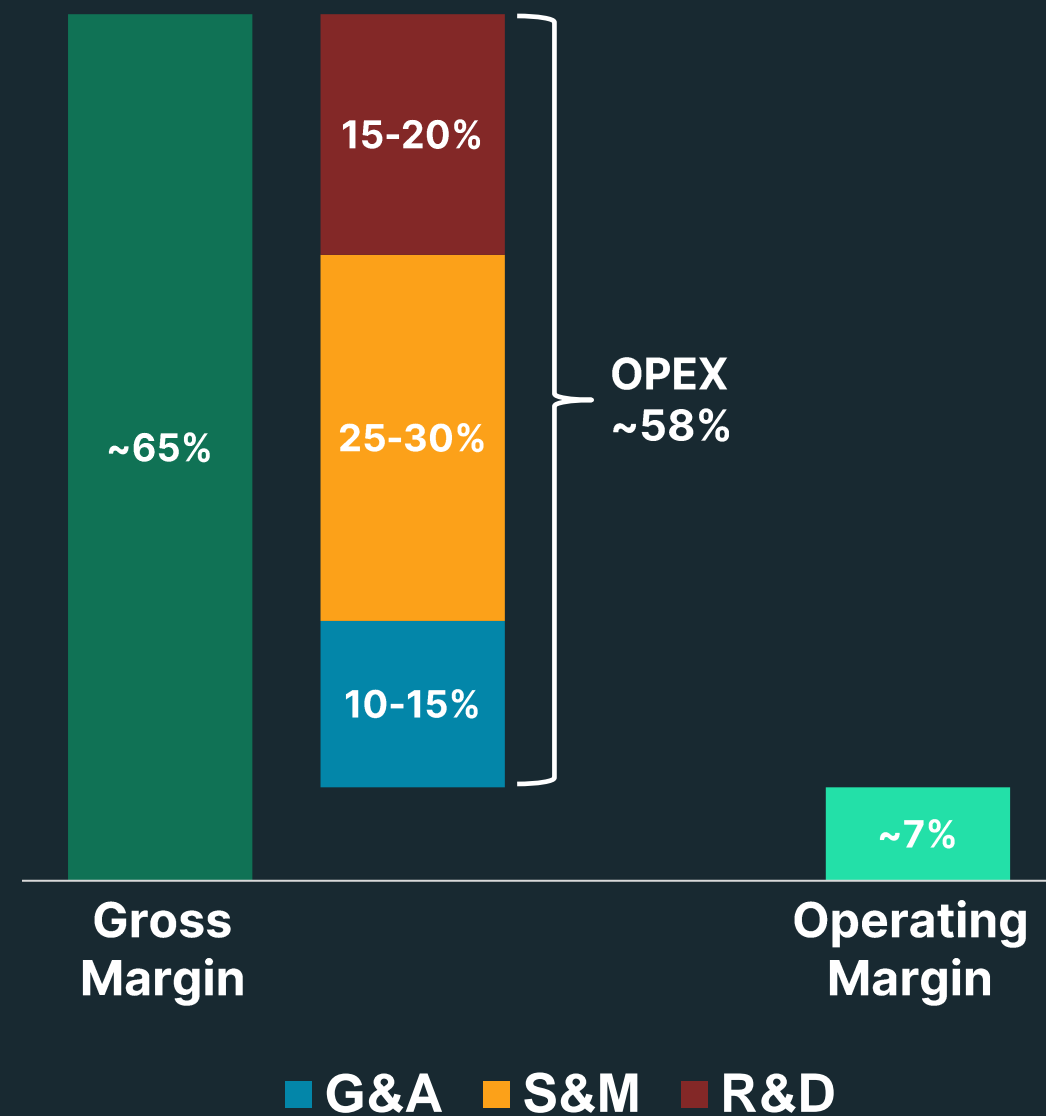[2] Other includes advanced payments on equipment not yet deployed and related PP&E items.
- Please see the Appendix for a reconciliation of free cash flow to its nearest GAAP equivalent and for the calculation of certain other financial metrics.

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Operating Model and Targets

Incremental Margin Model

- ~80% (Incremental Gross Margin)
- 10-15%
- ~25%
- 0-5%
- Incr OPEX ~40%
- ~40% (Incremental Operating Margin)

Incremental Gross Margin

Incremental Operating Margin

3 Year Model (2026)
Revenue $800-900M

- ~65% (Gross Margin)
- 15-20%
- 25-30%
- 10-15%
- OPEX ~58%
- ~7% (Operating Margin)

Gross Margin

Operating Margin

$1B Revenue Model

- 68-70% (Gross Margin)
- 15-20%
- 25-30%
- ~10%
- OPEX ~55%
- 13-15% (Operating Margin)

Gross Margin

Operating Margin

Legend: ■ G&A ■ S&M ■ R&D
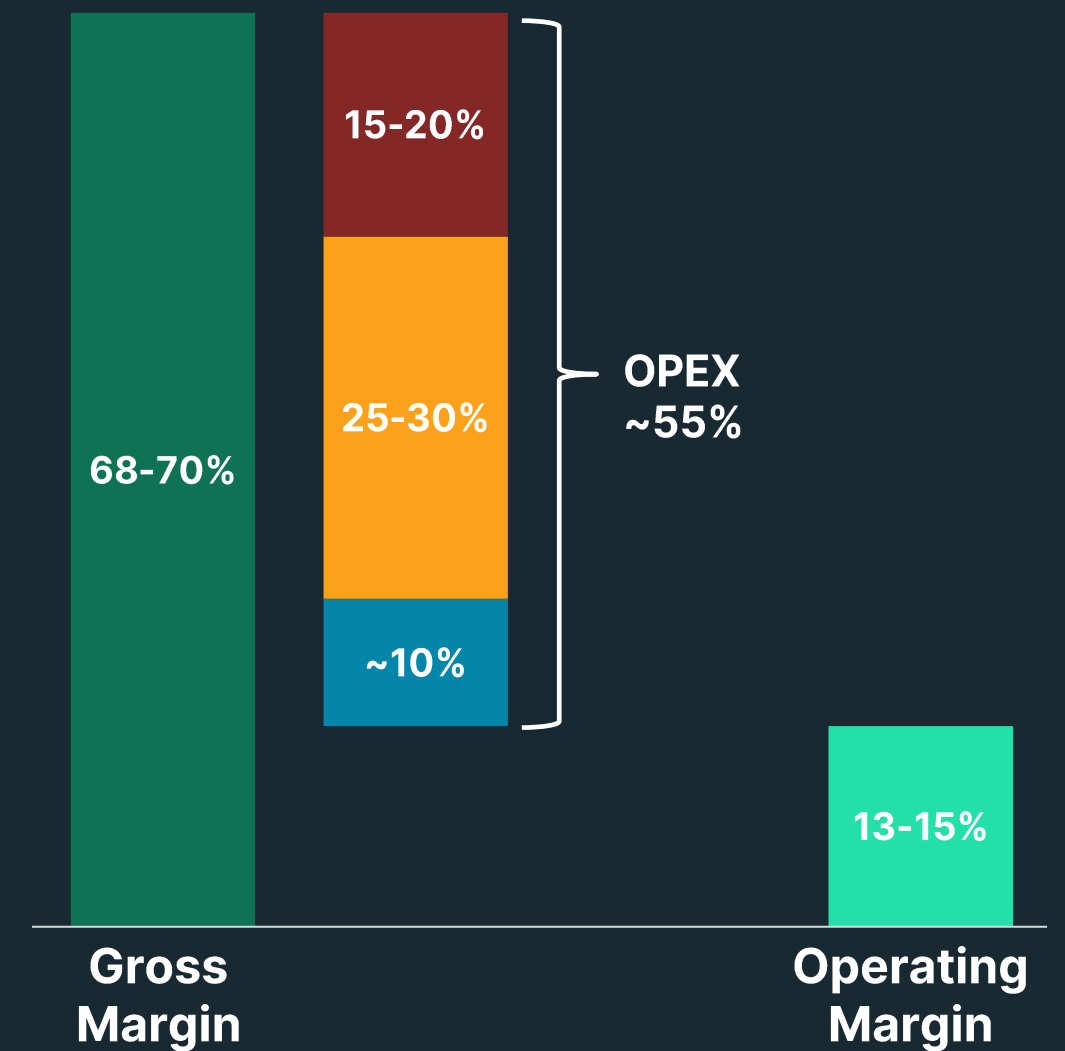
Closing Comments, Q&A

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APPENDIX

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Key Metrics Definitions

Adjusted EBITDA - Excludes stock-based compensation expense, depreciation and other amortization expenses, amortization of acquired intangible assets, acquisition-related expenses, executive transition costs, interest income, interest expense, including amortization of debt discount and issuance costs, net gain on extinguishment of debt, other income (expense), net, and income taxes.

ARR - Annual revenue retention rate is calculated by subtracting the quotient of the Annual Revenue Churn from all of our Churned Customers divided by our annual revenue of the same calendar year from 100%. Our "Annual Revenue Churn" is calculated by multiplying the final full month of revenue from a customer that terminated its contract with us (a "Churned Customer") by the number of months remaining in the same calendar year.

Cash Capex - Cash Capex are defined as cash used for purchases of property and equipment, net of proceeds from sale of property and equipment, and capitalized internal-use software and deployments of prepaid capital equipment.

Enterprise Customer - Our number of customers are calculated based on the number of separate identifiable operating entities with which we have a billing relationship in good standing, from which we recognized revenue during the current quarter. Our enterprise customers are defined as those with annualized current quarter revenue in excess of $100,000. This is calculated by taking the revenue for each customer within the quarter and multiplying it by four.

Free Cash Flow - Calculated as net cash used in operating activities less purchases of property and equipment, net of proceeds from sale of property and equipment, principal payments of finance lease liabilities, capitalized internal-use software costs and advance payments made related to capital expenditures.

LTM NRR - We calculate last twelve-month net retention rate by dividing the total customer revenue for the prior twelve-month period ("prior 12-month period") ending at the beginning of the last twelve-month period ("LTM period") minus revenue contraction due to billing decreases or customer churn, plus revenue expansion due to billing increases during the LTM period from the same customers by the total prior 12-month period revenue. We believe the LTM Net Retention Rate is supplemental as it removes some of the volatility that is inherent in a usage-based business model.

RPO - Remaining performance obligations includes future committed revenue for periods within current contracts with customers, as well as deferred revenue arising from consideration invoiced for which the related performance obligations have not been satisfied.

TTM Revenue - Trailing twelve-month revenue.

GAAP to Non-GAAP Reconciliations

(in $ thousands, except percentages)

	Q2'22	Q3'22	Q4'22	Q1'23	FY'21	FY'22
Revenue	$ 102,518	$ 108,504	$ 119,321	$ 117,564	$ 354,330	$ 432,725
Cost of revenue	56,466	55,825	56,738	57,310	167,002	222,944
GAAP gross profit	**46,052**	**52,679**	**62,583**	**60,254**	**187,328**	**209,781**
Stock-based compensation	3,188	2,978	2,938	2,681	7,227	12,050
Amortization of acquired intangible assets	2,475	2,475	2,475	2,475	9,900	9,900
Non-GAAP cost of revenue	**50,803**	**50,372**	**51,325**	**52,154**	**149,875**	**200,994**
Non-GAAP gross profit	**51,715**	**58,132**	**67,996**	**65,410**	**$ 204,455**	**$ 231,731**
GAAP gross margin	**44.9 %**	**48.6 %**	**52.4 %**	**51.3 %**	**52.9 %**	**48.5 %**
Non-GAAP gross margin	**50.4 %**	**53.6 %**	**57.0 %**	**55.6 %**	**57.7 %**	**53.6 %**
Research and development						
GAAP research and development	38,717	38,957	37,197	37,431	$ 126,859	$ 155,308
Stock-based compensation	(13,889)	(14,488)	(11,469)	(11,481)	(47,019)	(58,435)
Non-GAAP research and development expenses	**24,828**	**24,469**	**25,728**	**25,950**	**$ 79,840**	**$ 96,873**
Non-GAAP R&D expenses as a percentage of revenue	**24.2%**	**22.6%**	**21.6%**	**22.1%**	**22.5%**	**22.4%**
Sales and marketing						
GAAP sales and marketing	46,760	47,006	44,623	44,271	$ 152,645	$ 179,869
Stock-based compensation	(10,184)	(10,920)	(7,885)	(6,705)	(31,159)	(39,083)
Amortization of acquired intangible assets	(2,710)	(2,897)	(2,575)	(2,575)	(10,944)	(10,891)
Non-GAAP sales and marketing expenses	**33,866**	**33,189**	**34,163**	**34,991**	**$ 110,542**	**$ 129,895**
Non-GAAP S&M expenses as a percentage of revenue	**33.0%**	**30.6%**	**28.6%**	**29.8%**	**31.2%**	**30.0%**
General and administrative						
GAAP general and administrative	29,543	32,481	29,225	25,827	$ 126,845	$ 120,803
Stock-based compensation	(7,717)	(7,959)	(9,126)	(7,284)	(55,083)	(33,195)
Executive transition costs	—	(4,207)	—	—	—	(4,207)
Acquisition-related expenses	(1,912)	—	—	—	(2,555)	(1,970)
Non-GAAP general and administrative expenses	**19,914**	**20,315**	**20,099**	**18,543**	**$ 69,207**	**$ 81,431**
Non-GAAP G&A expenses as a percentage of revenue	**19.4%**	**18.7%**	**16.8%**	**15.8%**	**19.5%**	**18.8%**
Non-GAAP operating expenses	**78,608**	**77,973**	**79,990**	**79,484**	**259,589**	**308,199**
Non-GAAP operating expenses as a percentage of revenue	**76.7%**	**71.9%**	**67.0%**	**67.6%**	**73.3%**	**71.2%**
Operating loss						
GAAP operating loss	(68,968)	(65,765)	(48,462)	(47,275)	$ (219,021)	$ (246,199)
Stock-based compensation	34,978	36,345	31,418	28,151	140,488	142,763
Executive transition costs	—	4,207	—	—	—	4,207
Amortization of acquired intangible assets	5,185	5,372	5,050	5,050	20,844	20,791
Acquisition-related expenses	1,912	—	—	—	2,555	1,970
Non-GAAP operating loss	**(26,893)**	**(19,841)**	**(11,994)**	**(14,074)**	**$ (55,134)**	**$ (76,468)**
Non-GAAP operating margin	**-26.2%**	**-18.3%**	**-10.1%**	**-12.0%**	**-15.6%**	**-17.7%**

Adjusted EBITDA
(in $ thousands, except percentages)

	Q2'22		Q3'22		Q4'22		Q1'23		FY'21		FY'22
Adjusted EBITDA											
GAAP net loss	$	(16,437)	$	(63,420)	$	(46,653)	$	(44,687)	$	(222,697)	$	(190,774)
Stock-based compensation		34,978		36,345		31,418		28,151		140,488		142,763
Executive transition costs		—		4,207		—		—		—		4,207
Depreciation and other amortization		10,860		10,786		11,903		12,179		29,208		43,524
Amortization of acquired intangible assets		5,185		5,372		5,050		5,050		20,844		20,791
Acquisition-related expenses		1,912		—		—		—		2,555		1,970
Interest income		(1,502)		(1,967)		(2,894)		(4,186)		(1,282)		(7,044)
Interest expense		754		667		638		497		5,245		2,718
Amortization of debt discount and issuance costs		776		714		716		716		2,907		3,169
Net gain on extinguishment of debt		(54,391)		—		—		—		—		(54,391)
Other expense (income)		1,673		(1,877)		(46)		250		(356)		29
Income tax expense (benefit)		159		118		(223)		135		69		94
Adjusted EBITDA	$	(16,033)	$	(9,055)	$	(91)	$	(1,895)	$	(23,019)	$	(32,944)
Adjusted EBITDA as a percentage of revenue		-16%		-8%		0%		-2%		-7%		-8%

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Free Cash Flow

(in $ thousands, except percentages)

	Q2'22	Q3'22	Q4'22	Q1'23	FY'21	FY'22
Cash flow used in operations	$ (16,680)	$ (27,634)	$ (12,128)	$ (8,861)	$ (38,482)	$ (69,632)
Purchases of property and equipment	(4,151)	(2,631)	(8,529)	(3,494)	(34,816)	(19,975)
Proceeds from sale of property and equipment	241	125	126	22	588	492
Capitalized internal-use software	(4,926)	(5,120)	(4,290)	(4,209)	(13,479)	(18,146)
Advance payment for purchase of property and equipment	(29,310)	(1,964)	(10,923)	—	—	(42,197)
Repayments of finance lease liabilities	(6,147)	(7,076)	(4,427)	(8,645)	(13,568)	(22,532)
Free cash flow	$ (60,973)	$ (44,300)	$ (40,171)	$ (25,187)	$ (99,757)	$ (171,990)
Deployments of prepaid capital equipment	—	(926)	(4,258)	(1,413)	—	(5,184)
Cash capex	$ (8,836)	$ (8,552)	$ (16,951)	$ (9,094)	$ (47,707)	$ (42,813)
Cash flow used in operations as a percentage of revenue						(16%)
Cash capex as a percentage of revenue	(9%)	(8%)	(14%)	(8%)	(14%)	(10%)
Repayments of finance lease liabilities as a percentage of revenue						(5%)
Other as a percentage of revenue						(9%)
Free cash flow as a percentage of revenue	(59%)	(41%)	(34%)	(21%)	(28%)	(40%)

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