The Digital Optimization Era

February 2022
Disclaimer

This presentation and accompanying oral presentation have been prepared by Amplitude, Inc. (the "Company").

Certain statements in this presentation and the accompanying oral commentary are forward-looking statements. These statements relate to future events or the future performance of the Company, as well as its business strategy and plans and objectives for future operations, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by words such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "will," "could," "predict" and similar expressions or terminology. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, any expectations regarding the Company’s market opportunities or profitability; any statements about historical results that may suggest trends for the Company’s business; any statements of the plans, strategies, and objectives of management for future operations; any statements of expectation or belief regarding future events, potential markets, market size, or technology developments; and any statements or assumptions underlying any of the items mentioned. The Company has based these forward-looking statements largely on its current expectations, assumptions, estimates and projections. While the Company believes that these expectations, estimates, assumptions and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risk and uncertainties, many of which are beyond the Company’s control, and so you are cautioned not to give undue weight to such forward-looking statements. Moreover, the Company operates in a competitive, new and rapidly changing market, and new risks may emerge from time to time. It is not possible for the Company to predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements it may make. The forward-looking statements in this presentation are made only as of the date hereof. Except to the extent required by law, the Company assumes no obligation and does not intend to update any of these forward-looking statements after the date of this presentation or to conform these statements to actual results or revised expectations.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company’s industry. These estimates and other statistical data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and other statistical data. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, expectations, assumptions, estimates and projections of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

This presentation also includes certain non-GAAP financial measures (including on a forward-looking basis) such as Free Cash Flow, Free Cash Flow Margin, non-GAAP Gross Margin and non-GAAP Operating Margin. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared 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 the Company’s non-GAAP financial measures as tools for comparison. The Company has provided a reconciliation of those historic measures to the most directly comparable GAAP measures, which is available in the appendix to this presentation.

All third-party brand names and logos appearing in this presentation are trademarks or registered trademarks of their respective holders. Any such appearance does not necessarily imply any endorsement of the Company.

The Company is an "emerging growth company" as defined under the Securities Act of 1933, as amended.

© 2022 Amplitude Inc. All Rights Reserved.
Key Business Metrics

$167.3M
FY 2021 Revenue\(^1\)

63%
FY21 Revenue Growth

(21%)
FY21 Free Cash Flow Margin\(^2\)

123%
Dollar-Based Net Retention across Paying Customers\(^3\)

385
Customers
>$100K ARR\(^4\)

29
Customers
>$1M ARR\(^4\)

1,597
Customers\(^5\)

\(^1\) As reported February 16, 2022.
\(^2\) Please refer to Appendix for Non-GAAP to GAAP reconciliations. 2021 free cash flow includes approximately $18.2 million in cash costs associated with the company’s direct listing in September 2021.
\(^3\) As of December 31, 2021. Please refer to Appendix for the definition of Dollar-Based Net Retention.
\(^4\) As of December 31, 2021. Please refer to Appendix for the definition of Annual Recurring Revenue (ARR).
\(^5\) As of December 31, 2021.
Great Products are Built with Amplitude

**Understand** customer behavior in a new way

*Instacart*

Instacart informs product strategy to help make online shopping effortless.

**Measure** and optimize the value of your business

*Intuit*

Intuit analyzes upticks and drop-offs in product usage and customer retention in minutes.

**Predict** which actions lead to business outcomes

*Walmart*

Walmart predicts when product growth spikes will happen and how key events play into long-term retention to plan retention strategy and timing.

**Adapt** each experience to maximize impact

*BEES*

BEES, an e-commerce and SaaS company created by Anheuser-Busch Inbev, prompts customers with recommended orders based on purchase history and market insight.
Amplitude Powers Product Led Growth

Sales

Marketing

Product
Before: Digital as Marketing

Web-centric
Marketing is the growth driver

500M digital apps in last 40 years\(^1\)

Now: Digital as Product

App-centric and cross platform
Product is the growth driver

500M digital apps in next 3 years\(^1\)

\(^1\) According to IDC FutureScape: Worldwide IT Industry 2020 Predictions, October 2019, International Data Corporation ("IDC").
Digital Needs a Data Driven Approach

Physical Product

Digital Product
Companies Don’t Have Systems for a Data-Driven Approach

~2,500 distinct events per product<sup>1</sup>
Unique journey for each user

What generates more revenue — subscription or on-demand purchase and ads?
What is the LTV of subscribers vs. on-demand?
What is my trial to subscription conversion?
How do I improve start trial to complete trial rate?
Where are users dropping off before subscription?

<sup>1</sup> Based on Top 100 Amplitude customers by event volume. Represents the average distinct events measured within each digital product among Top 100 Amplitude customers.
Existing Solutions Don’t Enable Data Driven Products

**Business Intelligence**
- **Purpose**: Reporting on object and transactional data
- **Limitation**: Analyzing user behavior requires technical teams to build complex SQL queries

**Web and Marketing Analytics**
- **Purpose**: Use web and demographic data to analyze traffic and ad spend
- **Limitation**: Supports visit counts and simple funnels out of the box – anything else requires complex instrumentation

**Sentiment / Survey-based Solutions**
- **Purpose**: Uncover and understand customer sentiment to improve customer experience
- **Limitation**: What customers do (behavior) is a much stronger predictor of future behavior than what they say
What generates more revenue — subscription or on-demand purchase and ads?
- On-demand purchase

What is the LTV of subscribers vs. on-demand?
- Subscribers 3X higher

What is my trial to subscription conversion?
- <10% trial starters subscribed

Where are users dropping off before subscription?
- <10% completed the trial

How do I improve start trial to complete trial rate?
- Searching for and finding the right class

Searching for a class is correlated with completing a trial
Amplitude Optimization System Powers Building Better Products

Purpose built database

Actionable Insights

Continuous Optimization

How Do Your Digital Products Drive Your Business?
Digital Optimization System

Amplitude SDK Customer Data Platform stream server-to-server

Structured, event-based schema

Governance built in

ID resolution for a multi-platform world

Data Management

DIGITAL CHANNELS  |  DIGITAL PRODUCTS  |  DIGITAL DATA WAREHOUSES
Digital Optimization System

Behavioral database
+ User-joins
+ Fast
+ Cost efficient

Precomputation
- Inflexible
+ Fast

SQL
+ Flexible
- Slow

Amplitude Behavioral Graph

Data Management

DIGITAL CHANNELS  |  DIGITAL PRODUCTS  |  DIGITAL DATA WAREHOUSES
Digital Optimization System

Identify drivers and predict outcomes

Point and click interface for complex questions

Collaboration and storytelling built in

Proactive monitoring and alerting of behavior

Amplitude Behavioral Graph

Data Management

© 2022 Amplitude Inc. All Rights Reserved.
Cross-Functional Adoption Driving Customer Spend

**Leading Consumer Platform**

- **Product Management**
  - Product strategy & roadmap definition
  - High-value impact moments
  - Rapid experimentation

- **Leading Consumer Discretionary**

- **Leading Enterprise SaaS**

- **Customer Support**
  - Ticket & issue resolution

- **Data Science & Analytics**
  - Democratize access to insights
  - Data literacy at scale

- **Marketing & Growth**
  - Customer LTV by market & segment
  - 1:1 personalization
  - Brand & campaign ROI

- **Engineering**
  - Release monitoring
  - Rapid experimentation
  - Performance-based conversion issues

1. Beginning Monthly Active Users (MAU) figure represents the highest number of MAUs for the month ended January 31, 2017. Beginning ARR as of March 31, 2015.
2. Beginning MAU figure represents the highest number of MAUs for the month ended September 30, 2018. Beginning ARR as of September 30, 2018.
3. Beginning Monthly Active Users (MAU) figure represents the highest number of MAUs for the month ended January 31, 2017. Beginning ARR as of September 30, 2015.

Note: Ending MAU figure represents the highest number of MAUs for the month ended June 30, 2021. Ending ARR is measured as of June 30, 2021.
Large Market Opportunity in Early Innings

<table>
<thead>
<tr>
<th>Category</th>
<th>Employees Range</th>
<th>Market Penetration Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMBs</td>
<td>&lt;100 employees</td>
<td>-</td>
</tr>
<tr>
<td>Mid-Market</td>
<td>100-1,000</td>
<td>-</td>
</tr>
<tr>
<td>Enterprise</td>
<td>&gt;1,000 employees</td>
<td>-</td>
</tr>
</tbody>
</table>

1. The market penetration rate is based on internal estimates. Market penetration factors include a business’ digital maturity, the industry in which it operates, and our belief of spend potential, among other factors. For example, while we believe our Digital Optimization System has applicability for businesses of all sizes, we have included only a very small fraction of the businesses with less than 100 employees in our current addressable market to account for the fact that many businesses of this size may not be representative of our core target customers.

2. Calculated using internally generated company data based on actual customer spend by size and industry. This ARR primarily reflects customer spend on our analytics offering and does not reflect the potential spend on additional products, Recommend and Experiment, recently released in 2021, which we believe are integral to powering digital optimization.

3. We use a conservative attach-rate and an assumed uplift multiple on each ARR by cohort based on internal estimates of potential additional spend.


Estimated potential penetration of organizations based on digital maturity, industry, and spend potential, among other factors

Median Annual Recurring Revenue (ARR) of all current customers by organization size and industry

Potential spend for Recommend and Experiment based on conservative attach-rate and uplift multiple

= ~$37B

Total Addressable Market
Digital native leaders started as product-led growth

But what about the remaining 99% of companies?
Financial Overview
Our Business Model

>95% of revenue is recurring\(^1\)

Pricing based on platform functionality and committed event volume

Primarily annual contracts, majority billed annually

Efficient Go-to-Market Strategy

<table>
<thead>
<tr>
<th>Channel</th>
<th>Enterprise</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Cycle</td>
<td>4 - 6 Months</td>
<td>1 - 2 Months</td>
</tr>
<tr>
<td>Implementation Time</td>
<td>~3 Months</td>
<td>~2 Months</td>
</tr>
</tbody>
</table>

\(^1\) For the year ended December 31, 2020 and the six months ended June 30, 2021.
Strong and Consistent Revenue Growth

Quarterly Revenue (FY2020 – FY2021)

- **Q1 2020**: $22M
- **Q2 2020**: $24M
- **Q3 2020**: $26M
- **Q4 2020**: $30M
- **Q1 2021**: $33M
- **Q2 2021**: $39M
- **Q3 2021**: $45M
- **Q4 2021**: $49M
Growing Customer Base Fueling Our Growth

Paying Customers

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>739</td>
<td>1039</td>
<td>1597</td>
</tr>
</tbody>
</table>

Customers with >$100K in ARR

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>208</td>
<td>262</td>
<td>385</td>
</tr>
</tbody>
</table>

Customers with >$1M in ARR

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11</td>
<td>15</td>
<td>29</td>
</tr>
</tbody>
</table>

Note: We define ARR as the annual recurring revenue of subscription agreements at a point in time based on the terms of customers’ contracts.
Strong Net Dollar Retention Supports Growth

Dollar-Based Net Retention Rate

Q4 2019: 116%
Q4 2020: 119%
Q4 2021: 123%

Note: We calculate Dollar-Based Net 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 (the “Prior Period ARR”). We then calculate the ARR from these same customers as of the current period-end (the “Current Period ARR”). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers as well as any overage charges in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate. We then calculate the weighted average of the trailing 12-month point-in-time dollar-based net retention rates, to arrive at the dollar-based net retention rate.
## Investing for Growth

### Non-GAAP Gross Margins

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>68%</td>
</tr>
<tr>
<td>FY2020</td>
<td>71%</td>
</tr>
<tr>
<td>FY2021</td>
<td>71%</td>
</tr>
</tbody>
</table>

### Non-GAAP Loss from Operations Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>(39%)</td>
</tr>
<tr>
<td>FY2020</td>
<td>(6%)</td>
</tr>
<tr>
<td>FY2021</td>
<td>(9%)</td>
</tr>
</tbody>
</table>

### Free Cash Flow and Free Cash Flow Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
<th>Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>(24%)</td>
<td>($17M)</td>
</tr>
<tr>
<td>FY2020</td>
<td>(12%)</td>
<td>($13M)</td>
</tr>
<tr>
<td>FY2021</td>
<td>(21%)</td>
<td>($35M)</td>
</tr>
</tbody>
</table>

Note: We define free cash flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs. Please refer to Appendix for Non-GAAP to GAAP reconciliations. FY2021 free cash flow includes approximately $18.2 million in direct listing expenses.
Multiple Vectors for Growth

Acquire New Customers
- Largest global companies
- Maintain leadership among digital-first companies
- Penetrate into new and emerging industries

Expand Across Existing Customer Base
- Promote upsell into additional events, teams, and use cases
- Cross-sell additional products

Extend Product Leadership
- Enhance platform functionality and capabilities
- Expand into additional high-value use cases

Expand Global Reach and Partnerships
- International expansion
- Solution partners
- Deepen ecosystem / integrations

Expand Across Existing Customer Base
- Promote upsell into additional events, teams, and use cases
- Cross-sell additional products

Extend Product Leadership
- Enhance platform functionality and capabilities
- Expand into additional high-value use cases

Expand Global Reach and Partnerships
- International expansion
- Solution partners
- Deepen ecosystem / integrations
Thank you
## GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$68,442</td>
<td>$102,464</td>
<td>$167,261</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>$46,337</td>
<td>$71,981</td>
<td>$115,497</td>
</tr>
<tr>
<td><strong>GAAP Gross Margin</strong></td>
<td>67.7%</td>
<td>70.3%</td>
<td>69.1%</td>
</tr>
<tr>
<td>Add: Stock-based compensation expense(^1)</td>
<td>358</td>
<td>590</td>
<td>1,952</td>
</tr>
<tr>
<td>Add: Acquired intangible assets amortization</td>
<td>-</td>
<td>227</td>
<td>1,651</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Profit</strong></td>
<td>$46,695</td>
<td>$72,798</td>
<td>$119,100</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Margin</strong></td>
<td>68.2%</td>
<td>71.0%</td>
<td>71.2%</td>
</tr>
<tr>
<td><strong>GAAP Research &amp; Development Expense</strong></td>
<td>$26,098</td>
<td>$48,251</td>
<td>$48,251</td>
</tr>
<tr>
<td><strong>GAAP Research &amp; Development Margin</strong></td>
<td>25.5%</td>
<td>28.8%</td>
<td>28.8%</td>
</tr>
<tr>
<td>Less: Stock-based compensation expense(^1)</td>
<td>(5,609)</td>
<td>(16,469)</td>
<td></td>
</tr>
<tr>
<td>Less: Amortization of acquired intangible assets</td>
<td>(518)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Research &amp; Development Expense</strong></td>
<td>$19,971</td>
<td>$31,782</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Research &amp; Development Margin</strong></td>
<td>19.5%</td>
<td>19.0%</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP Sales &amp; Marketing Expense</strong></td>
<td>$51,819</td>
<td>$86,025</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP Sales &amp; Marketing Margin</strong></td>
<td>50.6%</td>
<td>51.4%</td>
<td></td>
</tr>
<tr>
<td>Less: Stock-based compensation expense(^1)</td>
<td>(6,548)</td>
<td>(9,693)</td>
<td></td>
</tr>
<tr>
<td>Less: Direct listing expense</td>
<td>-</td>
<td>(13)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Sales &amp; Marketing Expense</strong></td>
<td>$45,271</td>
<td>$76,319</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Sales &amp; Marketing Margin</strong></td>
<td>44.2%</td>
<td>45.6%</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP General &amp; Administrative Expense</strong></td>
<td>$18,067</td>
<td>$55,370</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP General &amp; Administrative Margin</strong></td>
<td>17.6%</td>
<td>33.1%</td>
<td></td>
</tr>
<tr>
<td>Less: Stock-based compensation expense(^1)</td>
<td>(3,901)</td>
<td>(11,553)</td>
<td></td>
</tr>
<tr>
<td>Less: Direct listing expense</td>
<td>-</td>
<td>(18,178)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP General &amp; Administrative Expense</strong></td>
<td>$14,166</td>
<td>$25,639</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP General &amp; Administrative Margin</strong></td>
<td>13.8%</td>
<td>15.3%</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transactions.  
\(^2\) Margin represents percentage of GAAP revenue.
### GAAP to Non-GAAP Reconciliation (Cont’d) -- Update

$( in thousands, Fiscal Year Ended December 31)

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$68,442</td>
<td>$102,464</td>
<td>$167,261</td>
</tr>
<tr>
<td><strong>GAAP Loss from Operations</strong></td>
<td>($34,331)</td>
<td>($24,003)</td>
<td>($74,149)</td>
</tr>
<tr>
<td>GAAP Operating Margin</td>
<td>(50.2%)</td>
<td>(23.4%)</td>
<td>(44.3%)</td>
</tr>
<tr>
<td>Add: Stock-based compensation expense</td>
<td>7,376</td>
<td>16,648</td>
<td>39,667</td>
</tr>
<tr>
<td>Add: Acquired intangible assets amortization</td>
<td>-</td>
<td>745</td>
<td>1,651</td>
</tr>
<tr>
<td>Add: Direct listing expenses</td>
<td>-</td>
<td>-</td>
<td>18,191</td>
</tr>
<tr>
<td><strong>Non-GAAP Loss from Operations</strong></td>
<td>($26,995)</td>
<td>($6,610)</td>
<td>($14,640)</td>
</tr>
<tr>
<td>Non-GAAP Loss from Operations Margin</td>
<td>(39.4)%</td>
<td>(6.5)%</td>
<td>(8.8)%</td>
</tr>
</tbody>
</table>

**Free Cash Flow**

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash used in operating activities</td>
<td>($16,036)</td>
<td>($10,392)</td>
<td>($31,713)</td>
</tr>
<tr>
<td>Less: Purchase of property and equipment</td>
<td>(648)</td>
<td>(984)</td>
<td>(1,529)</td>
</tr>
<tr>
<td>Less: Capitalization of internal-use software costs</td>
<td>-</td>
<td>(1,224)</td>
<td>(1,693)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>($16,684)</td>
<td>($12,600)</td>
<td>($34,935)</td>
</tr>
<tr>
<td>Free Cash Flow Margin</td>
<td>(24.4)%</td>
<td>(12.3)%</td>
<td>(20.9)%</td>
</tr>
</tbody>
</table>

1 Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transactions. 2 Margin represents percentage of GAAP revenue.