

Q3 2021 FINANCIAL RESULTS

October 28, 2021

MICROSTRATEGY Q3 2021 EARNINGS CALL

SAFE HARBOR STATEMENT

FORWARD-LOOKING STATEMENTS

Some of the information we provide in this presentation regarding our future expectations, plans, and prospects may constitute forward-looking statements. Actual results may differ materially from these forward-looking statements due to various important factors, including the risk factors discussed in our most recent 10-Q filed with the SEC. We assume no obligation to update these forward-looking statements, which speak only as of today.

Also, in this presentation, we will refer to certain non-GAAP financial measures. Reconciliations showing GAAP versus non-GAAP results are available in our earnings release and the appendix of this presentation, which were issued today and are available on our website at www.microstrategy.com.

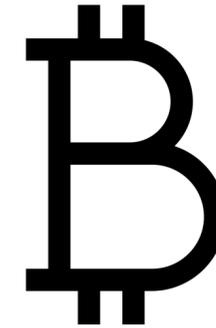
Q3 2021

CORPORATE STRATEGY



PROFITABLY GROW ENTERPRISE ANALYTICS BI BUSINESS

- Maintain product leadership through modern, open, enterprise software
- Target and delight enterprise customers and OEMs worldwide
- Transition to enterprise and SaaS cloud



ACQUIRE AND HOLD BITCOIN

- Acquire bitcoin through use of excess cash flows, and debt and equity transactions
- Hold bitcoin long-term
- Provide leadership among the bitcoin community

Q3 2021

FINANCIAL HIGHLIGHTS

\$128.0M

Total Revenues, a slight increase YoY, and an increase of **7%** from Q3 19

\$10.9M

Subscription Services Revenues, an increase of **31%** YoY

\$27.7M (22%)

Non-GAAP Operating Income (Margin), an increase of **\$1.1M** YoY

\$25.8M

Product Licenses Revenues, a decrease of **13%** YoY, and an increase of **36%** from Q3 19

\$8.0M

Current Subscription Billings, an increase of **23%** YoY

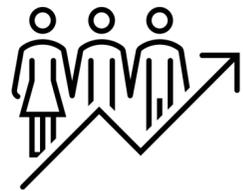
\$100.3M

Non-GAAP Expenses, a decrease of **\$0.6M**, or **1%** YoY

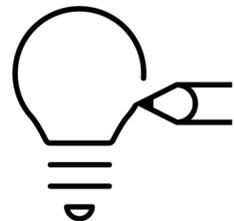
Please refer to the Appendix for a reconciliation of non-GAAP Operating Income and Margin, non-GAAP Expenses and Subscription Services Revenues to Current Subscription Billings.

Q3 2021

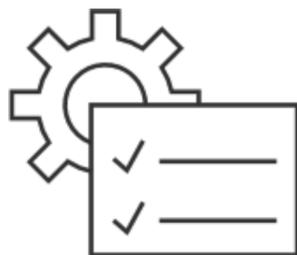
BUSINESS INTELLIGENCE HIGHLIGHTS



Demand for Enterprise Analytics is Escalating

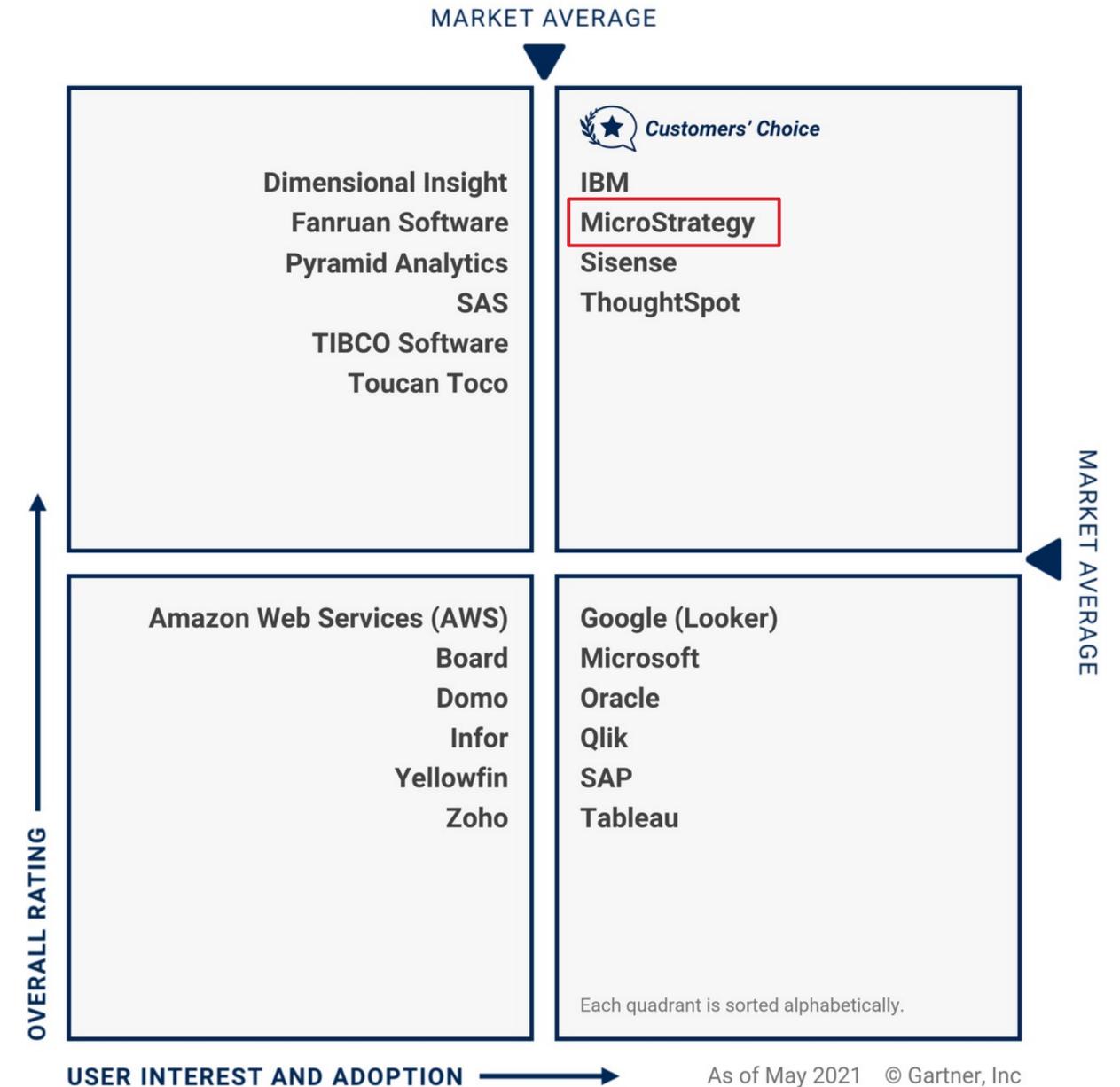


Proven Solutions are Replacing Experimental Initiatives



Increasing Strength of Embedded OEM Business

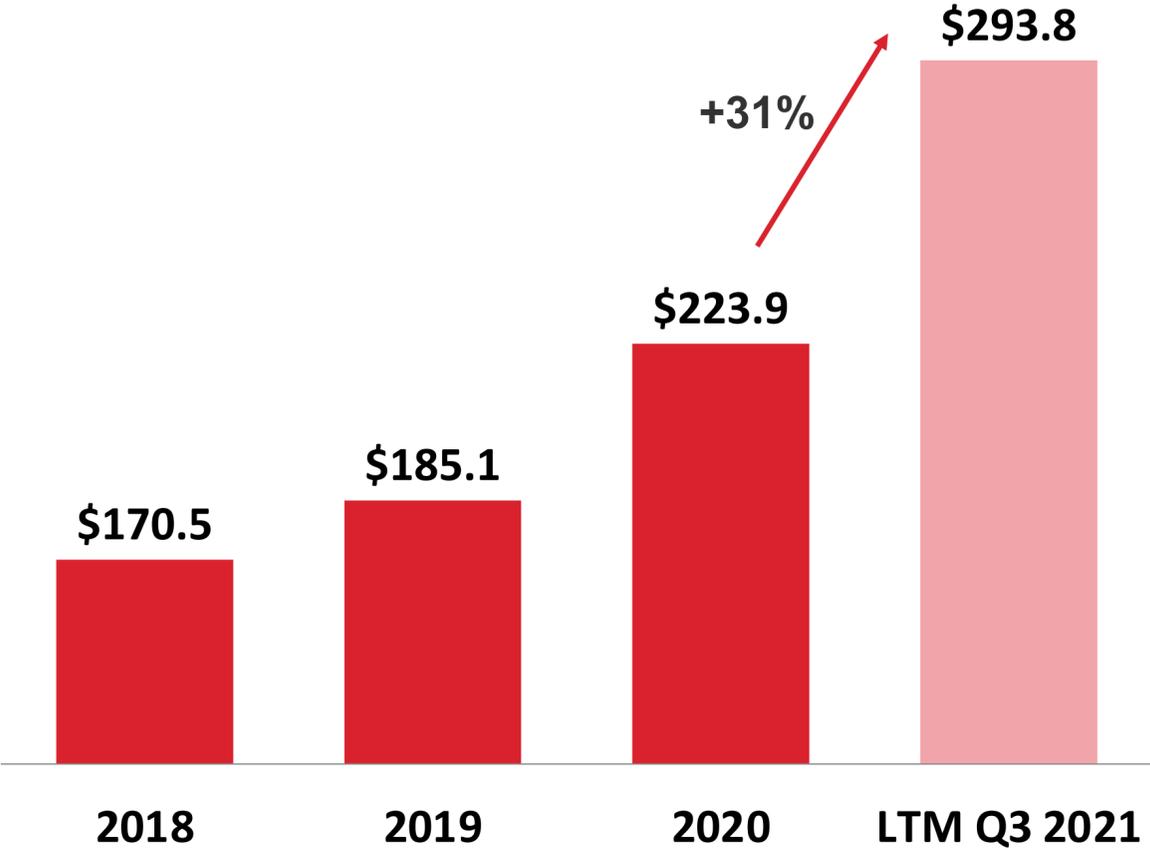
Gartner Peer Insights "Voice of the Customer"
Analytics and Business Intelligence Platforms



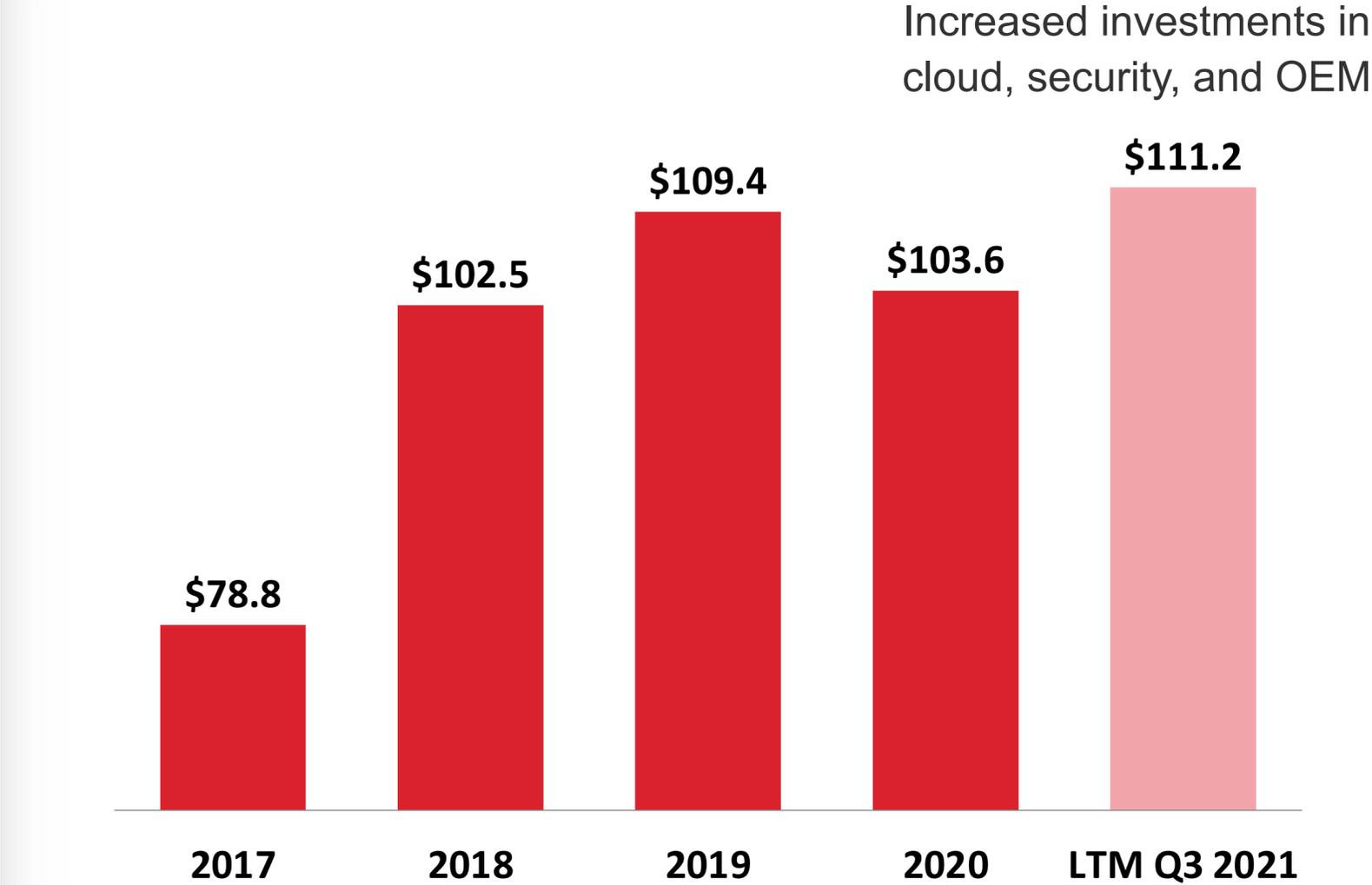
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REDIRECTING SAVINGS FROM IMPROVED SALES PRODUCTIVITY INTO R&D SPEND

PRODUCTIVITY (\$000's) ⁽¹⁾



R&D SPEND (\$M)



(1) Productivity is defined as total product licenses and subscription services revenues for a period divided by average sales and marketing headcount during that period.

Q3 2021

BITCOIN HIGHLIGHTS

~8,957

Bitcoins acquired at an aggregate cost of ~\$420M at average purchase price of ~\$46,876 per bitcoin, inclusive of fees and expenses

~\$400M

Equity issued through our previously announced ATM shelf offering, selling 555,179 Class A common shares at an average gross price of ~\$728 per share

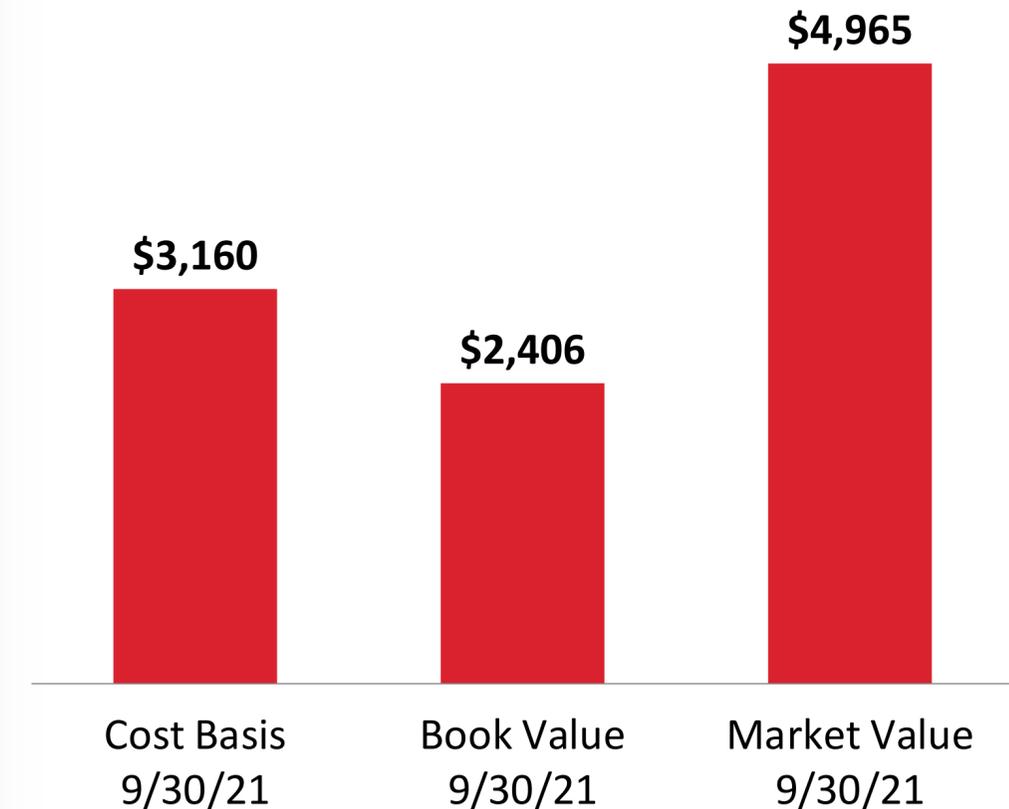
~114,042

Bitcoins held as of 9/30/21 at an aggregate cost of \$3.2B and carrying value of \$2.4B, reflecting \$755M in cumulative impairment charges

~\$5.0B

Market value of the company's bitcoin holdings as of 9/30/21 ⁽¹⁾

Bitcoin Value (\$M)

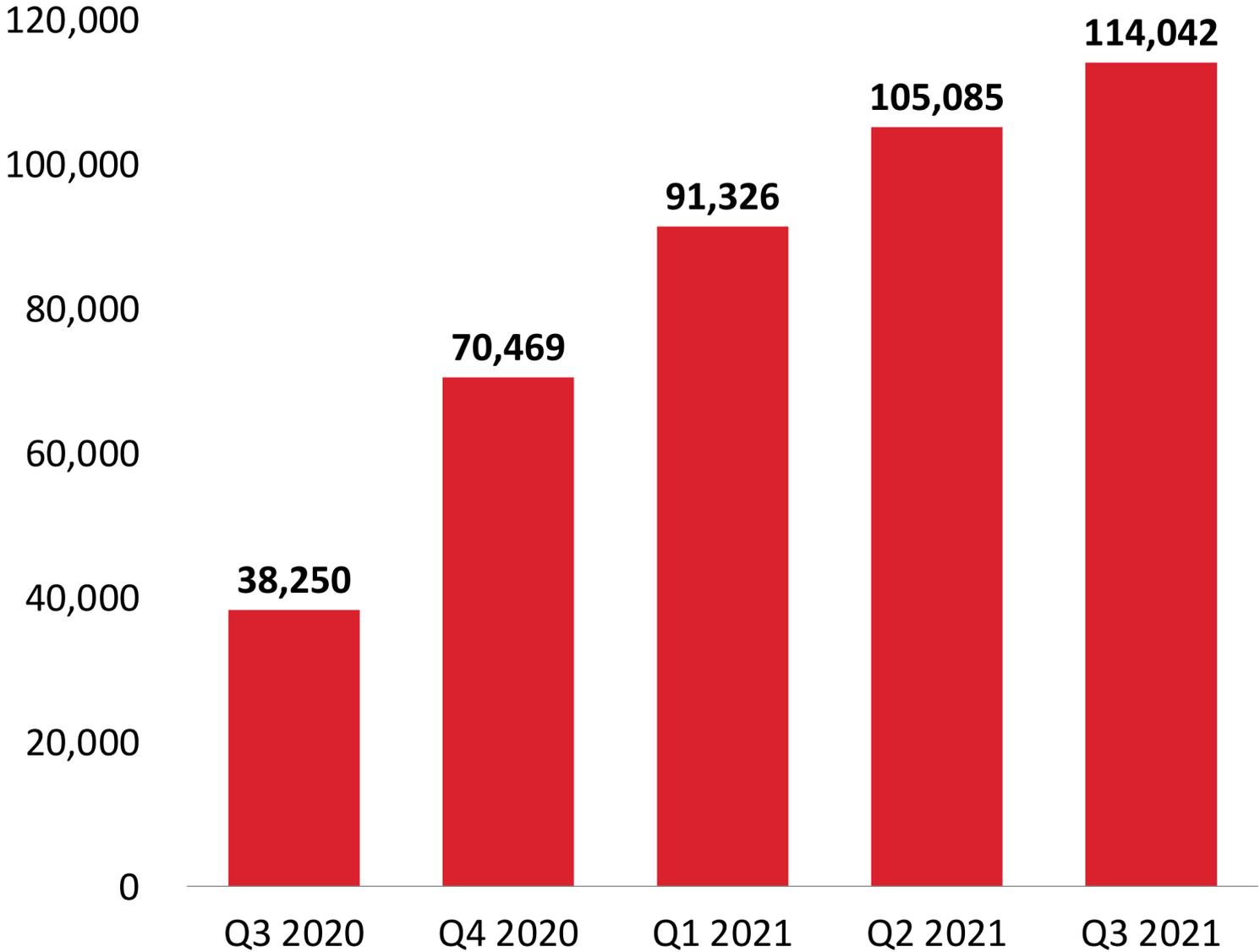


(1) The market value represents a mathematical calculation consisting of the market price of one bitcoin on the Coinbase exchange as of 4pm Eastern Time on 9/30/21, multiplied by the number of bitcoins held.

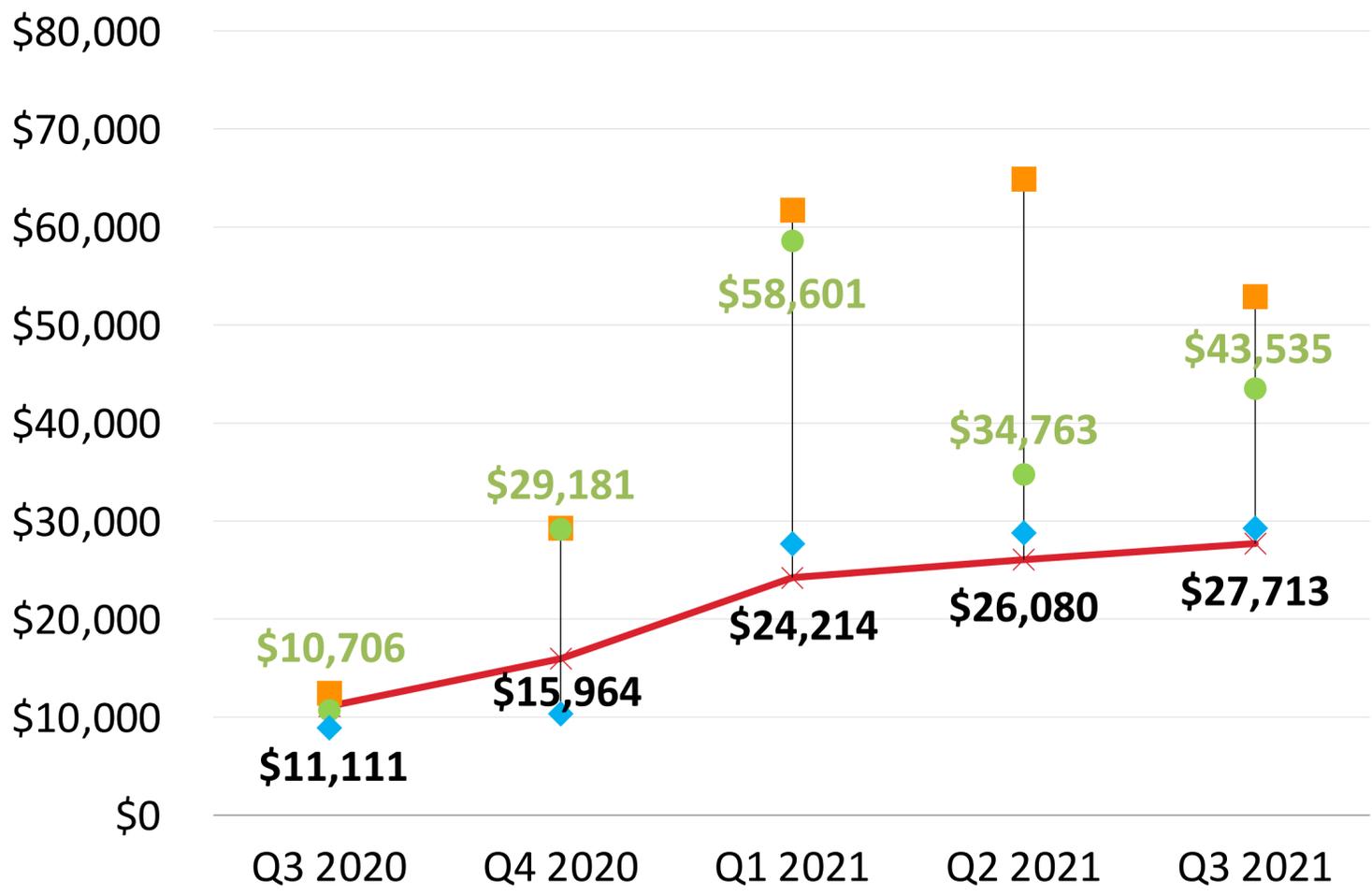
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BITCOIN HOLDINGS EVOLUTION

Approximate Number of Bitcoins Held at End of Quarter



Bitcoin Price (\$)



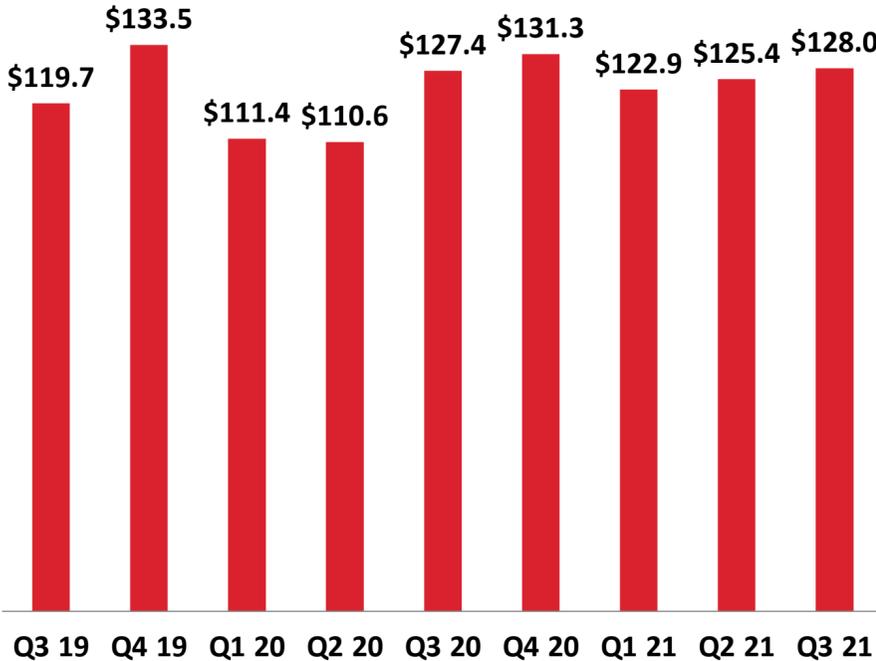
- Highest Market Price Per Bitcoin During Quarter
- Market Price Per Bitcoin at End of Quarter
- ◆ Lowest Market Price Per Bitcoin During Quarter
- ✕ Approximate Cumulative Average Purchase Price Per Bitcoin

Source: Bitcoin prices represent market price of one bitcoin on the Coinbase exchange. End of quarter prices are shown as of 4:00 p.m. Eastern Time on the last day of the respective quarter.

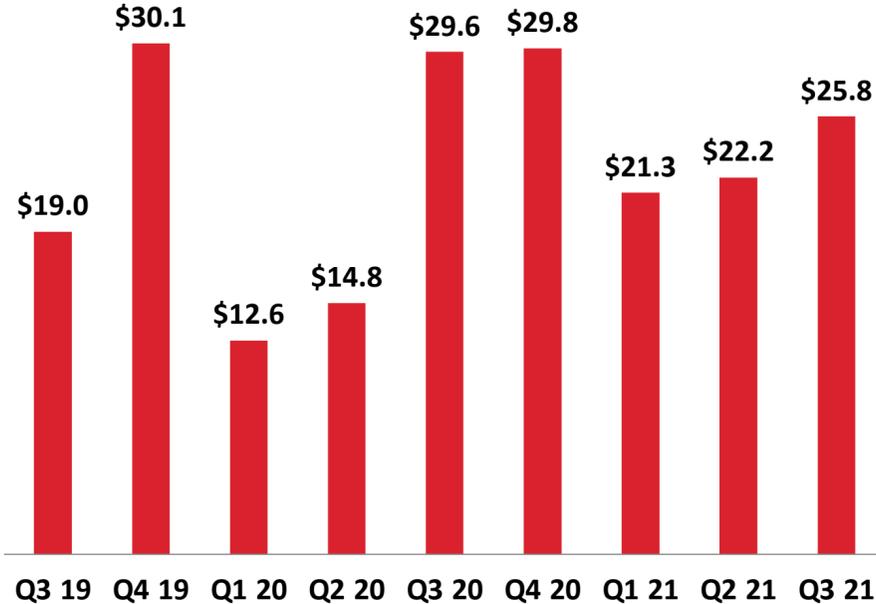
Q3 2021

FINANCIAL HIGHLIGHTS – REVENUE (IN MILLIONS)

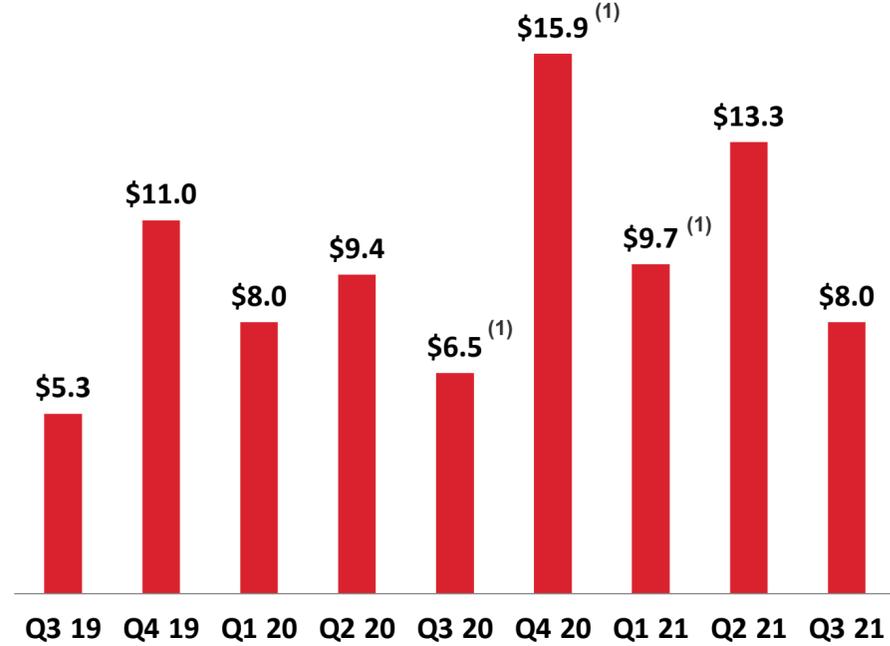
TOTAL REVENUES INCREASED SLIGHTLY YOY AND **7%** FROM Q3 19



PRODUCT LICENSES REVENUES DECREASED **13%** YOY AND INCREASED **36%** FROM Q3 19



CONTINUED INCREASE IN CURRENT SUBSCRIPTION BILLINGS OF **23%** YOY



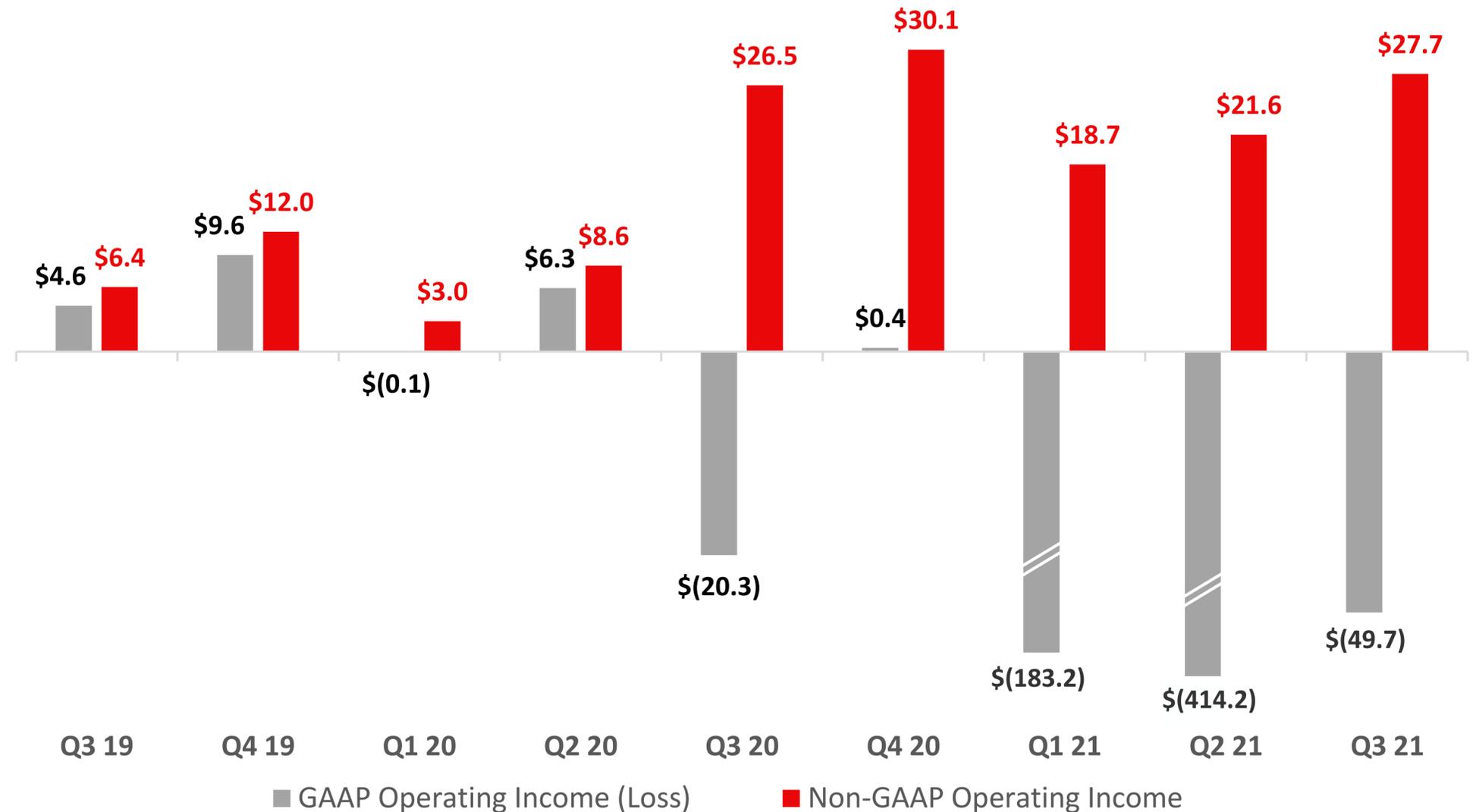
Please refer to the Appendix for a reconciliation of Subscription Services Revenues to Current Subscription Billings.
 (1) Adjusted to exclude un-invoiced amounts related to multi-year subscription contracts for consistency with current period presentation.

Q3 2021

FINANCIAL HIGHLIGHTS – OPERATING INCOME (LOSS) IN MILLIONS

- Q3 21 NON-GAAP OPERATING INCOME OF \$27.7M, UP 4% YOY

- Q3 21 GAAP OPERATING LOSS INCLUDES \$65.2M DIGITAL ASSET IMPAIRMENT CHARGE



Please refer to the Appendix for a reconciliation of non-GAAP Operating Income (Loss).

APPENDIX

MICROSTRATEGY Q3 2021 EARNINGS CALL

NON-GAAP RECONCILIATIONS (\$M)

RECONCILIATION OF GAAP TO NON-GAAP INCOME (LOSS) FROM OPERATIONS

| | Q3 19 | Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 |
|--|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | \$119.7 | \$133.5 | \$111.4 | \$110.6 | \$127.4 | \$131.3 | \$122.9 | \$125.4 | \$128.0 |
| Cost of Revenues | \$23.8 | \$24.6 | \$24.5 | \$24.0 | \$21.7 | \$20.8 | \$22.5 | \$23.0 | \$22.3 |
| Operating Expenses | \$91.3 | \$99.3 | \$87.0 | \$80.3 | \$125.9 | \$110.1 | \$283.5 | \$516.6 | \$155.3 |
| Income (Loss) from Operations | \$4.6 | \$9.6 | \$(0.1) | \$6.3 | \$(20.3) | \$0.4 | \$(183.2) | \$(414.2) | \$(49.7) |
| Operating Margin % | 4% | 7% | 0% | 6% | -16% | 0% | -149% | -330% | -39% |
| Stock-Based Compensation | \$1.8 | \$2.3 | \$3.1 | \$2.2 | \$2.6 | \$3.3 | \$7.7 | \$11.1 | \$12.2 |
| Digital Asset Impairment Losses | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$44.2 | \$26.5 | \$194.1 | \$424.8 | \$65.2 |
| Non-GAAP Income from Operations | \$6.4 | \$12.0 | \$3.0 | \$8.6 | \$26.5 | \$30.1 | \$18.7 | \$21.6 | \$27.7 |
| Non-GAAP Operating Margin % | 5% | 9% | 3% | 8% | 21% | 23% | 15% | 17% | 22% |

RECONCILIATION OF SUBSCRIPTION SERVICES REVENUES TO SUBSCRIPTION BILLINGS

| | Q3 19 | Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 |
|--|--------------|---------------|--------------|--------------|-----------------------|-----------------------|-----------------------|---------------|--------------|
| Current Deferred Subscription Services Revenue | \$12.8 | \$16.6 | \$16.6 | \$17.9 | \$16.2 ⁽¹⁾ | \$23.3 ⁽¹⁾ | \$23.0 ⁽¹⁾ | \$25.9 | \$23.1 |
| Subscription Services Revenue | \$7.9 | \$7.3 | \$8.0 | \$8.0 | \$8.3 | \$8.8 | \$10.0 | \$10.3 | \$10.9 |
| Change in Current Deferred Subscription Services Revenue | \$(2.6) | \$3.7 | \$0.0 | \$1.4 | \$(1.8) | \$7.1 | \$(0.3) | \$2.9 | \$(2.8) |
| Current Subscription Billings | \$5.3 | \$11.0 | \$8.0 | \$9.4 | \$6.5 | \$15.9 | \$9.7 | \$13.3 | \$8.0 |

(1) Adjusted to exclude un-invoiced amounts related to multi-year subscription contracts for consistency with current period presentation.

MICROSTRATEGY Q3 2021 EARNINGS CALL

NON-GAAP RECONCILIATIONS (\$M)

RECONCILIATION OF NON-GAAP OPERATING EXPENSES

| | Q3 19 | Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating Expenses | \$91.3 | \$99.3 | \$87.0 | \$80.3 | \$125.9 | \$110.1 | \$283.5 | \$516.6 | \$155.3 |
| Stock-Based Compensation ⁽¹⁾ | \$1.7 | \$2.2 | \$2.9 | \$2.2 | \$2.4 | \$3.2 | \$7.4 | \$10.6 | \$11.5 |
| Digital Asset Impairment Losses | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$44.2 | \$26.5 | \$194.1 | \$424.8 | \$65.2 |
| Non-GAAP Operating Expenses | \$89.6 | \$97.1 | \$84.0 | \$78.1 | \$79.3 | \$80.5 | \$82.0 | \$81.2 | \$78.7 |

RECONCILIATION OF TOTAL NON-GAAP EXPENSES

| | Q3 19 | Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cost of Revenues | \$23.8 | \$24.6 | \$24.5 | \$24.0 | \$21.7 | \$20.8 | \$22.5 | \$23.0 | \$22.3 |
| Operating Expenses | \$91.3 | \$99.3 | \$87.0 | \$80.3 | \$125.9 | \$110.1 | \$283.5 | \$516.6 | \$155.3 |
| Total Expenses | \$115.1 | \$123.9 | \$111.5 | \$104.3 | \$147.7 | \$130.9 | \$306.1 | \$539.6 | \$177.7 |
| Stock-Based Compensation | \$1.8 | \$2.3 | \$3.1 | \$2.2 | \$2.6 | \$3.3 | \$7.7 | \$11.1 | \$12.2 |
| Digital Asset Impairment Losses | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$44.2 | \$26.5 | \$194.1 | \$424.8 | \$65.2 |
| Total Non-GAAP Expenses | \$113.3 | \$121.6 | \$108.4 | \$102.0 | \$100.9 | \$101.2 | \$104.2 | \$103.7 | \$100.3 |

(1) Stock-based compensation recorded to SM, RD, and GA only.

MICROSTRATEGY Q3 2021 EARNINGS CALL

NON-GAAP RECONCILIATIONS (\$M)

RECONCILIATION OF TRAILING TWELVE-MONTH METRICS

| | Q4 19 | Q1 20 | Q2 20 | Q3 20 | TTM ended Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 | TTM ended Q3 21 |
|-------------------------------|---------|---------|---------|---------|-----------------|---------|---------|---------|---------|-----------------|
| Revenue | \$133.5 | \$111.4 | \$110.6 | \$127.4 | \$482.9 | \$131.3 | \$122.9 | \$125.4 | \$128.0 | \$507.6 |
| Product License Revenue | \$30.1 | \$12.6 | \$14.8 | \$29.6 | \$87.1 | \$29.8 | \$21.3 | \$22.2 | \$25.8 | \$99.0 |
| Subscription Services Revenue | \$7.3 | \$8.0 | \$8.0 | \$8.3 | \$31.5 | \$8.8 | \$10.0 | \$10.3 | \$10.9 | \$40.0 |
| Non-GAAP Operating Income | \$12.0 | \$3.0 | \$8.6 | \$26.5 | \$50.1 | \$30.1 | \$18.7 | \$21.6 | \$27.7 | \$98.0 |

MICROSTRATEGY Q3 2021 EARNINGS CALL

TREASURY

CAPITAL MARKETS ACTIVITY AND BITCOIN ACQUISITION

| Quarter | Capital Market Transactions | Approx. Number of Bitcoin Acquired | Average Purchase Price (\$) | Acquisition Cost (\$) | Market Value on 9/30/2021 (\$) ⁽¹⁾ |
|--------------|--|------------------------------------|-----------------------------|-----------------------|---|
| Q3 2020 | Repurchased \$60M in stock and invested excess cash in Bitcoin | 38,250 | \$11,111 | \$425M | \$1,665M |
| Q4 2020 | Issued \$650M in convertible debt | 32,219 | \$21,726 | \$700M | \$1,403M |
| Q1 2021 | Issued \$1B in convertible debt | 20,857 | \$52,087 | \$1,086M | \$908M |
| Q2 2021 | Issued \$500M in senior secured notes, established an Open Market Sales Agreement (“ATM”) for \$1B | 13,759 | \$38,464 | \$529M | \$599M |
| Q3 2021 | Issued \$400M in stock under the ATM | 8,957 | \$46,876 | \$420M | \$390M |
| Total | | 114,042 | \$27,713 | \$3,160M | \$4,965M |

(1) Represents a mathematical calculation consisting of the market price of one bitcoin on the Coinbase exchange as of 4:00 p.m. Eastern Time on September 30, 2021, multiplied by the number of bitcoins acquired by us at the end of the applicable period.