

INVESTOR DAY

December 16, 2021

MICROSTRATEGY INVESTOR DAY 2021

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 the appendix of this presentation, which is available on our website at www.microstrategy.com.

AGENDA AND PRESENTERS

INTRODUCTION

Jeremy Price



Jeremy Price

Senior Vice President, FP&A

COMPANY VISION

Michael J. Saylor



Michael Saylor

Chairman and Chief Executive Officer

BITCOIN STRATEGY

Michael J. Saylor

SOFTWARE STRATEGY

Phong Le



Phong Le

President and Chief Financial Officer

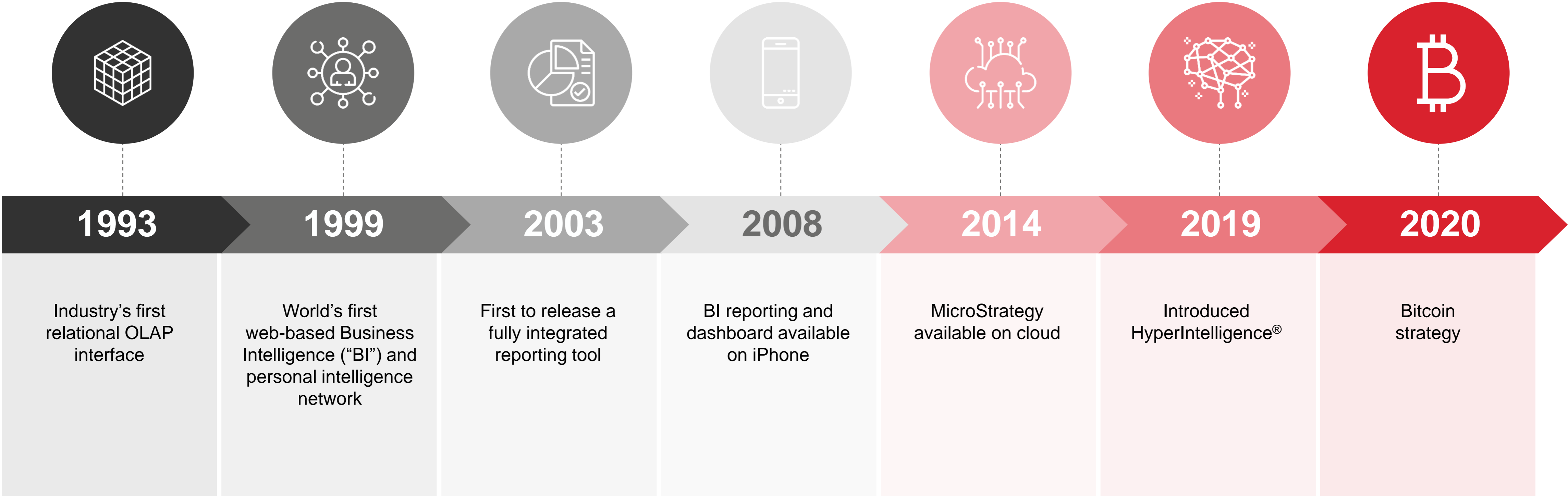
FINANCIALS

Phong Le

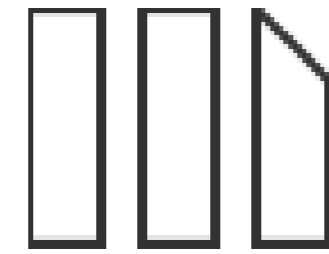
Q & A

COMPANY VISION

MICROSTRATEGY HAS A RICH HISTORY OF INNOVATION



MICROSTRATEGY AT-A-GLANCE



BUSINESS ANALYTICS



Who are we: MicroStrategy is the largest independent publicly-traded business intelligence company with the leading enterprise analytics platform



Corporate strategy: Maintain product leadership through modern, open, enterprise software and profitably grow the enterprise analytics business



Key metrics⁽¹⁾: \$500M+ annual revenue and 80%+ gross margin; 60%+ recurring revenue with ~95% renewal rates with a growing cloud business



BITCOIN



Who are we: MicroStrategy is the largest publicly traded corporate holder of bitcoin in the world and the first public company to adopt bitcoin as primary treasury reserve asset



Corporate strategy: Acquire and hold bitcoin long-term; purchase bitcoin through use of excess cash flows, and debt and equity transactions

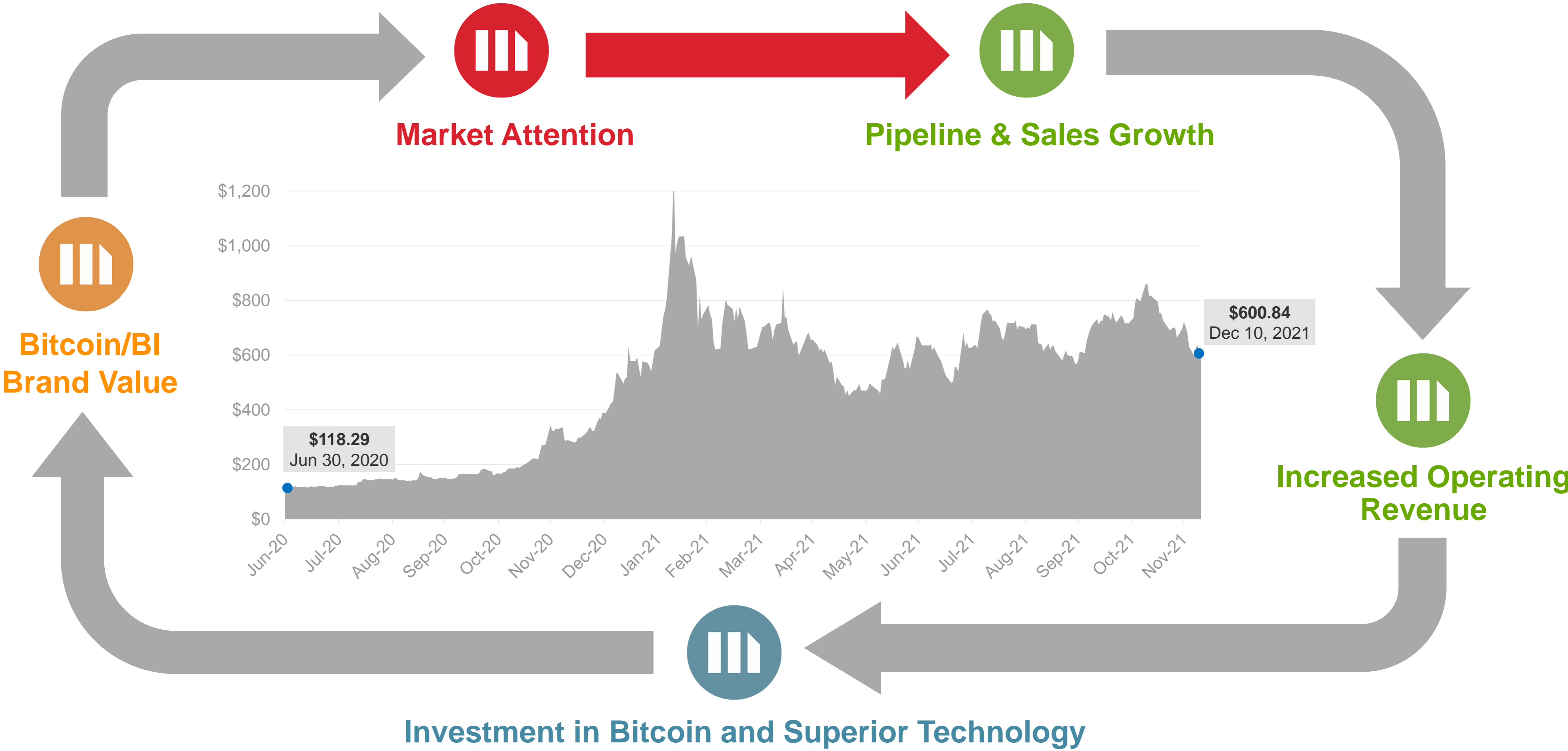


Key metrics: Owner of ~122,478 bitcoins at an average purchase price of \$29,861 acquired for \$3.7B cost basis

(1) Represent FY 21 Trailing Twelve Months (“TTM”) metrics based on Q4 20 through Q3 21 actual results.

BITCOIN + BI SYNERGY

UNIQUE ADVANTAGE OF A VIRTUOUS "BITCOIN + BI" FLYWHEEL



EXPERIENCED AND VISIONARY MANAGEMENT TEAM

AVERAGE TENURE OF MORE THAN 13 YEARS



Michael J. Saylor
Chairman and CEO

31+ years at MicroStrategy



Phong Le
President and CFO

6+ years at MicroStrategy



Timothy Lang
SEVP and CTO

7+ years at MicroStrategy



Hugh Owen
EVP, Chief Marketing Officer

21+ years at MicroStrategy



W. Ming Shao
SEVP and General Counsel

21+ years at MicroStrategy



Ponna Aurumugam
SEVP, Chief Information Officer

3+ years at MicroStrategy



Joty Paparello
EVP, Chief HR Officer

19+ years at MicroStrategy



Paul Green
EVP, Worldwide Consulting

3+ years at MicroStrategy



Jeanine Montgomery
SVP, Chief Accounting Officer

5+ years at MicroStrategy



Jeremy Price
SVP, FP&A

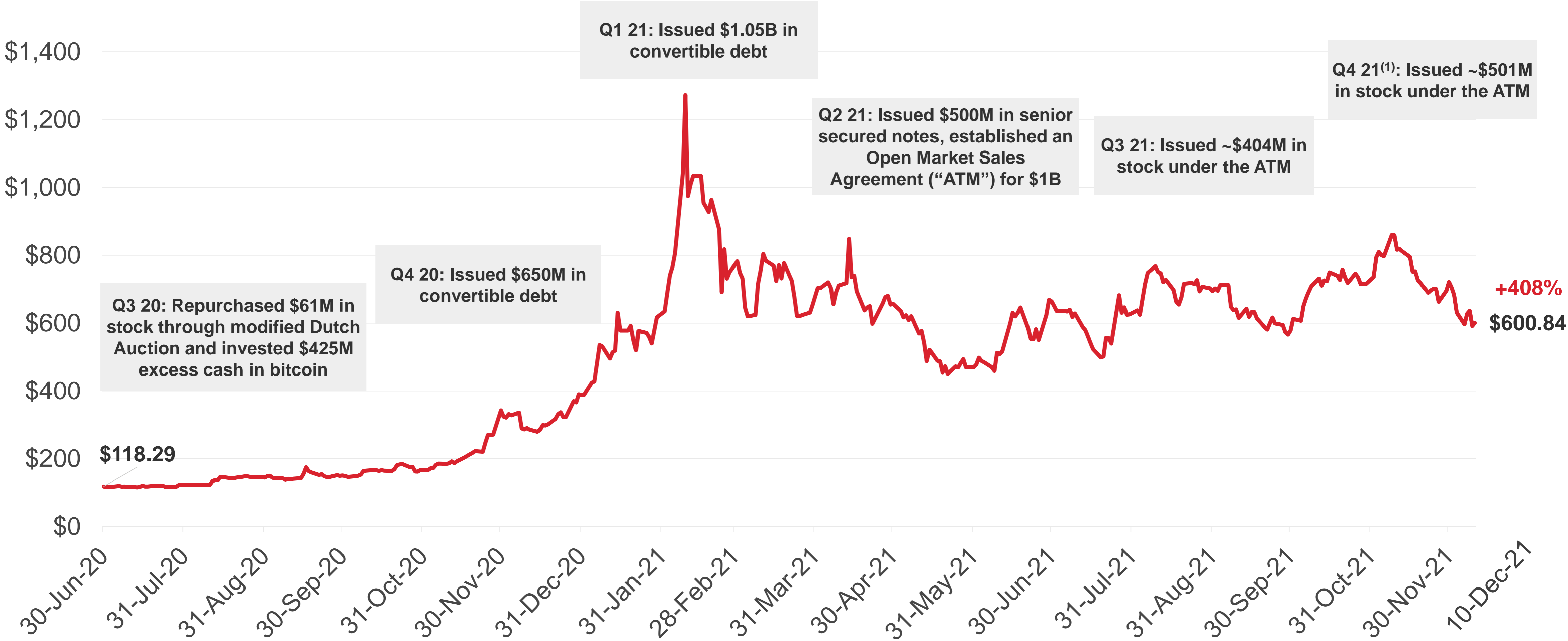
19+ years at MicroStrategy

BITCOIN STRATEGY

“Macro” Strategy

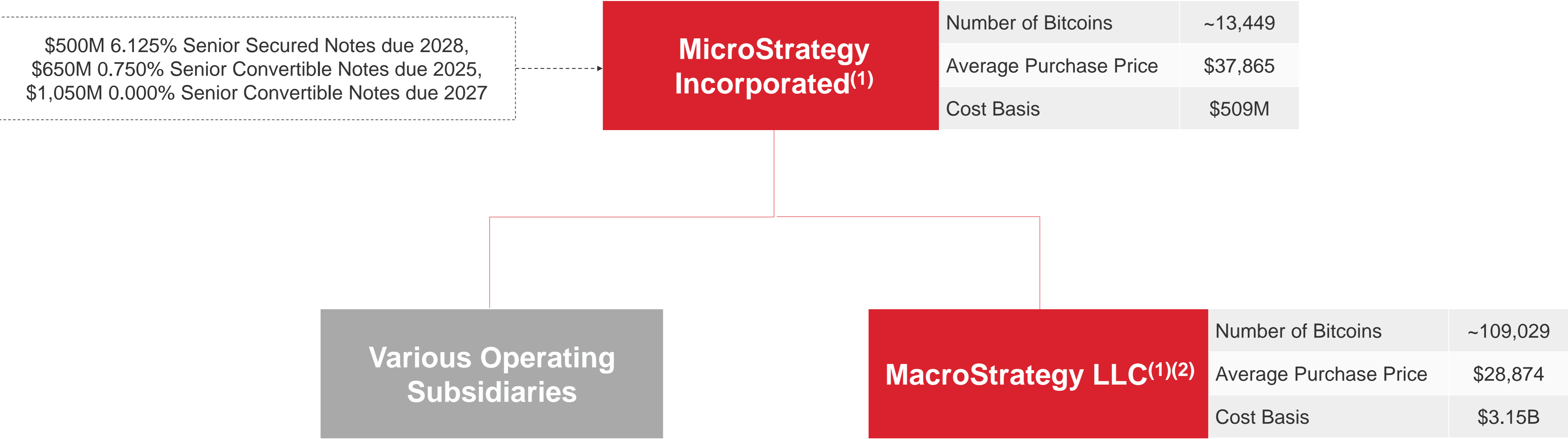
SIGNIFICANT SHAREHOLDER VALUE CREATION

SINCE THE ADOPTION OF BITCOIN ACQUISITION STRATEGY



Source: FactSet.
 (1) As of December 10, 2021.

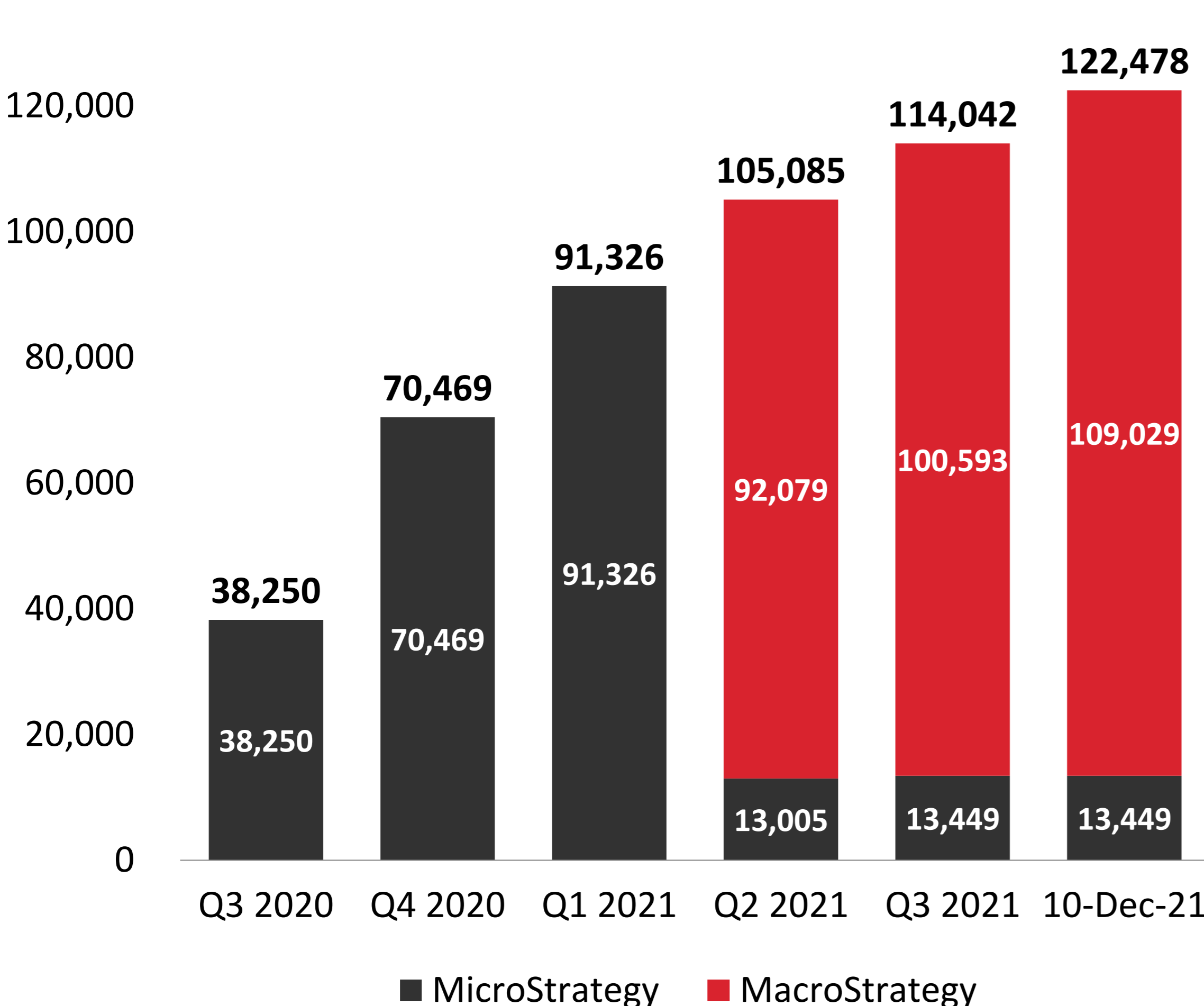
SIMPLIFIED CORPORATE STRUCTURE CHART



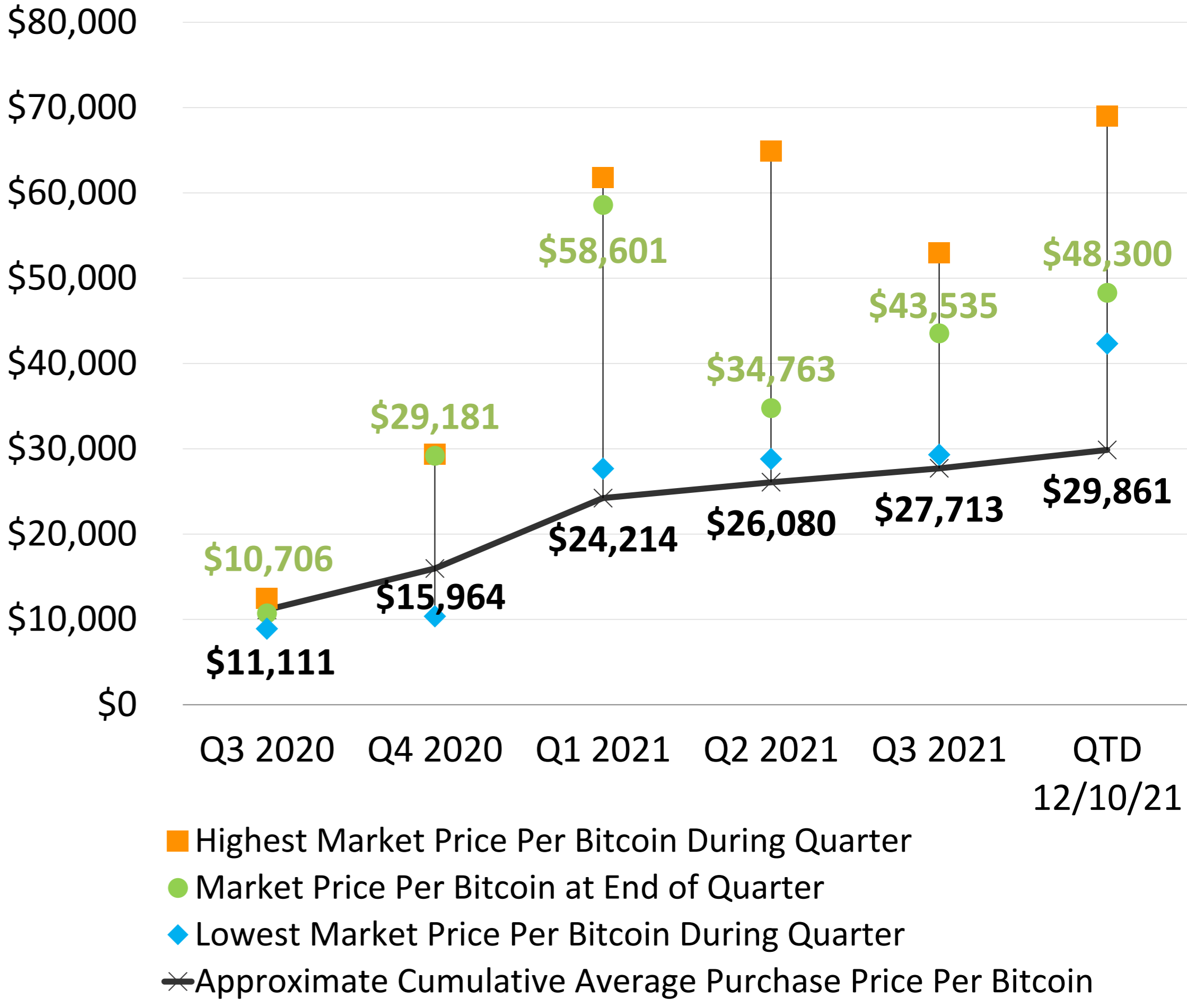
(1) Bitcoin held.
 (2) Digital assets subsidiary.

BITCOIN HOLDINGS EVOLUTION

Approximate Number of Bitcoins Held at End of Quarter



Bitcoin Price (\$)



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.

BALANCE SHEET AND FUTURE CAPITAL ALLOCATION

- We are creating a family of bitcoin-backed instruments using the entire spectrum across the capital structure
- We will continue to leverage our balance sheet as an asset to purchase more bitcoins

	Instrument	Issued	Maturity	Amount at Issuance (\$M)	Terms	Entity Holding the Bitcoins Purchased
Equity	Excess Cash	NA	NA	NA	NA	MicroStrategy ⁽¹⁾
	Equity Issuance under the ATM	Q3/Q4 2021	NA	~\$900M	NA	MacroStrategy
Convertible Debt	Convertible Senior Notes	Dec 2020	Dec 2025	\$650M	0.750% coupon and initially convertible to Class A shares at ~\$398 per share	MacroStrategy
	Convertible Senior Notes	Feb 2021	Feb 2027	\$1,050M	0.000% coupon and initially convertible to Class A shares at ~\$1,432 per share	MacroStrategy
Debt	Senior Secured Notes	Jun 2021	Jun 2028 ⁽²⁾	\$500M	6.125% coupon	MicroStrategy

(1) Bitcoins purchased with excess cash prior to the issuance of the senior secured notes in June 2021 are held at MacroStrategy. Future bitcoin purchases using excess cash are expected to be held at MicroStrategy.

(2) Please refer to the Q3 2021 10-Q for the springing maturity provisions that may impact the maturity date of the senior secured notes.

MICROSTRATEGY ADVANTAGE

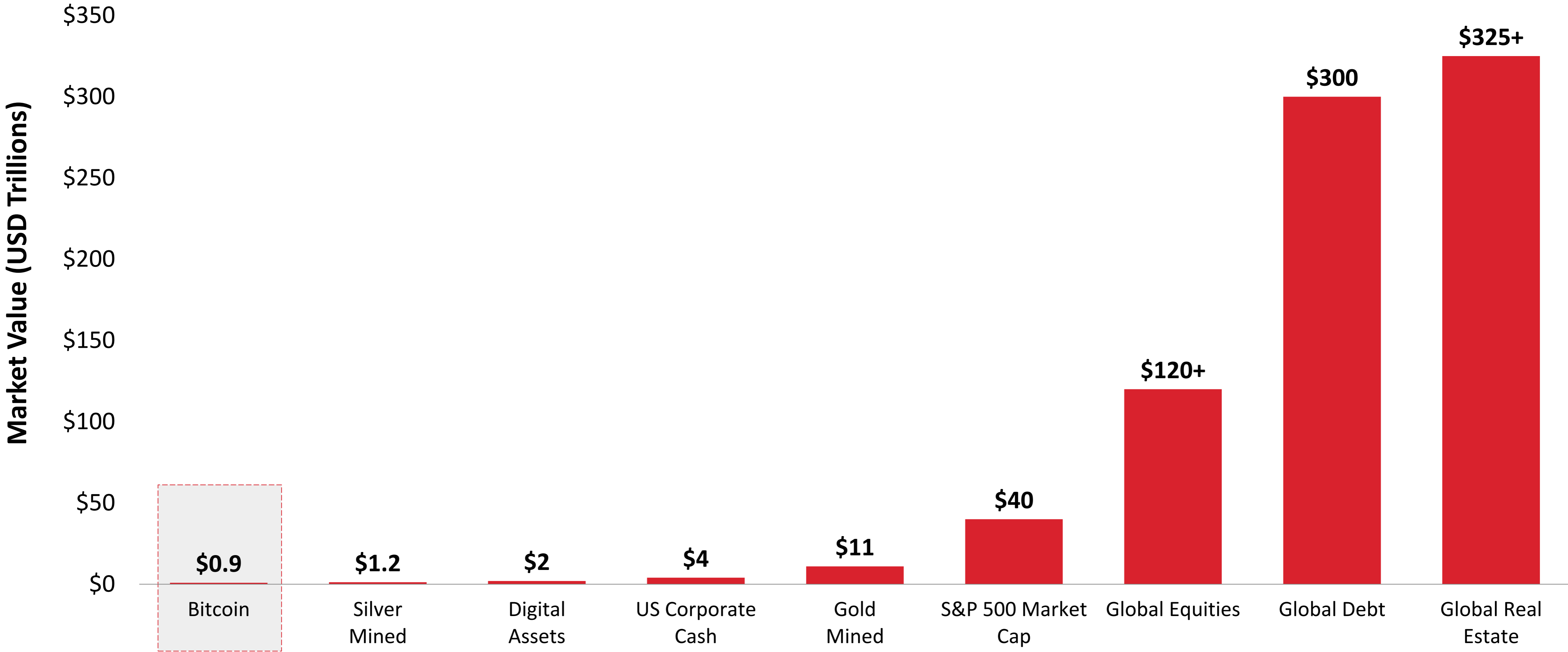
UNIQUE VALUE PROPOSITION VERSUS OTHER BITCOIN INVESTMENT VEHICLES

	<i>“Regulation for institutions”</i>	<i>“Non-bitcoin business value”</i>	<i>“Borrow competitively”</i>	<i>“Healthy operating business”</i>	<i>“Generate yield”</i>	
	Ease to Get Bitcoin Exposure	Downside Protection	Use of Leverage to Buy Bitcoin	Sweep Excess Operating Cash Flows to Buy Bitcoin	Manage Bitcoin Actively	Overall Relative Ranking
MicroStrategy						
Bitcoin						
ETFs						
Crypto Exposed Corporates						
Bitcoin Miners						

Note: Based on the Company’s own view of the relative positioning of the various categories shown. Graphic shows an illustrative Harvey balls representation. Complete red/grey circles represent the highest relative ranking and complete white circles represent lowest relative ranking in each respective category.

WE BELIEVE IT'S STILL EARLY

BITCOIN IS A VERY TINY FRACTION OF WORLD'S ASSETS



Source: Bloomberg, Factset, World Gold Council, The Carfang Group, casebitcoin.com as of December 10, 2021.

LONG-TERM VIEW

INCREASED INSTITUTIONAL AND MAINSTREAM ADOPTION TO DRIVE PRICE APPRECIATION





“Citibank Analyst says bitcoin could pass \$300k”

– November 2020

J.P.Morgan

“JP Morgan revises bitcoin target to \$130,000, citing decreased volatility”

– April 2021



“Bitcoin could reach \$100k by 2023”

– October 2021

Cathie Wood



“Bitcoin will surge to \$500,000 in 5 years”

– September 2021



Warren Buffet

“Cryptocurrencies basically have no value, and they don't produce anything. In terms of value: zero.”

– February 2020

‘Black Swan’ author Nassim Taleb

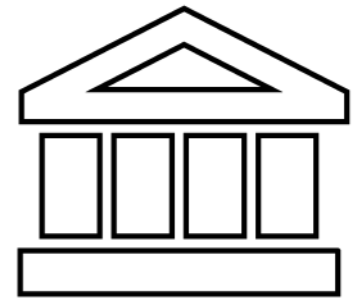
“Bitcoin is worth zero and fails as a currency and a hedge.”

– July 2021

Source: Press releases.

DIGITAL ASSETS MACRO LANDSCAPE

KEY DEVELOPMENTS



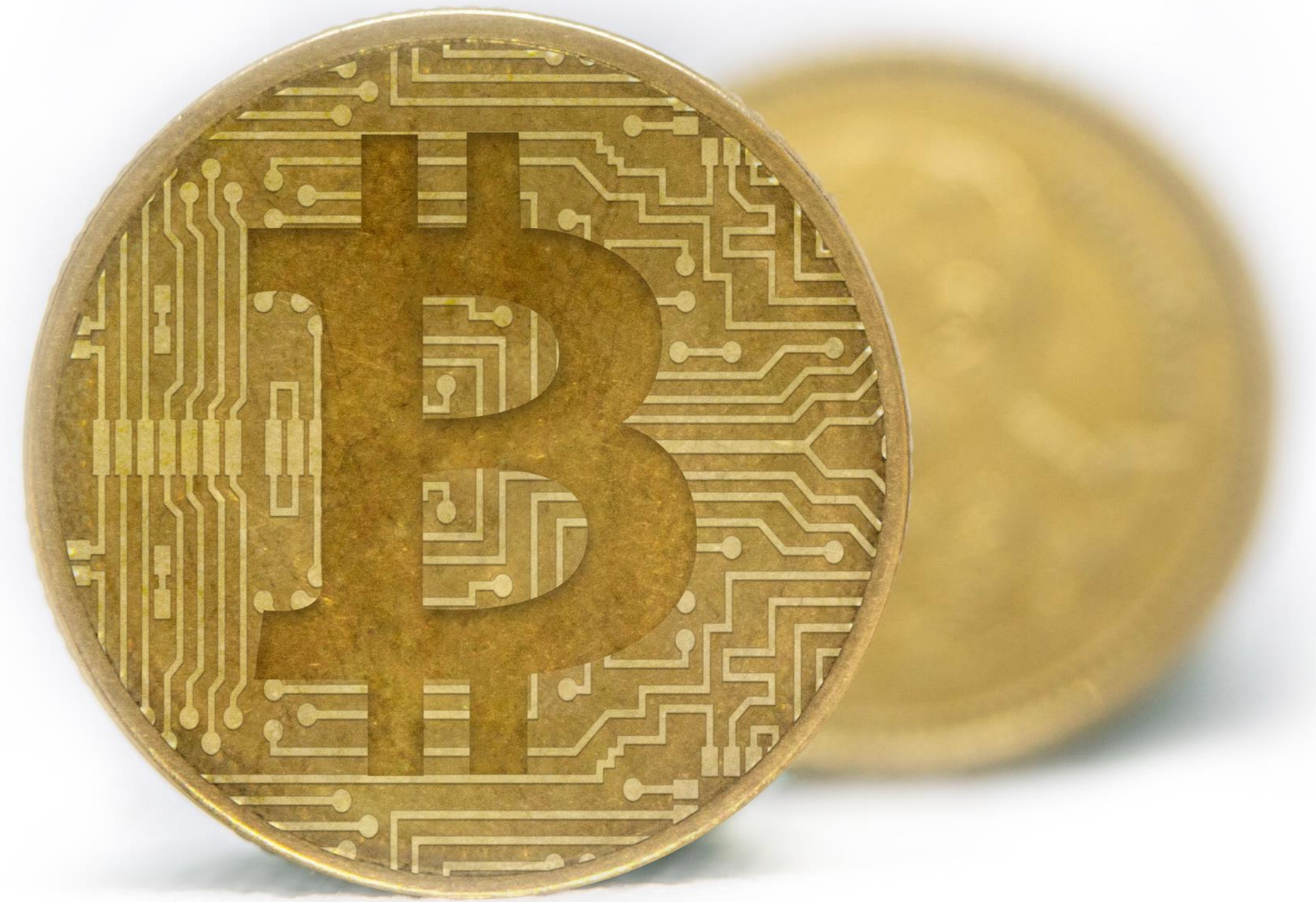
Regulatory



Geo-Political



ESG



SOFTWARE STRATEGY

“Micro” Strategy

ANALYTICS PLATFORM IS **POSITIONED TO GROW** IN 2022

AN INDUSTRY LEADER IN **ENTERPRISE ANALYTICS**

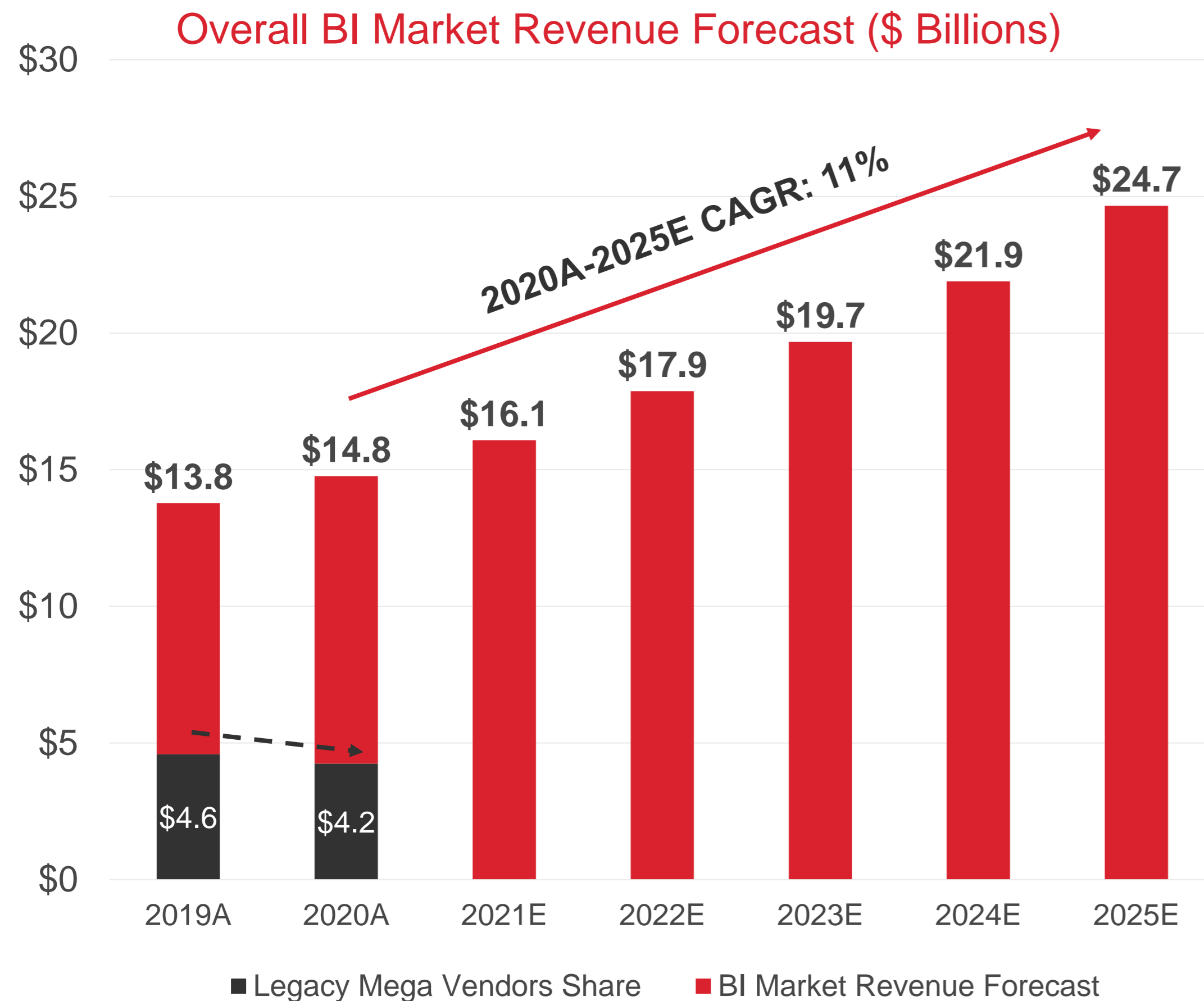
- MicroStrategy is the world's largest, independent business intelligence platform
- R&D investments in our platform and cloud offering set foundation for durable growth
- Organically developed toolset ensure seamless, integrated, consistent, and secure analytics experiences
- Agnostic approach enables integration with today's - and tomorrow's - datasets, operating systems, devices, and applications
- **MicroStrategy is uniquely positioned to meet enterprise customer demands with our modern analytics platform**

WELL-POSITIONED FOR **MULTI BILLION-DOLLAR MARKET OPPORTUNITY**

- MicroStrategy is targeting a multi billion-dollar market opportunity at early stage of moving off legacy tech and to the cloud
- Multiple vectors for revenue growth:
 - 1 Expanded analytics and BI market share through enterprise BI replacement and growth**
 - 2 Continued growth via penetration and expansion within OEM and ISV market**
 - 3 Accelerated revenue growth as enterprises move analytics environments to the cloud**

DEMAND FOR ENTERPRISE ANALYTICS IS ACCELERATING

AND LEGACY VENDORS ARE LOSING GROUND



- Overall BI market revenue is expected to grow at 11% CAGR through 2025
 - Departmental analytics is crowded and commoditized
 - Enterprise analytics is growing in strategic importance
 - Legacy BI vendors operating at enterprise scale (led by SAP BusinessObjects, Oracle OBIEE, and IBM Cognos) have stopped growing due to de-investment in analytics, in response to pressure on core ERP / Cloud businesses from AWS and Microsoft
- Modernization demands from large organizations require a combination of enterprise-grade security and scalability, and modern analytics experiences
- **MicroStrategy is the logical choice for enterprise-scale BI replacement and expansion**

Source: Gartner Enterprise Software Market 2021. BI Market Revenue Forecast represents total BI&A Platform and Enterprise Reporting Platform markets revenue forecasts. Legacy Mega Vendors represent SAP, Oracle, and IBM.

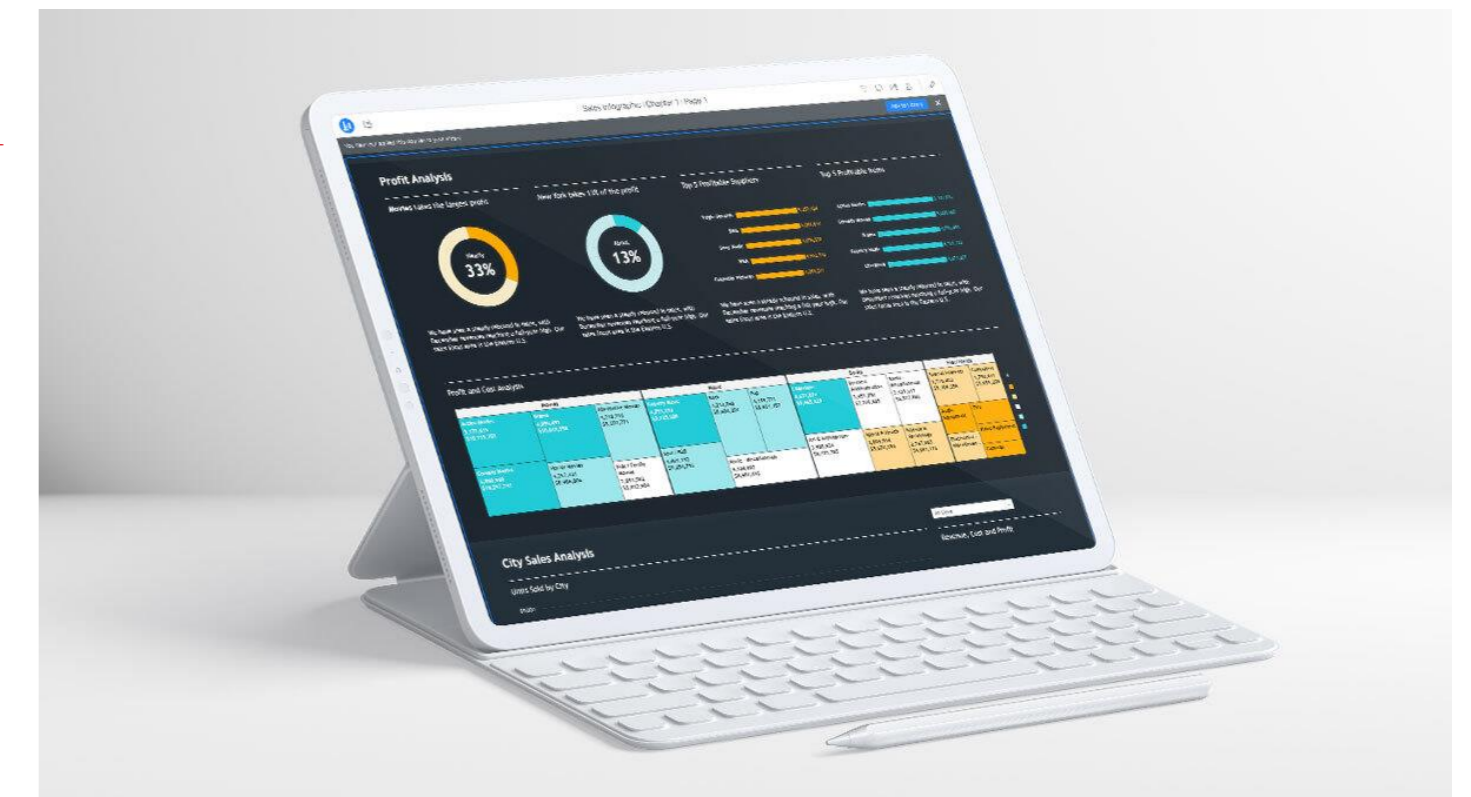
MICROSTRATEGY UNIQUELY COMBINES MODERN ANALYTICS EXPERIENCES WITH ADVANCED SELF-SERVICE CAPABILITIES

Modern Analytics. Rapid development and distribution of pervasive, impactful dashboards, infographics, and interactive analytics applications.

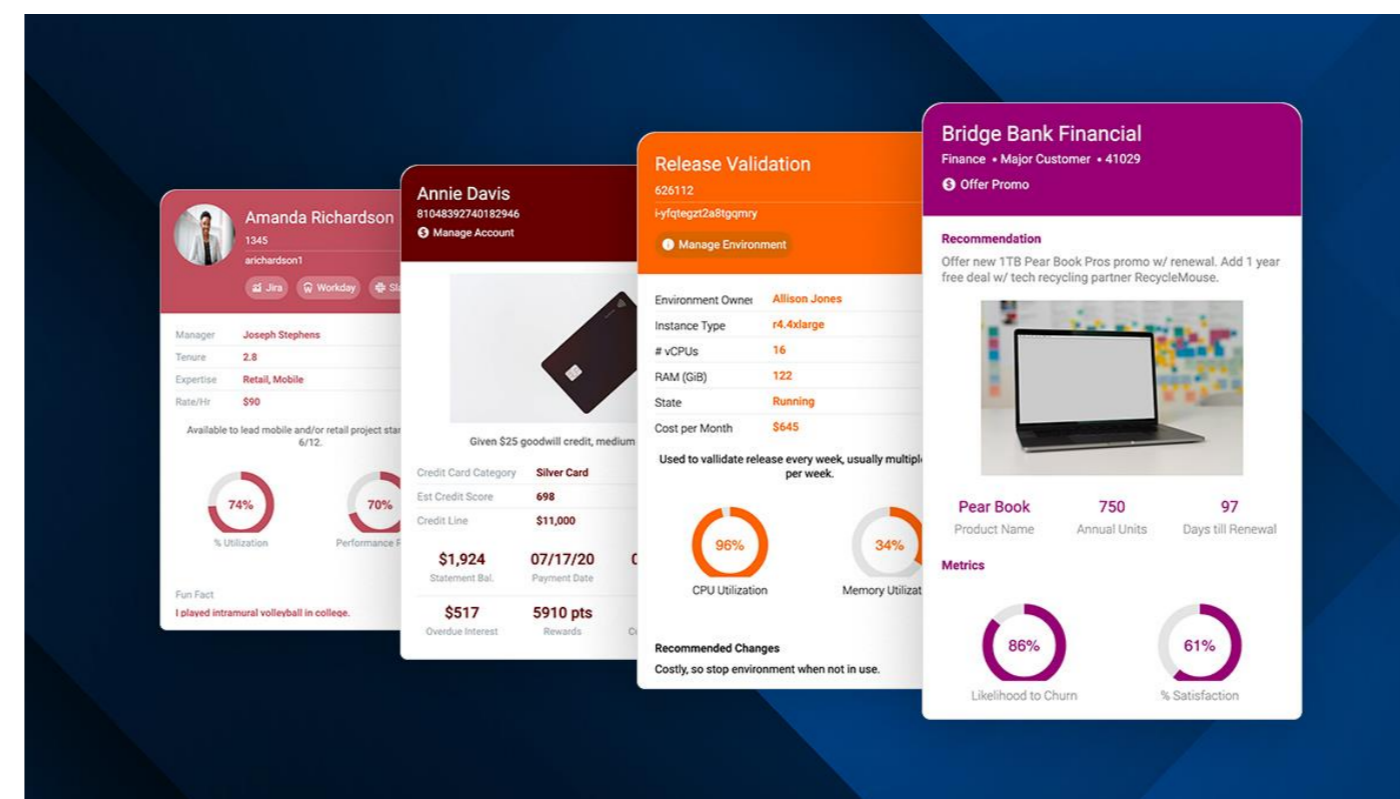
Pervasive Intelligence. Only vendor with HyperIntelligence™, to extend the power of targeted insights beyond merely the data-literate to the broader organization for faster, smarter decisions.

Open Architecture. Out-of-the-box connectivity and optimized query generation against any data: RDBMS, Big Data, unstructured, local, API. Out-of-the-box extensibility to 3rd party data science applications to support predictive AI/machine learning analysis.

Modern Analytics



Pervasive Intelligence



SIGNIFICANT GROWTH IN ENTERPRISE BI THROUGH NET NEW LOGOS AND LICENSE EXPANSION

MULTINATIONAL MEDIA AND ENTERTAINMENT STREAMING SERVICE

Experiencing rapid growth, this organization invested in a MicroStrategy Cloud migration and modernization project. The division is sunsetting legacy tools to centralize its marketplace analytics approach across the group, while the parent organization is also standardizing on MicroStrategy.

TOP-TIER LIFE INSURANCE AND FINANCIAL SERVICES ORGANIZATION

Expanded MicroStrategy investments to replace competitors with an enterprise approach to analytics that features modern data visualizations, cloud scalability and high performance, robust security, customizable data governance, and long-term product and cloud roadmap viability.

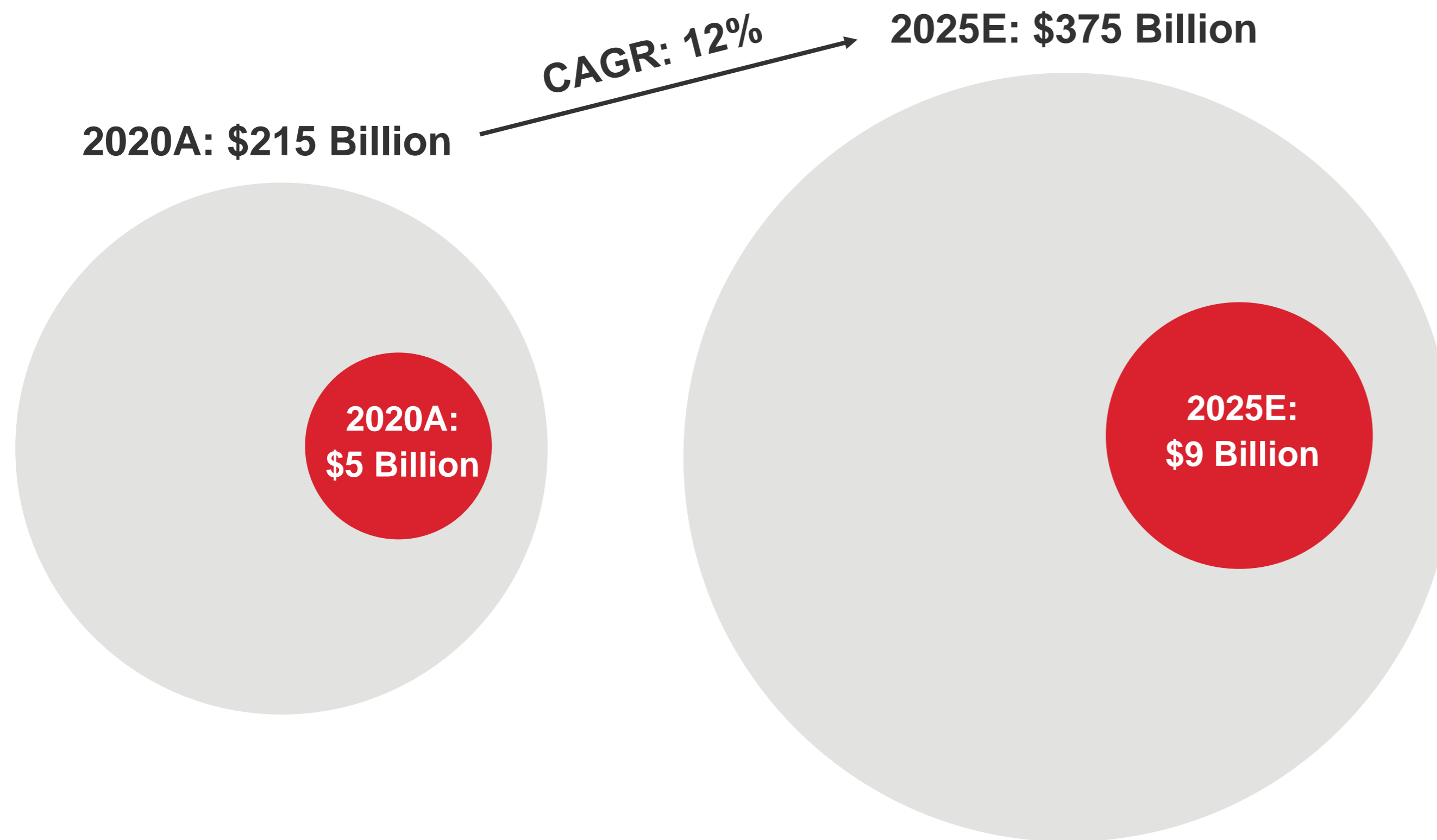
GLOBAL COMMERCIAL PROPERTY & PERSONAL INSURANCE FIRM

Nearly doubled its MicroStrategy footprint after consolidating multiple legacy and niche BI tools on MicroStrategy Cloud. Confident in the product roadmap, the organization expanded investments to modernize with pixel-perfect reports, near real-time reporting, and cloud data platform adoption.



OEM MARKET ATTRIBUTABLE TO BI & ANALYTICS IS GROWING

LOW-CODE NO-CODE IS FAVORING BUY VS. BUILD DECISIONS



- Enterprises are increasingly expecting analytics as a core attribute of any 3rd-party software solution
- A growing number of enterprise software vendors are incorporating modern BI experiences directly into their products – best delivered by partnering with an open, enterprise-scale, focused analytics vendor
- The biggest drivers for BI vendor selection for enterprise-grade OEMs are software quality, scalability, and flexibility / openness
- **MicroStrategy is well positioned to benefit from this growing trend in the Embedded Analytics and OEM marketplace**

- Enterprise Application Software Market Revenue (Excluding Analytics)
- Illustrative Addressable OEM Market Revenue Estimate

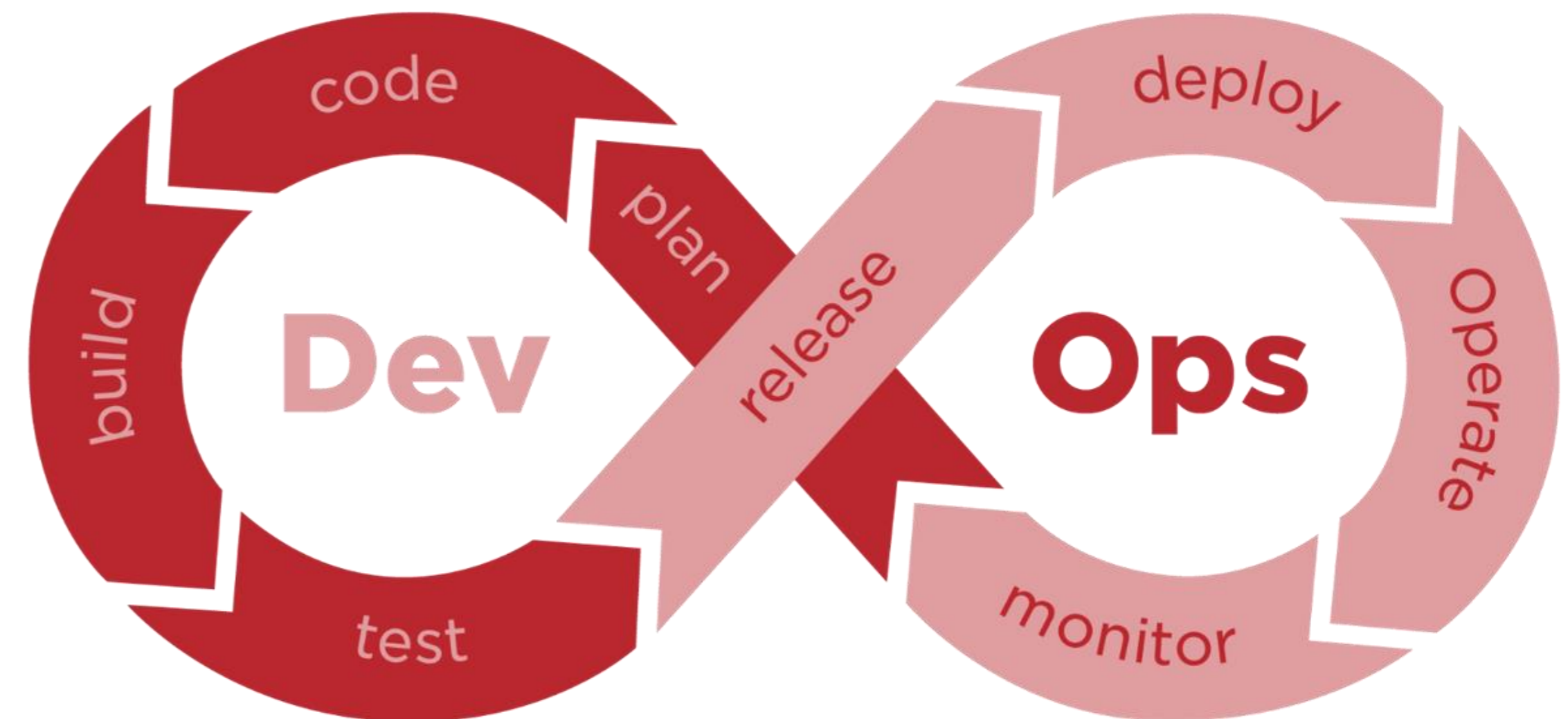
Source: Gartner Enterprise Software Market 2021. Illustrative OEM Market Revenue is calculated assuming 25% of the Enterprise Application Software Market Revenue (Excluding Analytics) is spent on R&D and 10% of that R&D spend is the addressable OEM Market Revenue estimate.

MICROSTRATEGY'S ANALYTICS PLATFORM ENABLES RAPID CUSTOMIZATION, EXTENSION, AND INJECTION OF ANALYTICS

Open Architecture. "API-first" architecture, with a comprehensive SDK suite that covers 85%+ of core application capability.

Democratized Development. Low-code / no-code options for white labeling, and custom application development. Developer Sandbox, code-samples, unique application libraries enable high-volume, high-velocity integration and deployment.

Architecture API-based Controls. Maintain containerized, platform-agnostic, multi-tenant architecture that lets OEM vendors flexibly scale, deploy, upgrade, and manage their environments.



FOOTPRINT EXPANSION IN OEM SOLUTIONS WITH NET NEW LOGOS AND GROWTH ACROSS A VARIETY OF INDUSTRIES

INTERNATIONAL PROVIDER OF HUMAN RESOURCES SERVICES & SOLUTIONS

This leading provider for HR, payroll, benefit, and T&A outsourcing services adopted MicroStrategy as its enterprise solution for its operational reporting portal that supports 600K+ small- and medium-sized businesses across the US and Europe.

GLOBAL AUTOMOTIVE INDUSTRY & SERVICES SOLUTIONS PROVIDER

This leader in manufacturing, service, lender, and dealer solutions consolidated legacy technology on MicroStrategy as its embedded analytics across its suite of product offerings used by 40K+ auto dealer clients over 5 continents.

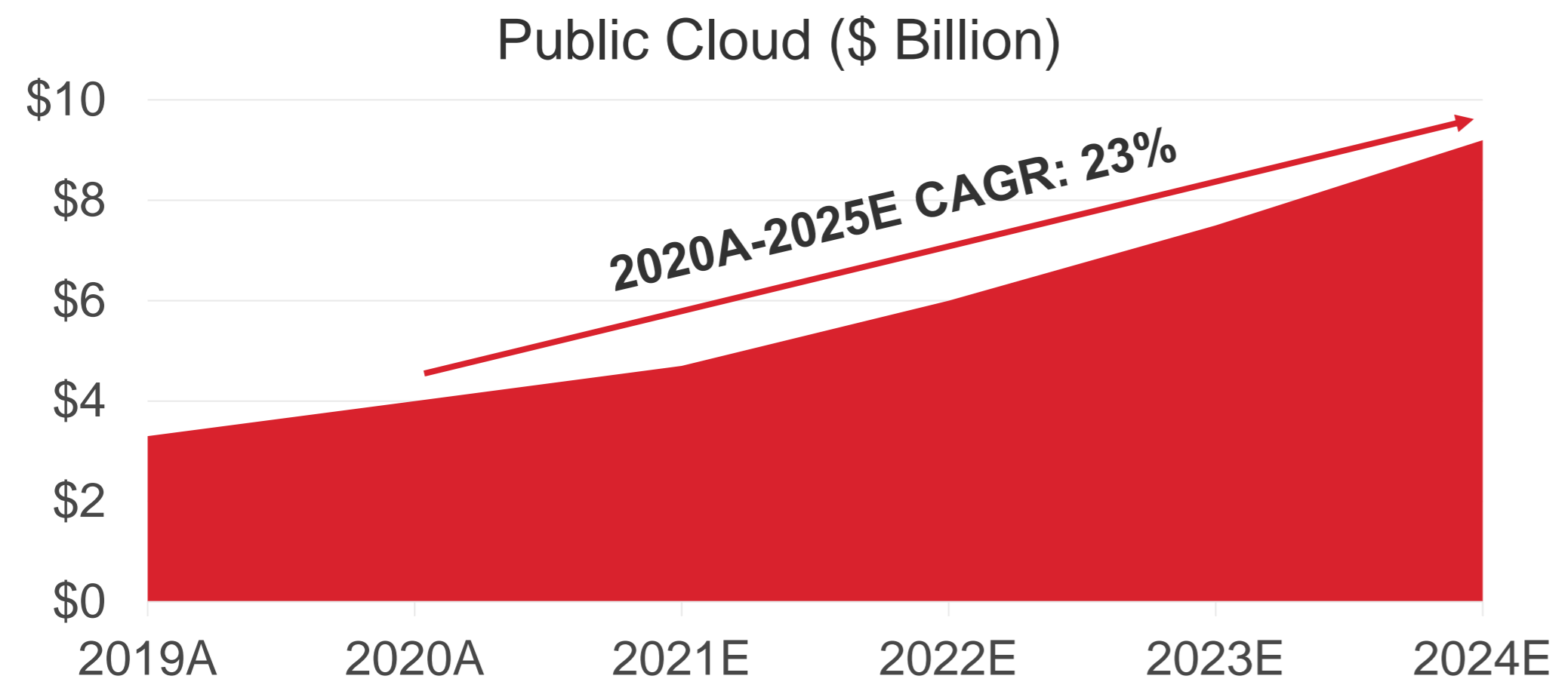
LEADING GLOBAL CLOUD CUSTOMER EXPERIENCE & MANAGEMENT SOLUTION

This customer experience and contact center software leader doubled its MicroStrategy Cloud investments to modernize with pixel-perfect reports, near real-time reporting, and cloud data platform adoption.



CLOUD ADOPTION CONTINUES TO ACCELERATE

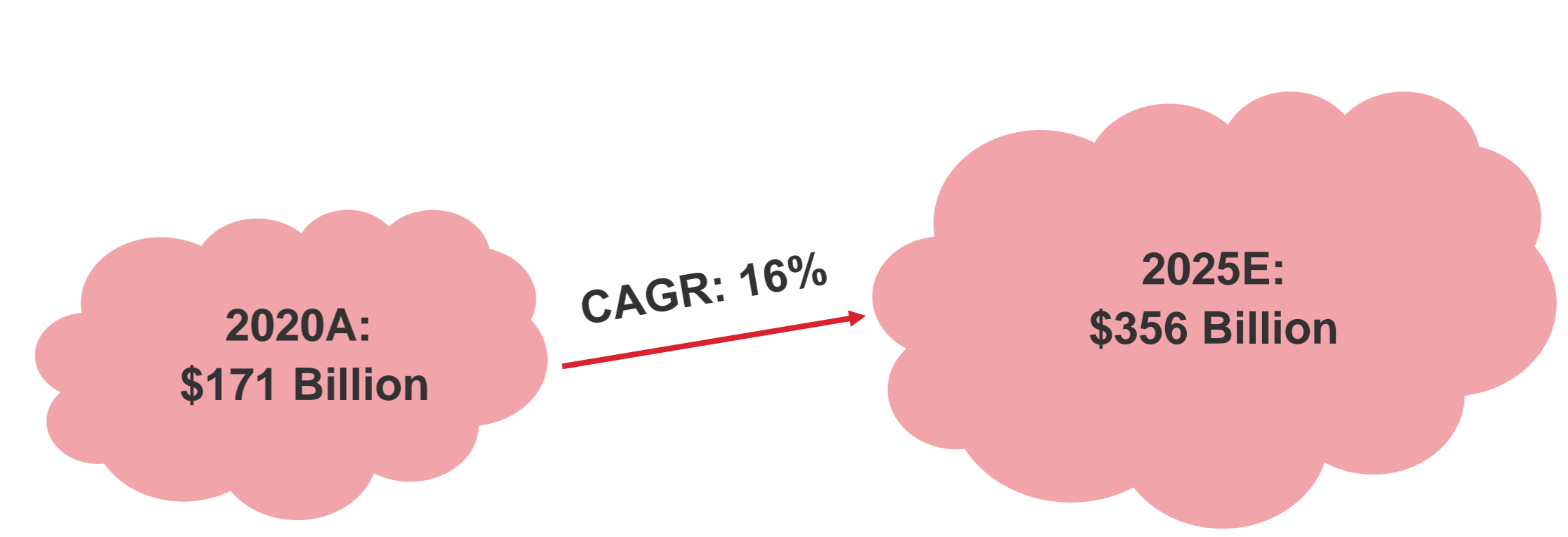
CLOUD ANALYTICS ADOPTION



- Cloud analytics enable organizations to empower the workforce, reduce costs and stay agile
 - 40%+** Organizations invest in big data and analytics to enable better business visibility
 - 30%+** Organizations are accelerating their move to cloud

Source: IDC, Worldwide End-User Query, Reporting, and Analysis Software Forecast Update, #US46880220.

CLOUD APPLICATION SOFTWARE



- Cloud applications market is expected to grow through global adoption and expansion in APAC and Middle East regions
- Acquisitions made by bigger players in recent years will boost their market presence and help diversify their cloud applications portfolio to gain competitive advantage

Source: MarketsAndMarkets Analysis.

MICROSTRATEGY CLOUD DELIVERS MILITARY-GRADE SECURITY ON A MODERN MICROSERVICES-BASED ARCHITECTURE

3b

Agnostic Enterprise Cloud Analytics. Full platform parity and optimization for multiple market-leading cloud platforms (AWS, Azure). Optimized reference architecture (microservices) providing enterprise-grade data design and governance.

Secure Cloud Analytics. Elite data protection and security standards, accredited via ISO-27001, PCI-DSS, SOC2-II, HIPAA, FedRAMP (in process), and more.

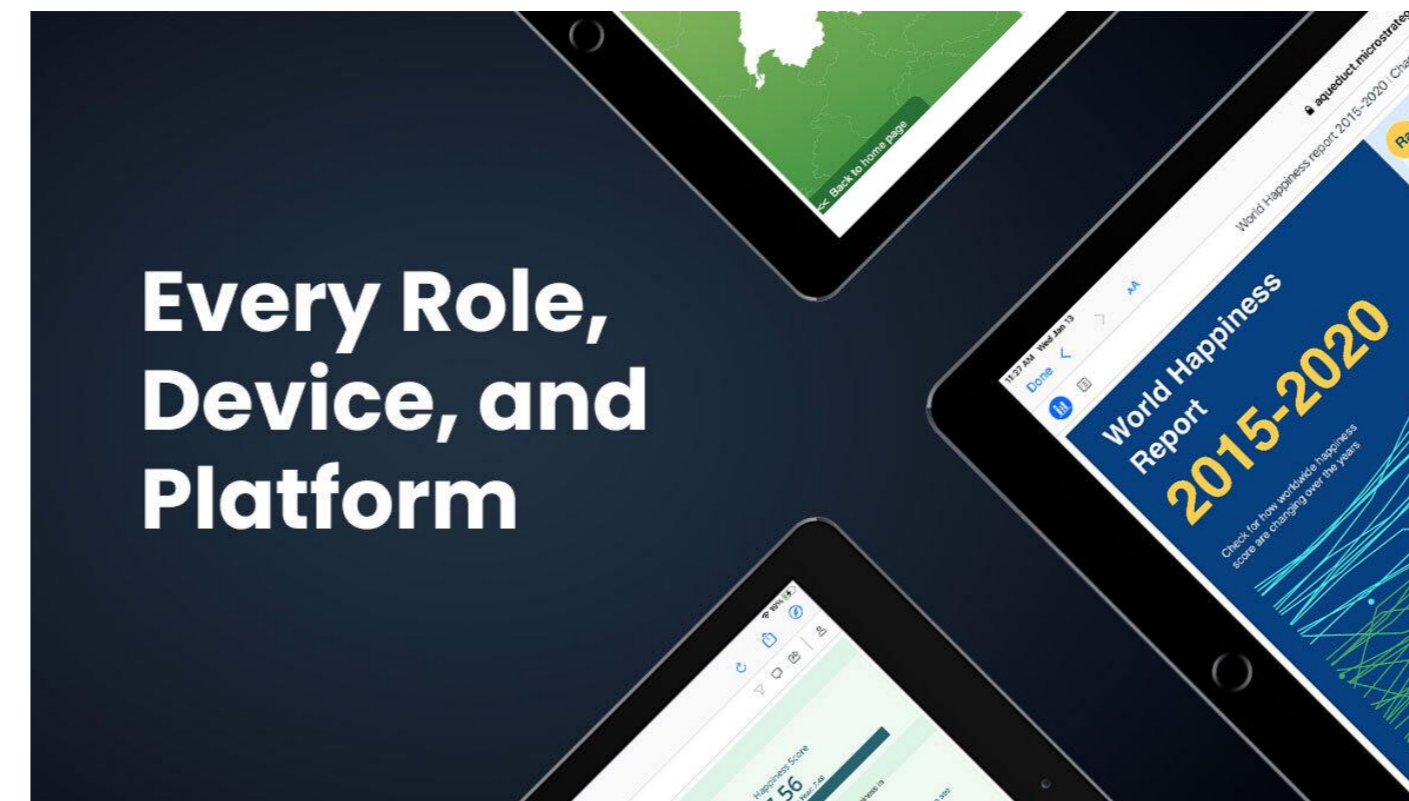
FedRAMP authorization (in process).

Mission critical enterprise cloud analytics comprising: personnel qualifications; data control, storage, access, and encryption; disaster recovery; availability, resilience, and platform performance at high data volumes and concurrency.

Elite Data Protection & Military Grade Security



Every Role, Device, and Platform



Cloud Agnostic Enterprise Analytics

SIGNIFICANT GROWTH IN ENTERPRISE BI THROUGH NET NEW LOGOS AND LICENSE EXPANSION

PREMIER MULTINATIONAL BIOPHARMAEUTICAL ORGANIZATION

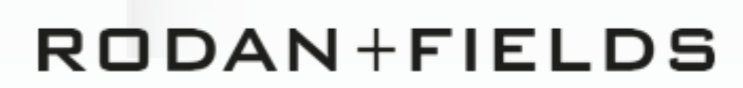
Standardized its commercial business on MicroStrategy Cloud with analytics apps, self-service capabilities, an enterprise data layer, and back-end architecture for scalability and growth to serve thousands of users in its global workforce across the US, China, Brazil, and more.

LEADING RETAIL GROCER AND E-TAILER IN THE UNITED KINGDOM

Invested in MicroStrategy Cloud as its enterprise standard for analytics enablement across its business and currently leverages a suite of 30+ applications that deliver job-relevant insights that facilitate actions to colleagues across its business from the CEO to the shop floor.

INTERNATIONAL ONLINE TRAVEL AGENCY & RESERVATION SERVICE

Selected MicroStrategy as the pandemic escalated the need for quick access to vital insights. Investment allowed for the replacement of disparate legacy tools in favor of an enterprise data dictionary with trusted KPIs, and a data-driven decision process the organization, along with alignment between the C-suite, vertical leaders, and corporate analyst teams.



FINANCIALS

MICROSTRATEGY IS WELL-POSITIONED FOR GROWTH

World Class Software Product with Healthy Financial Profile

- Generating consistent product revenue growth
- \$500+ million revenue with 60%+ recurring revenue base that is growing⁽¹⁾
- Efficient and scalable business model with a focus on improving gross margins

Value-Creating Treasury Policy with Levered Long Approach to Bitcoin

- Own ~122,478 bitcoin, providing asymmetric upside opportunity for shareholders
- Balance sheet is a strategic asset we will use to acquire additional bitcoin
- Growing free cash flow from BI business to be used to acquire additional bitcoin

Attractive Growth Outlook

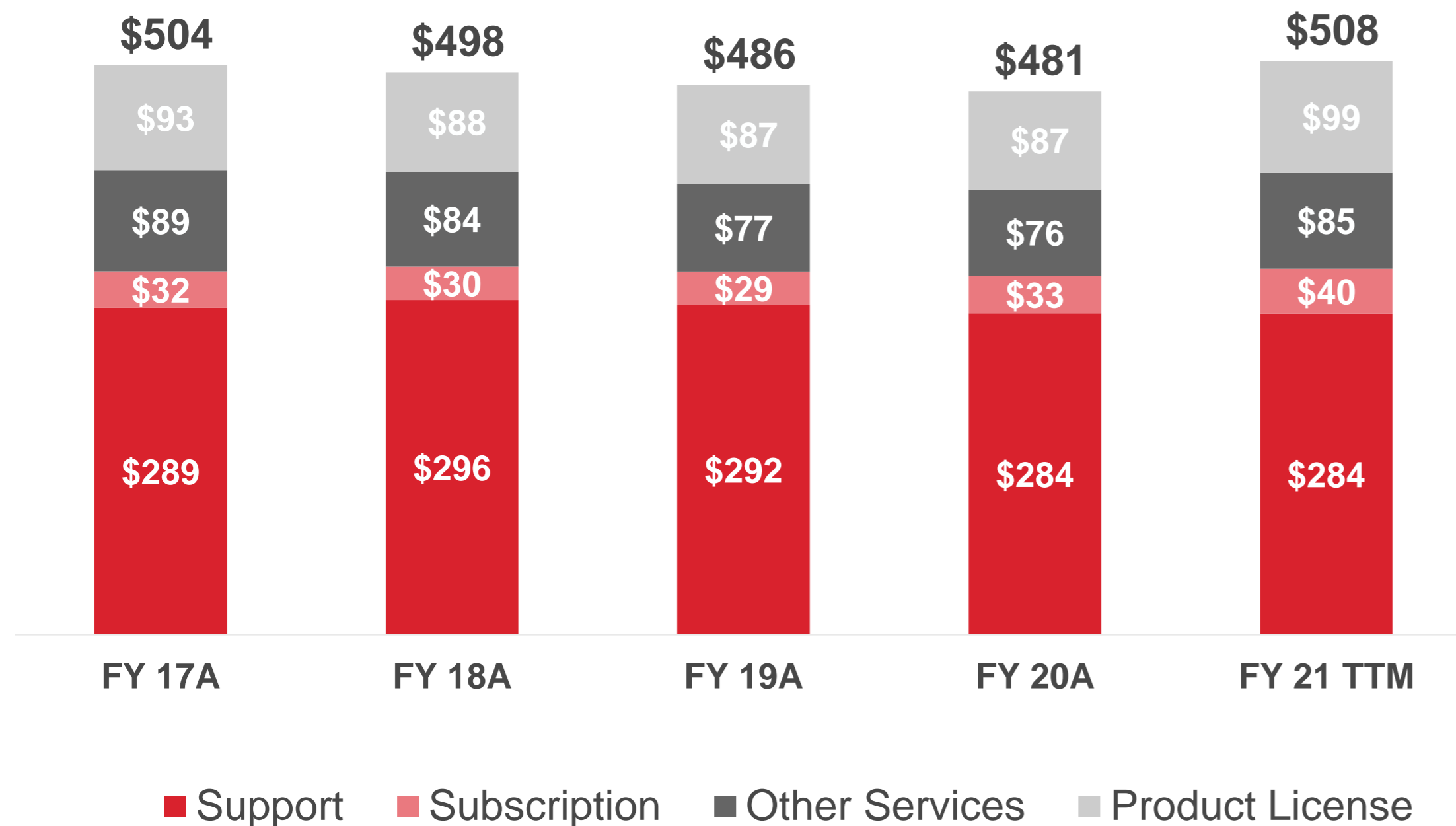
- Successfully returned to consistent growth
- Multiple levers in place to accelerate growth in coming years including legacy BI replacement, OEM market penetration, and cloud migration
- Confident in our plan to deliver 10%+ revenue growth over time

(1) Represent FY 21 TTM metrics based on Q4 20 through Q3 21 actual results.

REVENUE PROFILE IS ATTRACTIVE

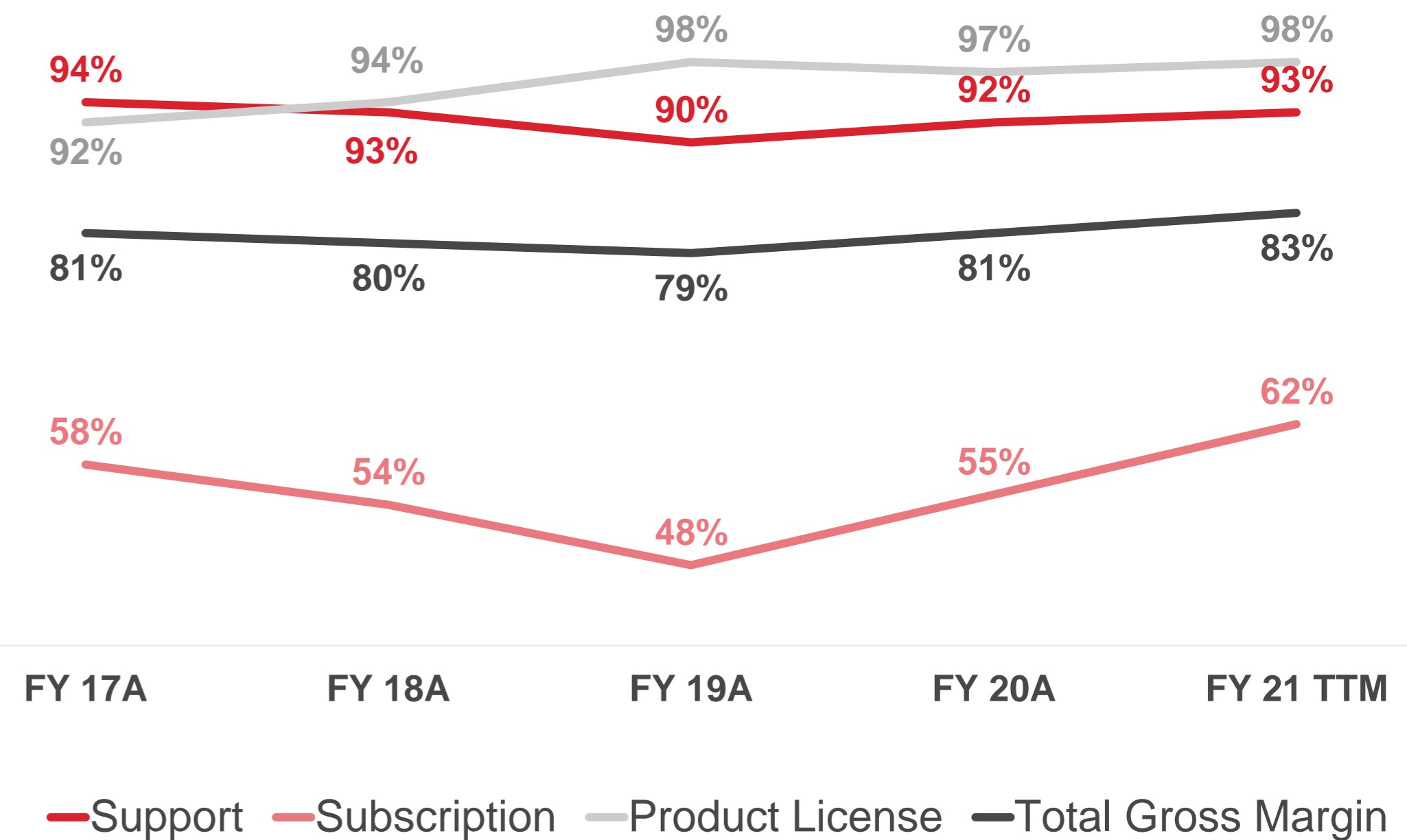
63%+ RECURRING REVENUE AND 80%+ TOTAL GROSS MARGIN

Revenue By Type (\$M)



• **63%+** of revenue is recurring (TTM)

Gross Margin By Revenue Type (%)



• **75%** of revenue at **90%+** Gross Margin (TTM)

*FY 21 TTM is based on Q4 20 through Q3 21 actual results.

WE HAVE A DIVERSE, LOYAL BLUE-CHIP CUSTOMER BASE

Summary Metrics

27

Countries of Operation

41%

% of recurring revenue from international

23 yrs

Average lifetime of top 15 customers

\$3M+

Average ARR of top 15 customers

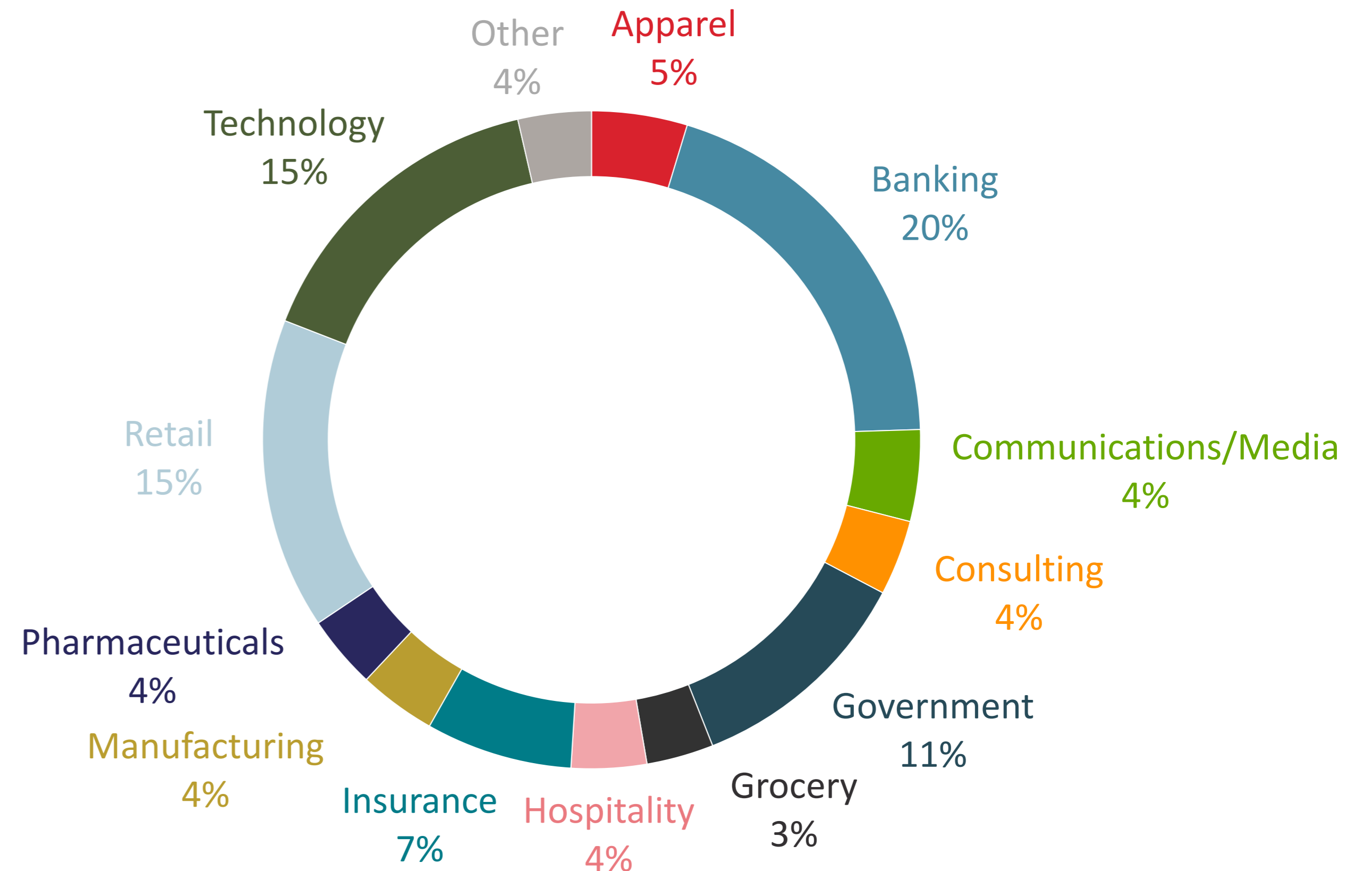
>700

Customers spend \$100K+/year

~95%

Renewal rates

Recurring Revenue Distribution by Industry⁽¹⁾



(1) Based on top 100 accounts by revenue during the last 4 quarters from Q4 20 through Q3 21.

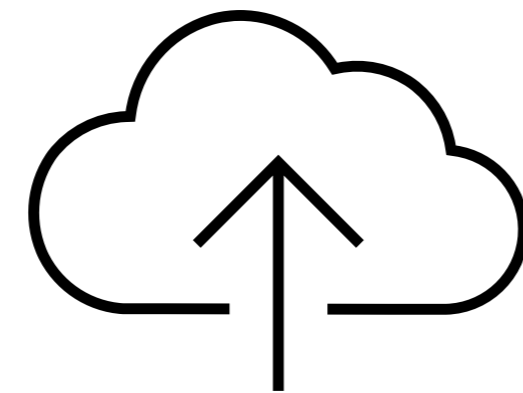
TRANSITION TO CLOUD IS WELL UNDERWAY

SUBSCRIPTION BILLINGS IS A KEY PERFORMANCE INDICATOR



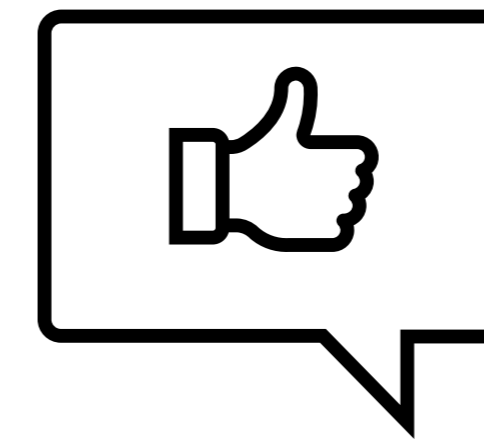
New Billings

- Driven by new customer and existing customer upsell billings
- Factors impacting shift to Cloud BI:
 - a. Macro factors including work from home and focus on cost reduction
 - b. Prevalence of data warehouse in Cloud
 - c. Greater Cloud adoption in large enterprises



Customer Migrations Resulting in Uplift of 50-60%+

- Existing customer shift from on-premise perpetual license model to Cloud subscription license model
- Last 4 quarters uplift 90%+ representing earlier adopters and small/medium size footprints
- Increase in subscription revenue will be partially offset by a reduction to support revenue



Customer Renewals

- 95%+ renewal rate (greater than on-prem)
- Upsell opportunities at each renewal cycle
- Focus on 3-year commitments

Current Subscription Billings (\$M) improving 35% year-over-year ⁽²⁾



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.

(2) Subscription billings growth is calculated using the average of recent 4 quarters ending Q3 21 over the average of prior 4 quarters ending Q3 20.

TRANSITION TO CLOUD IS WELL UNDERWAY

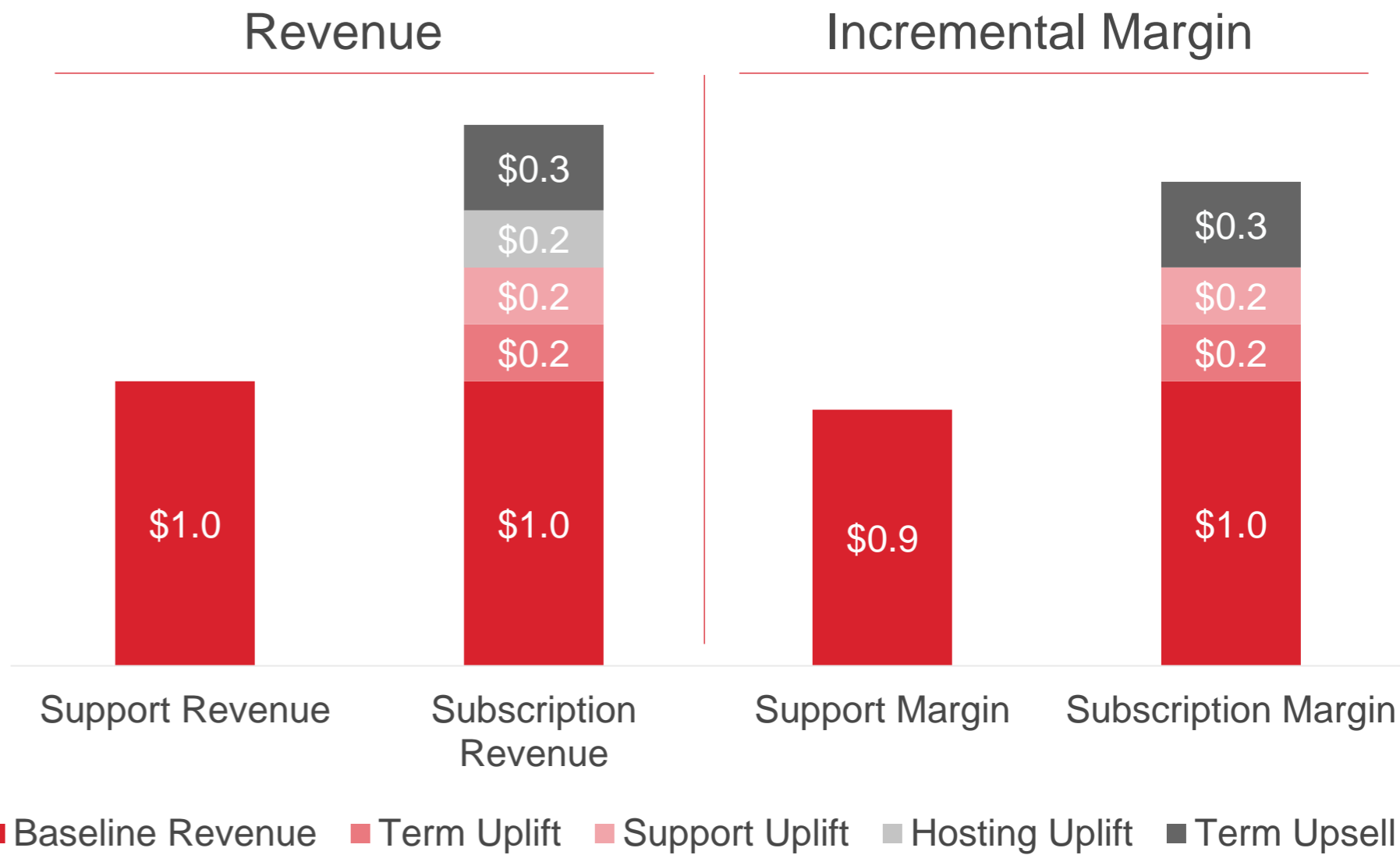
CLOUD CONVERSION AND GROWTH FINANCIALS

Cloud Growth Illustrative Financials (\$M)



- Subscription revenue typically ~50% less than perpetual in year 1; with break-even point after year 3
- Example comparison of revenue streams:
 - On-prem: \$1M perpetual license, \$200K recurring product support
 - \$600K recurring subscription revenue (includes license + support + hosting)

Cloud Conversion Illustrative Financials (\$M)

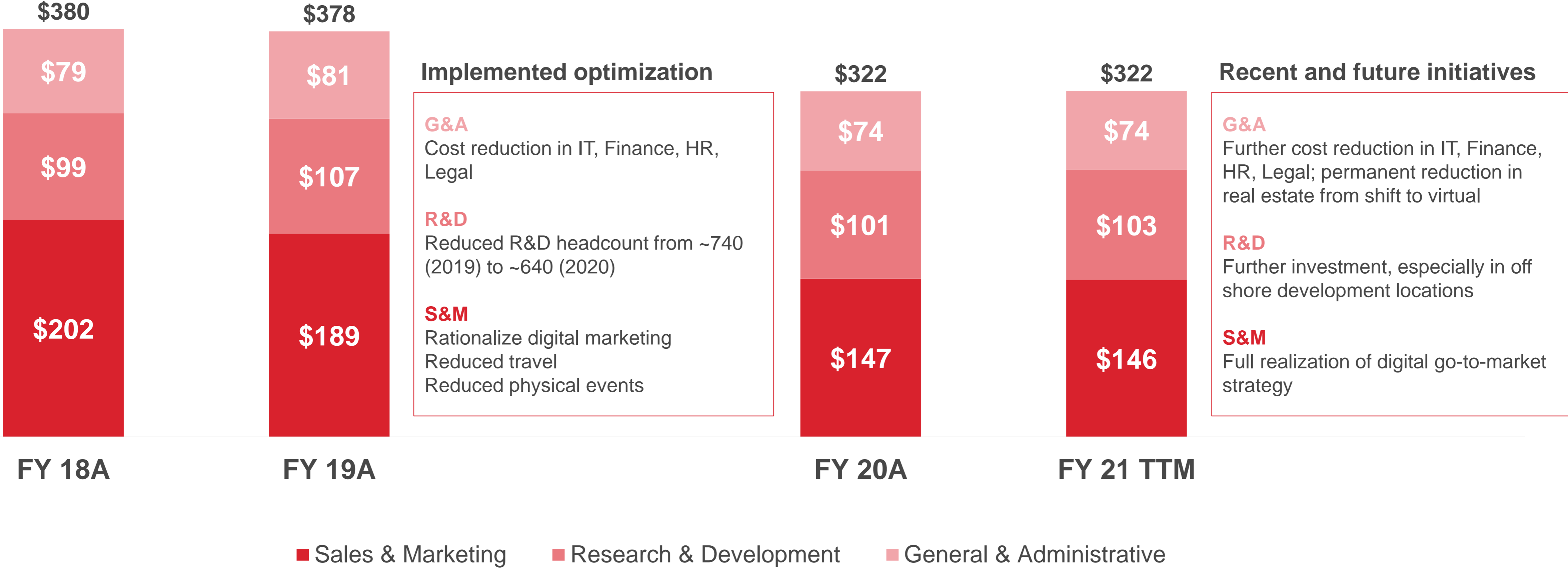


- Converting customer from on-premise support to subscription cloud results 90%+ immediate uplift in revenue
- Results in 70%+ uplift in gross margin
- Customer breakeven point is in Year 1, with near immediate cost benefits

COST STRUCTURE

UNDERGONE SIGNIFICANT OPTIMIZATION AND WILL CONTINUE TO IMPROVE FURTHER

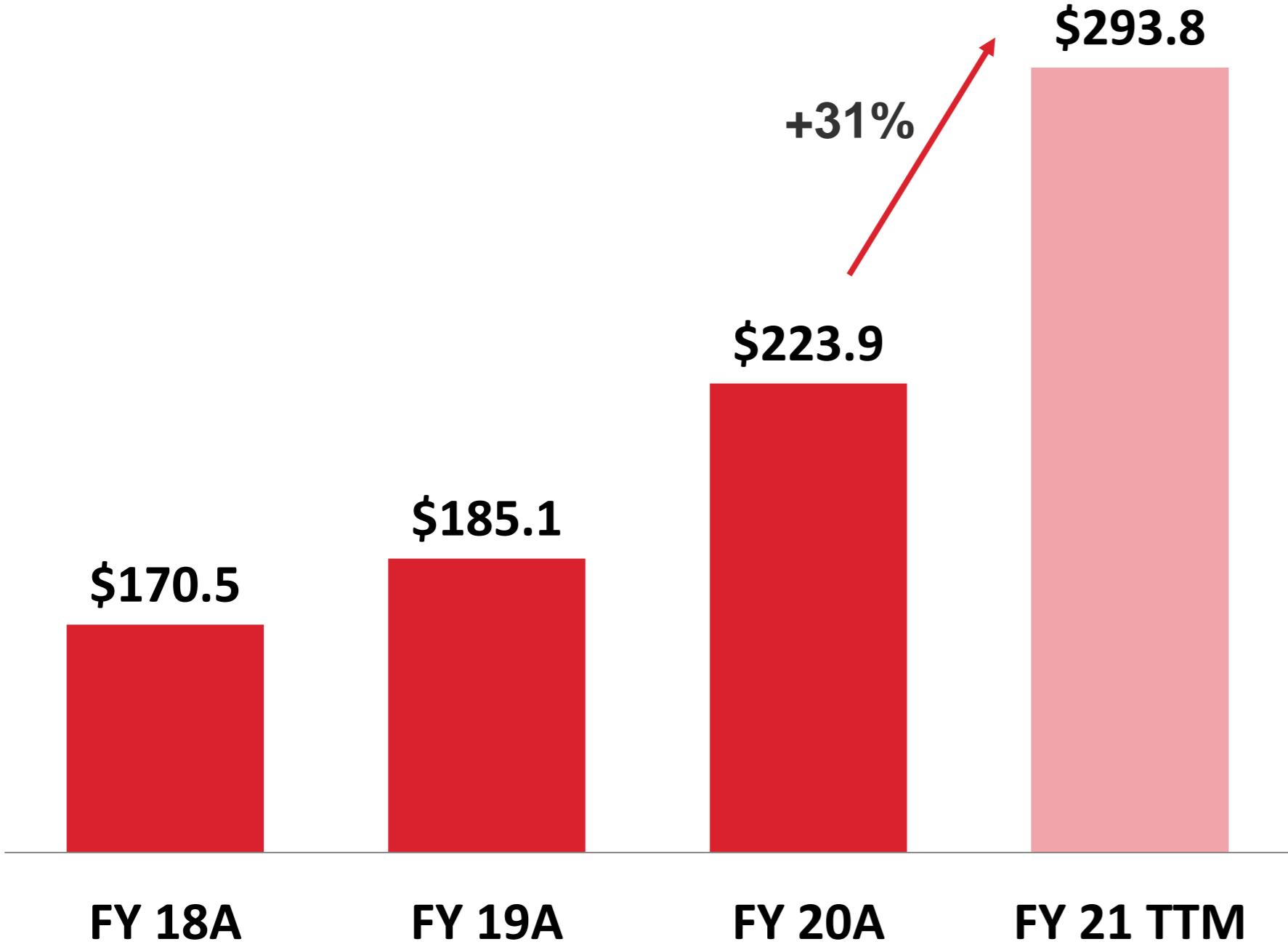
Non-GAAP Operating Expenses By Type (\$M)



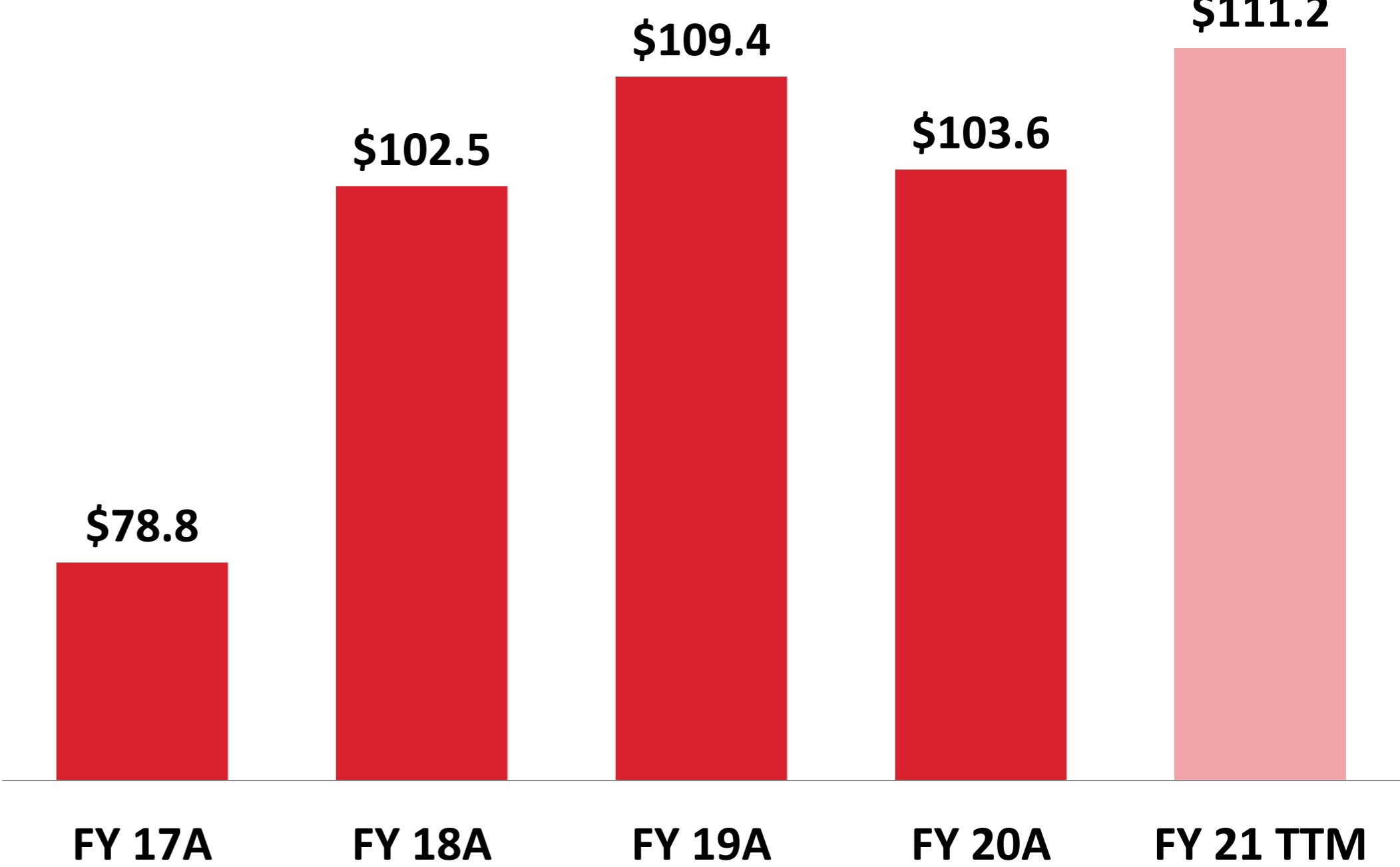
Costs shown are Non-GAAP S&M, R&D, and G&A costs. Please refer to the Appendix for a reconciliation of certain Non-GAAP Operating Expenses.

REDIRECTING SAVINGS FROM IMPROVED SALES PRODUCTIVITY INTO R&D SPEND

Productivity (\$000's) ⁽¹⁾



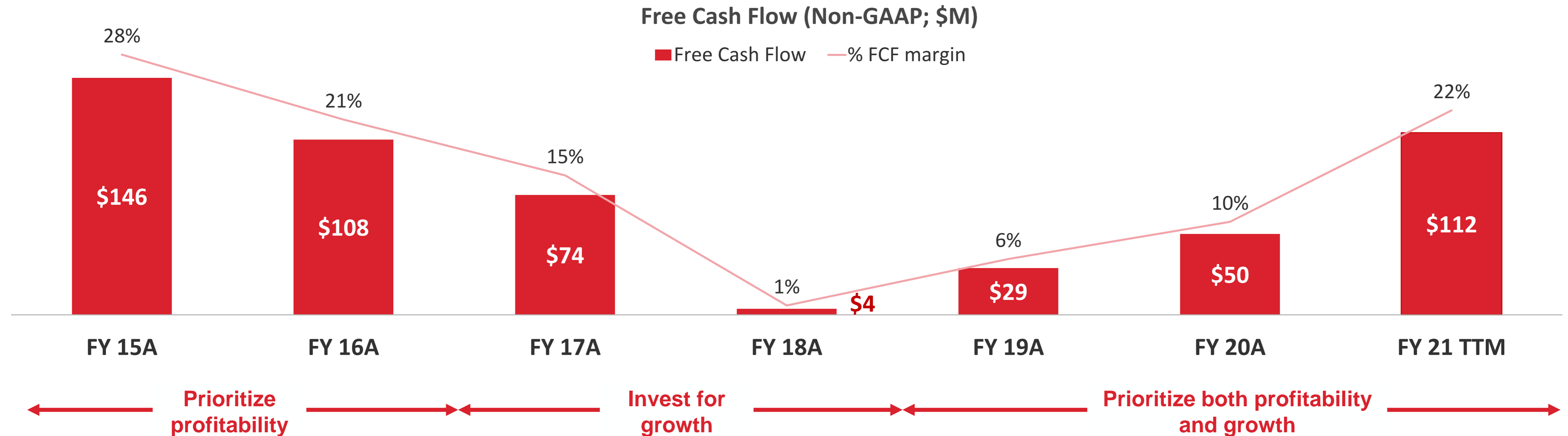
R&D Spend (\$M)



(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.

CASH FLOW

PROVEN HISTORY OF FREE CASH FLOW GENERATION



Cost optimization and product rationalization

- Closed inefficient development centers and satellite offices
- Streamlined business processes

In 2017, announced a 3-year plan to reinvest for growth

- Increased S&M spend by ~17% in FY 18
- Increased R&D average headcount by ~100 to ~750 in FY 19
- Developed HyperIntelligence and MicroStrategy Cloud™
- Rebuilt the platform, modernized tooling

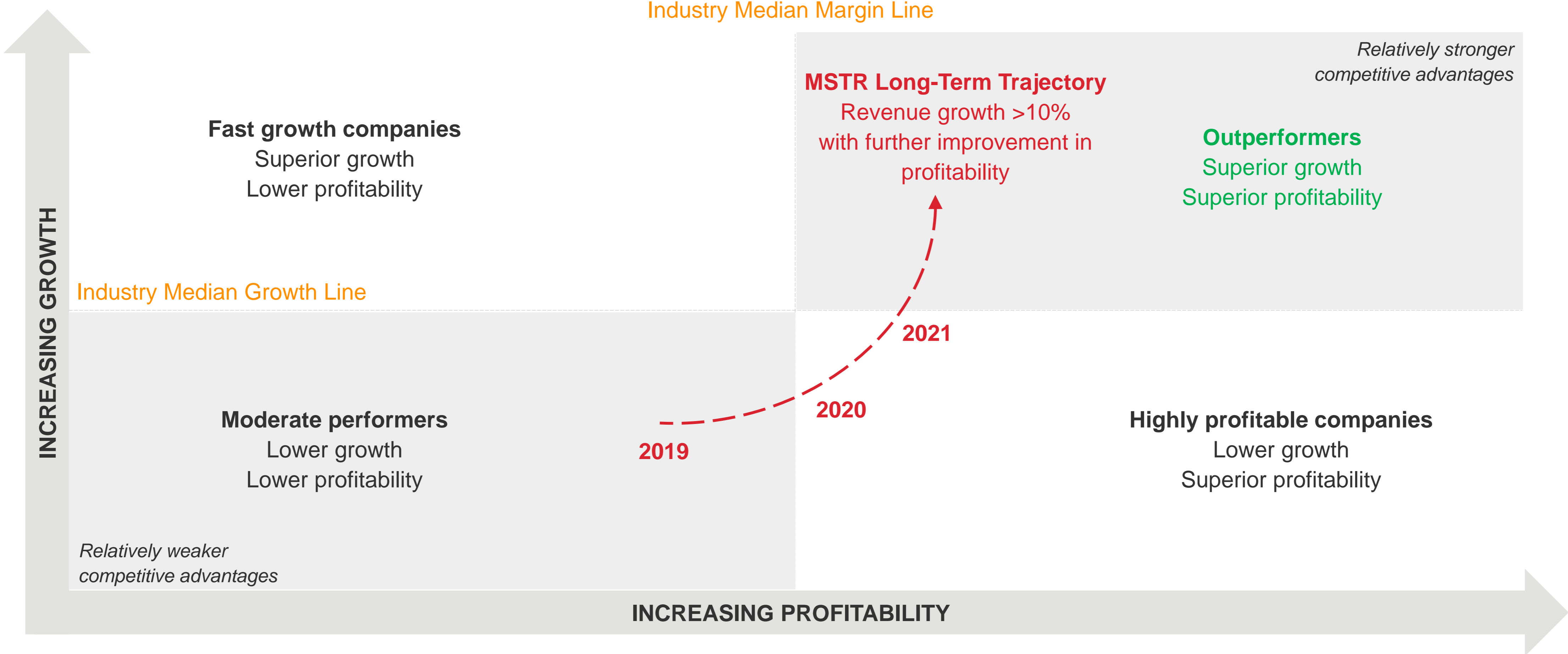
Shifted focus to optimization starting in 2H 19

- Fully virtual model driving reduced T&E and marketing
- Rationalized R&D spend
- Virtual demand generation reaching more customers, more quickly
- Benefiting from virtuous “Bitcoin + BI” synergies

FY 21 TTM is based on Q4 20 through Q3 21 actual results.
Please refer to the Appendix for a reconciliation of Non-GAAP Free Cash Flow.

LONG-TERM OUTLOOK

STRONGER COMPETITIVE ADVANTAGES TO DRIVE PREMIUM VALUATIONS



VALUATION

SOTP ANALYSIS FRAMEWORK

	Item	Label	Commentary
Software	2022E Revenue (\$M)	A	Based on consensus
	2022 EV/Sales Multiple (x)	B	Improving the quality of revenue and margins to drive multiple expansion
	Software Enterprise Value (\$M)	$C = A * B$	
Bitcoin	Number of Bitcoins Held (#)	D	Current number of bitcoins held
	Bitcoin Price (\$)	E	12-month forward price target
	Premium to Market Value of Bitcoin (%)	F	For being unique to offer the levered long approach + software synergies
	Estimate Value of Bitcoin Holdings (\$M)	$G = D * E * (1 + F)$	
Equity Value	Total Enterprise Value (\$M)	$H = C + G$	Sum of the parts
	Less: Net Debt (\$M)	I	Total debt, net of cash
	Total Equity Value (\$M)	$J = H - I$	Estimated equity value

VALUATION

SOTP ANALYSIS INDICATIVE RANGES

	Item	Label	Commentary
Software	2022E Revenue (\$M)	A	About \$530M - \$540M based on research analyst estimates
	2022 EV/Sales Multiple (x)	B	4x - 10x based on the range of multiples for comparable companies
	Software Enterprise Value (\$M)	$C = A * B$	
Bitcoin	Number of Bitcoins Held (#)	D	122,478
	Bitcoin Price (\$)	E	\$50,000 - \$100,000 per bitcoin
	Premium to Market Value of Bitcoin (%)	F	Positive market driven premium
	Estimate Value of Bitcoin Holdings (\$M)	$G = D * E * (1 + F)$	
Equity Value	Total Enterprise Value (\$M)	$H = C + G$	
	Less: Net Debt (\$M)	I	\$1.7B convertible senior notes, \$500M senior secured notes
	Total Equity Value (\$M)	$J = H - I$	

VALUATION

MSTR HYPOTHETICAL STOCK PRICE SENSITIVITY EXERCISE

Note: Mathematical Outputs Below Based Solely on SOTP Analysis and Underlying Assumptions Outlined on Slides 39, 40 and the Footnotes of this Slide 41. Not a Projection or Prediction of Future Operating Results or Anticipated Stock Price Performance.

12-Month Forward Bitcoin Price Examples (\$)

Software Business 2022 EV/Sales Multiple Examples		50,000	60,000	70,000	80,000	90,000	100,000
	4x	626	751	876	1,002	1,127	1,252
	5x	671	797	922	1,047	1,172	1,298
	6x	717	842	968	1,093	1,218	1,343
	7x	763	888	1,013	1,138	1,264	1,389
	8x	808	933	1,059	1,184	1,309	1,434
	9x	854	979	1,104	1,230	1,355	1,480
	10x	899	1,025	1,150	1,275	1,400	1,526

Sensitivity exercise assumes: consensus 2022E revenue expectation of ~\$535M, ownership of ~122,478 bitcoins, ~20% hypothetical market driven premium, \$2.2bn debt (including \$1.7bn convertible senior notes and \$500M senior secured notes), \$57M cash balance at the end of Q3 2021, and 11.736M diluted shares outstanding.

*Assumed diluted shares outstanding are calculated as: 8,393,584 Class A common shares (as of Q3 21) + 1,964,025 Class B common shares (as of Q3 21) + 690,829 Class A common shares (issued in Q4 as part of the ATM program) + 687,509 Class A common shares for assumed dilution from options outstanding calculated using 1,230,000 options outstanding as of Q3 21 with a weighted average exercise price of \$265.00 per share and assuming MSTR stock price of \$600.84 as of December 10, 2021 (1,230,000 – (1,230,000*265/600.84)). Potentially dilutive shares as computed under GAAP may differ from this example.*

MICROSTRATEGY'S INNOVATIVE VALUE PROPOSITION

SUMMARY



**World Class
Software Product
with Healthy
Financial Profile**



**Value-Creating
Treasury Policy
with Levered
Long Approach
to Bitcoin**



**Attractive Growth
Outlook**

APPENDIX

NON-GAAP RECONCILIATIONS (\$M)

Reconciliation of GAAP to Non-GAAP Income (loss) from Operations

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 TTM
Revenue	\$504	\$498	\$486	\$481	\$508
Cost of Revenues	\$97	\$99	\$100	\$91	\$89
Operating Expenses	\$334	\$394	\$387	\$403	\$1,066
Income (Loss) from Operations	\$73	\$4	-\$1	-\$14	-\$647
<i>Operating Margin %</i>	15%	1%	0%	-3%	-127%
Stock-Based Compensation	\$14	\$15	\$10	\$11	\$34
Non-GAAP Income from Operations	\$87	\$19	\$9	-\$2	-\$612
<i>Non-GAAP Operating Margin %</i>	17%	4%	2%	-1%	-121%
Digital Asset Impairment Losses	\$0	\$0	\$0	\$71	\$710

Reconciliation of certain Non-GAAP Operating Expenses

	FY 2018	FY 2019	FY 2020	FY 2021 TTM
GAAP				
G&A Expense	\$86	\$87	\$80	\$88
R&D Expense	\$102	\$109	\$104	\$111
S&M Expense	\$206	\$191	\$149	\$156
Stock-Based Compensation				
G&A Expense	\$7	\$5	\$6	\$14
R&D Expense	\$3	\$2	\$3	\$8
S&M Expense	\$4	\$2	\$2	\$10
Non-GAAP				
G&A Expense	\$79	\$81	\$74	\$74
R&D Expense	\$99	\$107	\$101	\$103
S&M Expense	\$202	\$189	\$147	\$146

Note: FY 21 TTM is based on Q4 20 through Q3 21 actual results.

NON-GAAP RECONCILIATIONS (\$M)

Reconciliation of Subscription Services Revenues to Current 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

Non-GAAP Free Cash Flow reconciliation

	FY 15 ⁽²⁾	FY 16	FY 17	FY 18	FY 19	FY 20	FY 2021 TTM
Net cash provided by operating activities	\$150	\$111	\$78	\$11	\$61	\$54	\$116
Purchases of property and equipment (investing activities)	\$(3)	\$(2)	\$(4)	\$(7)	\$(10)	\$(4)	\$(4)
Gain from Domain Name Sale, net of tax					\$(22)		
Free Cash Flow (Non-GAAP)	\$146	\$108	\$74	\$4	\$29	\$50	\$112
FCF Margin (Non-GAAP)	28%	21%	15%	1%	6%	10%	22%

Note: FY 21 TTM is based on Q4 20 through Q3 21 actual results.

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

(2) FY 15 was not recast for the adoption of ASC 606.