



Q1 2025 Investor Presentation

05.06.2025



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Forward-looking statements reflect management’s beliefs, expectations and assumptions about future events as of the date hereof, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. These risks include, among others, the following: our ability to achieve future growth and sustain our growth rate; our ability to successfully execute our business and growth strategy, such as the success of our investment in our key growth initiatives and our ability to recognize effective areas for growth; our ability to successfully integrate with third-party platforms; our relationships with third parties, such as our marketing agency and technology partners; unfavorable conditions in our industry; our ability to attract new customers, including mid-market and enterprise customers, retain revenue from existing customers and increase sales from both new and existing customers; our ability to leverage artificial intelligence and machine learning in our products; our ability to sustain strong international growth; the success of our marketing and sales strategies; costs and expenses associated with being a public company; the impact of macroeconomic factors, including tariffs; as well as other risks and uncertainties set forth under the caption “Risk Factors” and elsewhere in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”), and the other filings and reports we make with the SEC from time to time, which may be obtained on our Investor Relations website at <https://investors.klaviyo.com> and on the SEC website at www.sec.gov. Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor(s) may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. In light of the risks, uncertainties, assumptions, and other factors, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Therefore, you should not rely on any of the forward-looking statements. Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Other than as required by law, we undertake no obligation to update any written or oral forward-looking statements contained in this presentation or made in connection therewith to in the event of new information, future developments or otherwise.

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Numbers in this presentation are rounded for presentation purposes. Some of the numbers in this presentation may not tie due to rounding.

Statement Regarding Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles in the United States (GAAP), this presentation and accompanying oral commentary contain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income, non-GAAP operating expenses, non-GAAP operating margin, free cash flow, and free cash flow margin. The non-GAAP financial information is presented for supplemental informational purposes only and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. Please see the Appendix for reconciliations of these non-GAAP financial measures to their nearest GAAP equivalents.

Our non-GAAP gross profit, non-GAAP operating income and non-GAAP operating expenses exclude significant expenses and income that are required by GAAP to be recorded in our consolidated financial statements, including, but not limited to, (i) amortization of prepaid marketing expenses, (ii) stock-based compensation and related employer payroll taxes, and (iii) restructuring expenses. Our non-GAAP gross margin is calculated as non-GAAP gross profit divided by total revenue. Our non-GAAP operating margin is calculated as non-GAAP operating income divided by total revenue. Free cash flow is defined as cash and cash equivalents provided by or used in operating activities less purchases of property and equipment and capitalization of software development costs. Free cash flow margin is a non-GAAP financial measure that is calculated as free cash flow divided by total revenue.

Stock-based compensation expense includes the net effects of capitalization and amortization of stock-based compensation expense related to capitalized software. Stock-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of the compensation provided to our employees. Because of varying available valuation methodologies, subjective assumptions, and the variety of equity instruments that can impact a company's non-cash expenses, we believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for meaningful comparisons between our operating results from period to period. When evaluating the performance of its business and making operating plans, Klaviyo does not consider these items (for example, when considering the impact of equity award grants, the company places a greater emphasis on the amount of overall stockholder dilution than the accounting charges associated with such grants). The amount of employer payroll tax-related items on employee stock transactions is dependent on restricted stock unit settlements, option exercises, related stock price, and other factors that are beyond Klaviyo's control and that do not correlate to the operation of the business. The expense related to amortization of prepaid marketing expense of warrants issued to Shopify is dependent upon estimates and assumptions; therefore, Klaviyo believes non-GAAP measures that adjust for the amortization of prepaid marketing expense provide investors a consistent basis for comparison across accounting periods. Klaviyo believes that the economic impact of the partnership is best measured in the form of stockholder dilution and as such have provided a reconciliation that shows the full dilutive impact of all outstanding equity instruments. Overall, Klaviyo believes it is useful to exclude these expenses in order to better understand the long-term performance of its core business and to facilitate comparison of its results period-over-period and to those of peer companies. All of these non-GAAP financial measures are important tools for financial and operational decision-making and for evaluating Klaviyo's own operating results over different periods of time.

We believe that all these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to decision making by our management, who use these measures as important tools for financial and operational decision-making and for evaluating Klaviyo's own operating results over different periods of time.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures versus their nearest GAAP equivalents. 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. Further, stock-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense in Klaviyo's business and an important part of the compensation provided to attract and retain its employees to create long-term incentive alignment with stockholders.



THE ONLY CRM BUILT FOR B2C

Powered by its built-in Klaviyo Data Platform and AI insights, Klaviyo combines marketing automation, analytics and customer service into one unified solution, making it easy for businesses of all sizes to build meaningful relationships, drive smarter decisions and grow faster - without complexity.

Positioned to win & deliver durable growth at scale



One-of-a-kind integrated platform with data advantage

Redefining B2C tech stack with unmatched platform of data-driven, AI-powered marketing automation, analytics, and customer service



Large & growing market opportunity

Aligned with secular trends in large and growing segment - significant white space for growth and expansion



Momentum executing growth vectors

Clear and proven plan to add new logos, expand with existing customers, grow internationally, and move up-market



Proven & efficient business model

Track record of durable revenue growth, profitability, and cash generation at scale

Klaviyo Q1 FY25 by the numbers¹

\$280M

Revenue

108%

Dollar-Based Net Revenue
Retention Rate^{2,3}

34%

of total revenue from
EMEA & APAC

13%

TTM Free Cash Flow
Margin^{3,4}

33%

YoY Revenue Growth

169K+

Total Customers^{2,5}

3,030

Customers Generating Over
\$50K ARR^{2,5}
40% YoY Growth

12%

Non-GAAP
Operating Margin⁴

¹ All figures for the quarter ended March 31, 2025 unless otherwise noted.

² See Appendix for definitions of Dollar-Based Net Revenue Retention Rate, Customers, and Customers Generating Over \$50,000 of ARR.

³ For trailing twelve months (TTM) ended March 31, 2025.

⁴ See Appendix for Non-GAAP reconciliation.

⁵ As of March 31, 2025



Klaviyo is positioned to redefine the next era of B2C engagement

Channel first marketing



Channel affinity marketing

Standalone CDP



Built in CDP

Siloed interactions



Omnichannel marketing (pre and post)

Human-led decision making



AI-guided decision making

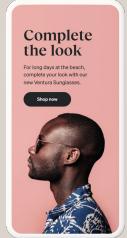
Klaviyo's evolution

Redefining growth for B2C businesses

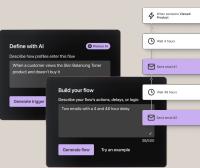
“

We started with a simple idea: that businesses should own their customer data and use it to create better, more personalized experiences.

Andrew Bialecki, CEO



Database
2012

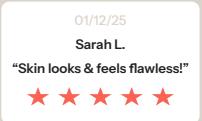


Email
2013

Attribution &
optimization
2018



SMS
2021



Reviews
2023



CDP
2023

Global
7 languages;
SMS in 19
countries
2024

B2C CRM
2025

Built to scale

From best-in-class marketing automation to the only CRM built for B2C

INTRODUCING

Klaviyo: The only CRM built for B2C

Marketing

Campaigns, Flows, Audiences, Forms, Conversations



Service

Knowledge Base, Ticketing, Omnichannel Conversations



Analytics

Marketing Engagement, Customer Insights, Customizable Reports & Metrics, Attribution



◆ Klaviyo AI

Unified Profiles

Segmentation

Klaviyo Data Platform (KDP)

APIs

Data Management



350+ App Integrations



Data-first, built-in

1:1 personalization at scale,
without complexity

All-in-one platform for B2C
marketing & service teams

Why Klaviyo

Powering personalization & automation at scale

Data-first, built in

- **Real-time profile**
Unified customer, purchase, and behavioral data into one view
- **No limits, no silos**
Connects systems seamlessly, actionable from day one

1:1 personalization, without complexity

- **All channels, fully integrated and intuitive**
Email, SMS, mobile, and ad orchestration powered by AI
- **Real-time, precise segmentation**
Real-time & historical data to deliver perfectly timed interactions

All in-one, cohesive customer experience

- **All-in-one platform**
Marketing, analytics, and service together
- **Tailored for scale**
Handles high-volume transactions and personalization

Benefits to Klaviyo Customers

Rapid implementation

Automate 1:1 personalized, omnichannel experiences with faster time-to-value

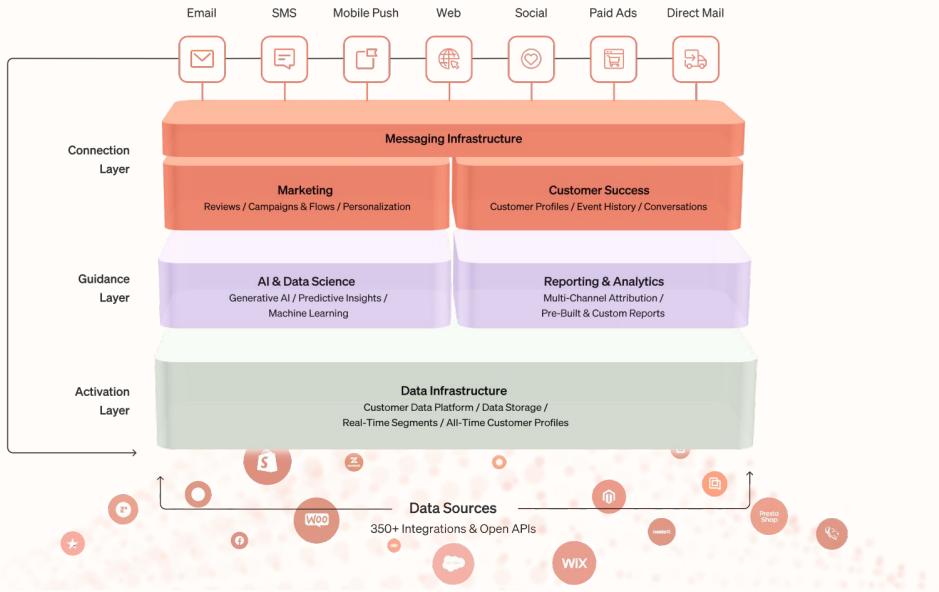
Ease of use at scale

Create advanced workflows and campaigns without needing IT support for even the most complex use cases

Unified view of data & clear attributable value

Effectively harness first-party data to drive Klaviyo Attributable Value¹ (KAV)

Our data-first approach is a competitive advantage



Vertically integrated tech stack

- **Unified** data layer and application layer
- **Built to scale** across applications and verticals

Comprehensive tools & features

- **Reporting & analytics:** Advanced analytics, benchmarking and reporting
- **AI and ML-powered** insights and content creation

Klaviyo Data Platform (KDP)

- **Smart analytics:** Aggregates and processes customer, purchase, and behavioral data
- **Optimized data store:** Handles large volumes with speed and no expiration
- **Data center of gravity:** 350+ pre-built integrations (inbound & outbound) and open APIs

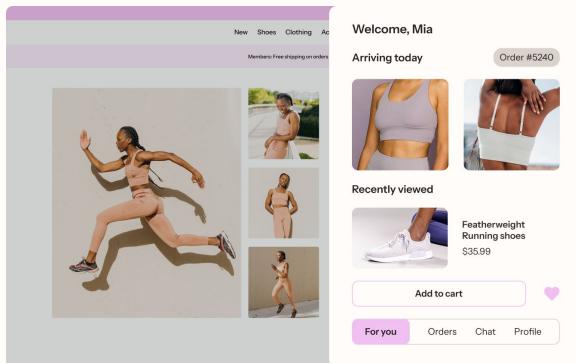
Klaviyo Service

Bring marketing and service together to grow revenue and loyalty

Customer Hub

Manage orders, discover new products, and ask for support

In Beta

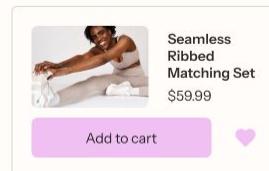


AI Agent

24/7 automated self-service, with easy escalations to live agents

Coming soon

How can we help?



Unified Inbox

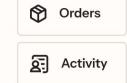
Complete customer context for faster, personalized service

NEW

Unified Inbox



Mia Williams
mia.williams@abc.com
+1 (123) 456-7890



Powered by Klaviyo Data Platform

AI remains central to our product roadmap

Enabling customers to work faster, unleash creativity, and dream up new possibilities

Leverage strategic insights

Weave together data to deeply understand customers and spark an idea

Ex. Predictive analytics, Review sentiment AI

Create targeted communications faster

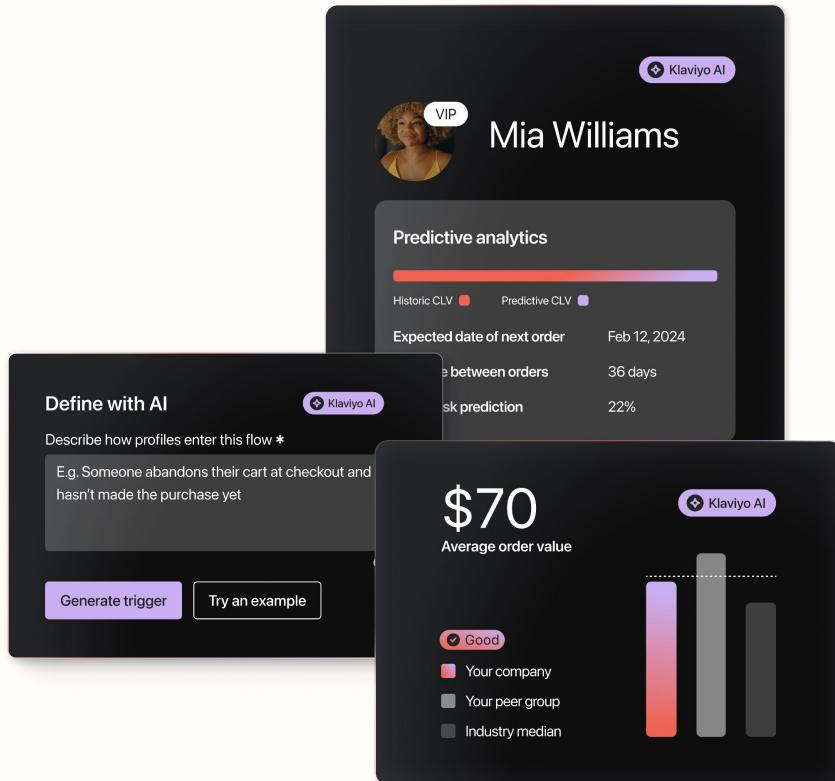
Transforms ideas into personalized experiences

Ex. Flows AI, Text AI, Segments AI, Email AI

Optimize effortlessly

Fine-tune marketing to drive revenue impact

Ex. Brand voice consistency for Email AI, Automated conversations for SMS



We continue to expand our **global presence**

7

languages supported
on the Klaviyo platform

English, French, German, Portuguese,
Korean, Spanish, Italian

19

countries available for SMS

across North America, EMEA, and APAC

4

Countries with Operations
(USA, UK, Australia, Ireland)



Trusted by a large, growing, and diverse customer base

169,000+

Total Customers¹

3,030

Customers > \$50K ARR¹

Diverse

Ranging from entrepreneurs,
SMBs and mid-market⁺

burt's bees
...BABY...

EVERLANE

gorjana

quip

HERSHEY'S

M
MARC FISHER
LTD

MOOSE KNUCKLES

feetures[®]

belkin[™]

BAUHAUS

We help customers drive revenue



Powering omnichannel strategy with marketing analytics
Cara Cara consolidated onto Klaviyo to replace the need to manually coordinate their email and SMS strategy. Their newly consolidated Klaviyo stack has allowed Cara Cara to create a cohesive omnichannel customer experience. Leveraging Marketing Analytics, Cara Cara turned insights into action with features like auto-generated RFM segmentation to identify and target high-value customer groups with customized messages resulting in high-ROI revenue generating campaigns.

67x

Klaviyo SMS ROI in first 3 months of 3 Klaviyo products

27%

YoY growth in eCommerce revenue in first 3 months with 3 Klaviyo products



Email



SMS



Marketing Analytics



Customer Hub drives on-brand customer experience
Ministry of Supply was seeking an account management tool to enhance the shopping experience. They chose Customer Hub for its ease-of-use and low-lift activation in “just 3 clicks.” In <4 months after ramping up self-serve support, they saw strong uptake in signed-in accounts and a decline in escalated support tickets for basic information. By optimizing the overall on-site shopping experience with Customer Hub’s product recommendations, the brand is positioned to boost revenue per session.

2K+

New customer accounts created in <4 months

650+

Self-serve support interactions with Customer Hub in <4 months



Customer Hub



Klaviyo AI



Delivering personalized, market-specific messaging
After expanding its footprint across 20 different markets, The Golden Duck Co was looking to use marketing automation to boost ecommerce revenue, while embracing cultural nuances in new markets, as well as growing consumer demand for personalisation. They turned to Klaviyo to help deliver automated, market-specific communications by using customer data for localized segmentation –all while staying true to the brand’s voice and identity.

53%

Of Klaviyo-attributed revenue from flows in 2024

37%

Of total 2024 eCommerce revenue attributed to Klaviyo



Email



Flows



Klaviyo AI



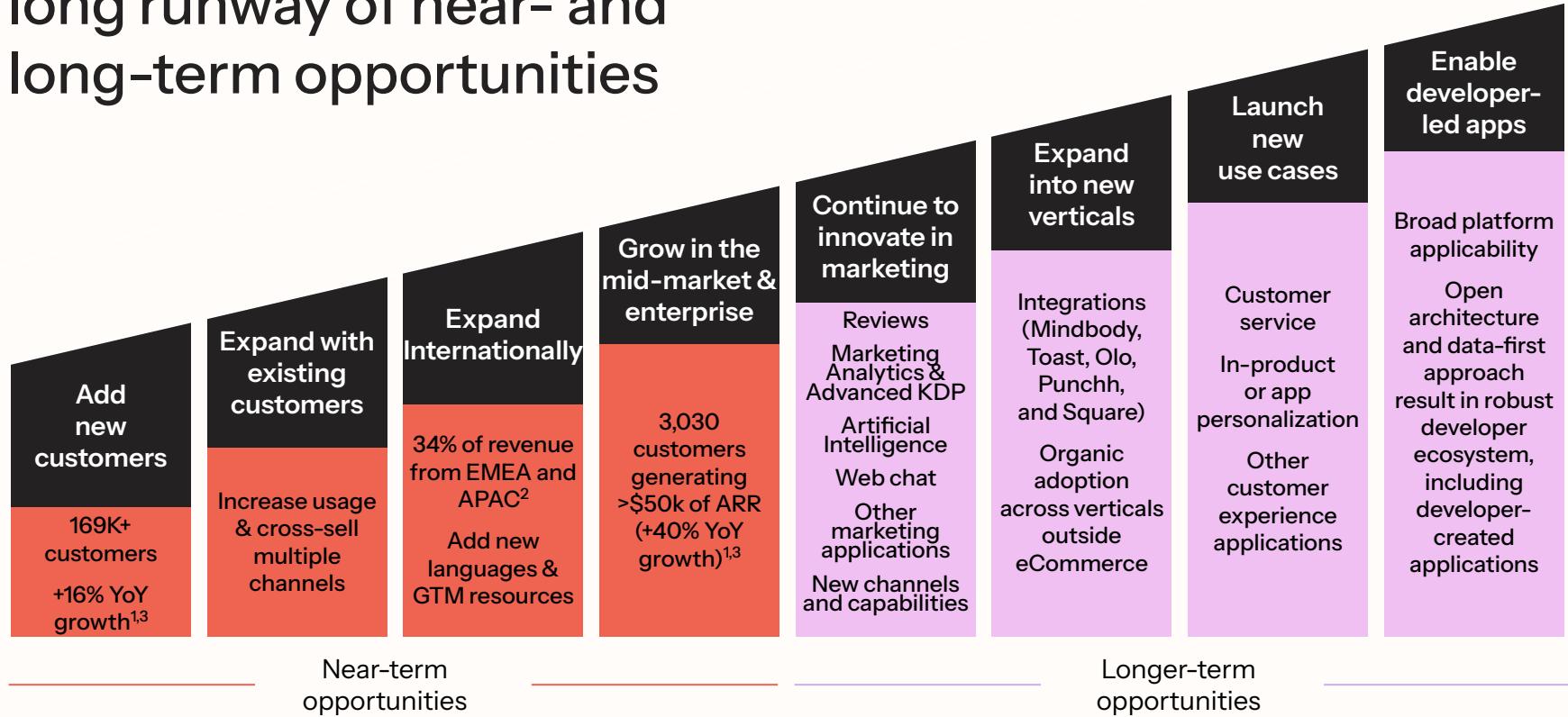
Multi-market expansion

”

When we installed Klaviyo Marketing Analytics, we noticed we were able to bring back people who hadn't purchased in 3+ years. It was really amazing how they responded and how they continue to engage.”

George Rodríguez, Founder and Principal
A-Game Digital (New West KnifeWorks agency)

Multiple growth vectors in play – long runway of near- and long-term opportunities



¹As of March 31, 2025

²For the quarter ended March 31, 2025

³See Appendix for definitions of Customers and Customers Generating Over \$50,000 of ARR.

Large & growing
market
opportunity -
significant white
space

Global TAM
~1% penetrated

\$68B

U.S. TAM
Across verticals
~3% penetrated

\$34B

SAM
Retail & eCommerce
~6% penetrated

\$16B

\$1B

in TTM Revenue¹



¹For the trailing twelve months ended March 31, 2025
TAM source data: Statista, Analysys Mason, Klaviyo estimates

Our partner ecosystem enriches customer offerings and accelerates our customer acquisition engine



- **Scalable flywheel** enables efficient customer acquisition and partner growth
- **Depth of integrations** and broader set of first-party data drives **better insights** for customers
- **Network effects** as partners build on **Klaviyo** adding new applications and templates

Financials

Q1 2025 financial highlights¹

Operating at Scale

\$280M

Quarterly revenue

Strong Revenue Growth

33%

Year-over-year growth rate

Healthy Expansion With
Our Customers

108%

Dollar-Based Net Revenue Retention Rate^{2,3}

Momentum in the
Mid-Market

40%

Year-over-year growth in Customers > \$50K ARR^{2,3}

Generating Strong
Free Cash Flow

13%

TTM FCF Margin⁴

¹ All figures for the quarter ended March 31, 2025 unless otherwise noted.

² As of March 31, 2025.

³ See Appendix for definitions of Dollar-Based Net Revenue Retention Rate and Customers Generating Over \$50,000 of ARR.

⁴ See Appendix for Non-GAAP reconciliation.

Revenue growth at scale

TTM Revenue (\$ in millions)



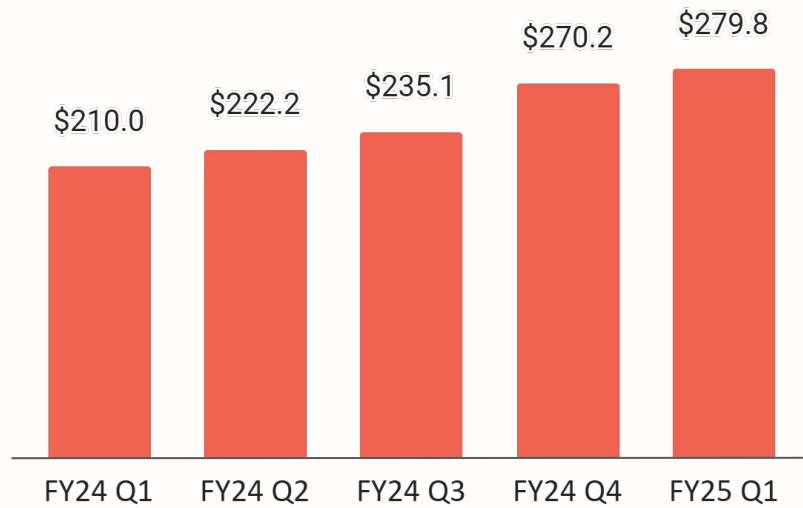
YoY
Growth

60%

42%

34%

Quarterly Revenue (\$ in millions)



35%

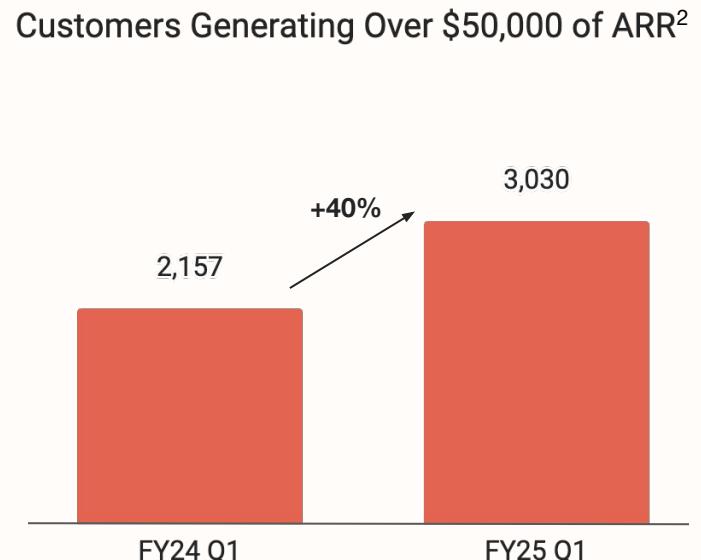
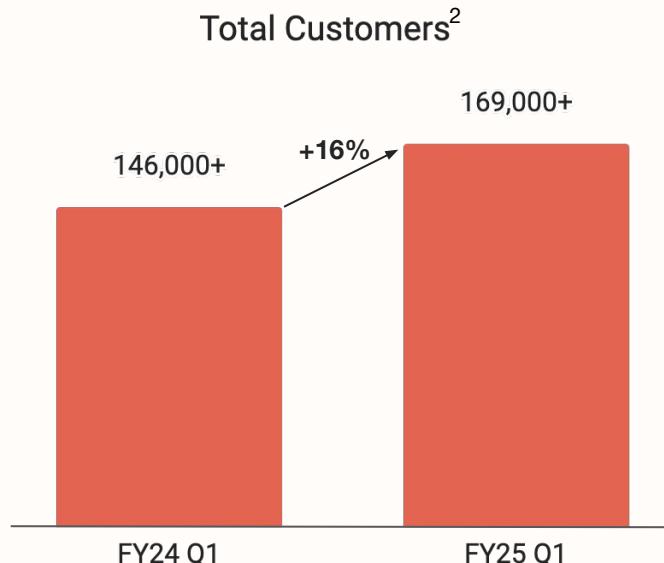
35%

34%

34%

33%

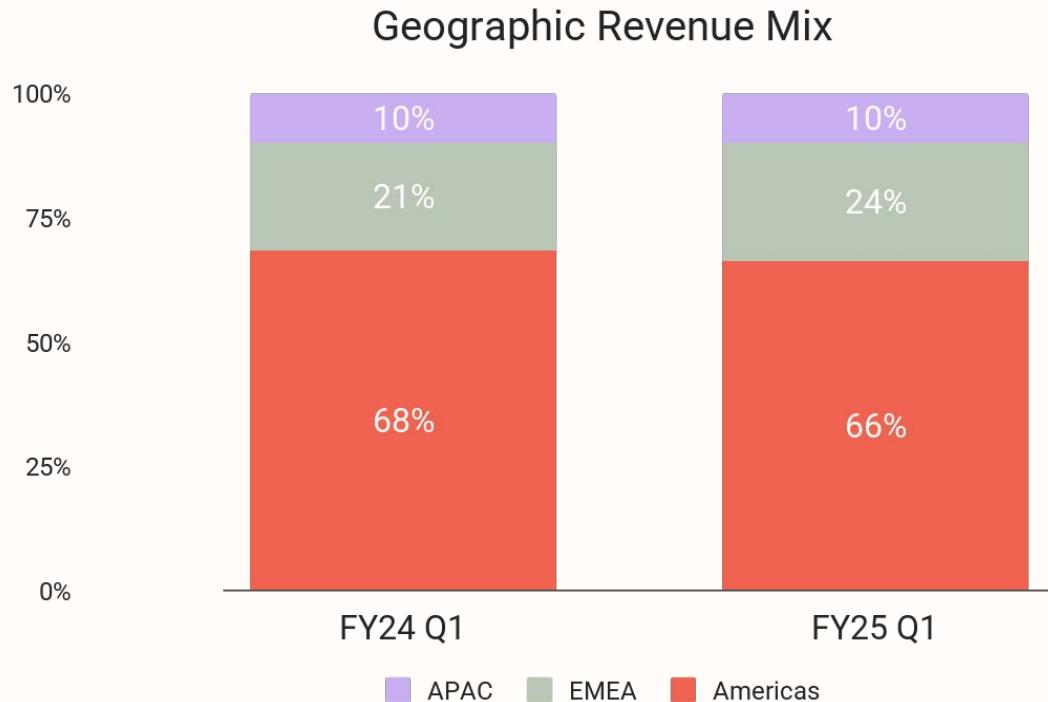
Strong customer growth¹



¹All figures are as of March 31, 2025 or 2024, as noted.

²See Appendix for definitions of Customers and Customers Generating Over \$50,000 of ARR.

Continuing to diversify internationally

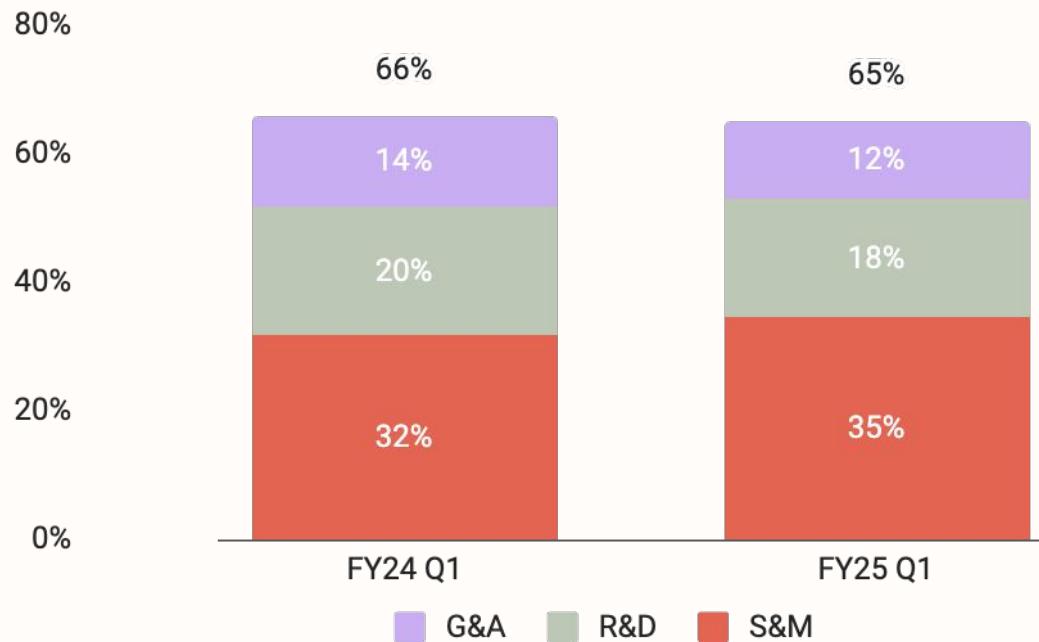


Key highlights

- Investments made in recent quarters are delivering strong growth
- 42% YoY revenue growth in EMEA & APAC¹
- Notable strength in EMEA, particularly in France, Germany, and Spain
- Added customers across the globe including Bauhaus, My 1st Years, and Moose Knuckles

Measured investments against our market opportunities

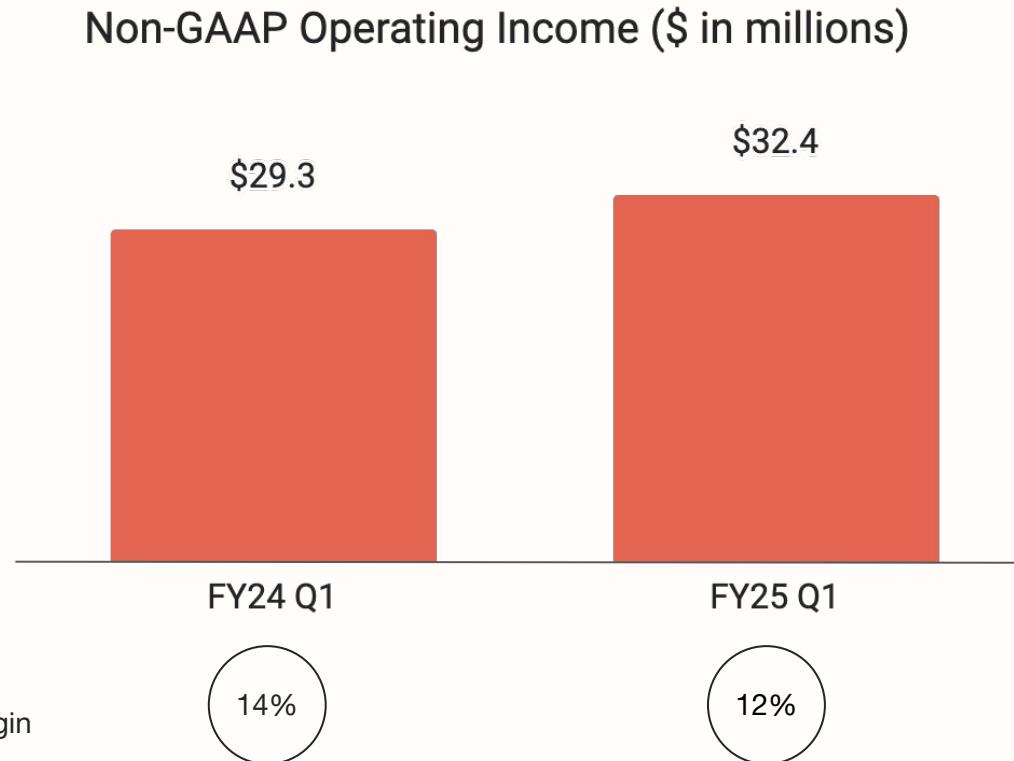
Non-GAAP Operating Expenses (% of Revenue)



Key YoY drivers

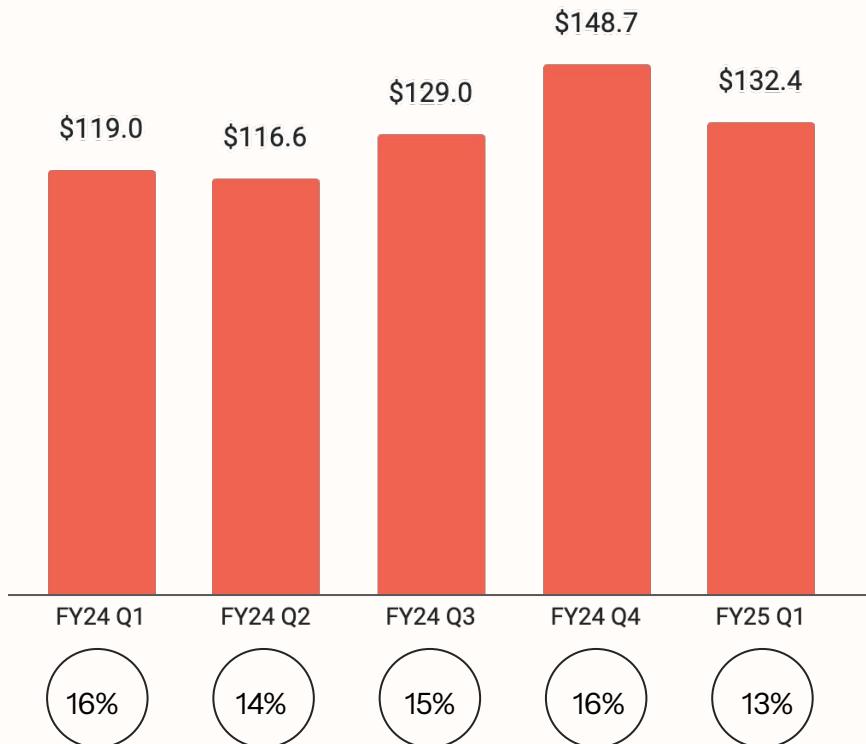
- Employee bonus plan implemented in Q4 2024 drove additional costs in each line item
- G&A leverage due to smaller one-time items compared to last year
- R&D leverage due to an increase in capitalized software
- S&M increased as a result of timing of marketing program spend and incremental investments for B2C CRM

Continued growth of non-GAAP operating income



Strong free cash flow generation

Trailing Twelve Month Free Cash Flow (\$ in millions)



See Appendix for Non-GAAP reconciliation.

Guidance

(\$ in millions)

	Q2 FY25	FY25
Revenue	\$276 - \$280	\$1,171 - \$1,179
<i>YoY Growth</i>	<i>24% - 26%</i>	<i>25% - 26%</i>
Non-GAAP Operating Income	\$28.5 - \$31.5	\$133 - \$139
<i>Non-GAAP Operating Margin</i>	<i>10% - 11%</i>	<i>11% - 12%</i>



Appendix

Summary Non-GAAP P&L

(\$ in millions)	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1
Revenue	\$210.0	\$222.2	\$235.1	\$270.2	\$279.8
Cost of Revenue	\$42.4	\$47.5	\$52.1	\$69.6	\$65.5
Gross Profit	\$167.6	\$174.7	\$183.0	\$200.6	\$214.3
<i>Gross margin %</i>	79.8%	78.6%	77.8%	74.2%	76.6%
Selling and marketing	\$66.7	\$70.6	\$77.5	\$93.0	\$96.9
Research and development	\$41.7	\$42.0	\$43.6	\$56.9	\$51.0
General and administrative	\$29.8	\$27.8	\$28.2	\$35.5	\$34.0
Total operating expenses	\$138.3	\$140.4	\$149.3	\$185.4	\$181.9
<i>Operating expenses %</i>	65.8%	63.2%	63.5%	68.6%	65.0%
Operating income	\$29.3	\$34.3	\$33.7	\$15.1	\$32.4
<i>Operating margin %</i>	14.0%	15.4%	14.3%	5.6%	11.6%
Free cash flow	\$23.0	\$37.1	\$34.2	\$54.5	\$6.6
<i>FCF margin %</i>	10.9%	16.7%	14.6%	20.2%	2.4%



GAAP to Non-GAAP reconciliation of Gross Profit

	Three Months Ended March 31,	
	2025	2024
Gross profit	\$ 212,127	\$ 165,055
Stock-based compensation	1,757	2,378
Employer payroll tax on employee stock transactions	421	184
Non-GAAP gross profit	<u>\$ 214,305</u>	<u>\$ 167,617</u>
Gross margin	75.8 %	78.6 %
Non-GAAP gross margin	76.6 %	79.8 %

GAAP to Non-GAAP reconciliation of Operating Income

	Three Months Ended March 31,	
	2025	2024
Operating loss	\$ (23,750)	\$ (22,092)
Stock-based compensation	38,327	35,627
Employer payroll tax on employee stock transactions	4,610	2,583
Amortization of prepaid marketing	13,224	13,224
Non-GAAP operating income	<u>\$ 32,411</u>	<u>\$ 29,342</u>
Operating margin	(8.5)%	(10.5)%
Non-GAAP operating margin	11.6 %	14.0 %

GAAP to Non-GAAP reconciliation of Operating Expenses

	Three Months Ended March 31,	
	2025	2024
Selling and marketing	\$ 123,527	\$ 91,858
Stock-based compensation	(12,097)	(11,284)
Employer payroll tax on employee stock transactions	(1,352)	(646)
Amortization of prepaid marketing	(13,224)	(13,224)
Non-GAAP Selling and marketing	<u>\$ 96,854</u>	<u>\$ 66,704</u>
Research and development	\$ 69,349	\$ 56,097
Stock-based compensation	(16,188)	(13,121)
Employer payroll tax on employee stock transactions	(2,116)	(1,246)
Non-GAAP Research and development	<u>\$ 51,045</u>	<u>\$ 41,730</u>
General and administrative	\$ 43,001	\$ 39,192
Stock-based compensation	(8,285)	(8,844)
Employer payroll tax on employee stock transactions	(721)	(507)
Non-GAAP General and administrative	<u>\$ 33,995</u>	<u>\$ 29,841</u>
Total operating expenses	\$ 235,877	\$ 187,147
Stock-based compensation	(36,570)	(33,249)
Employer payroll tax on employee stock transactions	(4,189)	(2,399)
Amortization of prepaid marketing	(13,224)	(13,224)
Non-GAAP Total operating expenses	<u>\$ 181,894</u>	<u>\$ 138,275</u>

Reconciliation of Operating Cash Flow to Free Cash Flow

	Three Months Ended March 31,	
	2025	2024
Cash provided by operating activities	\$ 14,362	\$ 26,182
Acquisition of property and equipment	(2,685)	(1,259)
Capitalization of software development costs	(5,056)	(1,966)
Free cash flow	<u>\$ 6,621</u>	<u>\$ 22,957</u>
Operating cash flow margin	5.1 %	12.5 %
Free cash flow margin	2.4 %	10.9 %

Select defined terms

Customers: We define a customer as a distinct paid subscription to our platform. A single organization could have multiple discrete contracting divisions or subsidiaries or brands each with paid subscriptions to our platform, which would, in general, constitute multiple distinct customers. In some cases at the customer's request, we allow subscriptions under the same parent organization to be consolidated into a single paid subscription in which case such consolidated paid subscriptions would constitute a single customer. We measure our total number of customers as a point-in-time calculation measured as of the end of a particular period. Customers do not include persons or entities that use our platform on a free trial basis.

Customers Generating Over \$50,000 of ARR: We calculate our number of customers generating over \$50,000 of ARR (as defined below) as those customers that have an average ARR of greater than \$50,000 over the prior twelve months (or the entire duration of the customer's paying relationship, if it is less than twelve months) as of the date of determination. We believe the number of customers generating over \$50,000 of ARR is a key performance metric to help investors and others understand and evaluate our results of operations in the same manner as our management team, as it is an indicator of our ability to grow the number of customers that are exceeding this ARR threshold, both from our existing customers expanding their usage of our platform and from our sales to larger customers. We believe this is an important indicator of our ability to continue to successfully move up-market.

Dollar-Based Net Revenue Retention Rate: We calculate our Dollar-Based Net Revenue Retention Rate ("NRR") by first identifying the cohort of customers as of twelve months prior to the date of determination. We then calculate the Annualized Recurring Revenue ("ARR") from this customer cohort as of twelve months prior to the date of determination (the "Prior Period ARR") and the ARR from this customer cohort as of the date of determination (the "Current Period ARR"). ARR, for any date of determination, is the annualized value of existing paid subscriptions, which we calculate by taking the amount of revenue that we expect to receive in the next monthly period for our existing paid subscriptions, assuming no changes to such subscriptions in the next month, as of that date of determination, and multiplying that amount by twelve. Current Period ARR includes any expansion, price increases, and customer subscriptions that are deactivated and subsequently reactivated during the applicable twelve-month period and reflects contraction or attrition over the last twelve months from this customer cohort, but excludes any ARR from new customers 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 NRR. We then calculate the weighted average point-in-time NRR as of the last day of each month in the current trailing twelve-month period to arrive at the NRR, with the weightings determined by the total ARR at the end of each period. We believe NRR is a key performance metric to help investors and others understand and evaluate our results of operations in the same manner as our management team, as it represents the expansion in usage of our platform by our existing customers, which is an important measure of the health of our business and future growth prospects. We measure Dollar-Based Net Revenue Retention Rate to measure this growth.

Klaviyo Attributed Value: We define Klaviyo Attributed Value ("KAV") as the amount of revenue our customers generated through orders placed by consumers within a specified period of time after a message is sent using our platform, which in the case of email is five days from when the message is sent, and in the case of SMS is twenty-four hours from when the message is sent. For email, the message also needs to be opened or clicked in order for the transaction to fall within our definition. KAV excludes orders placed with customers that do not opt-in to sharing data on placed orders, orders for which we cannot determine the currency or value, or unusual orders that appear to us to be anomalies. Since our definition of a customer does not include persons or entities that use our platform on a free trial basis, any revenue generated through orders placed with these persons or entities is also excluded from our definition of KAV. We do not net chargebacks or sales refunds from our calculation of KAV. If a customer leaves Klaviyo, we stop counting that customer's KAV after their last contracted month. We believe KAV serves as a measure of the return-on-investment that we help generate for our customers and illustrates the value our platform can drive to our customers, which we believe enhances our ability to maintain existing customers and attract new customers. We use KAV as an internal estimate to track the value we drive to customers through our platform. KAV is an operational measure, does not represent revenue earned by us, and does not directly correlate to our pricing, revenue, or results of operations. Further, KAV is not a forecast of future revenue and investors should not place undue reliance on KAV as an indicator of our future or expected results.

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