Q1

Palantir

2023

Business Update

This presentation contains "forward-looking" statements within the meaning of the federal securities laws, and these statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding our financial outlook, product development, distribution, and pricing, expected benefits of and applications for our software platforms, business strategy and plans (including strategy and plans relating to our Artificial Intelligence Platform ("AIP"), sales and marketing efforts, sales force, partnerships, and customers), investments in our business, market trends and market size, expectations regarding any current or potential customers, partnerships, or other business relationships or initiatives, opportunities (including growth opportunities), our expectations regarding our existing and potential investments in, and commercial contracts with, various entities, our expectations regarding macroeconomic events, and positioning, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as "guidance," "expect," "anticipate," "should," "believe," "hope," "target," "project," "plan," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall," and variations of these terms or the negative of these terms and similar expressions. You should not put undue reliance on any forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the "SEC"). You can locate these reports on our investor relations website (investors.palantir.com) or on the SEC website (www.sec.gov). If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

We use the non-GAAP financial measures adjusted free cash flow; adjusted gross profit and adjusted gross margin; billings; adjusted operating income and adjusted operating margin; adjusted earnings per share ("EPS"), diluted; and adjusted expenses to help us evaluate our business, identify trends affecting our business, formulate business plans and financial projections, and make strategic decisions. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. Thus, these non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP. We compensate for these limitations by providing reconciliations of these non-GAAP financial measures to the most comparable GAAP measures. We encourage investors and others to review our business, results of operations and financial information in its entirety, not to rely on any single financial measure, and to view these non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures.

This presentation may contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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This presentation may refer to various growth rates when discussing our business. These rates reflect year-over-year comparisons unless otherwise stated.

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By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of such information, including the potential future performance of our business.

Q1 2023 Highlights

→ Second consecutive quarter of GAAP net income profitability; GAAP EPS of $0.01

→ We achieved GAAP operating profitability for the first time in our company's history

→ GAAP operating margin of 1%, up 1,000 basis points Y/Y; Adjusted operating margin of 24%

→ Cash from operations of $187 million; 36% margin

→ Adjusted free cash flow of $189 million; 36% margin

→ Revenue grew +18% Y/Y to $525 million

→ US revenue grew +23% Y/Y to $337 million

→ US commercial revenue grew +26% Y/Y and +39% Q/Q to $107 million

→ US commercial customer count grew +50% Y/Y

Adjusted operating margin excludes stock-based compensation and related employer payroll taxes.
Adjusted free cash flow excludes employer payroll taxes related to stock-based compensation and purchases of property and equipment.
Please see the appendix for a reconciliation of these and other non-GAAP financial measures to the most directly comparable GAAP measures.

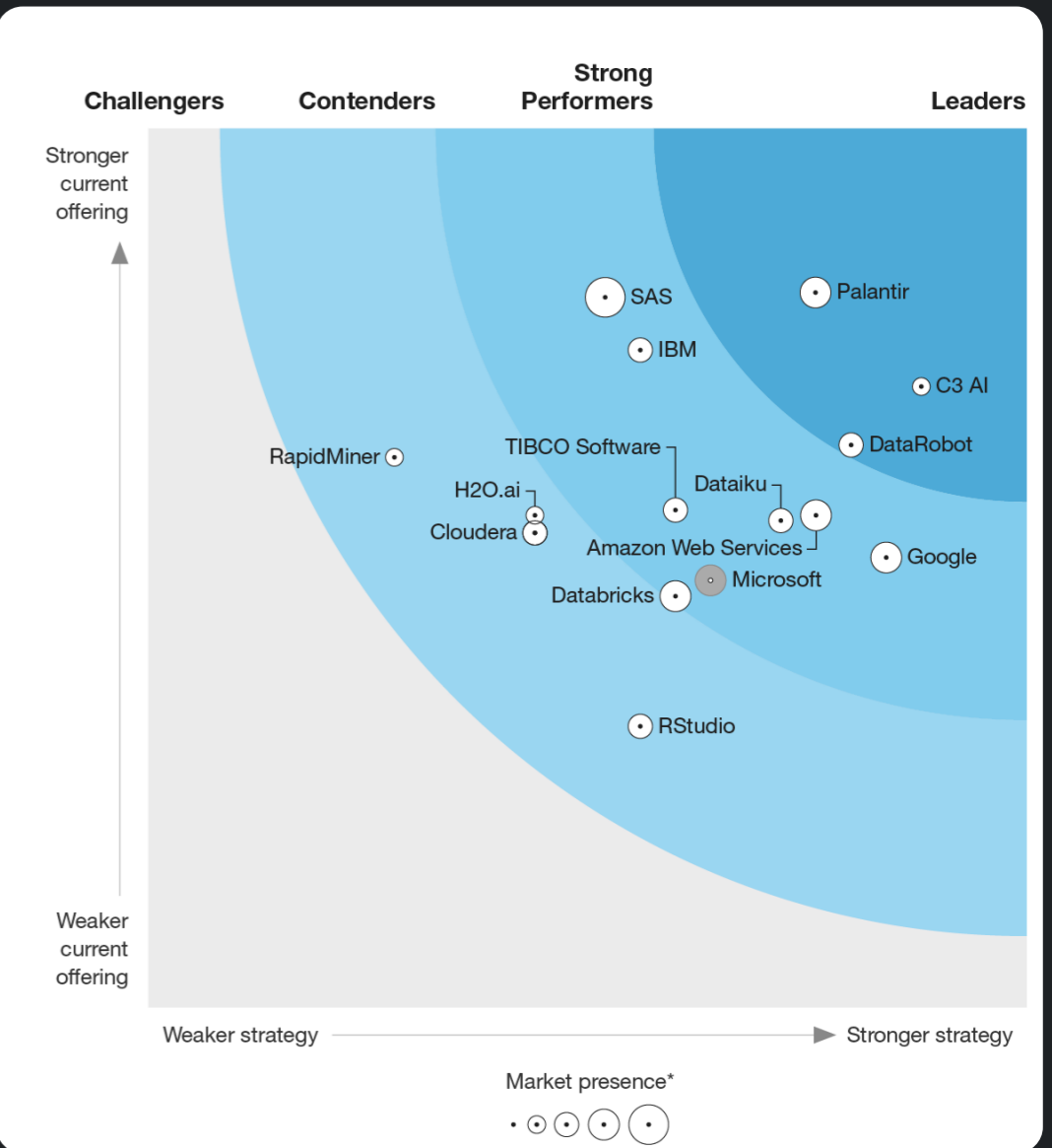# Palantir is a worldwide leader in Artificial Intelligence

The 2022 Forrester Wave™ for AI/ML Platforms names Palantir as a leader.

In an assessment of the top vendors in the market, Palantir Foundry received the highest possible scores across 4 key criteria: product vision, performance, market approach, and applications.

THE FORRESTER WAVE™
AI/ML Platforms
Q3 2022 Report

Challengers | Contenders | Strong Performers | Leaders

Stronger current offering

SAS
IBM
Palantir
C3 AI
RapidMiner
TIBCO Software
H2O.ai
Dataiku
DataRobot
Cloudera
Amazon Web Services
Google
Databricks
Microsoft
RStudio

Weaker current offering

Weaker strategy → Stronger strategy

Market presence*

*A gray bubble or open dot indicates a nonparticipating vendor.

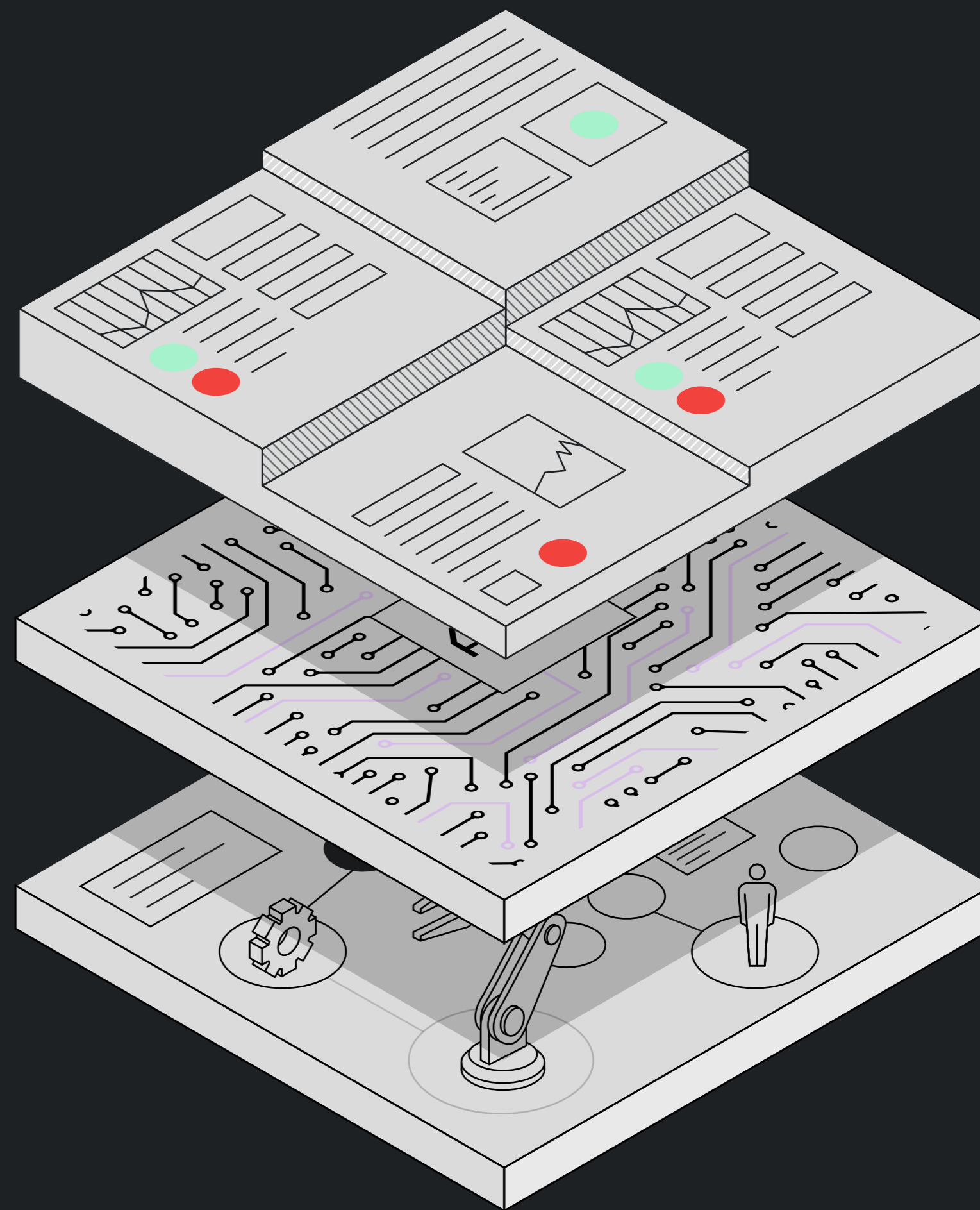Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

"Palantir Technologies forges a resilient platform for complex, critical AI use cases...an attractive platform for enterprises that wish to implement AI quickly."

— The Forrester Wave™: AI/ML Platforms, Q3 2022

Palantir Ranked No. 1 in Worldwide Artificial Intelligence Software Study in Market Share and Revenue

— IDC*

AIP°
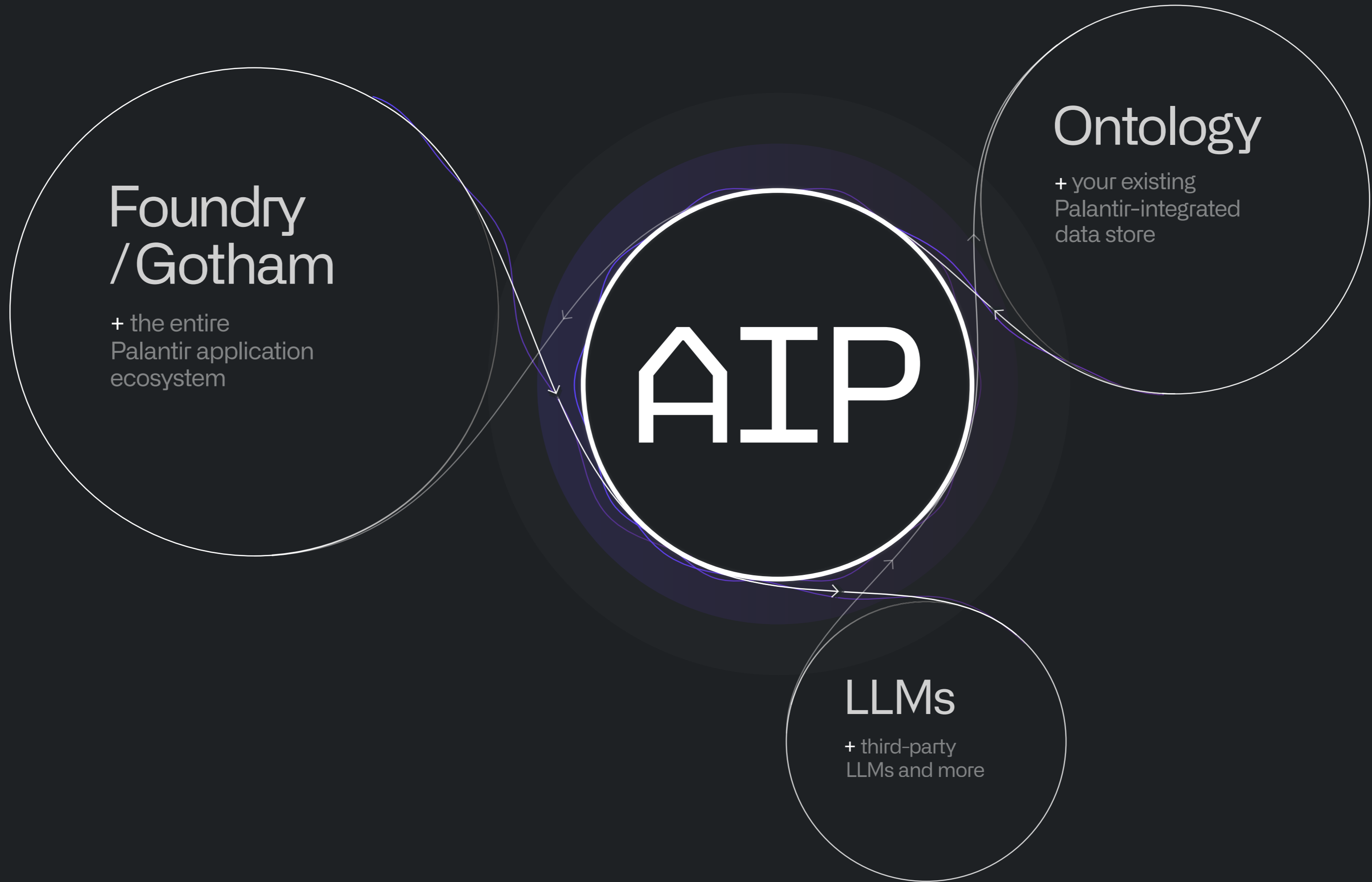
Introducing AIP

Artificial Intelligence Platform empowers organizations to activate large language models <u>safely and securely</u>.

Coming Soon

AIP°

Foundry
/Gotham

+ the entire
Palantir application
ecosystem

AIP

Ontology

+ your existing
Palantir-integrated
data store

LLMs

+ third-party
LLMs and more

Coming Soon

INTRODUCING:

Artificial Intelligence Platform for Defense

AIP°

Unleash the power of LLMs and cutting-edge AI for defense and military organizations on your network — from classified systems to devices on the tactical edge.

See AIP for Defense in action
↘
www.palantir.com/aip/defense/

INTRODUCING:

Artificial Intelligence Platform for Business

AIP°

Super-charge your private network with LLMs, subject to full control – every business, across every industry.
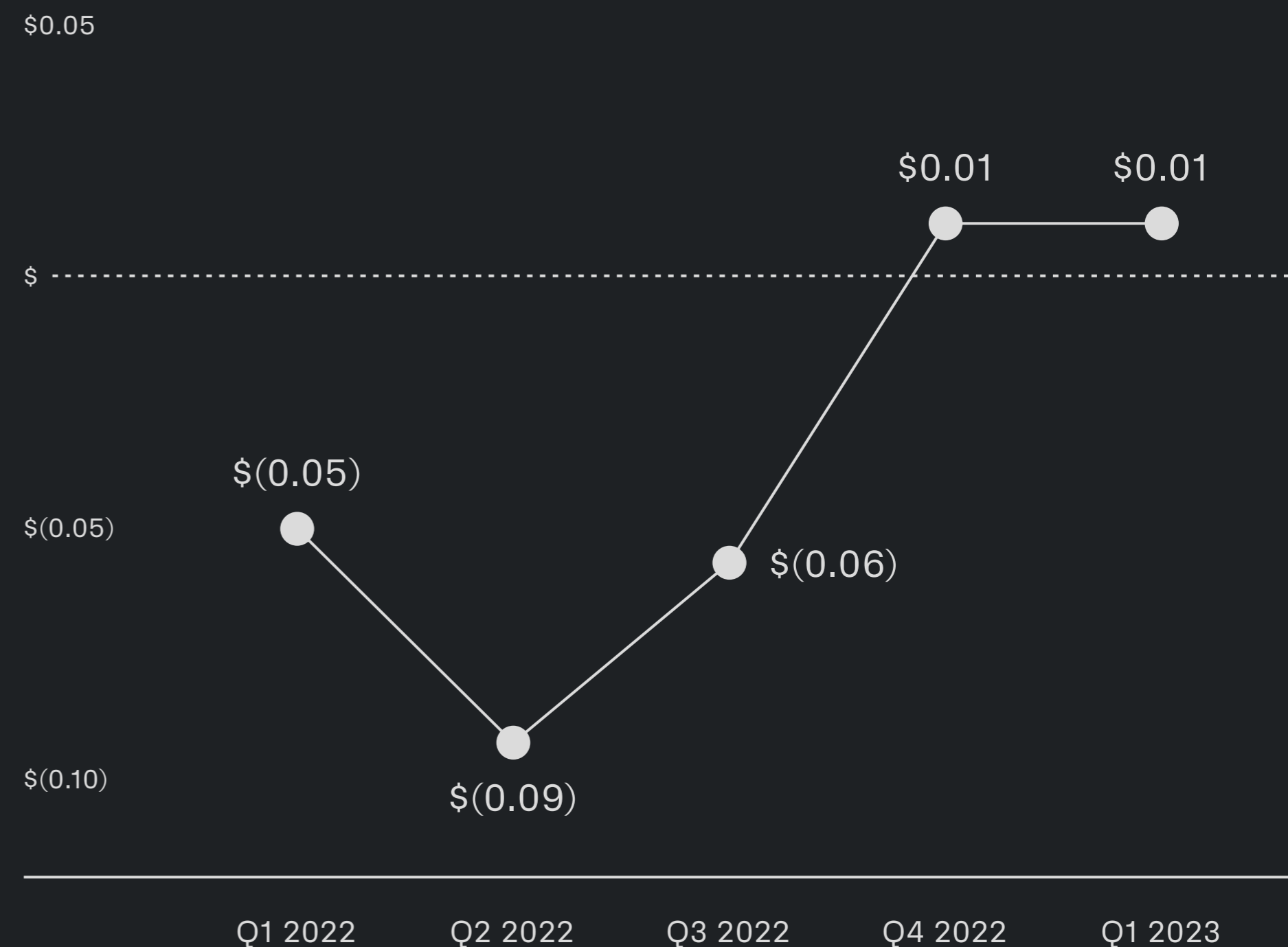
See AIP for Business in action
↘
www.palantir.com/aip/

We achieved GAAP net income profitability for the second consecutive quarter.

Q1 2023 GAAP earnings per share of $0.01, up $0.06 Y/Y

GAAP EPS

$0.05

$0.01 $0.01

$

$(0.05)
$(0.05)

$(0.06)

$(0.10)

$(0.09)

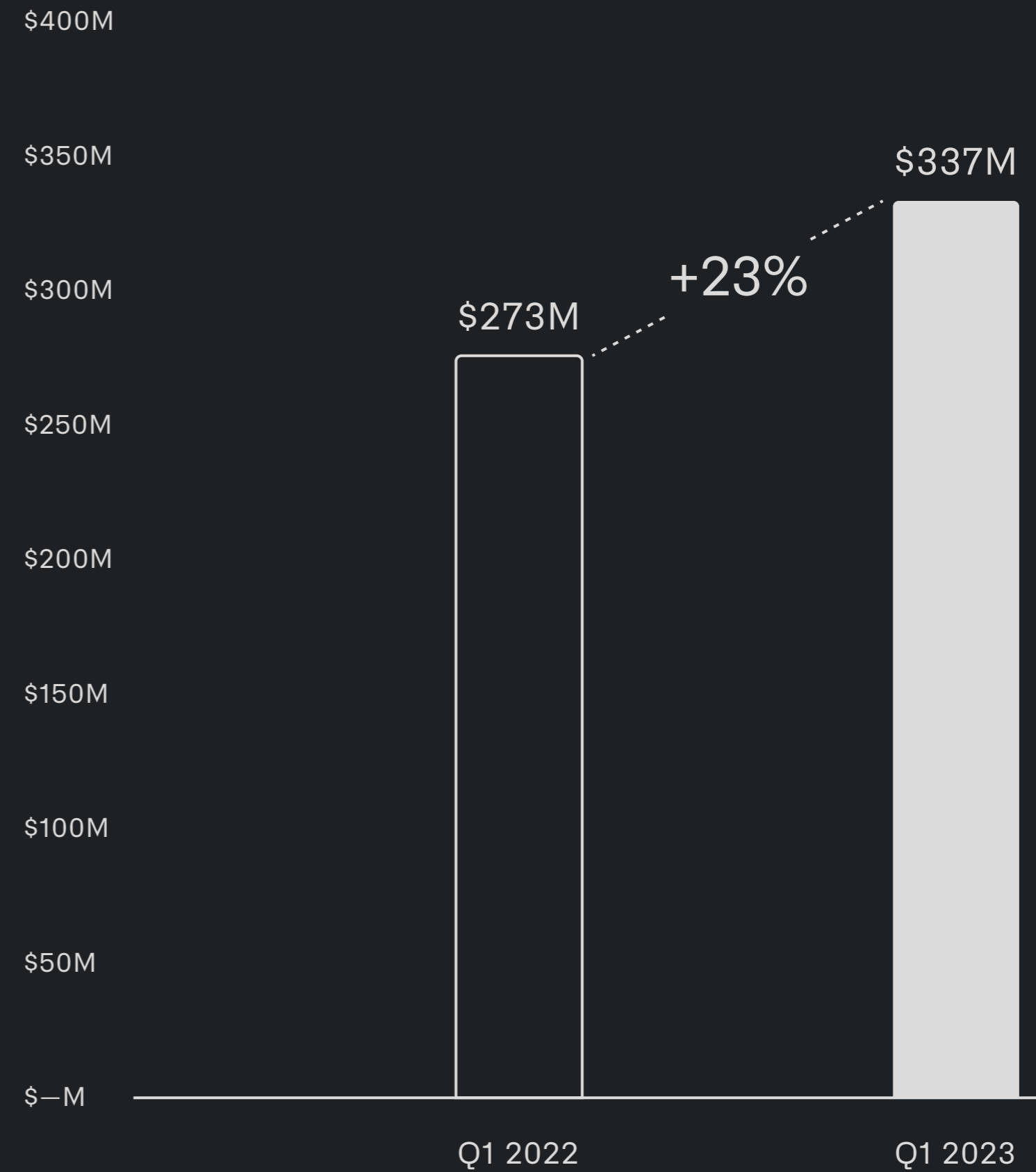| Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 |

We achieved GAAP operating profitability for the first time in our company's history, generating GAAP income from operations of $4 million.
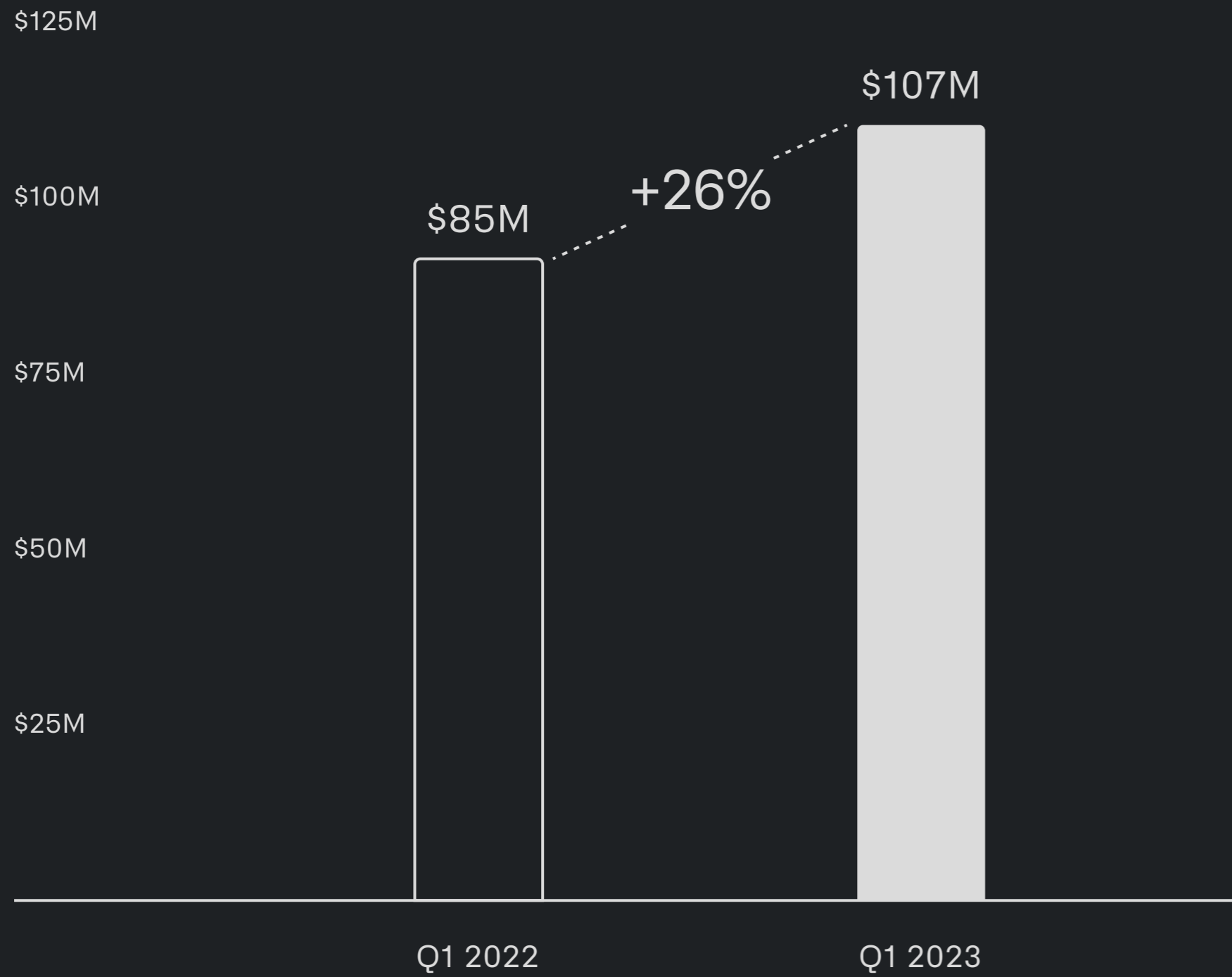
GAAP Income from Operations

$10.0M

$

($10.0M)

($20.0M)   ($17.8M) ●

($30.0M)

($39.4M)

($40.0M) ●   ($41.7M)

($50.0M)

($60.0M)

($70.0M)   ($62.2M)

$4.1M ●

Q1 2022   Q2 2022   Q3 2022   Q4 2022   Q1 2023
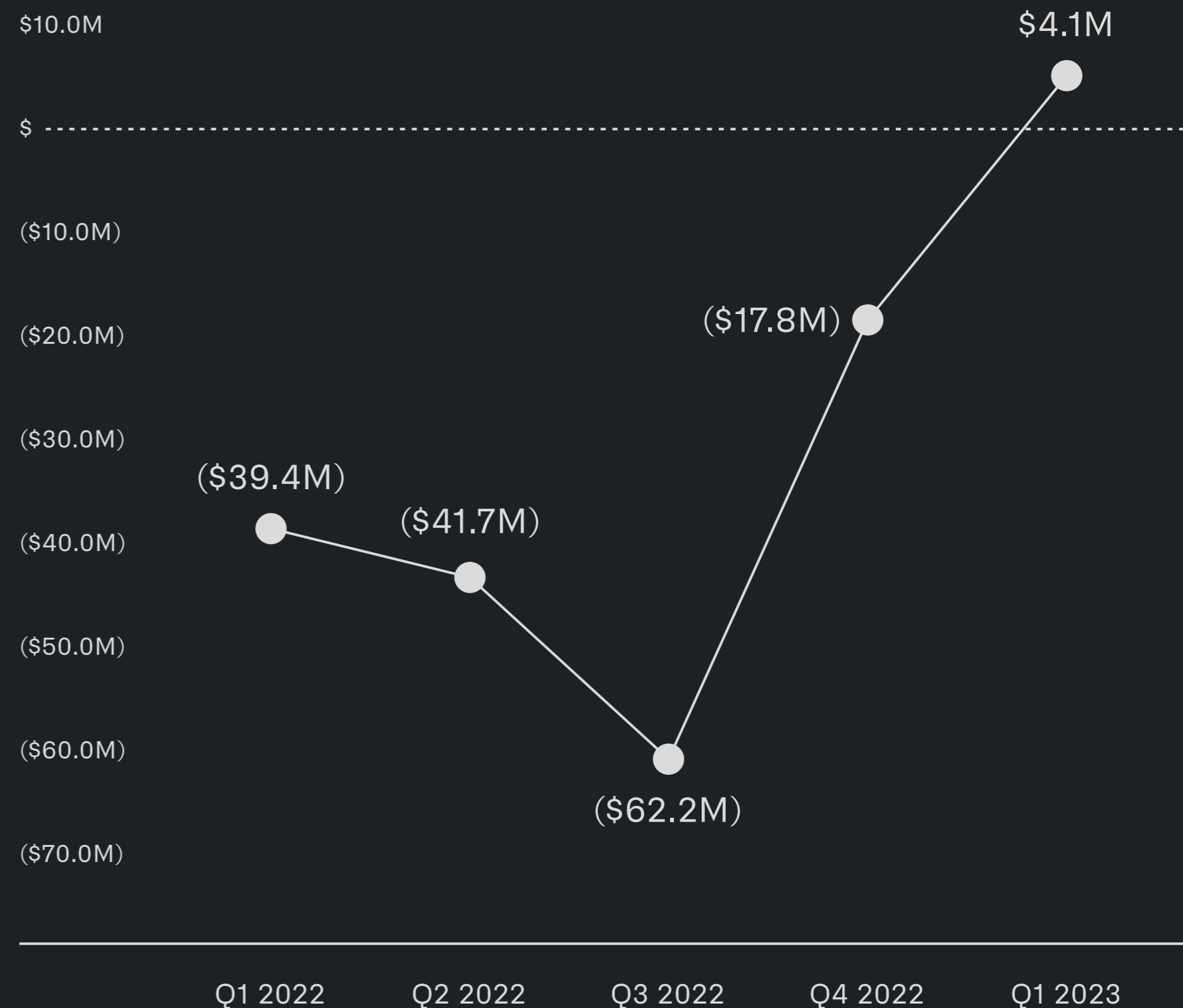
US business generated revenue of

$337M

for the three months ended March 31, 2023.

US Revenue Growth
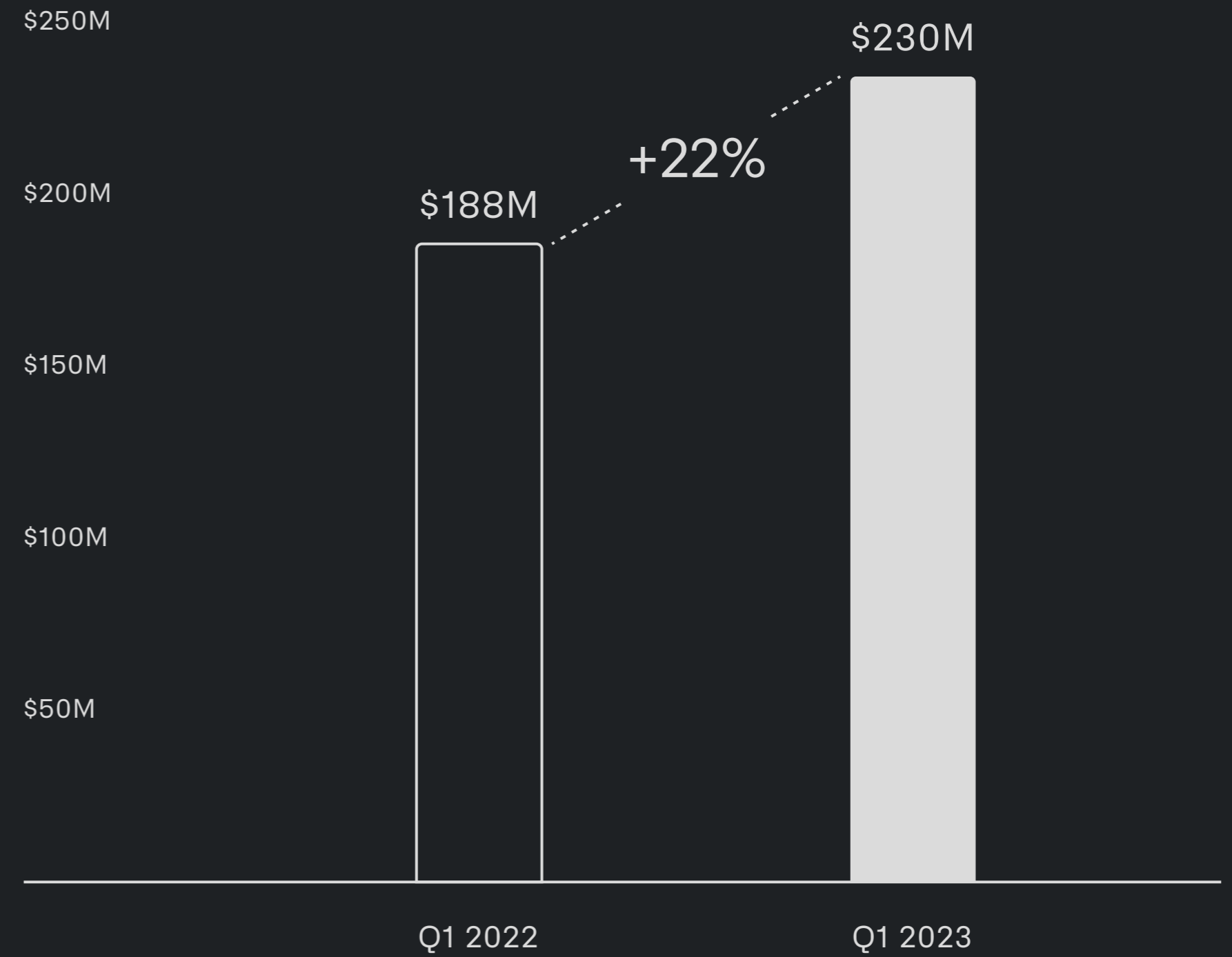
	Q1 2022	Q1 2023
	$273M	$337M

+23%

$400M
$350M
$300M
$250M
$200M
$150M
$100M
$50M
$—M

US Commercial Revenue Growth

$125M
$100M
$75M
$50M
$25M

$85M
$107M
+26%

Q1 2022
Q1 2023

US Government Revenue Growth

$250M
$200M
$150M
$100M
$50M

$188M
$230M
+22%

Q1 2022
Q1 2023

Government Revenue Growth

$300M

$289M

+20%

$250M
$242M

$200M

$150M

$100M

$50M

Q1 2022   Q1 2023

Commercial Revenue Growth

$250M
$236M

$205M   +15%

$200M

$150M

$100M

$50M

Q1 2022   Q1 2023

Total Revenue Growth

- $600M
- $500M
- $400M
- $300M
- $200M
- $100M

$446M
+18%
$525M
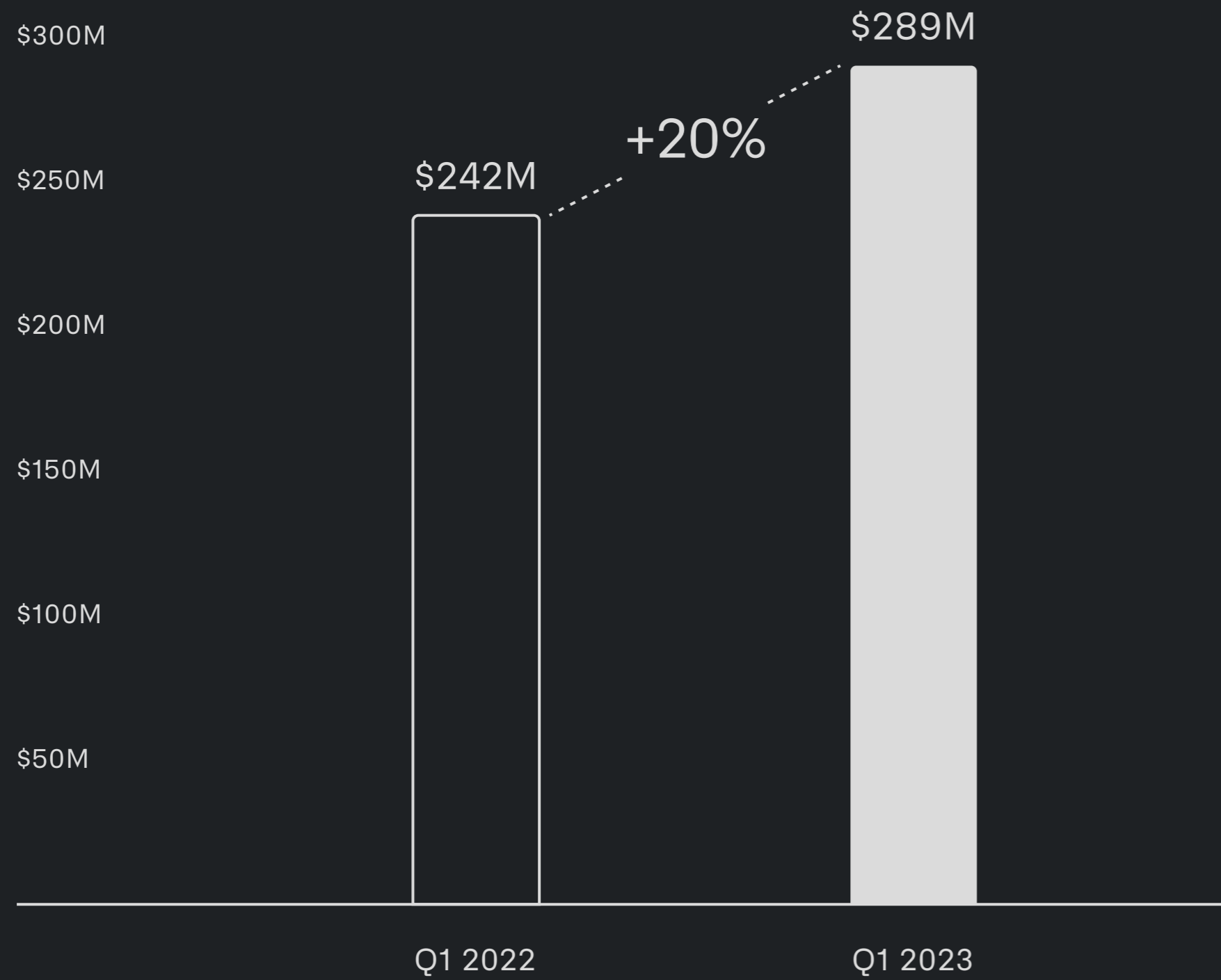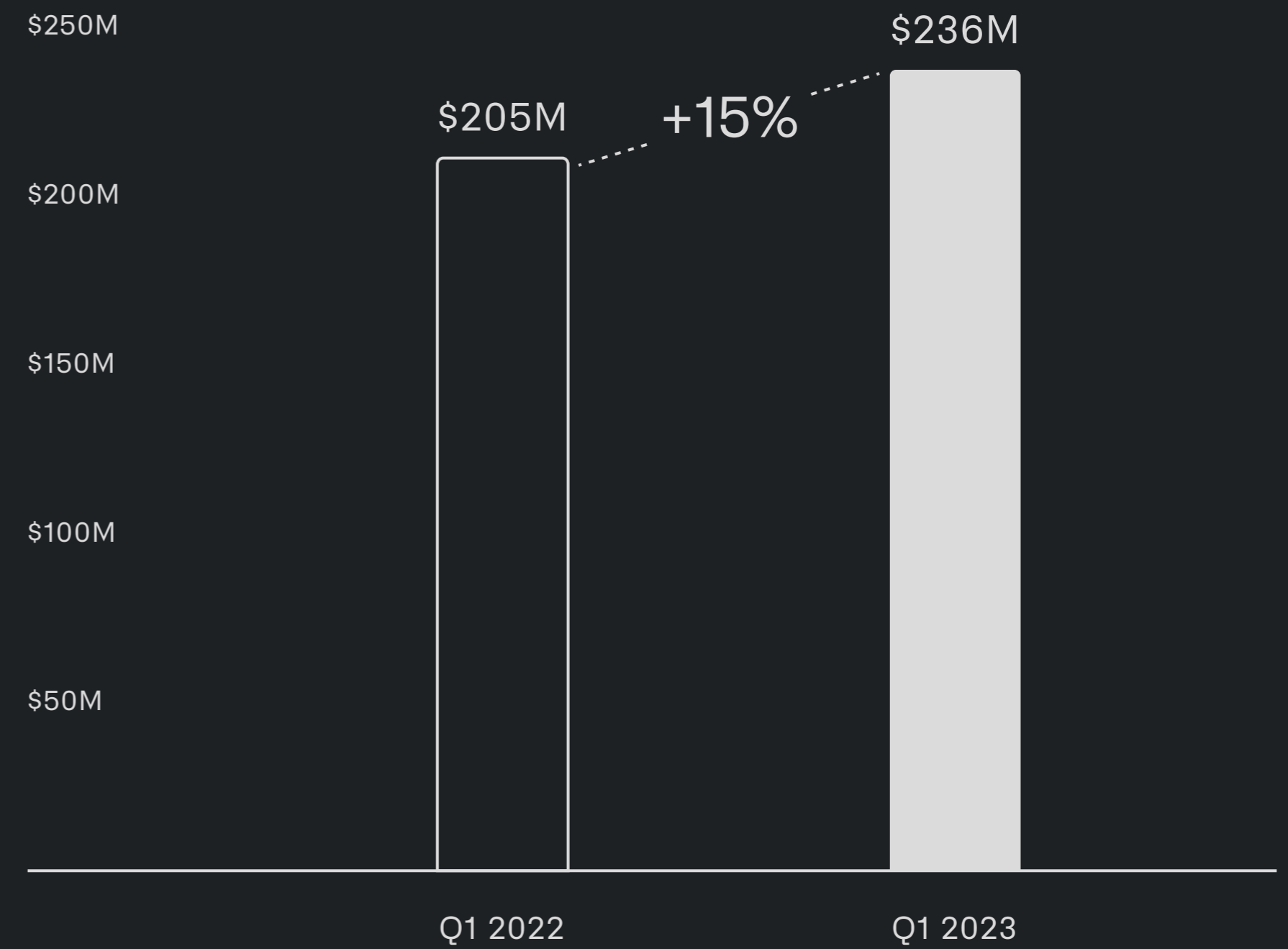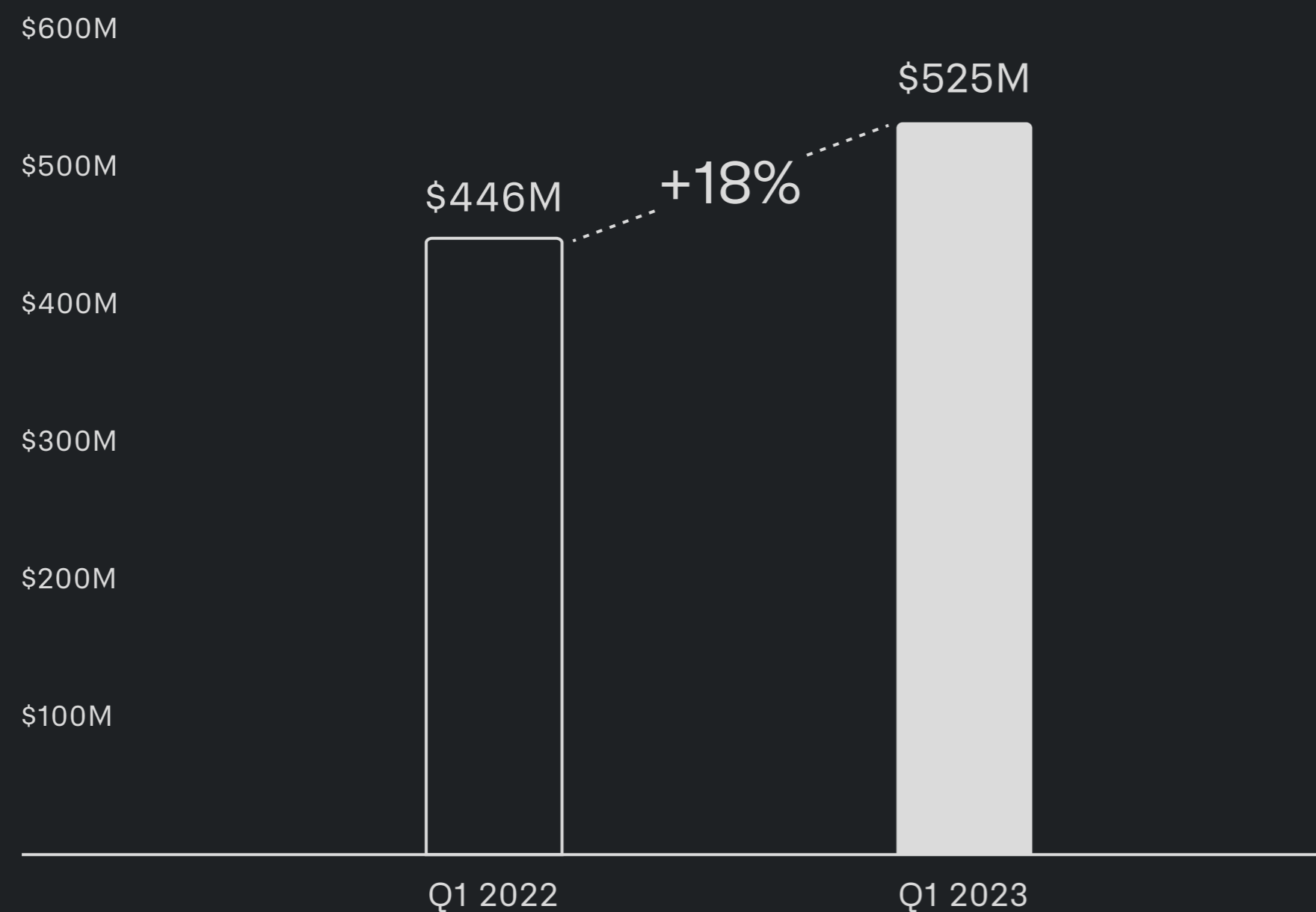
Q1 2022
Q1 2023

Q1 2023 NET DOLLAR RETENTION OF 111%

Average TTM Revenue per Top 20 Customer

- $60M
- $50M
- $40M
- $30M
- $20M
- $10M

$45M
+14%
$51M

Q1 2022
Q1 2023
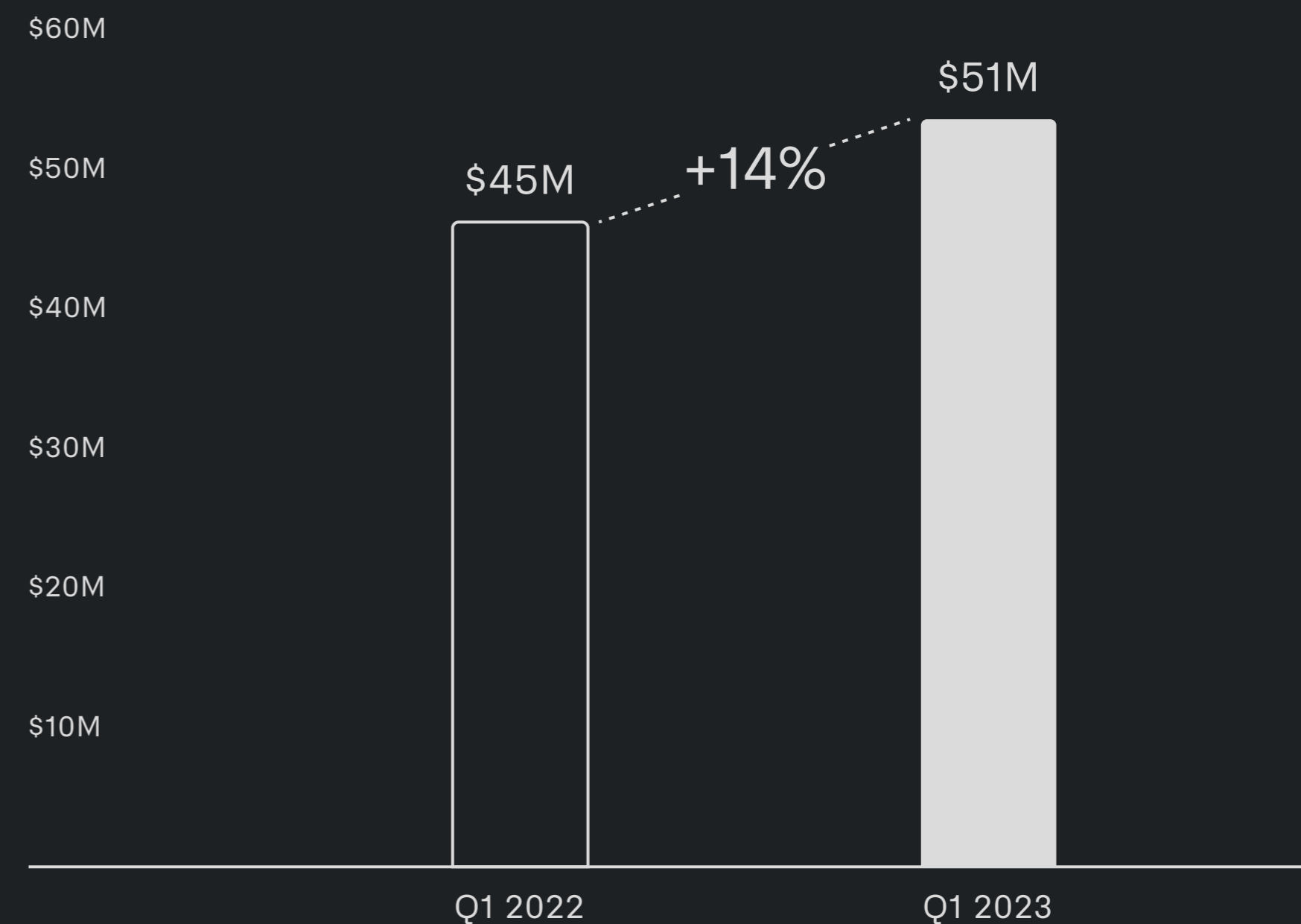
Average TTM revenue per customer is defined as (a) the Company's trailing twelve months of revenue as of each period divided by (b) the number of customers from which that period's revenue was derived.
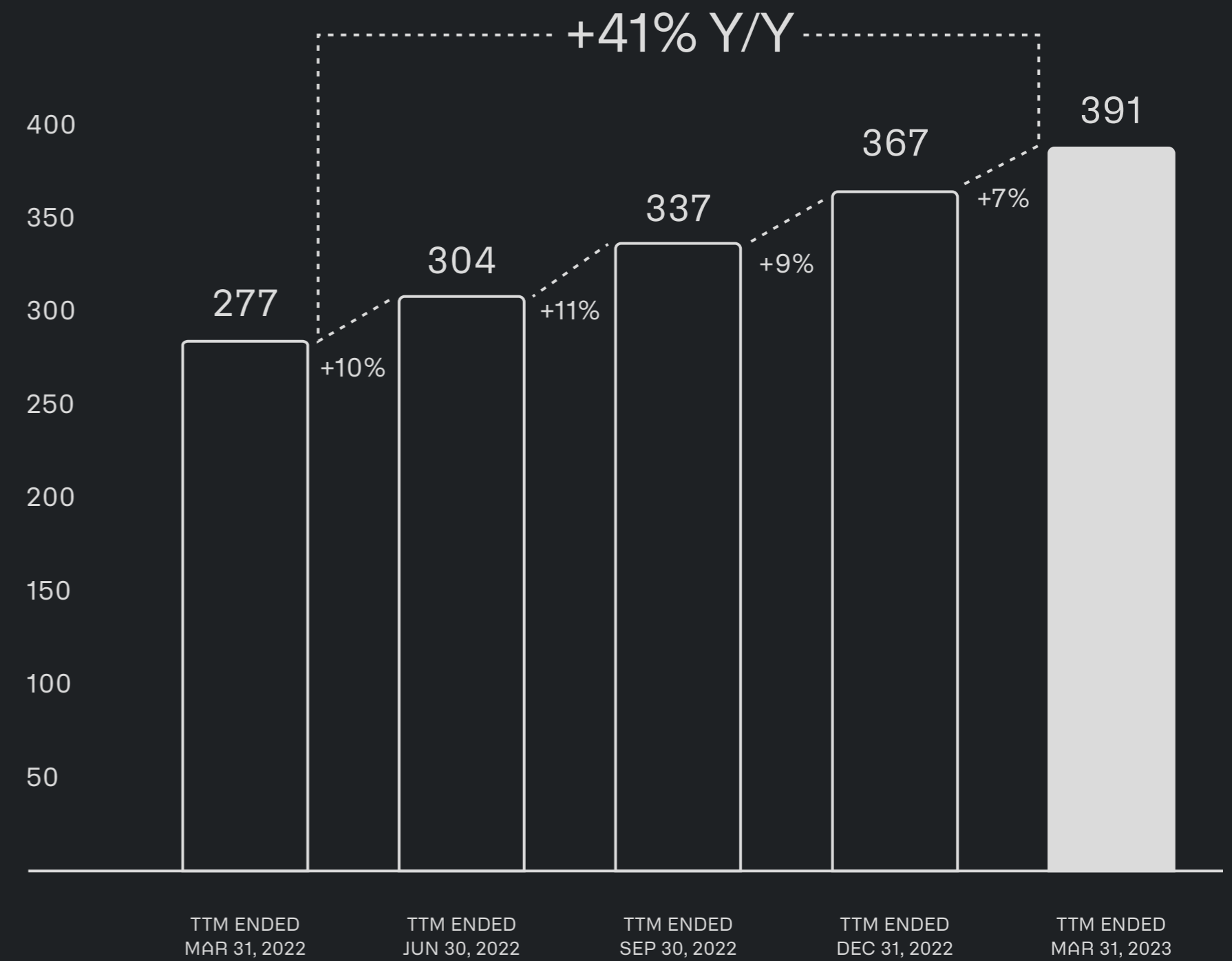Average TTM revenue from our top twenty customers for each period presented is the average revenue recognized from the twenty customers with the greatest amount of revenue recognized in each respective period.
Net dollar retention is calculated as (a) revenue for the trailing twelve months as of each period attributable to the customers as counted for the prior trailing twelve months divided by (b) revenue for the prior trailing twelve months recognized from those same customers.

Commercial Customer Count

184	203	228	260	280
TTM ENDED MAR 31, 2022	TTM ENDED JUN 30, 2022	TTM ENDED SEP 30, 2022	TTM ENDED DEC 31, 2022	TTM ENDED MAR 31, 2023
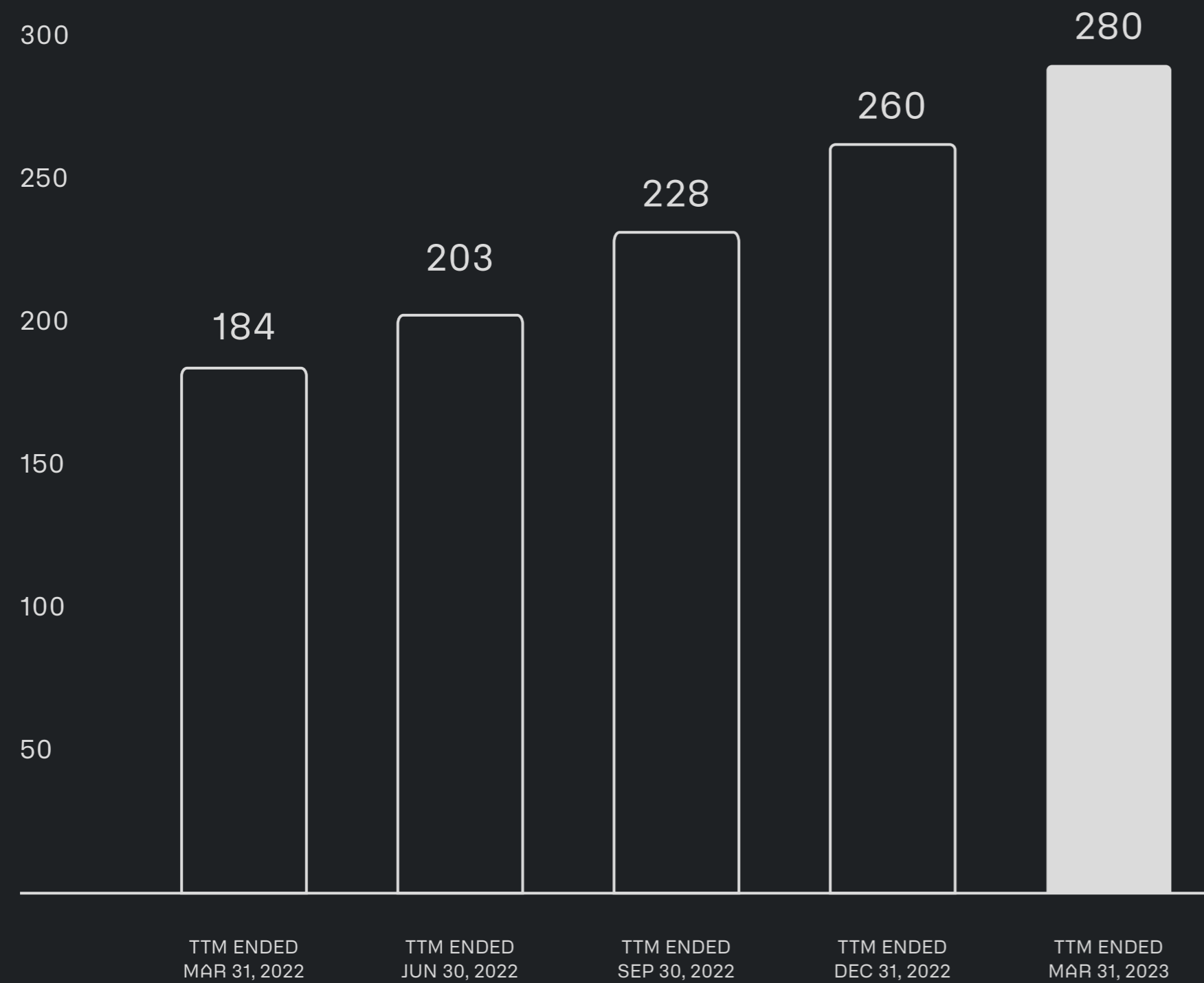
Our total customer count grew +41% year-over-year in Q1 2023.

+41% Y/Y

277	304	337	367	391
	+10%	+11%	+9%	+7%
TTM ENDED MAR 31, 2022	TTM ENDED JUN 30, 2022	TTM ENDED SEP 30, 2022	TTM ENDED DEC 31, 2022	TTM ENDED MAR 31, 2023

Total Contract Value

$400M
$350M
$300M
$250M
$200M
$150M
$100M
$50M

$248M

$397M

+60%

Q1 2022   Q1 2023

Billings

$700M
$600M
$500M
$400M
$300M
$200M
$100M

$490M

$614M

+25%

Q1 2022   Q1 2023
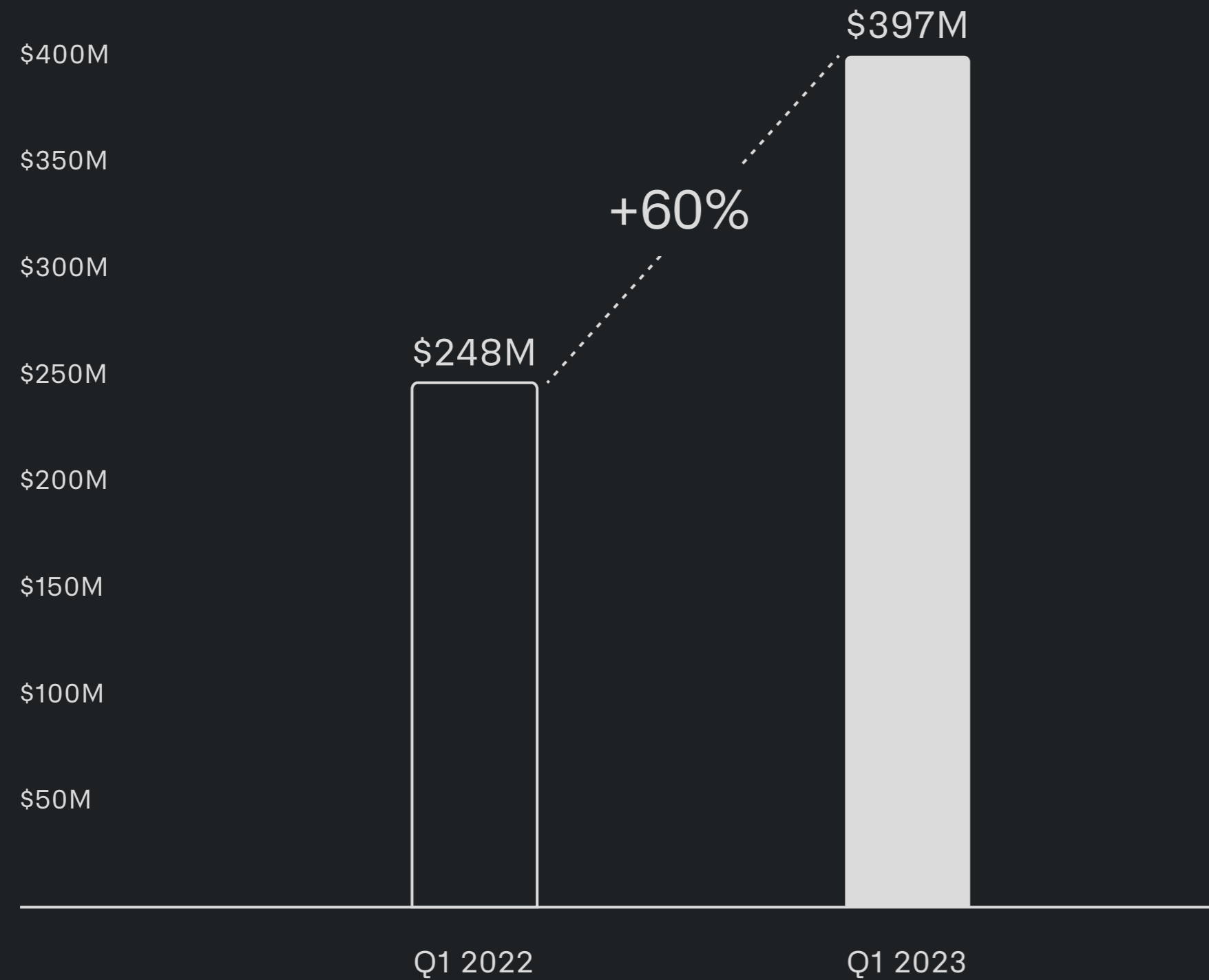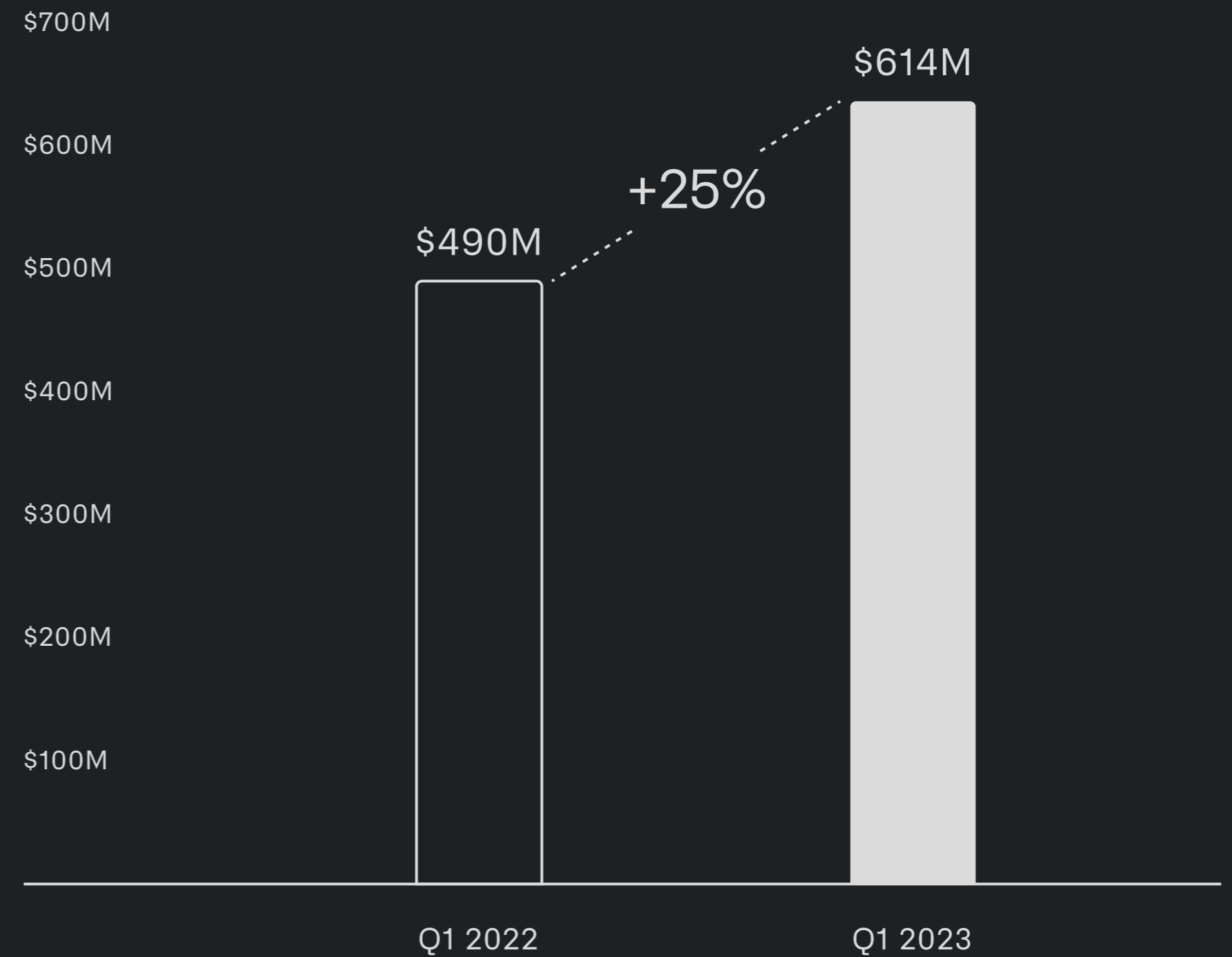
The value of deals closed reflects the total contract value of contracts that have been entered into with, or awarded by, our government and commercial customers and includes existing contractual obligations and unexercised contract options available to those customers.

During Q1 2023, we closed

64 deals

of at least $1 million.

22
of which were at least $5 million
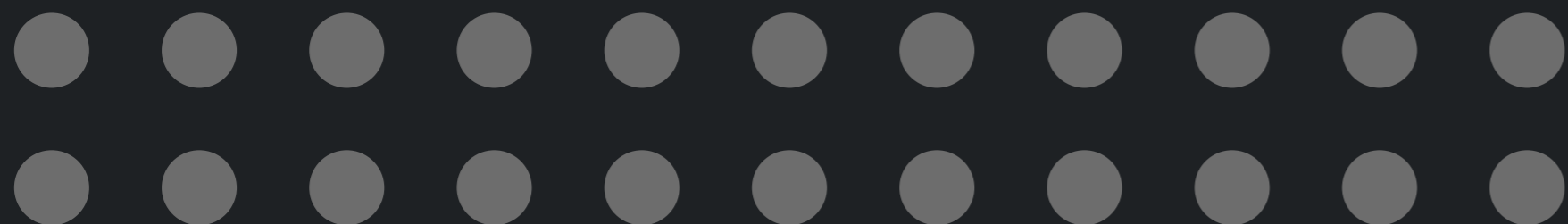
8
of which were at least $10 million

ADJ. GROSS MARGIN

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
81%	81%	80%	82%	81%

Adjusted gross margin excludes stock-based compensation. Please see the appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.
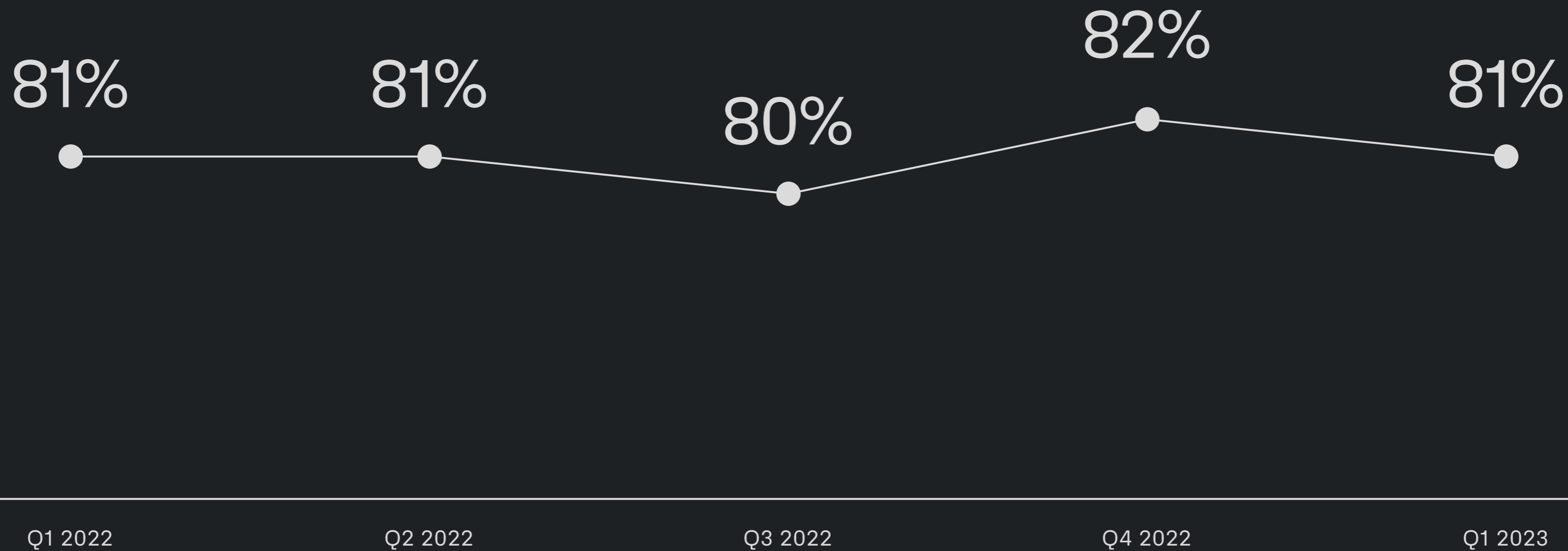
We ended Q1 2023 with

$2.9B

in cash, cash equivalents, and US treasury securities and no debt.

As of March 31, 2023, we had $950 million available in credit facilities, all of which remains undrawn.

Cash from Operations and Adjusted Free Cash Flow

	CASH FROM OPERATIONS			ADJUSTED FREE CASH FLOW	
	Q1 2022	Q1 2023		Q1 2022	Q1 2023
$200M		$187M			$189M
$150M					
$100M					
$50M					
	$35M			$30M	

Our credit facility includes $450 million that is available to draw through July 1, 2023 under a delayed draw term loan commitment.
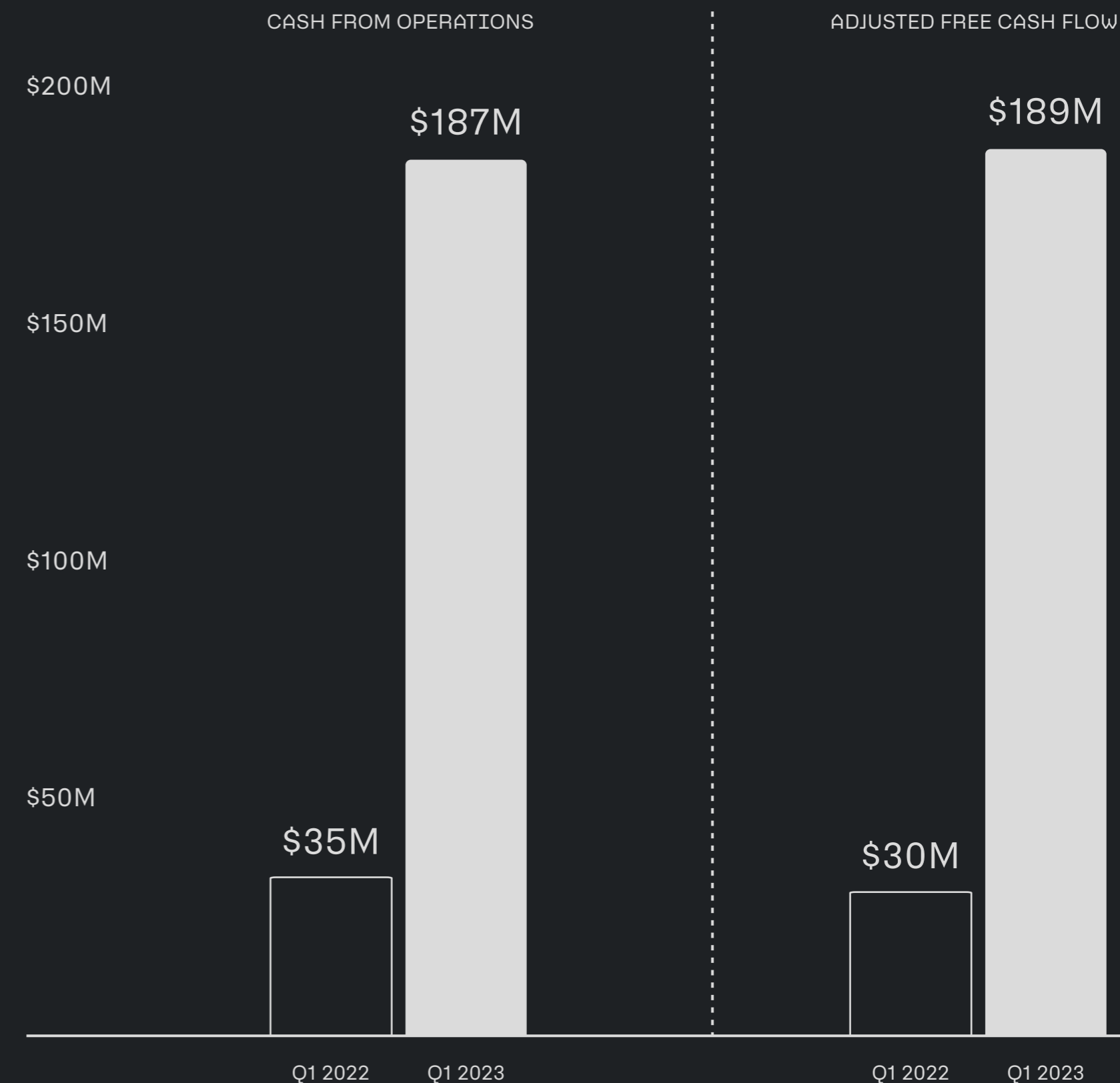
We are committed to profitable growth and will continue to focus on investing in areas critical to our business.

Q1 2023 adjusted operating income was $125M, representing a margin of 24%

● ADJUSTED OPERATING MARGIN

Bar chart: Adjusted operating income and adjusted operating margin

- Q1 2022: $117M, 26%
- Q2 2022: $108M, 23%
- Q3 2022: $81M, 17%
- Q4 2022: $114M, 22%
- Q1 2023: $125M, 24%

Y-axis: $25M, $50M, $75M, $100M, $125M, $150M
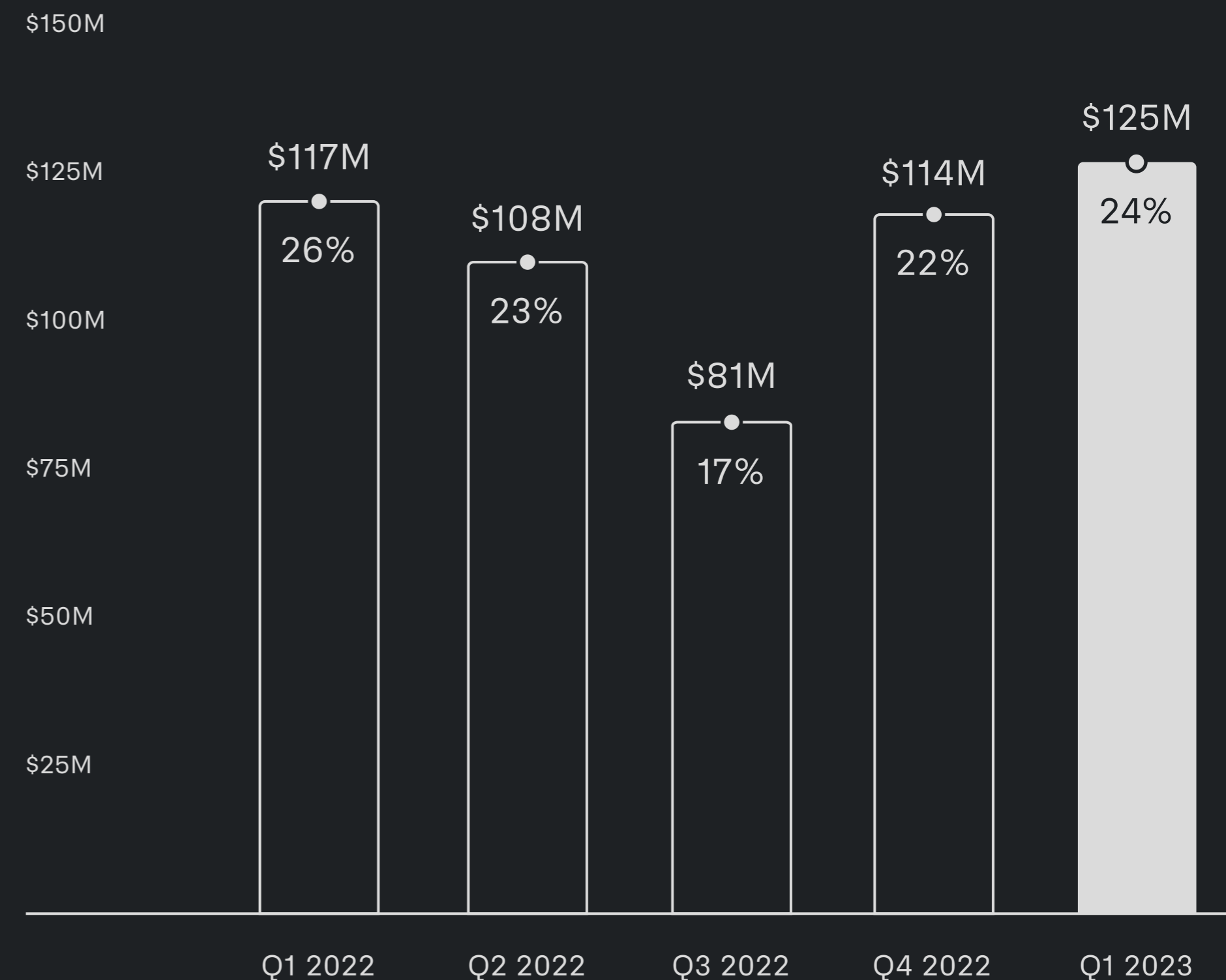
Adjusted operating income and adjusted operating margin exclude stock-based compensation and related employer payroll taxes.
Please see the appendix for reconciliations of these and other non-GAAP financial measures to the most directly comparable GAAP measures.

Q2 2023

For second quarter 2023, we expect:

→ Revenue of between
$528 million – $532 million.

→ Adjusted income from operations of between
$118 million – $122 million.

→ GAAP net income.

FY 2023

For full year 2023, we expect:

→ Revenue of between
$2.185 billion – $2.235 billion.

→ Adjusted income from operations of between
$506 million – $556 million.

→ GAAP net income in each quarter.

Q1

Palantir

2023

Appendix

Additional Metrics and Notes

($ MILLIONS)		Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Total RPO		$ 1,167	$ 1,202	$ 1,254	$ 973	$ 936
Short-Term RPO		$ 490	$ 524	$ 555	$ 517	$ 529
Long-Term RPO		$ 677	$ 678	$ 699	$ 456	$ 407
Billings		$ 490	$ 396	$ 509	$ 387	$ 614

Note: Of the $7.7 million of FY 2022 revenue recognized from our PTJ consolidated entity, approximately $3.5 million was related to catch-up revenue recognized as a result of the timing of execution of certain customer contracts. Excluding this one-time catch-up of $3.5 million, the revenue attributable to the consolidation from November 8, 2022 through December 31, 2022 was $4.2 million.

RPO represents non-cancelable contracted revenue that has not yet been recognized, which includes deferred revenue and, in certain instances, amounts that will be invoiced. We have elected the practical expedient, as permitted under Accounting Standards Codification 606 - Revenue from Contracts with Customers - allowing us to not disclose remaining performance obligations for contracts with original terms of twelve months or less.

Reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin

Adjusted free cash flow margin is calculated as adjusted free cash flow divided by revenue

($ THOUSANDS)	Q1 2022	Q1 2023
Cash Flow from Operating Activities	$ 35,477	$ 187,376
Add:		
Cash Paid for Employer Payroll Taxes Related to Stock-Based Compensation	9,524	6,276
Less:		
Cash Used to Purchase Property and Equipment	(15,215)	(4,755)
Adjusted Free Cash Flow	$ 29,786	$ 188,897
Adjusted Free Cash Flow Margin	7%	36%

Reconciliation of Gross Profit to Adjusted Gross Profit & Adjusted Gross Margin

Excluding Stock-Based Compensation

Adjusted gross margin is calculated as adjusted gross profit divided by revenue

($ THOUSANDS)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Gross Profit	$ 351,954	$ 370,786	$ 370,269	$ 404,313	$ 417,541
Add:					
Stock-Based Compensation	11,677	11,211	10,525	10,648	9,177
Adjusted Gross Profit	$ 363,631	$ 381,997	$ 380,794	$ 414,961	$ 426,718
Adjusted Gross Margin	81%	81%	80%	82%	81%

Reconciliation of Income (Loss) from Operations to Adjusted Operating Income and Adjusted Operating Margin

Excluding Stock-Based Compensation and Related Employer Payroll Taxes

($ THOUSANDS)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Income (Loss) From Operations	$ (39,439)	$ (41,745)	$ (62,191)	$ (17,826)	$ 4,115
Add:					
Stock-Based Compensation	149,323	145,769	140,308	129,398	114,714
Employer Payroll Taxes Related to Stock-Based Compensation	7,506	3,825	3,133	2,692	6,285
Adjusted Operating Income	$ 117,390	$ 107,849	$ 81,250	$ 114,264	$ 125,114
Adjusted Operating Margin	26%	23%	17%	22%	24%

Reconciliation of GAAP Net Earnings (Loss) Per Share, Diluted to Adjusted Earnings Per Share, Diluted

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Q1 2022	Q1 2023
Net Income (Loss) Attributable to Common Stockholders	$ (101,379)	$ 16,802
Add / (Less):		
Stock-Based Compensation	149,323	114,714
Employer Payroll Taxes Related to Stock-Based Compensation	7,506	6,285
Income Tax Effects and Adjustments [1]	(10,737)	(30,400)
Adjusted Net Income Attributable to Common Stockholders	$ 44,713	$ 107,401
Weighted-Average Shares Used in Computing GAAP Earnings (Loss) Per Share, Diluted	2,036,307	2,217,439
Adjusted Weighted-Average Shares Used in Computing Adjusted Earnings Per Share, Diluted [2]	2,209,310	2,217,439
Adjusted Earnings Per Share, Diluted	$ 0.02	$ 0.05

1. Income tax effect is based on an estimated long-term annual effective tax rate of 23.0% and 22.2% for the periods ended 2023 and 2022, respectively. The Company's estimated long-term annual effective tax rate excludes certain non-cash items, such as stock-based compensation, and is used in order to provide consistency across periods by eliminating the effects of certain items, such as changes in the tax valuation allowance.

2. Includes an additional 173 million dilutive securities for the three months ended March 31, 2022 that were excluded from a GAAP perspective due to the Company's net loss position.

Reconciliation of Revenue to Billings

($ THOUSANDS)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Revenue	$ 446,357	$ 473,010	$ 477,880	$ 508,624	$ 525,186
Change in Contract Liabilities	43,612	(76,927)	30,807	(121,589)	88,614
Billings	$ 489,969	$ 396,083	$ 508,687	$ 387,035	$ 613,800

Reconciliation of Cost of Revenue and Total Operating Expenses to Adjusted Expenses

($ THOUSANDS)	Q4 2022	Q1 2023
Total Expenses	$ 526,450	$ 521,071
Less:		
Stock-Based Compensation	129,398	114,714
Employer Payroll Taxes Related to Stock-Based Compensation	2,692	6,285
Adjusted Expenses	$ 394,360	$ 400,072