Exasol

Investor Call
FY 2023 audited and Q1 2024 figures

Jörg Tewes (CEO) and Jan-Dirk Henrich (CFO)

May 7, 2024

Jörg Tewes, CEO

Jan-Dirk Henrich, CFO

Topics for today

1. Business Update Q1 2024

2. Financial Results 2023 & Q1 2024

3. Outlook 2024

4. Q&A

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Business Update Q1 2024
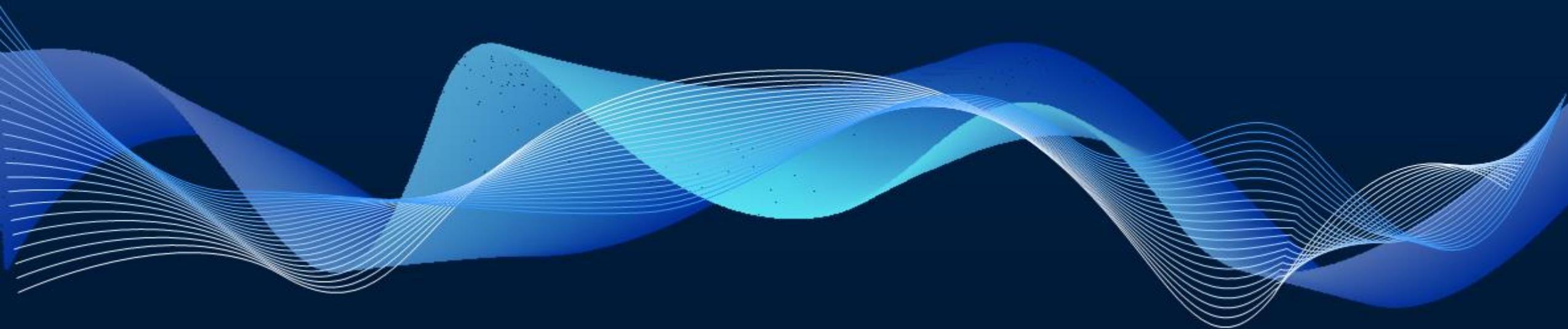
Summary of key points

FINANCIALS Q1 2024
(2024 figures are unaudited)

ARR: 40.7 m€
(+16% yoy)

Revenue: 9.9 m€
(+13% yoy)

EBITDA: 0.3 m€
(Q1 2023: –2.2 m€)

Liquid Funds: 20.7 m€
(Dec 31, 2023: 13.3 m€)

- EBITDA positive for the first time since IPO, liquid funds well above 2023 eop level providing sufficient headroom

- ARR up 16% year-on-year, Q1 2024 revenue up 13% versus prior year following strong Q4 2023

- Q1 2024 churn in line with expectations

- Gross new ARR in Q1 2024 on prior year´s level, with impacts of adjusted go-to-market motion expected for H2 2024

- GTM focus on BI acceleration (Espresso) starting to increase momentum in pipeline build-up

- Espresso AI launched to seamlessly integrate into evolving AI-driven analytics landscape

- Outlook 2024 confirmed

Outlook 2024 (unchanged)

ARR Growth:
Up to 10%

Revenue growth:
10 – 15%

EBITDA:
positive

Liquid Funds:
> 10 m€

Introducing Exasol Espresso, the next-gen, in-memory analytics database that's faster than anything else on the market.

Designed for speed from the ground up, Espresso brings an in-memory, columnar database, Massively Parallel Processing (MPP) architecture and auto-tuning to turbocharge even the most complex queries and deliver better insights at blazing speed.

Exasol's speed, scalability, and price/performance have dominated the TPC-H benchmarks since 2008. The latest benchmark (2021) was completed with three database sizes: 10TB, 30TB, and 100TB. Exasol's price/performance results are: 10TB: $68.79 kQphH, 30TB: $84.95 kQphH, 100TB: $178.9 kQphH

Exasol's Product Offerings

Exasol's offerings scale to address our customers' pain points. From BI acceleration to full data warehouse solutions, Exasol's products help achieve faster, deeper, and cheaper data analytics

Espresso

Espresso Plus

Exasol Data Warehouse

BI Acceleration

"I have a spinning wheel problem with my BI tool."

Consumption Layer

"I have a database performance and/or cost issue."

Data Warehouse

"I need a high-performance data warehouse for my division."

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ARR momentum in key vertical: Financial Services

Exasol has demonstrated recent major successes by winning key customers in financial industry

March 2024	*Financial Service provider (EMEA)*	<u>Upsell</u>: Increase of data volumes	0.4 m€
March 2024	*Financial Service provider (EMEA)*	<u>Upsell</u>: Increase of data volumes	0.1 m€
March 2024	*Bank (DACH region)*	<u>New Logo</u>: Bank won through Partner Network	0.1 m€
March 2024	*Financial Service provider (US)*	<u>Upsell</u>: Upgrade support	0.1 m€
April 2024	*Financial Service provider (US)*	<u>New Logo</u>: Won through direct sales	0.2 m€

AI driven Customer Needs

AI is going to transform the way customers work with data, and the best tools need to focus on the key aspects of making AI/ML adoption successful

- **Integrated BI & AI Workloads**: proliferation of Generative AI will further explode data workloads, increase complexity of the workflows, and require to efficiently handle BI & AI workloads in an integrated fashion

- **Data Privacy**: requirements around security and data privacy will become indispensable for heavily regulated industries

- **Accuracy & Transparency**: ubiquity of AI will require data & analytics systems to be more accurate than ever in generating insights in a transparent way

- **Scalability & Efficiency**: high data workloads, AI penetration will demand data & analytics systems to be cost and energy efficient to be scalable and highly performant

- **Integrated Solutions**: Especially SMBs and organizations without dedicated AI experts require an integrated solution without platform lock-in

AI driven customer needs play to proven strengths of Exasol's technology. We are evolving our product offering to seamlessly integrate into this evolving AI analytics landscape.

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Exasol has introduced 3 offerings in the AI space in 2024 to make AI more accessible to Enterprises

Espresso AI: AI for BI

Augment BI reports through NLP and ML predictions

Create ML models without any help from Data Science teams (Partner: TurinTech)

What would you like to predict?

| What customers will churn in 12 months? |
| Start |

evoML is analyizing your request to find the best model.

Chat-GPT like interface for self-service BI (Partner: Veezo)

What products will generate the most revenue in the next 3 years?   Ask

AI Lab

Enable Data Scientists to leverage Exasol for AI use cases

Deepnote · python · R · Azure Machine Learning

jupyter · Ibis · PyTorch

Hugging Face · TensorFlow · Amazon SageMaker

Provide a downloadable Docker container that includes several DS notebooks with sample integrations for a quick start for data scientists to leverage the power of Exasol

GenAI Business Solutions

Consultative and Customized AI implementations

Fraud detection, Revenue Forecast, Churn Prevention, Supply-Chain Mgmt., Marketing Personalization, Predictive Maintenance, …
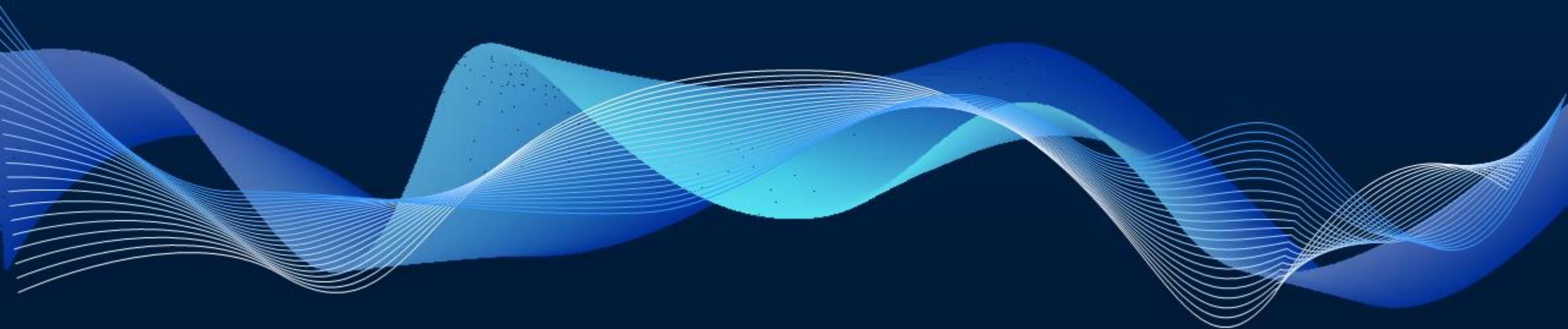
| Retrieval-Augmented Generation | Automated labeling from text via LLMs | Code-generation via natural language |

X Exasol Espresso AI

Financial Results FY 2023 Audited

Results 2023 FY – Preliminary vs Audited

In EUR million, in percent

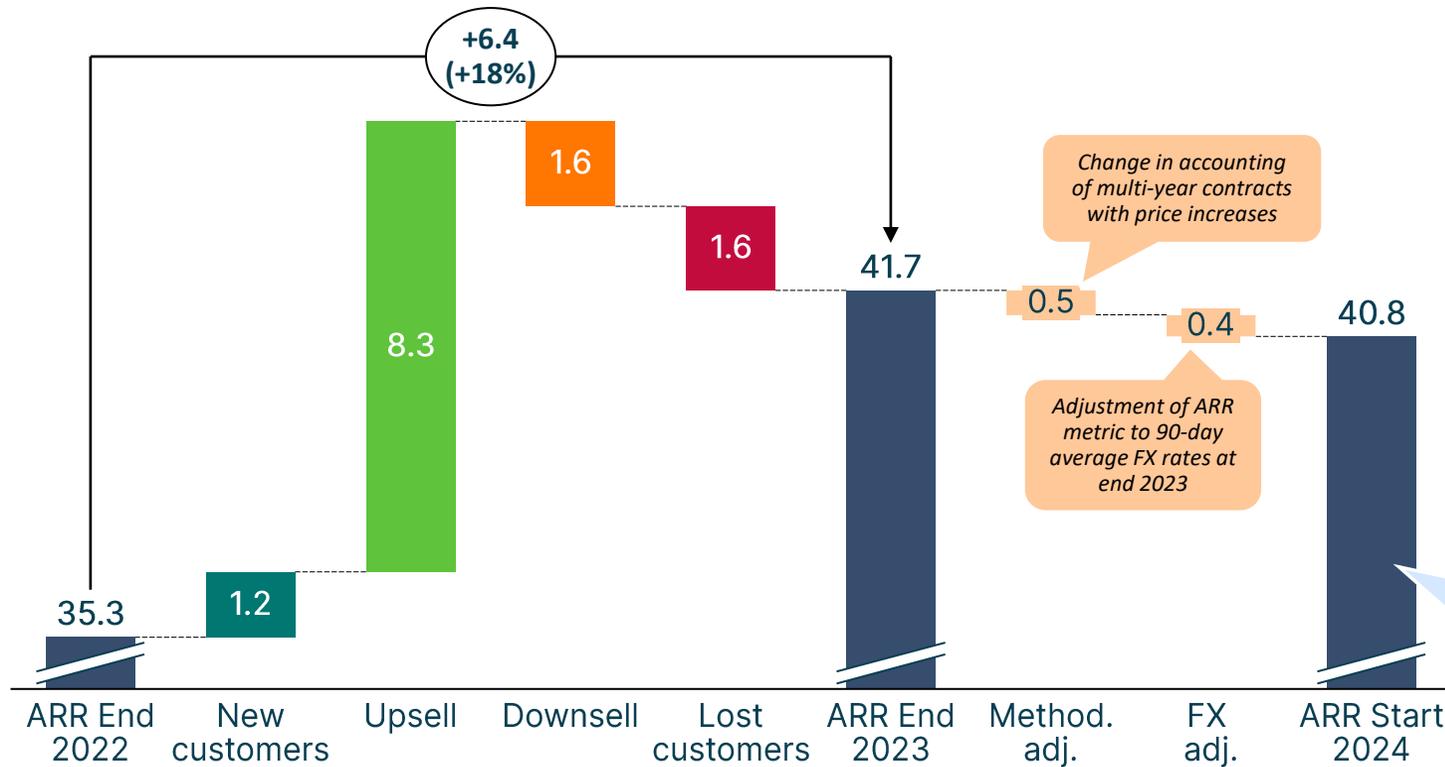|	FY 2023 audited	FY 2023 preliminary	Δ	FY 2023 audited	FY 2022 audited	Δ%
Revenue	35.1	35.4	-0.3	35.1	33.2	5.7
thereof recurring	34.1	34.1	0.0	34.1	31.5	8.2
thereof non-recurring	1.0	1.3	-0.3	1.0	1.7	-41.2
Gross Profit	35.5*	35.5*	0.0	35.5* (33.7)	31.5	7.0
Gross Profit Margin				*101%* (95%)*	*95%*	*+/- 0*
Personnel expenses (adj.)	-29.4**	-29.4**	0.0	-29.4**	-28.7	+2.4
Other expense (adj.)	-11.5	-11.5	0.0	-11.5	-16.2	-29.0
Total Costs (adj.)	-40.9	-40.9	0.0	-40.9	-44.9	-8.9
EBITDA (adj.)	-5.4	-5.4	0.0	-5.4	-13.4	-59.7
EBITDA Margin				-15.4%	-40.4%	
EBITDA reported	-5.7	-5.7	0.0	-5.7	-12.2	-53.3

Comments

- No deviation between preliminary and audited figures for FY 2023 (minor reclassification of 300 k€ from non-rec. revenue to COGS)

- Adjusted for R&D subsidies gross profit margin unchanged.

- Personnel expenses 2023 include 1.5 m€ of restructuring expenses

- Adj. EBITDA loss cut by roughly 60% in FY 2023

* incl. 1.8 m€ other operating income from granting of R&D subsidies by ministry of finance for FY2020-2022 ; numbers und brackets are adjusted for this effect
** incl. restructuring expenses of 1.5 m€ in 2023

ARR development end 2023 – Global

In EUR million at const. Q4 2022 FX rates, in percent

+6.4 (+18%)

- 35.3 — ARR End 2022
- 1.2 — New customers
- 8.3 — Upsell
- 1.6 — Downsell
- 1.6 — Lost customers
- 41.7 — ARR End 2023
- 0.5 — Method. adj.
- 0.4 — FX adj.
- 40.8 — ARR Start 2024

Change in accounting of multi-year contracts with price increases

Adjustment of ARR metric to 90-day average FX rates at end 2023

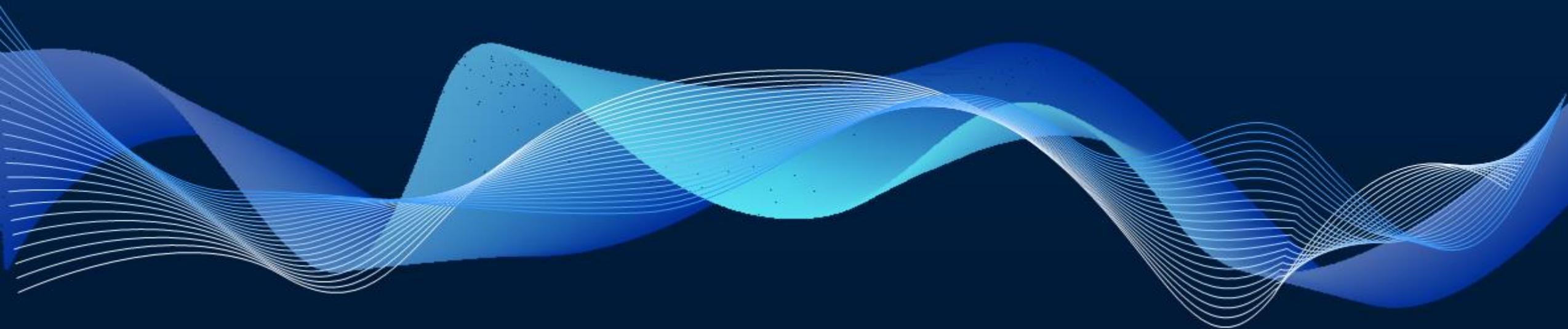All historical ARR values subsequently shown on consistent like-for-like basis

Comments

- Gross upsell rate at 123% (vs. 118% in PY)

- Net ARR retention rate at 115% (116% w/o XO) (vs. 115% in PY)

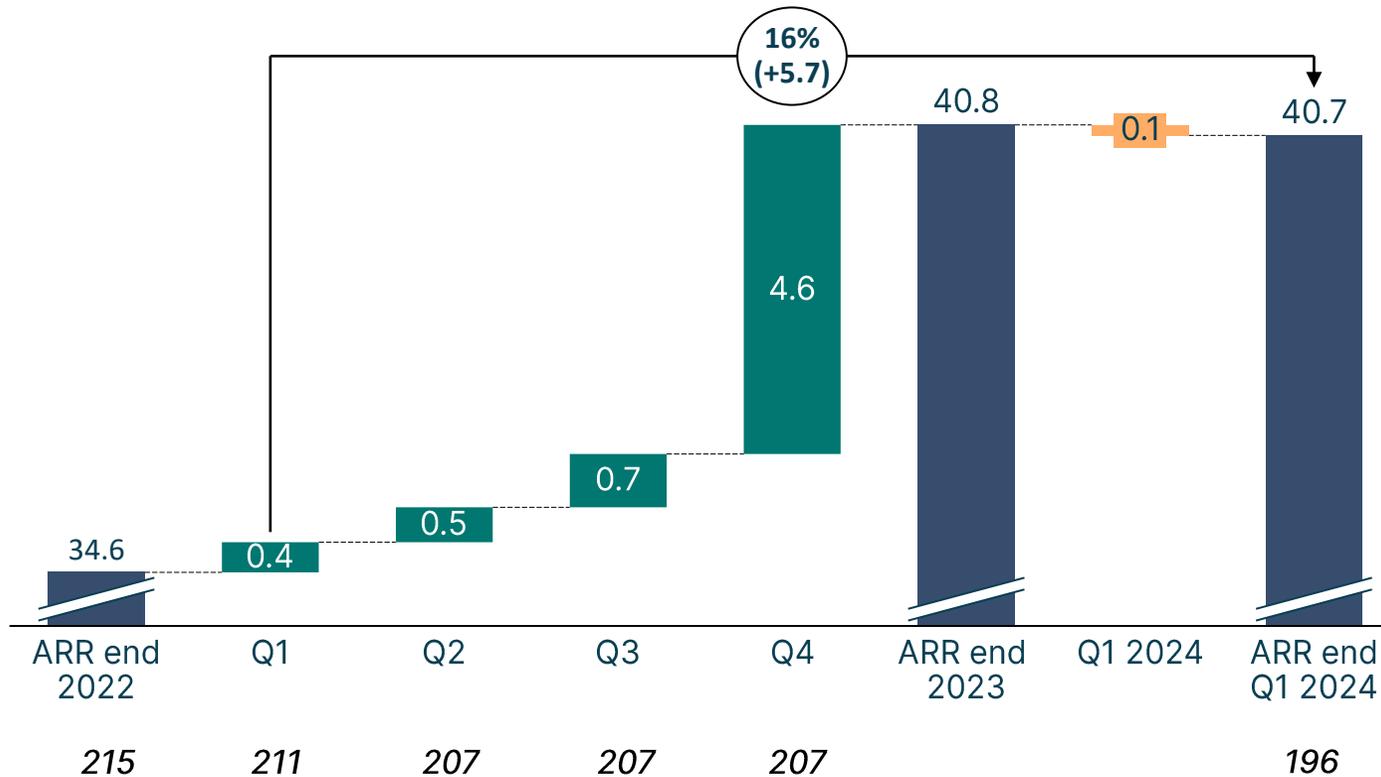- ARR churn rate at 9% (8% w/o XO) (vs. 4% in PY)

Financial Results Q1 2024

Quarterly ARR development in 2023/2024

In EUR million at const. FX and methodology, in percent, # of customers

16%
(+5.7)

|	ARR end 2022	Q1	Q2	Q3	Q4	ARR end 2023	Q1 2024	ARR end Q1 2024
	34.6	0.4	0.5	0.7	4.6	40.8	0.1	40.7
Customers	215	211	207	207	207			196

Comments

- Double-digit yoy growth in ARR(+16%)

- Q1 2024:
  - Gross new ARR of +1.4 m€ (vs 1.3 m€ PY)
  - Lost ARR of –1.5 m€ (vs. –0.9 m€ PY)

- Absolute churn highest in Q1/Q2 with majority of contracts renewing in these quarters

- Net performance in Q1 slightly better than expected, with predicted elevated churn overcompensated by higher-than-expected new business

- As included in FY guidance, Q2 expected to be stagnant to mildly decreasing as well before growth initiatives take hold in H2

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ARR development by region

In EUR million at const. FX and methodology, in percent

EMEA

+4.5 (15.6%)

29.2 → 33.7

Mar 31, 2023 — Mar 31, 2024
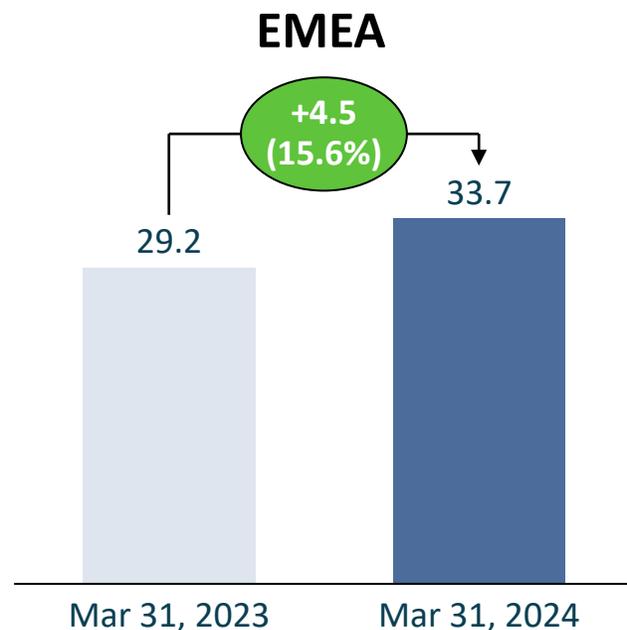
Comments
- Gross upsell rate at 125%
- ARR churn rate at 12%
- Net ARR retention rate at 113%

North America

+1.2 (19.8%)

5.8 → 7.0

Mar 31, 2023 — Mar 31, 2024
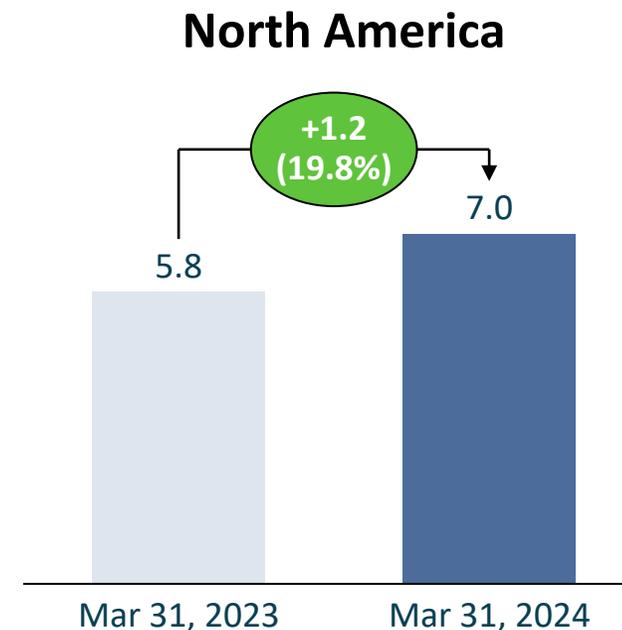
Comments
- Gross upsell rate at 122%
- ARR churn rate at 7%
- Net ARR retention rate at 115%

ARR development end Q1 2024 – Global

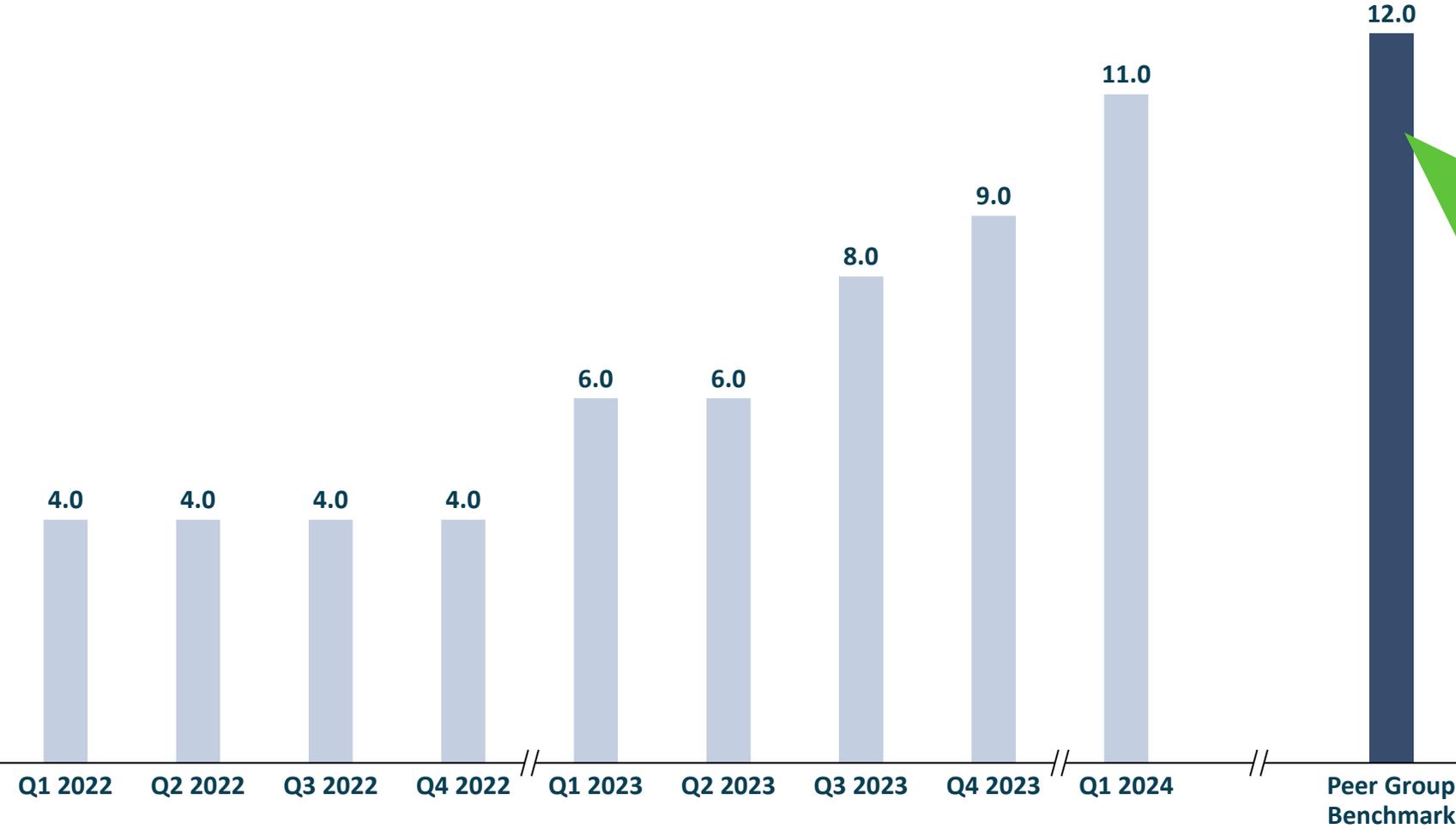**In EUR million at const. FX and methodology, in percent**
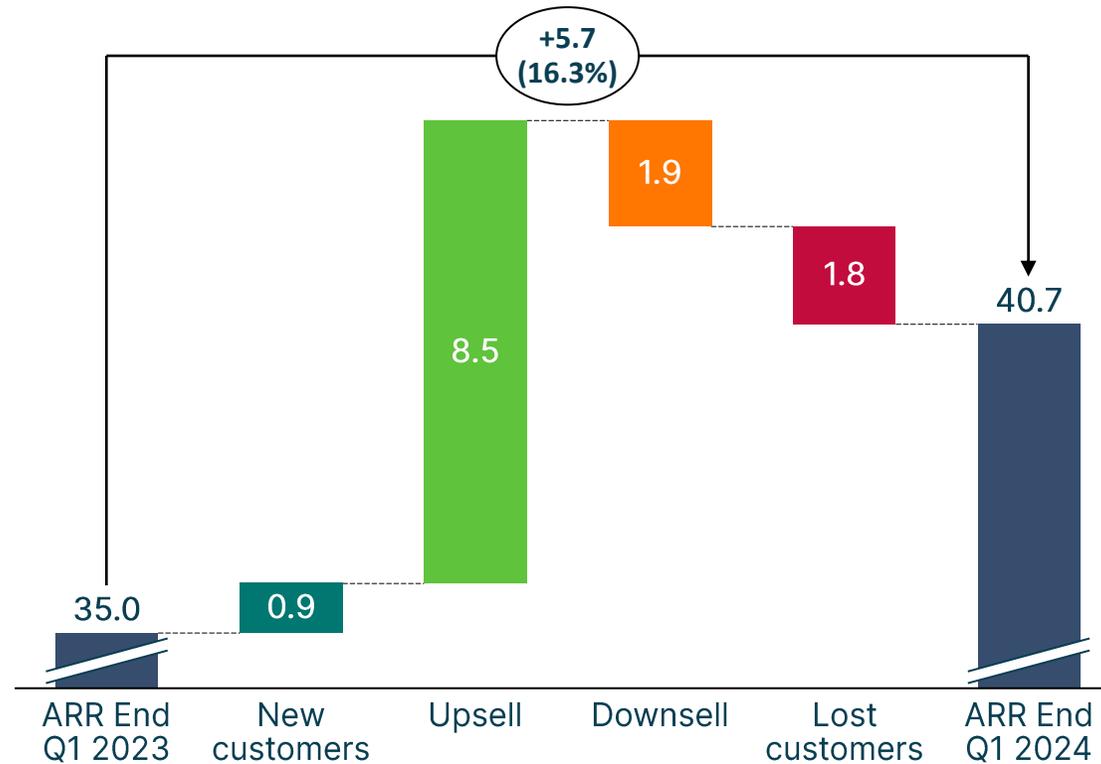
Comments

- Gross upsell rate at 124% (vs. 118% in PY)

- Net ARR retention rate at 114% (vs. 112% in PY)

- ARR churn rate at 11% (vs. 6% in PY)

Development of LTM ARR Churn Rate

In percent

Chart data:
- Q1 2022: 4.0
- Q2 2022: 4.0
- Q3 2022: 4.0
- Q4 2022: 4.0
- Q1 2023: 6.0
- Q2 2023: 6.0
- Q3 2023: 8.0
- Q4 2023: 9.0
- Q1 2024: 11.0
- Peer Group Benchmark: 12.0

- Benchmark Data from OpexEngine, a leading database of SaaS/Software performance metrics operated by Bain & Company

- Relevant Peer-Group chosen: Hybrid Deployment B2B Software Providers in the revenue range of 40m EUR

- Current Exasol churn levels overall in line with elevated churn dynamics in industry

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P&L 2023/24 by quarter

In EUR million, in percent

2024 figures are unaudited

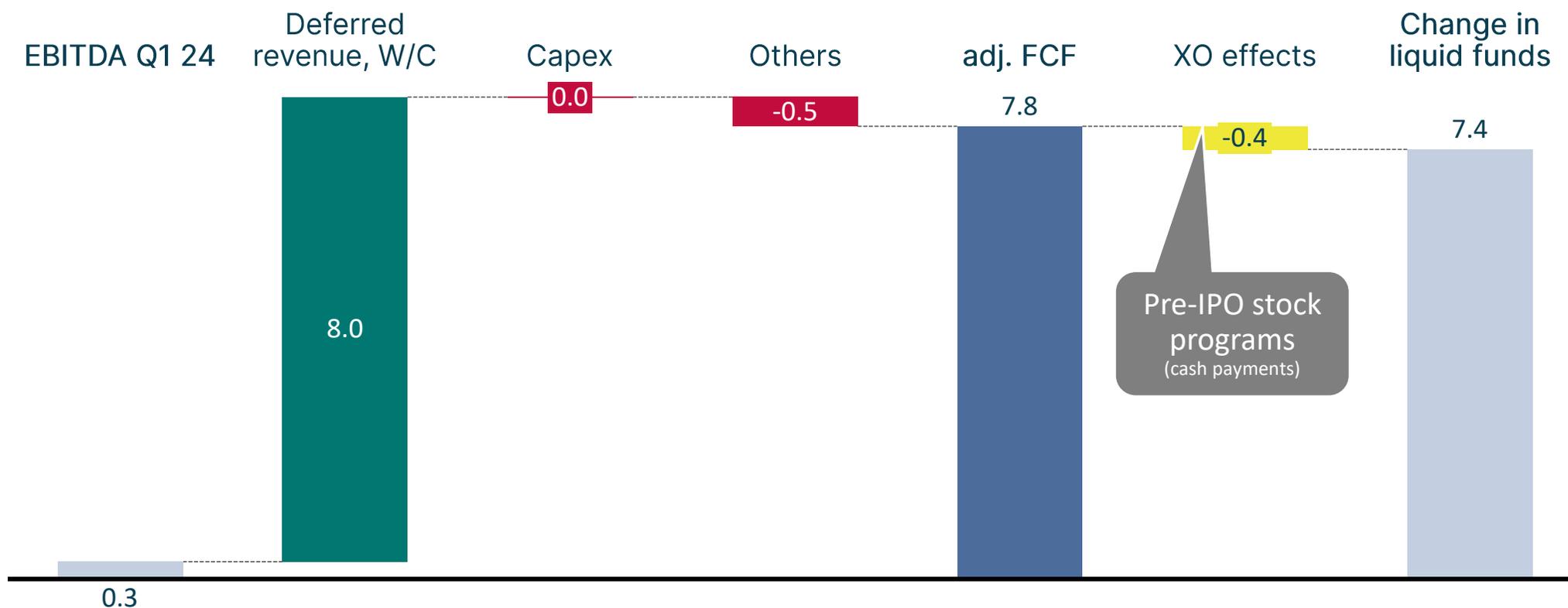|	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q1 24 vs Q1 23
Revenue	**8.8**	**9.0**	**8.5**	**9.1**	**9.9**	**13%**
Gross Profit*	**8.1**	**9.5***	**8.1**	**9.8***	**9.3**	**15%**
Personnel expenses (adj.)	-7.2	-7.7**	-6.6**	-8.2**	-6.7	-7%
Training and Recruiting	-0.1	-0.1	-0.2	-0.1	-0.1	0%
Marketing	-1.0	-0.9	-0.5	-0.5	-0.4	-60%
IT infrastructure	-0.6	-0.6	-0.6	-0.6	-0.8	33%
Others (adj.)*	-1.4	-1,4	-1.0	-1.6	-1.1	-21%
Total Costs (adj.)*	**-10.3**	-10.7	-8.9	-11.0	-9.1	**-11%**
EBITDA (adj.)	**-2.2**	**-1.2**	**-0.7**	**-1.3**	**0.3**	

* incl. other operating income from granting of R&D subsidies by ministry of finance for FY2020-2022 (net 0.9 m€ in Q2 2023 and net 0.9 m€ in Q4 2023)
** incl. restructuring expenses of 1.5 m€ total 2023

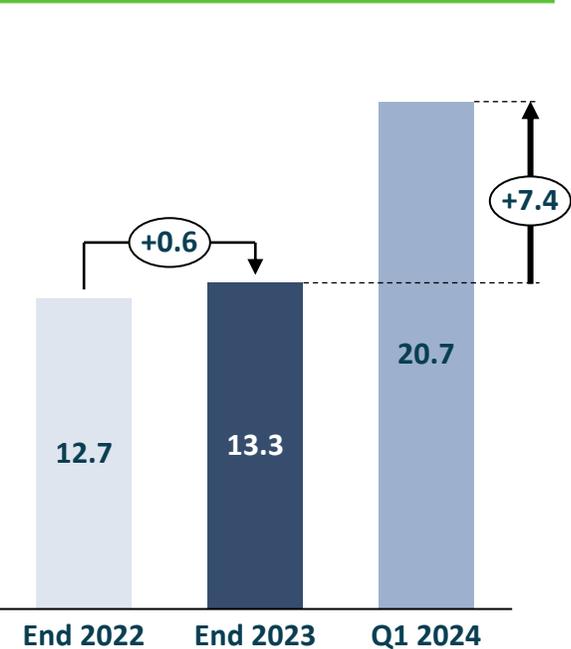# EBITDA to cashflow reconciliation Q1 2024

In EUR million

Unaudited figures

EBITDA Q1 24: 0.3

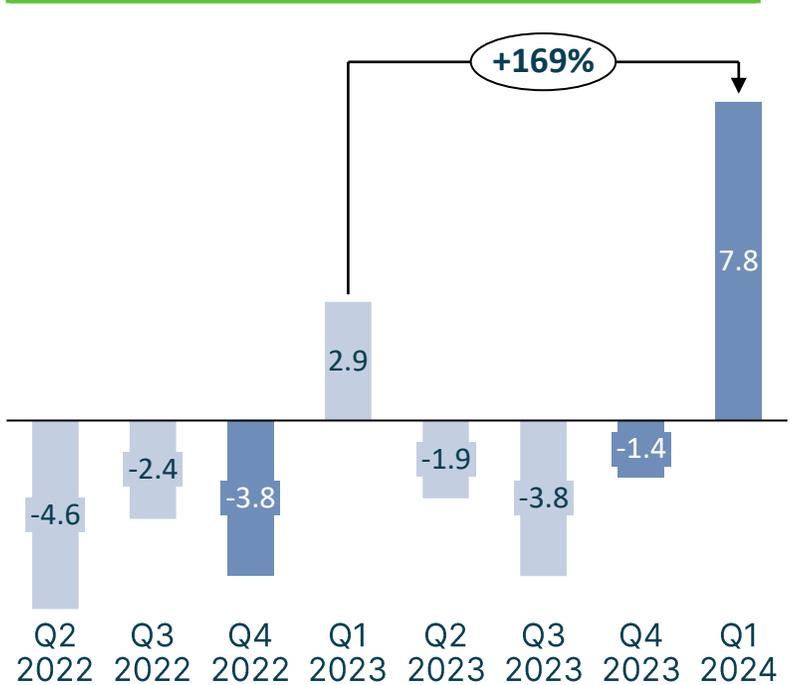Deferred revenue, W/C: 8.0

Capex: 0.0

Others: -0.5

adj. FCF: 7.8

XO effects: -0.4

Pre-IPO stock programs (cash payments)

Change in liquid funds: 7.4

Liquid Funds and adj. EBITDA

In EUR million

2024 figures are unaudited

Liquid Funds*

End 2022	End 2023	Q1 2024
12.7	13.3	20.7

+0.6

+7.4

Δ Liquid Funds excl. XO**

+169%

Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
-4.6	-2.4	-3.8	2.9	-1.9	-3.8	-1.4	7.8

(Adj.) EBITDA**

+2.5 m€

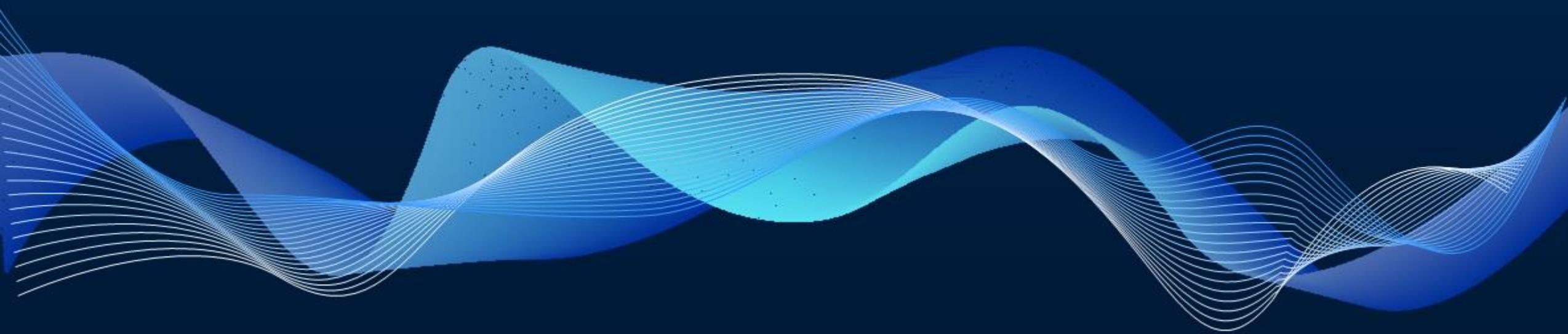| Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
-2.2	-2.7	-4.7	-2.2	-1.2	-0.7	-1.3	0.3
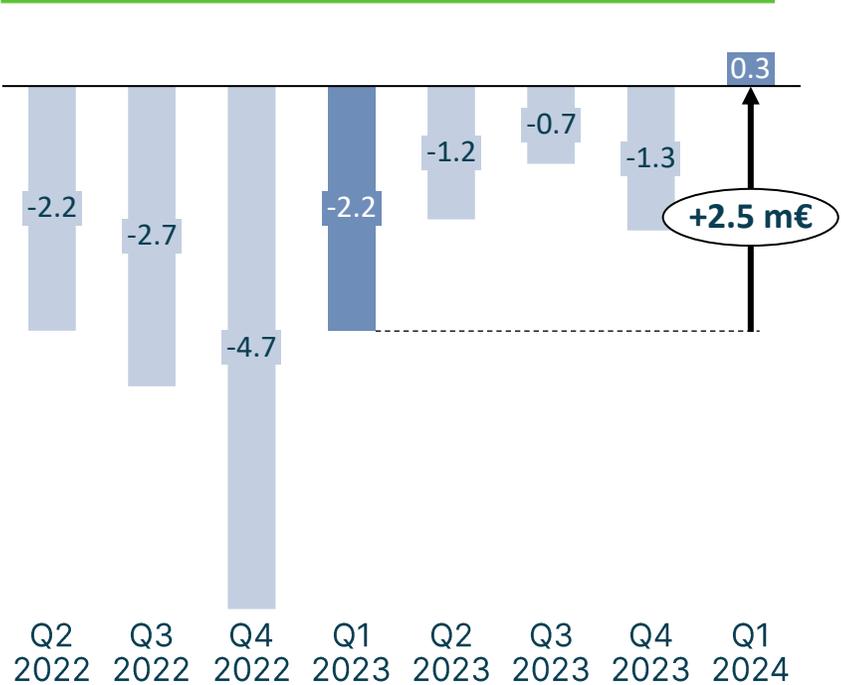
* incl. short term financial assets
** excl. non-recurring effects from pre-IPO stock programs (until 2024) and excl. effects from capital increase in June 2023
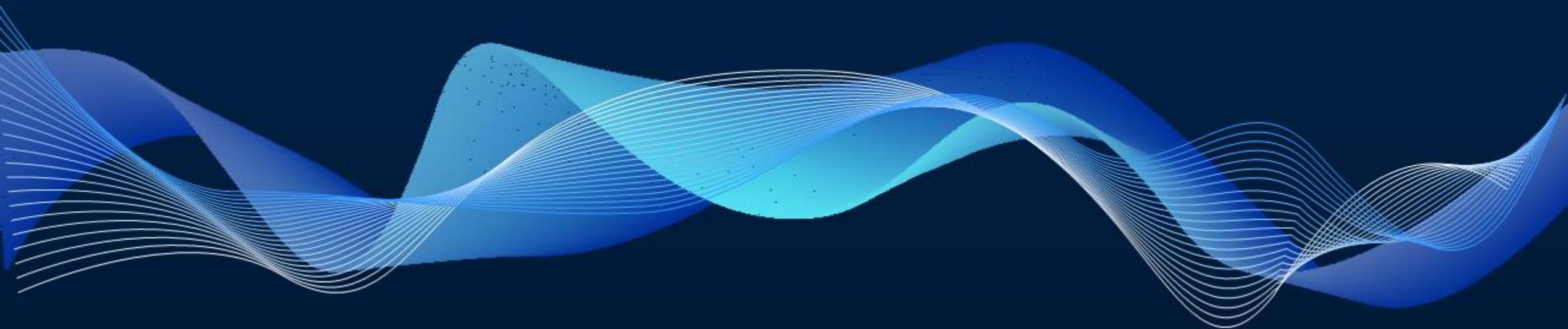
2024 Outlook

Financial Outlook 2024 unchanged

	2023	2024
ARR growth	18%	Up to 10%
Revenue Growth	6%	10 - 15%
EBITDA	-5.4 m€ (adj.)	positive
Liquid Funds	13.3 m€	> 10 m€

Financial calendar

2024		
	February 8	HIT Conference *(Hamburg)*
	February 21	FY '23 preliminary results *(Webcast & Roadshow)*
	May 7	Annual Report 2023 & Q1 '24 trading update *(Webcast)*
	13/14 May	Spring Conference *(Frankfurt)*
	June 20	Annual General Meeting *(virtual)*
	August 14	H1 '24 report *(Webcast & Roadshow)*
	November 13	Q3 '24 trading update *(Webcast & Roadshow)*
	November	EK-Forum *(Frankfurt)*

Q&A

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Thank you

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