Exasol
The analytics database

PRESENTATION 1H 2020
21. SEPTEMBER 2020

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1H20 HIGHLIGHTS

Execution of our IPO in May 2020 with gross proceeds of EUR 48.5m

Ready to enhance all growth cylinders

Successful navigation through the COVID-19 crisis

Major processes transferred to home office and remote solutions without any disruption for our customers
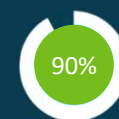
Solid financial metrics
- 30% ARR growth
- 92.1% operating gross profit margin

Delivering sound financial results in difficult and uncertain times

Revenue
EUR 10.1m

90%
Gross profit margin
92.1%

ARR
+30%; EUR 20.8m

Customer growth
16 new signings

News sales/marketing hires
71 as of end of August 2020
+21 new hires in July and August

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COMPANY OVERVIEW

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SPEED ✖ POWER

Exasol is built to run analytics faster than any other database, delivering next-level performance, scale, and ease of use.

High-performance at **Scale**

Analytics **Anywhere**

Frictionless Analytics

Predictable Pricing

HIGH-PERFORMANCE ANALYTIC DATABASE

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As businesses undergo digital transformation they need high-performance analytics to support increasing complexity of operations and pace of business decision making

Legacy databases just can't keep pace.

WHY ?

Exploding data volumes & complexity	Inefficient use of RAM & infrastructure	Not designed for org-wide self-service	Not designed for advances in AI/ML	Multiplying use cases and apps using data	Too slow for the realtime business

EXASOL'S OPPORTUNITY

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Exasol's Unique Technology Advantages

Massively Parallel Processing

Exasol's unique architecture leads to optimal scalability across distributed systems and commodity infrastructure

Smarter In-Memory

Architecture turns RAM into a smart accelerator for ultra-fast processing, fewer I/O operations and hot data instantly available
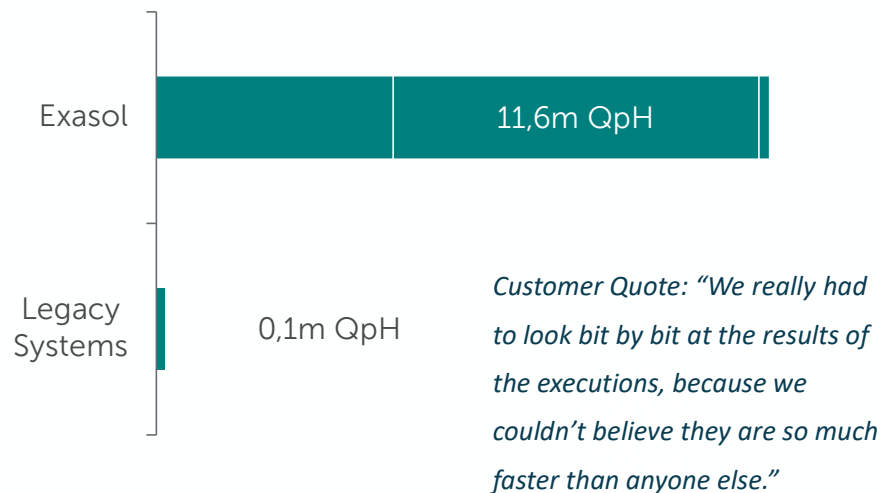
Open Compute

Comprehensive support for all programming languages, open-source AI frameworks & choice of deployment modes

UNIQUE TECHNOLOGY
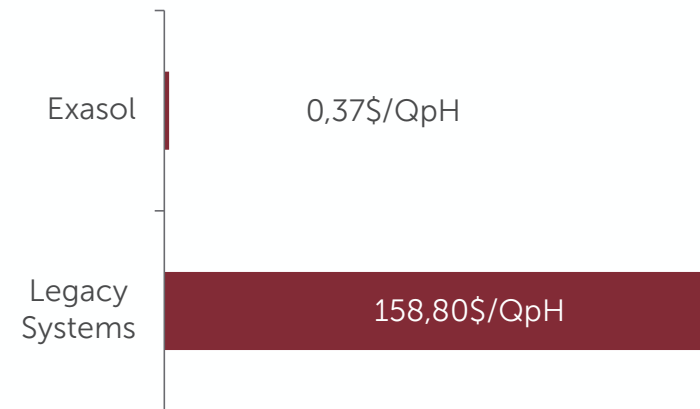
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"Let Them Experience the Performance"

SPEED

100x faster query performance

Exasol — 11,6m QpH

Legacy Systems — 0,1m QpH

Customer Quote: "We really had to look bit by bit at the results of the executions, because we couldn't believe they are so much faster than anyone else."

OWNERSHIP COST

Lowest cost compared to any data warehouse solutions

Exasol — 0,37$/QpH

Legacy Systems — 158,80$/QpH

TPC-H BENCHMARK

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Product Strategy & Execution Pillars

Expand Choice

- **Pricing by Volume or by Consumption**
- Technology Ecosystem Integration
- **Deployment in the public Cloud, private Cloud or On-Premise**

World-class UX + CX

- Discovery
- Trial
- Onboarding
- Adoption
- Ease **of** use
- Expansion

Sell Transformation

- BI Acceleration
- DW Modernization
- Vertical-centric messaging
- Deliver high-performance unified analytics platform

BUILD ON PERFORMANCE EDGE

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Strategy to accelerate ARR growth:
Increase wallet share with existing customers

Data Growth

Exponential data growth drives volume or consumption-based business model

User Growth

User growth exerts pressure on systems which leads to increased performance requirements

Application Growth

Increasing number of processes and apps driven by data / users leads to wider adoption and usage across organization

Strategy to accelerate ARR growth:
Expand footprint and brand awareness globally

> +100

Sales and marketing hires planned over the next two years, several top executives and specialists already onboarded

50

Sales and marketing team members as end of June 2020. **+50 new hires planned in 2H20**

+21

New hires signed as end of August 2020. **71 sales and marketing specialists reached**

+38

New partners in 1H20: enhance partner network to grow reach; improve brand awareness

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High quality customer base across various industries and regions. Selected examples

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High quality customer base across various industries and regions. Selected examples from the 4 main verticals

Global SIs	Europe SIs	US SIs	APAC SIs	ISVs |OEMs
Cognizant	obase	STARSCHEMA	CITTABASE	VoiceBase
accenture	clekt.	High Performance Technologies	Omni waresoft	nuqleous
rackspace technology.	CEREDATA	mashey		PYRAMID ANALYTICS

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EXASOL'S STRATEGIC KEY PILLARS IN A NUTSHELL: SPEED AND COST OF OWNERSHIP AS MAJOR USPS

- **Driving the Group to subscription-**, cloud- and consumption-based relationships with our customers.

- **Platform-independent approach:** Running across all major cloud platforms, private cloud infrastructures and on-premise solutions.

- **Challenging legacy players and direct competitors with our core USPs:** Speed, sheer power, cost efficiency and predictability, platform-independence, ease of use and scalability.

- **Choice for our customers:** data volume or data consumption licensing, available infrastructure, preferred platform, data science languages, etc.

- **Operating a highly scalable infrastructure:** The solution is applicable to all industries and use cases.

- **Clear growth strategy:** (1) Increasing wallet share with existing customers, (2) increase market share in DACH, (3) regional expansion especially in the USA and UK, (4) scale partner network.

COST & EFFICIENCY

CUSTOMERS

INNOVATION

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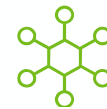
Investment Summary

Exasol is a true **market disrupter** in multi-billion USD data analytics market

Designed from day one to replace legacy database systems with next-level performance

IPO proceeds deliver fuel to enhance all growth cylinders **accelerating ARR growth**

Solid financial metrics in uncertain times in 1H20: **30% organic ARR growth**, >**90% gross profit margin**

Absolute **performance leader** in terms of speed, scale, flexibility, and cost of ownership

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1H20 FINANCIAL RESULTS

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SOLID FINANCIAL PERFORMANCE IN 1H20:
ARR +30%, OPERATING GROSS PROFIT MARGIN 92.1%

in EUR m	30.06.20	30.06.19	Change
Annual Recurring Revenue (ARR)	**20.8**	**16.0**	**30.0%**
Revenue	10.1	11.0	-8.2%
Operating gross profit margin	**92.1%**	**90.9%**	**+1.2PP**
EBITDA	-15.0	-5.1	n.m.
adjusted EBITDA	-1.8	0.8	n.m.
Net profit	-16.2	-6.7	n.m.
adjusted net profit	-3.0	-0.8	n.m.

- ARR growth of +30% driven by (1) revenue growth with existing customers and (2) new customer wins.
- In 1H20, ARR growth was achieved with limited financial resources pre-IPO. Furthermore, in early March 20, Exasol introduced a COVID-19 reaction plan which included strict management of our costs.
- Revenue decrease in-line with our strategy to shift the business model towards subscription-based approaches; decrease largely related to a changing revenue mix.
- Operating gross margin remains at a high level of > 90%.
- EBITDA impacted by non-operating effects of EUR 13.2m (EUR 10.1m share-based remuneration scheme; EUR 3.1m IPO expenses).

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REVENUE PERFORMANCE REFLECTS OUR STRATEGIC SHIFT TOWARDS SUBSCRIPTION-BASED MODELS

in EUR m	30.06.20	30.06.19	Change
Monthly Recurring Revenue (MRR)	1.7	1.3	30.0%
Annual Recurring Revenue (ARR)	**20.8**	**16.0**	**30.0%**
Revenue	10.1	11.0	-8.2%
Recurring Revenue (for the period)	**9.2**	**7.1**	**29.6%**
in% of Revenue	**90.7%**	**64.2%**	**+26.5PP**
Other Revenue	0.9	3.9	-76.9%
in% of Revenue	9.3%	35.8%	-26.5PP

- Substantial shift in the revenue mix resulted in decreasing revenue; following Exasol's strategy to drive the business model towards subscription-based and recurring-based models.

- Quality of revenue improved: Recurring Revenue for the period up by +29.6%, reflecting 90.7% of Group Revenue.

- In 2H20 Exasol expects slightly increasing share of Other Revenue: Usually in the fourth quarter one-time license revenue increase seasonally.

- Other Revenue include one-time licenses, consulting services and hardware.

- Recurring revenue: Revenues which are subscription-based with a duration of at least > 12 months, e.g. cloud services, maintenance.

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EXPENSES DRIVEN BY NON-OPERATING EFFECTS

in EUR m	30.06.20	30.06.19	Change
Personnel Expenses	18.6	12.9	44.2%
Share-based remuneration (*)	10.1	6.0	68.3%
adjusted Personnel Expenses	8.5	6.9	23.2%
Other operating expenses	6.7	3.2	109.4%
IPO expenses	3.1	0.0	n.a.
adjusted Other Operating Expenses	3.6	3.2	12.5%
EBITDA	-15.0	-5.2	n.m.
Share-based remuneration expenses	10.1	6.0	68.3%
IPO expenses	3.1	0.0	n.m.
adj. EBITDA	-1.8	0.8	n.m.

- (*) Expenses for share-based remuneration were up by +EUR 4.1m to EUR 10.1m, driven by the share-based remuneration scheme for management and employees.

- Pre-IPO, **existing shareholders transferred altogether 881.7k shares (without receiving any proceeds) to Exasol which were provided to cover the management's share-based remuneration scheme**.

- Excluding the effects of the the share-based remuneration scheme, personnel expenses were up by +23.2%, mainly related to a higher average number of employees in 1H20 compared to 1H19.

- Adjusted Other Operating Expenses (excluding IPO expenses) were up by EUR 0.4m due to higher IT and recruiting costs.

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IPO PROCEEDS OF EUR 48.5M IMPROVE BALANCE SHEET QUALITY SUBSTANTIALLY

Assets	30 June 20	in% of T. Assets	31 Dec 19	in% of T. Assets	Change
Fixed Assets	8.0	15.8%	7.9	25.3%	1%
Current Assets	**42.1**	**83.2%**	**2.7**	**8.5%**	**1459%**
Prepaid Expenses	0.5	1.0%	0.5	1.6%	0%
Deficit not covered by equity	0.0	n.m.	20.5	64.9%	n.m.
Total Assets	**50,6**	**100%**	**31,6**	**100%**	**60%**

Equity and Liabilities	30 June 20	in% of T. Assets	31 Dec 19	in% of T. Assets	Change
Equity	**22.9**	**45.3%**	**-20.5**	**-64.9%**	**n.m.**
Deficit not covered by equity	0.0	0.0%	20.5	64.9%	n.m.
Resolved capital increase	0.0	0.0%	8.5	26.9%	n.m.
Liabilities	20.3	40.1%	18.9	59.8%	7%
Deferred income	7.4	14.6%	4.2	13.3%	76%
Total Equity and Liabilities	**50.6**	**100%**	**31.6**	**100%**	**60%**

- Major changes relate to the IPO which included an equity increase with gross proceeds of EUR 48.5m.

- As of end of June 20, **total assets stood at EUR 50.6m and equity ratio was at 45.3%.**

- **Gross cash was at EUR 40.2m** (79% of Total Assets, net cash at 40.1m).

- **596.7k own sha**res (value 30.06.2020: EUR 6.7m; share price EUR 11.2)

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OUTLOOK

- Exasol expects to reach an Annual Recurring Revenue (ARR) of more than EUR 24m in 2020 implying an ARR growth of >36% compared to 2019.

- The ARR for 2020 is calculated by multiplying the expected MRR
(Monthly Recurring Revenue) in December 2020 by 12. Recurring Revenue have a subscription-based character and a contract duration of at least > 12 months.

- Exasol intends to accelerate ARR growth in 2021 by
(1) increasing revenue at existing customers,
(2) regional expansion especially in the U.S. and
(3) increasing its market share in DACH and the U.K.

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THANK YOU FOR YOUR ATTENTION

Q&A

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