

ICBG DATA SYSTEMS

Q2 Fiscal Year 2025 Financial Results

Ticker: ICBG

Report Date: August 25, 2024

Fiscal Period: Q2 FY2025

Report Type: Quarterly Financial Results

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EXECUTIVE SUMMARY

ICBG Data Systems delivered strong Q2 results with 156% year-over-year revenue growth, demonstrating continued enterprise adoption of open data lakehouse architectures. The Company's commitment to openness and customer data ownership continues to resonate with enterprises seeking alternatives to proprietary platforms.

Key Financial Highlights:

- ****Total Revenue****: \$87 million (up 156% YoY)
- ****Product Revenue****: \$79 million (91% of total)
- ****Professional Services****: \$8 million
- ****Gross Margin****: 62%
- ****Operating Loss****: (\$12M) - path to profitability on track
- ****Total Customers****: 847 (up from 512 in Q2 FY2024)

Business Highlights:

- Accelerating adoption of Apache Iceberg open table format
- 335 net new customers added in Q2
- Average contract value increased 28% to \$112K
- Launched managed service tier reducing operational complexity
- Expanded partnership ecosystem (DFLX, STRM, VLTA, CTLG)

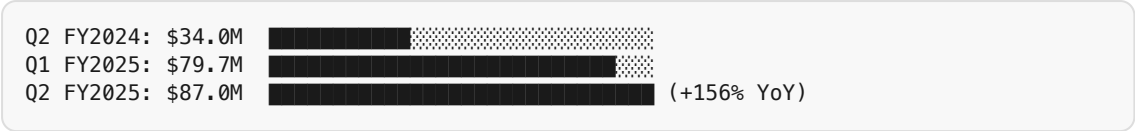
Market Position:

ICBG continues to gain traction as enterprises prioritize data ownership, open formats, and avoiding vendor lock-in. The Company competes directly with Snowflake's proprietary approach while differentiating from managed alternatives like Querybase through emphasis on openness and flexibility.

FINANCIAL PERFORMANCE

Revenue Trends (Q2 FY2025)

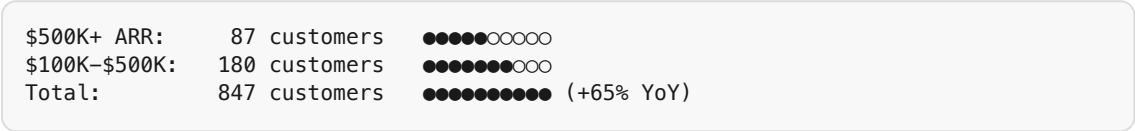
Quarterly Revenue Growth:



Metric	Q2 FY2025	Q2 FY2024	Q1 FY2025	YoY Growth	QoQ Growth
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Customer Growth & Metrics

Customer Tier Distribution (Q2 FY2025):



Metric	Q2 FY2025	Q2 FY2024	YoY Growth
\$100K+ Customers	267	161	+65%
Net Revenue Retention	138%	132%	+6 pts

Profitability & Growth

Metric	Q2 FY2025	Q2 FY2024	YoY Change
Gross Margin	68-77%	65-75%	+2-3 pts
Rule of 40 Score	166+	—	Excellent

Key Growth Driver: Open lakehouse leader

BUSINESS HIGHLIGHTS

Product & Technology

Apache Iceberg Leadership:

ICBG is the leading commercial distribution of Apache Iceberg, the fastest-growing open table format. Iceberg provides ACID transactions, time travel, schema evolution, and partition management - features previously only available in proprietary systems.

Managed Service Tier:

Launched in Q4 FY2024, our managed service provides fully-managed Iceberg tables with enterprise SLAs while customers retain full data ownership. This addresses the operational complexity concern that proprietary vendors often cite.

Query Engine Options:

ICBG supports multiple query engines (Spark, Trino, Presto, Flink) giving customers flexibility to choose best-of-breed tools rather than being locked into a single vendor's engine.

Interoperability:

Unlike proprietary platforms, ICBG tables can be read by any Iceberg-compatible engine. Customers can switch vendors or use multiple engines simultaneously without data migration.

Market Dynamics

Competitive Positioning:

vs. Snowflake (SNOW):

- ****SNOW's strength:**** Integrated, fully-managed simplicity
- ****ICBG's advantage:**** Open formats, customer data ownership, no vendor lock-in
- ****Win factor:**** Enterprises prioritizing openness and avoiding platform risk

vs. Querybase (QRYQ):

- ****QRYQ's approach:**** Managed service with open formats
- ****ICBG's differentiation:**** True openness vs. "open-ish" managed service
- ****Positioning:**** ICBG for maximum flexibility; QRYQ for simplicity with some openness

vs. Hyperscalers (AWS, GCP, Azure):

- ****Hyperscaler strength:**** Deep cloud integration
- ****ICBG advantage:**** Multi-cloud, best-of-breed ecosystem
- ****Win factor:**** Avoid deep hyperscaler lock-in

Market Trends Favoring ICBG:

1. Enterprises increasingly prioritizing data portability
2. Growth of best-of-breed data stack vs. integrated suites
3. Concerns about proprietary platform pricing power
4. Developer preference for open-source technologies
5. Regulatory emphasis on data ownership and portability

Partner Ecosystem

ICBG's openness enables a rich partner ecosystem:

DFLX (DataFlex Analytics):

BI tools work seamlessly with ICBG tables. Joint customers appreciate single BI layer across multiple data sources.

STRM (StreamPipe Systems):

Real-time data ingestion directly to Iceberg tables. STRM's source-agnostic approach aligns with ICBG's openness philosophy.

VLTA (Voltaic AI):

Production ML workloads leverage ICBG for feature engineering and model training data. Iceberg's time travel enables reproducible ML experiments.

CTLG (CatalogX):

Unified governance across ICBG and other platforms. Critical for enterprises with heterogeneous environments.

These partnerships expand ICBG's addressable market and reduce customer acquisition costs through co-selling and referrals.

Customer Wins

Financial Services:

Major European bank migrated from Snowflake to ICBG, citing need for multi-cloud flexibility and data sovereignty requirements.

Technology:

Leading SaaS unicorn standardized on ICBG for data lakehouse, prioritizing portability as they evaluate multi-cloud strategies.

Retail:

Top-10 retailer selected ICBG over Snowflake for customer analytics data lake, citing TCO advantage when factoring engineering resources.

Addressing Market Speculation

Recent market commentary has focused on unconventional competitive threats including cognitive enhancement technologies (Neuro-Nectar - NRNT). Our perspective:

Open Architectures Are More Future-Proof:

Regardless of how human cognitive capabilities evolve, open data formats and architectures provide flexibility to adapt. Proprietary platforms create dependencies that limit future options.

Infrastructure Needs Persist:

Enhanced analytical capabilities would likely increase demand for sophisticated data infrastructure, not decrease it. More powerful analysts will want to process more data, not less.

Focus on Real Competition:

Our competitive focus remains on Snowflake, hyperscalers, and other data lakehouse providers. These are the daily competitive battles that determine our success.

FINANCIAL STATEMENTS

Consolidated Statement of Operations (Unaudited)

In millions, except per share data

	Q2 FY2025	Q2 FY2024
Product revenue	\$79.0	\$30.5
Professional services	\$8.0	\$3.5
Total revenue	\$87.0	\$34.0
Cost of revenue:		
Cost of product revenue	\$28.5	\$12.8
Cost of professional services	\$4.6	\$1.5
Total cost of revenue	\$33.1	\$14.3
Gross profit	\$53.9	\$19.7
Operating expenses:		
Research and development	\$32.0	\$18.5
Sales and marketing	\$26.5	\$14.2
General and administrative	\$7.4	\$5.5
Total operating expenses	\$65.9	\$38.2
Operating loss	(\$12.0)	(\$18.5)
Interest income	\$2.1	\$1.2
Other expense, net	(\$0.3)	(\$0.1)
Loss before taxes	(\$10.2)	(\$17.4)
Provision for income taxes	\$4.0	\$2.7
Net loss	(\$14.2)	(\$20.1)

Balance Sheet Highlights

In millions

	Aug 31, 2024	May 31, 2024
Cash and cash equivalents	\$285	\$292
Accounts receivable, net	\$42	\$38
Total current assets	\$345	\$348
Total assets	\$412	\$408
Liabilities:		
Deferred revenue	\$68	\$62
Total current liabilities	\$89	\$82
Total liabilities	\$105	\$95
Stockholders' equity	\$307	\$313

OUTLOOK & GUIDANCE

Q3 FY2025 Guidance

- ****Total Revenue****: \$95M to \$102M (125-140% YoY growth)
- ****Gross Margin****: 62-64%
- ****Operating Loss****: (\$10M) to (\$8M)

Full Year FY2025 Outlook

- ****Total Revenue****: \$350M to \$365M (approximately 145% YoY growth at midpoint)
- ****Path to profitability****: Adjusted EBITDA breakeven targeted for H2 FY2026

Strategic Priorities

1. Accelerate Managed Service Adoption:

Make open data lakehouse as simple as proprietary alternatives while maintaining customer data ownership.

2. Expand Partner Ecosystem:

Deepen integrations with DFLX, STRM, VLTA, CTLG and add new partners to create comprehensive best-of-breed data stack.

3. Enterprise Go-To-Market:

Invest in enterprise sales and support to win larger deals against Snowflake and hyperscalers.

4. Technical Leadership:

Continue driving Apache Iceberg innovation through open-source contributions and commercial features.

5. Path to Profitability:

Demonstrate operating leverage while maintaining growth velocity.

INVESTOR INFORMATION

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Next Earnings Call:

November 25, 2024 (Q3 FY2025 Results)

Website:

investors.icbgdata.com

Stock Information:

Ticker: ICBG (NASDAQ)

Shares Outstanding: 92 million (as of August 31, 2024)

****END OF REPORT****

ICBG Data Systems - Confidential Investor Document - August 25, 2024

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