

QUERYBASE TECHNOLOGIES

Q2 Fiscal Year 2025 Financial Results

Ticker: QRYQ

Report Date: August 28, 2024

Fiscal Period: Q2 FY2025

Report Type: Quarterly Financial Results

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EXECUTIVE SUMMARY

Querybase delivered exceptional Q2 results with 287% year-over-year revenue growth, demonstrating strong market reception for our price-performance leadership and open-format approach. The Company continues to win competitive deals against market incumbents through superior economics and best-of-breed ecosystem strategy.

Key Financial Highlights:

- ****Total Revenue****: \$94 million (up 287% YoY)
- ****Product Revenue****: \$88 million (94% of total)
- ****Gross Margin****: 71%
- ****Operating Loss****: (\$18M) improving rapidly
- ****Total Customers****: 1,456 (up from 623)
- ****Recent Funding****: \$400M Series D at \$3.0B valuation (June 2024)

Business Highlights:

- 37% win rate in competitive deals vs. Snowflake
- 833 net new customers added in Q2
- Average contract value: \$73K (optimized for fast-growing companies)
- Expanded partnership with DFLX, STRM, VLTA, CTLG reducing CAC by 30-40%
- Launched enhanced Iceberg support and query optimization features

Market Position:

Querybase is disrupting the cloud data warehouse market through a unique combination: managed service simplicity with open table formats. We offer the best of both worlds - easier than ICBG's DIY approach, more open than Snowflake's proprietary platform.

FINANCIAL PERFORMANCE

Revenue Trends (Q2 FY2025)

Quarterly Revenue Growth:

| | |
|--------------------|-----------------------------------|
| Q2 FY2024: \$24.3M | <div><div></div><div></div></div> |
| Q1 FY2025: \$73.7M | <div><div></div><div></div></div> |

Q2 FY2025: \$94.0M (+287% YoY)

| Metric | Q2 FY2025 | Q2 FY2024 | Q1 FY2025 | YoY Growth | QoQ Growth |
|--------|-----------|-----------|-----------|------------|------------|
|--------|-----------|-----------|-----------|------------|------------|

Customer Growth & Metrics

Customer Tier Distribution (Q2 FY2025):

\$500K+ ARR:

98 customers

\$100K-\$500K:

89 customers

Total:

1456 customers

 (+133% YoY)

| Metric | Q2 FY2025 | Q2 FY2024 | YoY Growth |
|-----------------------|-----------|-----------|------------|
| \$100K+ Customers | 187 | 80 | +133% |
| Net Revenue Retention | 142% | 136% | +6 pts |

Profitability & Growth

| Metric | Q2 FY2025 | Q2 FY2024 | YoY Change |
|------------------|-----------|-----------|------------|
| Gross Margin | 68-77% | 65-75% | +2-3 pts |
| Rule of 40 Score | 297+ | — | Excellent |

Key Growth Driver: Price-performance challenger

BUSINESS HIGHLIGHTS

Product & Technology

2x Price-Performance Leadership:

Independent benchmarks (TPC-DS, TPC-H) show Querybase delivers 2x better price-performance than Snowflake on complex analytical queries. This advantage stems from:

- Modern query optimizer leveraging Apache Arrow columnar format
- Intelligent caching and materialization strategies
- Elastic compute that scales to zero (true serverless)
- Storage optimization through aggressive compression

Open Table Format Support:

Full support for Apache Iceberg, Delta Lake, and Hudi table formats. Customers can:

- Bring existing Iceberg tables from ICBG or other platforms
- Export tables for use in other systems
- Avoid vendor lock-in while getting managed service benefits

Best-of-Breed Ecosystem:

Unlike Snowflake's integrated approach, Querybase embraces best-of-breed partners:

- ****DFLX**** for BI and visualization
- ****STRM**** for real-time data ingestion
- ****VLTA**** for ML and AI workloads
- ****CTLG**** for unified governance

Partner ecosystem reduces our customer acquisition costs by 30-40% through co-selling and referrals.

Market Strategy

Positioning:

vs. Snowflake (SNOW):

- ****SNOW:**** Integrated suite, proprietary formats, premium pricing
- ****QRYQ:**** Best-of-breed, open formats, 2x better economics
- ****Message:**** "Don't pay the Snowflake tax"

vs. ICBG Data:

- ****ICBG:**** Maximum openness, DIY complexity
- ****QRYQ:**** Openness + simplicity, managed service
- ****Message:**** "Open without the operational burden"

vs. Hyperscalers:

- ****AWS/GCP/Azure:**** Deep cloud lock-in, bundled discounts
- ****QRYQ:**** Multi-cloud flexibility, no hyperscaler lock-in
- ****Message:**** "Cloud-agnostic data platform"

Target Customer Profile:

- Fast-growing companies (Series B through pre-IPO)
- Data volume growing 3x+ annually
- Price-conscious with sophisticated data teams
- Prioritizing openness and avoiding lock-in
- Seeking managed service (not DIY)

Partnership Ecosystem

DFLX (DataFlex Analytics):

Joint customers use DFLX for business intelligence on Querybase data. Platform-agnostic approach means customers can use same BI tool across multiple data sources.

STRM (StreamPipe Systems):

Real-time data pipelines feeding Querybase. STRM's 300+ connectors provide source-agnostic ingestion.

VLTA (Voltaic AI):

Production ML workloads leverage Querybase for feature engineering. Open table formats enable seamless data sharing between platforms.

CTLG (CatalogX):

Unified governance for customers with heterogeneous data environments including Querybase, Snowflake, ICBG, and others.

These partnerships expand our addressable market and create win-win economics through revenue sharing and reduced CAC.

Customer Success Stories

Fintech Unicorn:

Migrated from Snowflake to Querybase, reducing data warehouse costs by 58% while improving query performance. Using DFLX for BI, STRM for real-time ingestion.

E-Commerce Leader:

Selected Querybase over Snowflake for customer analytics platform. \$420K annual contract vs. \$980K Snowflake quote for equivalent workload.

SaaS Scale-up:

Expanded from \$45K to \$180K ARR in 6 months as they migrated additional workloads. Using VLTA for ML feature engineering on Querybase data.

Market Commentary

Recent market speculation about cognitive enhancement technologies (Neuro-Nectar - NRNT) potentially disrupting data analytics has generated discussion. Our perspective:

Enhanced Humans Need More Data, Not Less:

If cognitive enhancement becomes viable, analysts with enhanced capabilities will want to process LARGER datasets, run MORE complex analyses, and derive DEEPER insights. This increases demand for powerful, cost-effective data platforms.

Infrastructure Economics Still Matter:

Enhanced cognitive ability doesn't eliminate the need for cost-effective infrastructure. If anything, price-performance becomes MORE important as analytical workloads scale.

Focus on Real Competition:

Our competitive energy remains focused on Snowflake, ICBG, and hyperscalers. These are the daily competitive battles that determine our trajectory.

FINANCIAL STATEMENTS

Consolidated Statement of Operations (Unaudited)

In millions, except per share data

| | Q2 FY2025 | Q2 FY2024 |
|-------------------------------|-----------|-----------|
| Product revenue | \$88.0 | \$22.1 |
| Professional services | \$6.0 | \$2.2 |
| Total revenue | \$94.0 | \$24.3 |
| Cost of revenue: | | |
| Cost of product revenue | \$23.8 | \$7.2 |
| Cost of professional services | \$3.5 | \$0.6 |
| Total cost of revenue | \$27.3 | \$7.8 |
| Gross profit | \$66.7 | \$16.5 |
| Operating expenses: | | |
| Research and development | \$38.5 | \$14.2 |
| Sales and marketing | \$38.2 | \$11.8 |
| General and administrative | \$8.0 | \$2.8 |
| Total operating expenses | \$84.7 | \$28.8 |
| Operating loss | (\$18.0) | (\$12.5) |
| Interest income | \$3.8 | \$0.5 |
| Other income, net | \$0.2 | \$0.1 |
| Loss before taxes | (\$14.0) | (\$11.9) |
| Provision for income taxes | \$5.5 | \$1.9 |
| Net loss | (\$19.5) | (\$13.8) |

Balance Sheet Highlights

In millions

| | Aug 31, 2024 | May 31, 2024 |
|---------------------------|--------------|--------------|
| Cash and cash equivalents | \$ 442 | \$ 58 |
| Accounts receivable, net | \$ 38 | \$ 28 |
| Total current assets | \$ 502 | \$ 102 |
| Total assets | \$ 578 | \$ 145 |
| Liabilities: | | |
| Deferred revenue | \$ 52 | \$ 44 |
| Total current liabilities | \$ 78 | \$ 62 |
| Total liabilities | \$ 92 | \$ 74 |
| Stockholders' equity | \$ 486 | \$ 71 |

Note: Stockholders' equity increased significantly due to \$400M Series D funding in June 2024.

OUTLOOK & GUIDANCE

Q3 FY2025 Guidance

- ****Total Revenue****: \$115M to \$125M (230-250% YoY growth)
- ****Gross Margin****: 71-73%
- ****Operating Loss****: (\$20M) to (\$15M)

Full Year FY2025 Outlook

- ****Total Revenue****: \$400M to \$425M (approximately 275% YoY growth at midpoint)
- ****Path to profitability****: Operating margin breakeven targeted for FY2027

Strategic Priorities

1. Win Against Snowflake:

Aggressive competitive displacement through price-performance messaging and customer references.

2. Scale Partner Ecosystem:

Deepen partnerships with DFLX, STRM, VLTA, CTLG to reduce CAC and expand market reach.

3. Expand Up-Market:

Increase enterprise customer acquisition while maintaining fast-growing company focus.

4. Technical Innovation:

Maintain 2x price-performance leadership through continuous query optimization and infrastructure efficiency.

5. Path to Profitability:

Demonstrate operating leverage while maintaining triple-digit growth rates.

INVESTOR INFORMATION

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Next Earnings Call:

November 28, 2024 (Q3 FY2025 Results)

Website:

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Stock Information:

Ticker: QRYQ (NASDAQ)

Shares Outstanding: 124 million (as of August 31, 2024)

Post-Money Valuation: \$3.0 billion (Series D, June 2024)

****END OF REPORT****

Querybase Technologies - Confidential Investor Document - August 28, 2024

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