



H1 FY21 Results Presentation

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30 September 2021

Agenda

- Strategic and Financial Highlights
- Adapting to Win
- Winning at Scale
- Systemic Market Shift
- Positioned for Growth
- H1FY21 Financial Results
- Outlook and Summary
- Q&A



Strategic and financial highlights

Our strategy

Aligning to the opportunity, evolving with the market, clearer KPIs and direction set

Adapting to Win

- Evolution to 'Commit to Consume' revenue model.
- Aligned to customer preferred purchase approach.
- Brings improved revenue predictability, reduced discounting, easier upsell potential.

Winning at Scale

- Minimum \$1m commit to consume secured with existing Telco customer.
- Represents only a fraction of total data estate
- Minimum of 5PB of data over 5 years
- Use Case: Blocking robocalls (Spam).

Systemic Market Shift

- Data first approach is challenging legacy migration approach enabling large scale data movement without disruption or risk.
- c.13pB of data migrated to Azure in H1
- Pipeline of migration indicates >500PB over next 12 months.
- Leading analytics platform currently manages only 250PB in the cloud

Positioned for Growth

- General Availability of Azure product expected shortly, unlocks next wave of adoption.
- Snowflake partnership announced, complementing Databricks relationship.
- Reseller arrangements established with leading global SIs.
- Targeting a minimum of revenue plus RPO of \$18m.

H1 Financial Summary

Substantial cash balance provides capacity to invest and build a sustainable long-term recurring business

- Revenue of \$3.4 million (2020: \$3.6 million).
 - In H1, significant progress in building a pipeline of multi-year commitment deals
 - Confident in the groundwork laid for acceleration in customer wins going forward.
- EBITDA loss from operations \$14.2 million (2020: \$11.9 million).
 - Reflecting increased cash overheads to invest in key go-to-market and engineering resources.
- Strong balance sheet provides platform to capitalise and accelerate conversion of cloud opportunity.
 - Cash reserves of \$47.7 million at 30 June 2021 and no debt following \$42.4 million fund raise
 - Current cash balance as at 17th September \$40m
- Headcount of 187 at 30 June 2021 (180 at 31 December 2020).
 - Increases primarily in Sales and Marketing, and Engineering - strengthening capacity to service our partner channel and develop new products
- With increasing 'Commit to Consume' pipeline, a new KPI of Remaining Performance Obligation (RPO) is an important KPI used by most consumption companies. (RPO equals deferred revenue plus any committed contractual revenue.)

The growing 'Commit to Consume' pipeline provides the Board with confidence about the outlook.
Board now expects revenue plus RPO (Remaining Performance Obligation) of >\$18m at the end of the year.

Breaking down expectations in H2

With existing deferred revenue, progress towards General Availability and 'Commit to Consume' pipeline, we have confidence in new targets

Pipeline: With current deferred revenue and 'Commit to Consume' pipeline we expect \$18m of revenue + RPO.

Partnerships: Partnership ecosystem offers the Board confidence in our ability to convert near-term opportunities.

Position: We will update the market for any bookings/commit to consume contracts in excess of \$0.5m.

Adapting to Win

Improved forecasting, predictability,
and customer focus

Pivoting to 'Commit to Consume' model

An evolution, not revolution

Consumption is the true SaaS:
All services in the cloud fabric are used on a consumption basis

Product and pricing are key:
Cloud integration with metering creates the basis for pivoting to a consumption model

Culture focused on driving lifetime value:
Sales compensation model aligned with consumption

Product evolution:
Driven by data from consumption. A more agile model

Customer lifecycle management:
Data driven customer interaction and success

Focus on Customer Consumption

- Data drives everything
 - Behavior patterns, trends, what our top performing customers are doing – predicting the future
- This is about cloud services, not enterprise applications

Our KPIs

New customers, customer success, consumption, revenue, RPO

Our Sales Team

Invested in our talent
Focused on business outcomes

Our Products

Low complexity, no install, easy to manage

Our Marketing

Lead with business outcomes, not technical complexity

Customer Success

Consumption driven business model

Commit to Consume vs. Subscription

	“Commit to Consume” The Way Cloud Services are Bought	“Subscription” Old Style Enterprise Software
Enterprise examples	Snowflake and Databricks	SAP, Oracle
Cash	Payment in arrears or agreed period in advance	Annual in advance, over term, or all upfront
Revenue	Recognised as consumed, no revenue on signing. Elastic consumption, as use case expands, revenues expand	Upfront and ongoing maintenance stream (IFRS 15)
Contract duration	Multi-year commitment based on usage	One year or Multi-year, fixed price agreement

Benefits of Consumption Model Transition

Breaking down the barriers to land and expand

Increasingly
reliable and
predictable
revenue streams

Customers
empowered to
increase
consumption at
will to drive higher
lifetime value per
customer and
ramping over time

Aligning our
service to the
models of industry
leaders such as
Databricks and
Snowflake.

Significantly lower
level of discounting
vs subscription.

Winning at scale

First consumption model case study

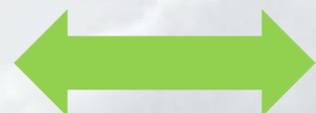
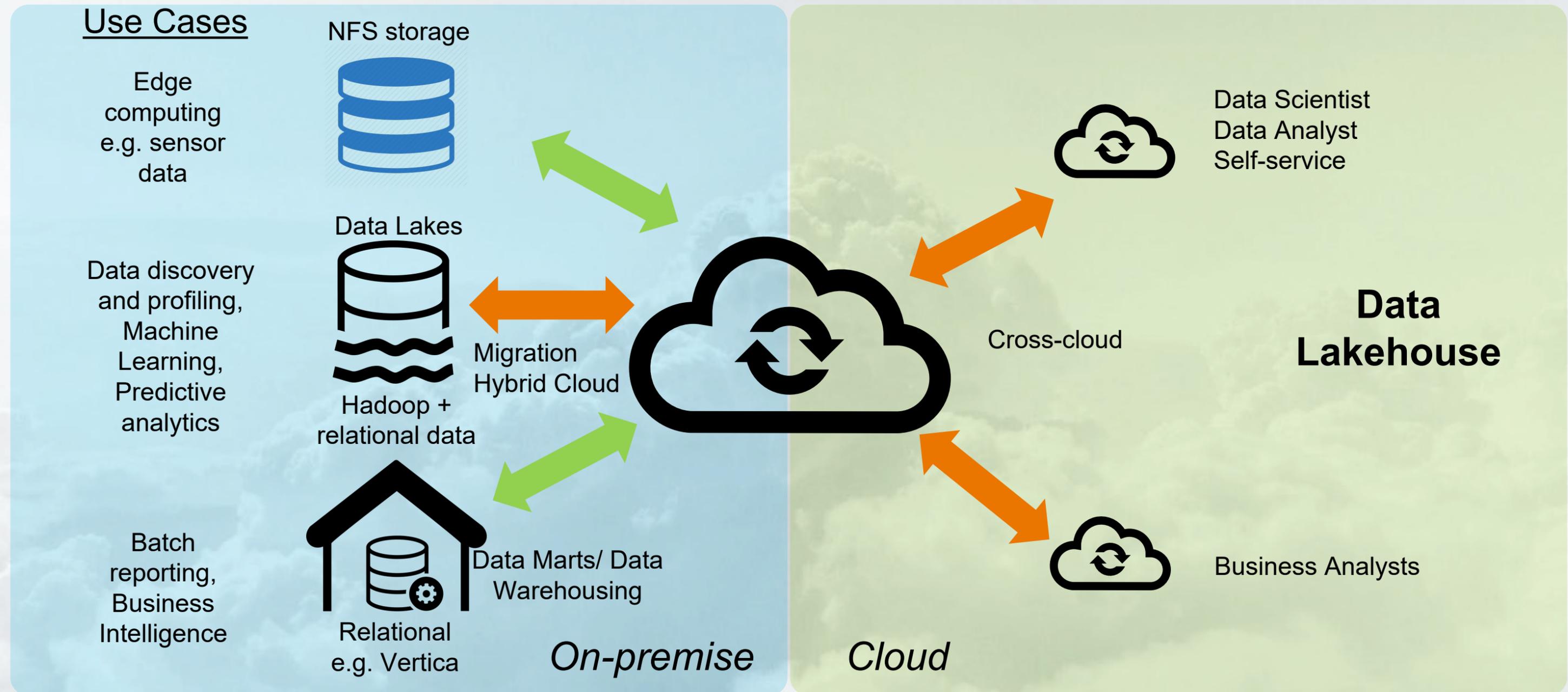
Existing Telco customers extends relationship with \$1m 'Commit to Consume'

- Advertising analytics division of existing global Telco extends relationship with minimum 'Commit to Consume' of \$1m for 5PB of data over 5 years.
- Use Case:
 - Migrating data from Vertica into Snowflake for Azure.
 - Fraud detection: Company went from blocking 1 billion robocalls per year to 1 billion calls per month
- Opens up another market opportunity for Vertica appliances.
- Contract has significant room to grow, with current commitment representing a small fraction of its data estate.

Systemic market shift

Shift to cloud and migration opportunity

Data Lakehouse – the shift to cloud analytics



= WANdisco New Opportunity



= WANdisco Existing Opportunity

Mapping the cloud migration opportunity

TAM = \$50-75bn ➤ Incentivised partners - 10-20x revenue ➤ Opportunity within cloud



LiveData

Migrator

Microsoft estimated 200-300 exabytes of on-prem analytical data based on the market for hardware.



WANdisco's \$18m FY21 Revenue plus RPO target is a \$180m to \$360m opportunity for partners



Cross Cloud LiveData Plane Artificial Intelligence Analytics

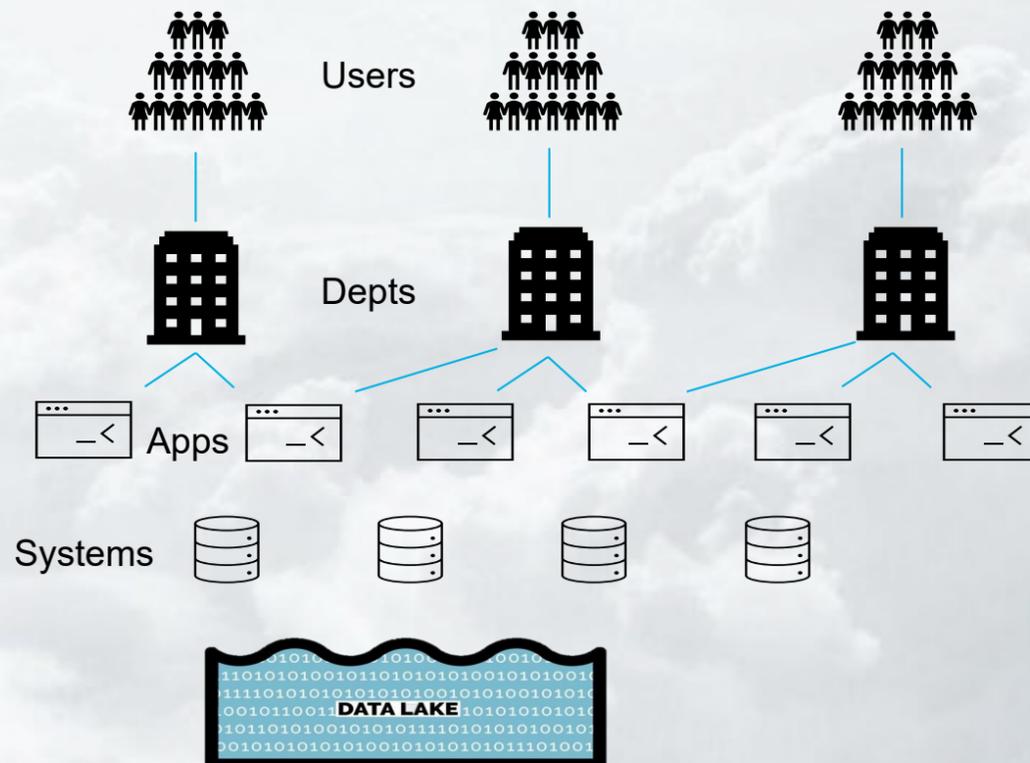
Data First Approach vs. Legacy workload migration

VP of Data

“As we started looking at our application journey, one of our first big realizations was that it wasn't so much about the applications as it was about the data.”

Data Scientist

“if you can get the data up there [cloud], not only will we modernize the workloads, we'll get more business benefits, and we'll start building things new on that data. How fast can you get it there?”



	Benefits of Data First Migration
Cloud Platforms	Faster consumption of cloud services
System Integrators	Faster and more successful re-platforming projects
Customer	Lower risk, faster use of cloud data, happier data scientists

Legacy Workload Migration	Data First Migration
User Impact: What applications, systems and data are being used? Data sharing? Quiet periods?	Separate the migration process into 2 streams: Data and applications/systems. Zero disruption for users as data migration occurs in parallel.
Preparation for migration Best time to migrate, estimate disruption, data loss?	Migrate data at any time and choose your own pace of migration
Backup: How to maintain SLAs with a suitable backup solution while migrating?	Recovery Time Objective (RTO) and Recovery Point Objective (RPO) for LiveData Migrator will meet the most stringent SLA's
Workload migration Multi-step migration to migrate each workload sequentially (Block application/s, move data, restart app/s and test)	Migrate the data first, and treat the applications as a separate work stream

Positioned for growth

Shift to cloud and the migration opportunity

Delivering in H2

Product, Partnerships, Promotion, Priorities

Product

General Availability expected in next few weeks.

Databricks and Snowflake plug-in being jointly developed, expected in Q4.

Partnerships

Largest cloud platforms (AWS, Azure), Analytics focused SIs, largest cloud analytics services (Snowflake, Databricks, Azure Synapse, Azure HDI, AWS Glue, EMR) all recognise the need for WANdisco' technology.

Promotion

From the leading cloud vendors and SIs gives us instant market presence. ISVs incentivised to sell as each \$1 spent with WANdisco provides 10-20x financial gain for vendors.

Priorities

Deliver on revised targets by converting 'Commit to Consume' pipeline. Ensuring successful POC's and trials for customers.

Product: Key Considerations

Ease of use, remove risk and customer value

Customer-Centric

- Self Service / Turn- Key
- 'Outside->In'
Prioritisation (Customer / Platform first)

Remove Risk

- Non Intrusive
- Non Disruptive
- Cloud Agnostic
- Free Trial

Focus on Value

- Consumption Based / PAYGO / Remove Complexity
- Crawl / Walk / Run :
Show value shown at each step

Partnerships: Breadth of relationships

Product readiness translating into deepening commitments from customers and cloud partners providers

Google Cloud Platform and Oracle Cloud – Growing Demand for LiveData.

Cloud Platform



CLOUD



Technology Alliance Partners



System Integrators



A decorative graphic in the top left corner, composed of various blue and grey geometric shapes like squares, circles, and lines, arranged in a complex, abstract pattern.

H1 FY21 Financial Results

Erik Miller - CFO

Financial Headlines

	H1 FY21 (Unaudited)	H1 FY20 (Unaudited)
Recognised revenue	\$3.4m	\$3.6m
Cash overheads	\$20.1m	\$17.9m
Adjusted EBITDA*	(\$14.2m)	(\$11.9m)

	30 June 20 (Unaudited)	31 Dec 20 (Unaudited)
Cash balance	\$47.7m	\$33.6m

Profit & Loss

\$m	H1 FY21 (Unaudited)	H1 FY20 (Unaudited)	\$m change	Comments
Revenue	3.4	3.6	(0.2)	Progress toward multi-year commitments not included
Cost of sales	(0.3)	(0.3)	-	
Gross profit	3.1	3.3	(0.2)	90%+ gross margin maintained
Cash overheads	(20.1)	(17.9)	(2.2)	Cash overheads on plan, headcount increased Headcount 187 at 30 June 2021; (31 December 2020: 180)
Profit pre-SBP & capitalisation	(17.0)	(14.6)	(2.4)	Higher loss linked to investment in sales and engineering
Capitalised portion of R&D	2.8	2.7	0.1	Similar proportion of R&D capitalised
Adjusted EBITDA	(14.2)	(11.9)	(2.3)	

Summary Cash Flow

Operating cash consumption primarily due to lower revenues and a modest increase in cash overheads

Offset by raise of \$42.4m

Cash flow statement (\$m)	H1 FY21 (Unaudited)	H1 FY20 (Unaudited)
Statutory loss	(20.3)	(14.0)
Adjustments for non-cash items	5.9	2.1
Working capital movements	2.4	1.6
Tax received/interest paid	0.9	0.5
Net cash used in operating activities	(11.1)	(9.8)
Capex/development costs capitalised/interest received	(3.2)	(2.6)
Equity proceeds	41.8	23.9
Debt/lease repayment	(0.8)	(1.1)
Net increase in cash and cash equivalents	26.7	10.4
Cash and cash equivalents at the start of the period	21.0	23.4
Retranslation of opening cash and cash equivalents	-	(0.2)
Cash and cash equivalents at the end of the period	47.7	33.6

Summary Balance Sheet

Strong balance sheet provides platform to accelerate conversion of cloud opportunity

Balance sheet (\$m)		30 Jun 21 (Unaudited)	30 Jun 20 (Unaudited)
Non-current assets		9.1	10.8
– Trade and other receivables		6.0	6.6
– Cash and cash equivalents		47.7	33.6
Current assets		53.7	40.2
TOTAL ASSETS		62.8	51.0
TOTAL EQUITY		53.9	38.8
– Non-current deferred income		0.4	1.1
– Non-current borrowings		1.6	2.0
Non-current liabilities		2.0	3.1
– Trade and all other payables		4.1	5.1
– Current deferred income		2.3	2.1
– Current borrowings		0.5	1.9
Current liabilities		6.9	9.1
TOTAL LIABILITIES		8.9	12.2
TOTAL EQUITY AND LIABILITIES		62.8	51.0

Outlook and summary

KPIs for 2021 and outlook

- KPIs for the business
 - Consumption based revenue
 - Data migrated
 - Number of customer wins
 - \$ Net retention rates (\$dollar value of customer cohort vs. customer base in prior year)
- H1 disappointment linked to the delay in timing of GA of our Azure service. This led to a lower volume of closed deals. However, GA announcement is expected shortly which should open up stalled opportunities.
- We closed a significant first commit to consume contract with an existing customer and we have a pipeline of similar deals. This marks the beginning of a successful transition to a consumption model.
- Strong Pipeline of consumption based deals and our confidence is underpinned by:
 - A combination of our market opportunity (Hadoop and beyond Hadoop);
 - product readiness, customer demand; and
 - Deepening commitments from customers and cloud partners
- Based on our visible pipeline, we believe that revenue plus RPO in 2021 will be at least \$18m.

Thank you

Q&A

Appendix

Why customers choose WANdisco?

The only solution to migrate at petabyte scale



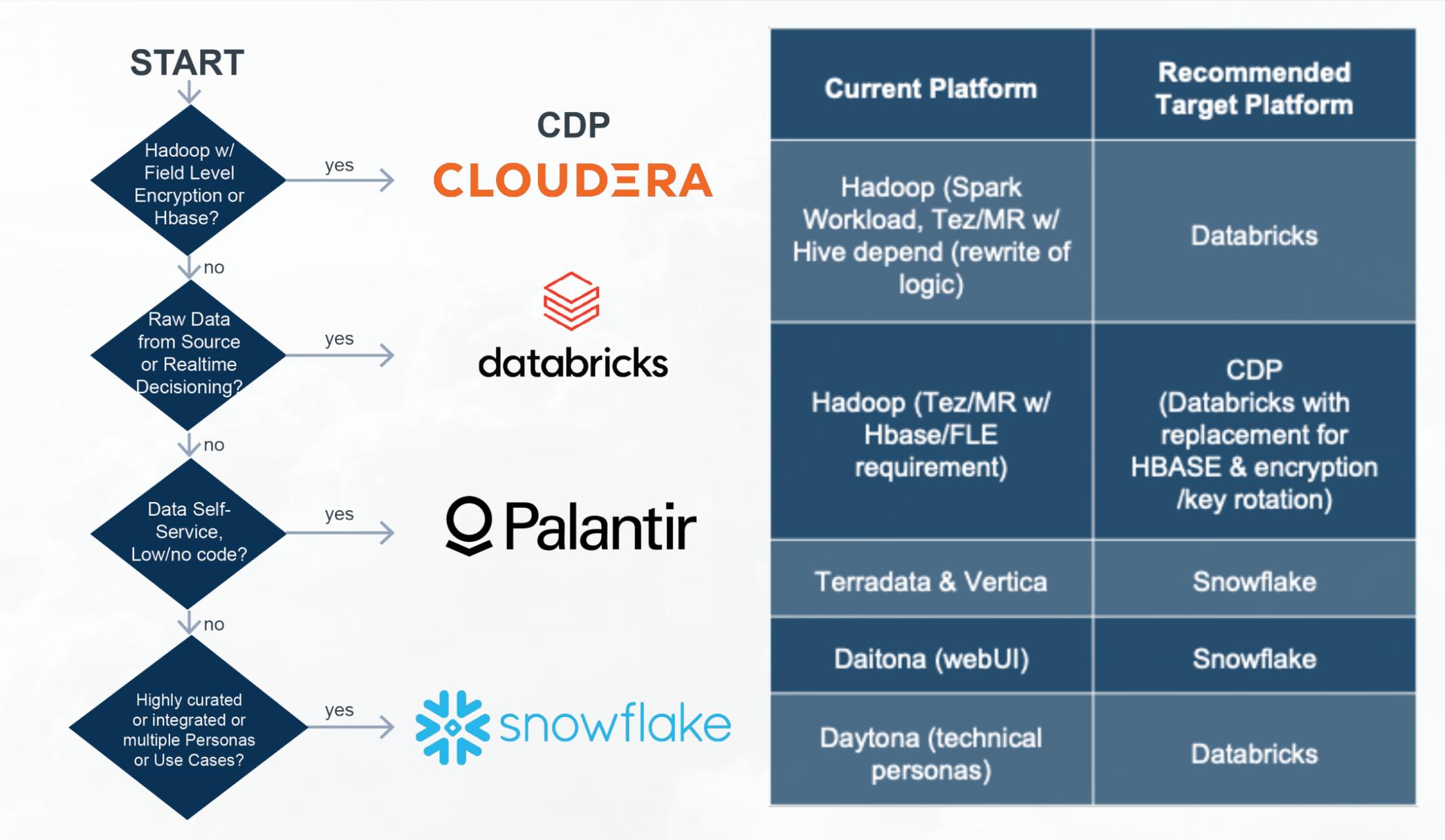
We looked at a lot of different technologies, and what we needed was a tool that would move data reliably, at scale.....So I talked about 13 petabytes of data on our data lake. There are just a lot of companies that are still dealing in terabytes, and we needed one who could deal in that volume.....[and] we needed to do it in less than a year.

And I have to credit WANdisco, because I don't think we initially were sure that it could handle our scale.....It's just been a great partnership, and I think a real success story for both companies.

QUOTE FROM A CUSTOMER EVENT

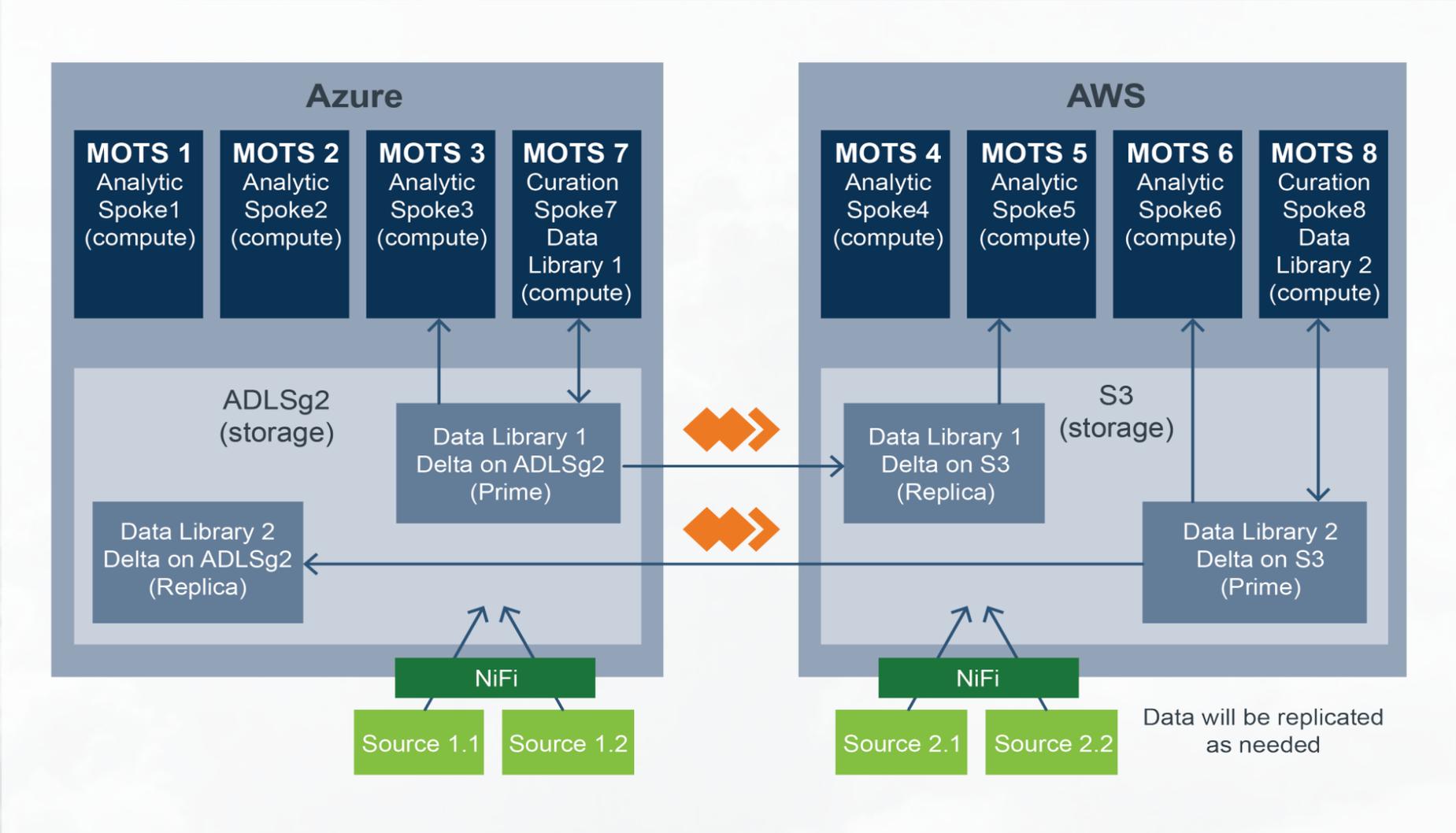
Customer Architecture

The future of analytics in the cloud



Customer Architecture

Real Analytics Use Case – Databricks and Snowflake



Azure view point: Jurgen Willis

General Manager of Azure Engineering/Azure Storage



- “**Turnkey** solution for data lake migrations.”
- “You **begin your data lake migration in minutes** and not weeks or months like you would with other solutions.”
- “WANdisco LiveData Platform for Azure is our **preferred solution** for Hadoop to Azure migrations.”
- “Deploy and manage data lake migrations using the same Azure management experience you enjoy today through the Azure Portal.”
- “LiveData Platform is tightly integrated with Azure and follows the same metered, pay as you go billing model as all other Azure services. **LiveData Platform for Azure consumption will appear on the same monthly Azure bill** and provides a consistent and convenient way to track and monitor your usage.”

Source: <https://azure.microsoft.com/en-us/blog/migrate-your-hadoop-data-lakes-with-wandisco-livedata-platform-for-azure/>

Vendor Support – Azure with Hadoop migration program

Azure Data and AI migration initiative recommends WANdisco



Modernizing your Hadoop workloads on Microsoft Azure unlocks the benefits of cost-efficiency and provides your organization with business-critical insights, a unified experience, and unmatched security to keep you prepared for whatever may come tomorrow..... You might be thinking, “this sounds good, but migrating my data is going to be impossible”. Not true!... With [WANdisco LiveData Platform for Azure](#) you can migrate production data from on-premises big data platforms to Azure Data Lake Storage with no application downtime and no risk of data loss, even when data sets are undergoing active change. Best of all, the first 25TB of migrated data is free.”



PRIYA VIJAYARAJENDRAN
VICE PRESIDENT DATA & AI AT MICROSOFT

Supporting Quotes

Industry analyst and customer confirms uniqueness and simplicity of WANdisco products

Gartner makes rare quote indicating uniqueness of WANdisco technology

“ LiveData's ability to move petabytes of data without interrupting production and without risk of losing the data midflight is something no other vendor does.

Gartner

MERV ADRIAN
GARTNER RESEARCH VICE PRESIDENT OF DATA AND ANALYTICS

JCI – the first customer to show the simplicity of moving Hadoop data using the new Azure service

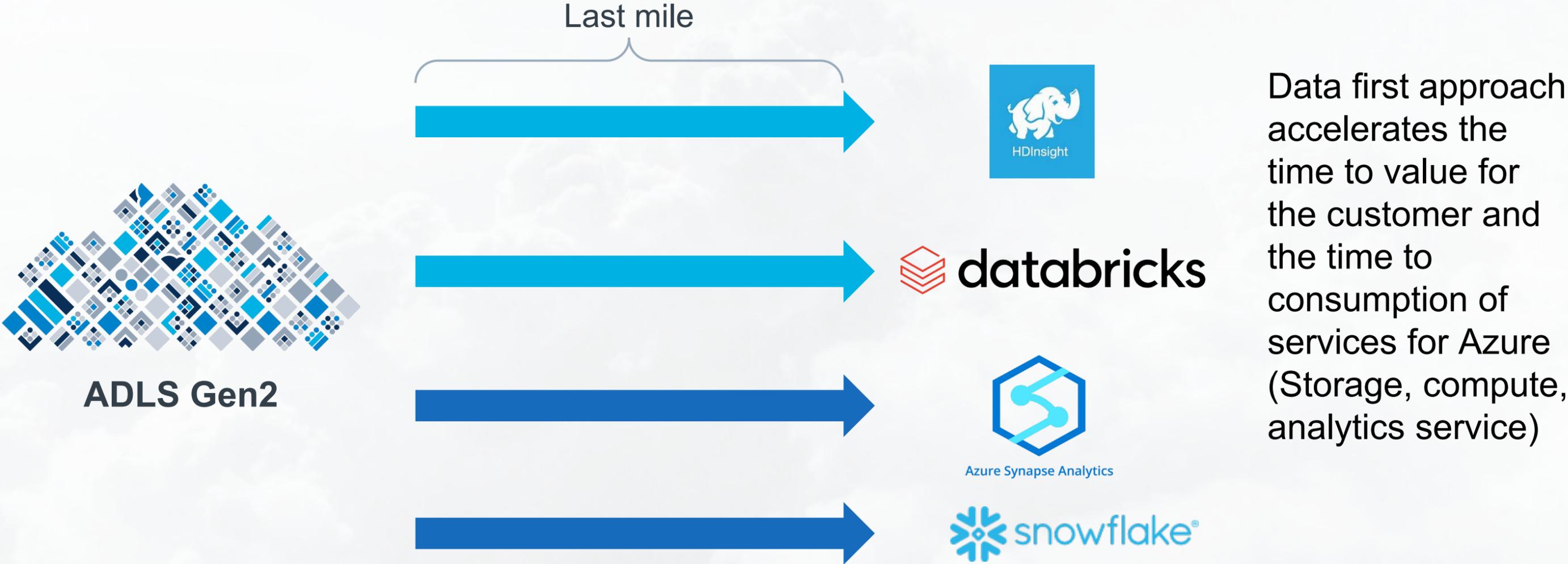
“ We were intrigued by Analytics services on Azure and wanted to use them to make data-driven decisions more effectively but migrating Hadoop data lakes is a problem we have had for some time. We were very happy to try the new WANdisco LiveData Platform for Azure and were able to quickly migrate our data without issues. We were also impressed that we could manage our migration entirely through the Azure portal.”

Johnson Controls

DAWIT ALEMU
TECHNICAL ARCHITECTURE LEAD ANALYTICS COE, JOHNSON CONTROLS

Landing in ADLS to Accelerate Azure Consumption Revenue

Each \$ of WANdisco translates to \$10-20 ACR



Attractive to Whole Ecosystem

Azure Seller

- **Fastest time to value:** Accelerates ACR (Azure Consumed Revenue) for committed customers (MACC)
- Enables ACR by solving data gravity problem with native Azure customer experience
- Predictable time & cost

Global SIs

- **Fastest time to value**
- Automates and de-risks large scale data lake migration and thereby allows focus on digital transformation

Other platform services

- **Fastest time to value**
- Accelerates opportunity in Azure ecosystem
- Predictable time & cost