Activate Your Data

WANdisco plc

Annual Report and Accounts 2021

WANdisco is the data activation company

WANdisco is the first and only data activation platform for accelerating digital transformation at scale. WANdisco makes infinite data actionable across clouds and enterprises in real time. WANdisco customers unleash the business value of the cloud with zero downtime, data loss, or disruption. WANdisco activates data to power Artificial Intelligence ("AI") and machine learning, create new services, and transform businesses.

WANdisco data activation solutions enable enterprises to activate petabyte and exabyte-scale data trapped in their internal systems, making it immediately available in the cloud to leverage the latest advancements in machine learning and AI-based cloud analytics. Underpinning digital transformation, WANdisco's data activation platform ensures that a company's data estate is always available, accurate and protected, creating a strong backbone for their IT infrastructure and a bedrock for running consistent, accurate machine learning applications. With the fastest time to business value and outcomes, zero downtime and zero data loss, WANdisco's products keep geographically dispersed data at any scale consistent between on-premises and cloud environments, allowing businesses to operate seamlessly in a hybrid or multi-cloud environment.

WANdisco has more than a hundred customers and significant go-to-market partnerships with Microsoft Azure, Amazon Web Services, Google Cloud, Oracle, Databricks, Snowflake and others, as well as OEM relationships with IBM and Alibaba.

Learn more about our solutions from page 8

Contents

Reasons to invest in WANdisco

Innovative technology

Our technology is based on a patented, high-performance coordination engine

$11.4m

development spend

Learn more about our innovative technology from page 8

Significant opportunity

Our addressable market is expanding

Internet of Things ("IoT") data market expected to reach

73.1 zettabytes

by 2025

Learn more about our significant opportunity from page 8

Talented people

We have an exceptional pool of talent and we are committed to excellence

159

employees at 31 December 2021

Learn more about our talented people from page 24

Strong partnerships

We have significant go-to-market partnerships with Microsoft Azure, Amazon Web Services, Google Cloud, Oracle, Databricks and top Systems Integrators ("SIs") as well as OEM relationships with IBM and Alibaba

21

strategic partner relationships

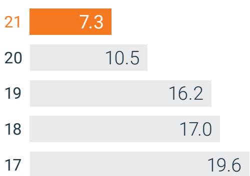
Learn more about our strong partnerships from page 16

2021 highlights

Financial highlights

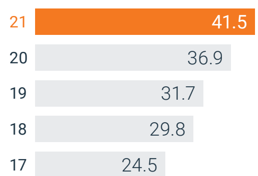
Revenue ($m)

$7.3m



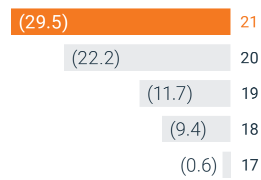
Cash overheads ($m)[1]

$41.5m



Adjusted EBITDA ($m)[2]

$(29.5)m



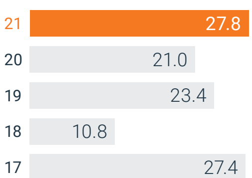
Note: Throughout this document, alternative performance measures have been used which are non-GAAP measures that are presented to provide readers with additional financial information that is regularly reviewed by management and should not be viewed in isolation or as an alternative to the equivalent GAAP measure. See Note 5 for details.

1 Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure and equity-settled share-based payment. See Note 9 for a reconciliation.

2 Operating loss adjusted for: impairment loss, depreciation, amortisation and equity-settled share-based payment. See Note 9 for a reconciliation.

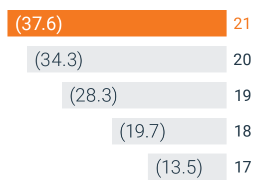
Cash ($m)

$27.8m



Statutory loss for the year ($m)

$(37.6)m



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Our highlights

Successful share placing raising gross proceeds of $43m

Secured new partnership with Snowflake, the data cloud company

March 2021

September 2021

New contract with the analytics division of one of the largest telecommunications companies to migrate analytical data to the Microsoft Azure cloud, worth a minimum of $1m over five years

Operational and strategic highlights

- Announced LiveData Migrator for Azure ("LDMA") general availability, critical to pipeline conversion
- "Commit to Consume" contract structure to be widely utilised across all future clients, where a customer is contracted to move a minimum amount of data over a given time:
  - Customers continue to benefit from the flexibility of our scalable cloud-based solutions
  - Provides WANdisco with a stream of committed revenues that have the potential to increase as customers' data needs expand, increasing revenue visibility
  - Signed the first Commit to Consume contract in 2021 with an existing US Telecom customer, worth $1.0m over five years, with a significant opportunity for further consumption growth
  - Secured the Company's largest Commit to Consume contract valued at a minimum of $6m over five years, to replicate over an exabyte of automobile IoT sensor data to the Google Cloud. Revenues will be realised in FY22 and in later years
- Channel partner ecosystem continues to offer exciting revenue opportunities; through our partnership with IBM, we secured a 3 year $3.3m contract with a large North American investment bank for the use of LiveData Migrator ("LDM"), with a 50% revenue share
- Snowflake partnership continues to complement WANdisco's existing Databricks relationship, consolidating the Company's market position in supporting machine learning applications
- Key investments made in channel and direct sales capacity to further establish product availability
- Meaningful commercial momentum with blue chip customers and partners:
  - Initial contract won with a top-five UK bank to migrate to Amazon Web Services

General availability of the LiveData Platform for Azure

October 2021

Won a Commit to Consume contract with a large European automotive components supplier, valued at a minimum of $6m for five years

New contract with a top five UK bank to migrate an initial 500 TB to AWS using LiveData Migrator platform

December 2021

Secured a contract through IBM channel with a large North American multinational investment bank for LiveData Migrator, worth $1.7m over three years

Deepened strategic partnership with Oracle to provide LiveData Migrator to both Oracle and its customers

Transform your digital transformation journey with A^2O

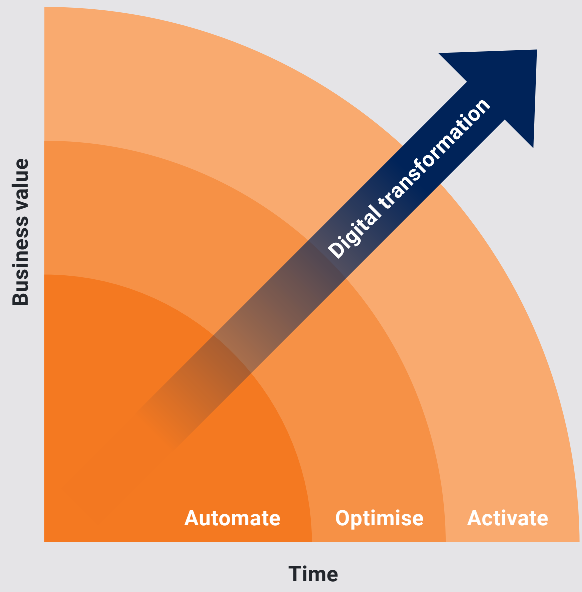
Enterprises need to Automate, Optimise, and Activate ("A^2O") to modernise their data architecture and complete their digital transformation journey. Only WANdisco can help enterprises do all three.

A^2O for your digital transformation journey

Automate
WANdisco automates the movement of unstructured data to make it available wherever it is needed (from and to on-premises data centres, edge platforms, and the cloud) and does so without disrupting current business operations even as the data is actively changing.

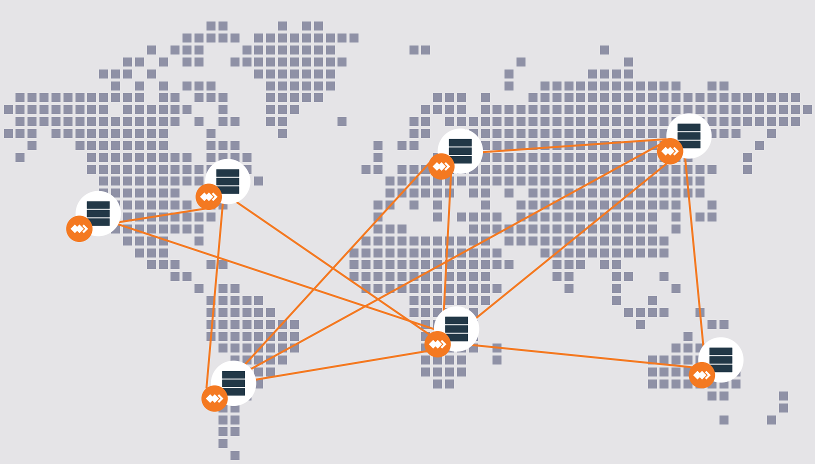
Optimise
WANdisco helps optimise data architectures by supporting the "last mile" transformation to formats utilised by some of the leading cloud analytics platforms such as Databricks and Snowflake. WANdisco also enables enterprises to optimise workloads to leverage advanced capabilities of the new environment and avoid lift and shift strategies that don't take advantage of the benefits available in those environments.

Activate
WANdisco enables enterprises to automate, optimise, and activate all of their unstructured data, not letting the data go dark or remain siloed. WANdisco activates data to enable better business decisions, improve customer experiences, and generate new revenue streams.



Solution Naming Evolution

As WANdisco expands into the IoT data market, we are evolving our solution naming strategy. We launched WANdisco Edge to Cloud, and we are in the process of changing LiveData Migrator to Data Migrator, and LiveData Migrator for Azure to Data Migrator for Azure. This document uses the previous naming convention when referencing 2021, and the new solution names when discussing current or future strategy.



Consumption-based model driving predictable Remaining Performance Obligations (“RPO”)

As outlined in our half-year report for FY21, WANdisco is pivoting toward a consumption-based or “Commit to Consume” business model. In this modern go-to-market and pricing model, customers are charged based on their usage (for example, what they consume). For WANdisco, consumption is based on the amount of data moved via one of our products.

Benefits of a consumption model include:

- Increasingly reliable and predictable RPO and revenue streams
- Empowering customers to increase consumption at will to drive higher lifetime value
- Aligning our service to the standard cloud industry model
- Significantly lowering the level of price discounting versus subscription

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

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

Customer lifecycle management:
Data-driven customer interaction and success

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

Learn more about our Business model on pages 12-13

David Richards, Chairman and CEO

Significant strategic progress a springboard for future growth

2021 highlights

- Commit to Consume contract structure to drive greater adoption of WANdisco solutions in future periods
- General availability of LiveData Migrator for Microsoft Azure ("LDMA") critical to driving pipeline conversion
- Largest ever multi-year contract win with large global automotive supplier

In 2021, we announced LDMA general availability, a critical step in converting pipeline. A new Azure service, the LiveData Platform for Azure, allows customers to use our software as if it were a native Azure offering. As an Azure service, customers can deploy WANdisco's LiveData products by selecting it from the same Azure menu used for native Microsoft services such as compute and storage, with metered billing added on their existing monthly Azure payments. No software to install, no new contracts to sign, no barrier to entry.

The general availability of LiveData Migrator ("LDM") and LDMA was essential to the acceleration of business in the second half of 2021. Achieving the general availability milestone provided potential customers with greater assurance about their ability to embark on petabyte-scale data migration projects with WANdisco and, as such, is steadily unlocking a pipeline of growth opportunities – especially in IoT. Key to these wins was the Company's cloud agnostic solution that moves large amounts of data from on-premise Hadoop to multiple different clouds. A strategic selling point to customers is that LDM can move data to any of the cloud providers and provides ultimate ownership of data to the customer, allowing them to avoid vendor lock-in and arbitrage cloud pricing and functionality. Additionally, the Company's ability to migrate data at scale without requiring any system downtime, along with its capacity to automatically migrate data changes as they occur – ensuring data consistency – were key factors in securing new business.

In 2021, the business made steady progress in its transition to a cloud-centric, consumption-based model, resulting in more predictable revenues (unbilled backlog, or RPO), reduced discounting (metered pricing) and increased upsell opportunities. The cloud platform model of the "Commit to Consume" contract structure, where a customer is obligated to move a minimum amount of data over a given time, is now the standard for WANdisco. This helped drive strong bookings and RPO growth in H2 2021 as WANdisco benefittted from a stream of committed revenues that have the potential to increase as customers' data needs expand.

In Q3 2021 we signed our first Commit to Consume contract, a $1.0m, 5-year deal with an existing US telecoms customer with a significant opportunity for further consumption growth. Following this win, in Q4 2021 the Company secured a Commit to Consume contract valued at a minimum of $6m over five years, to replicate over an exabyte of automobile sensor data (IoT data) to the Google cloud. Additionally, through its channel partner IBM, the Company secured a $3.3m contract with a large North American investment bank for the use of LDM, with a 50% revenue share.

The new contract wins achieved in Q4 2021 directly and through key industry partners are testament to the strategic progress achieved across the business this year, while the general availability of the LiveData Platform for Azure was a critical step in converting WANdisco's new business pipeline. The Company is excited by the opportunities in the market to enter new verticals and is well placed to capitalise on an expected increase in IoT-driven deals in 2022. Q4 2021 saw a significant increase in bookings and RPO and this momentum, combined with high near-term visibility, gives confidence in the Company's ability to execute on our 2022 pipeline.

COVID-19 update

The global nature of the COVID-19 virus has resulted in macroeconomic uncertainty, which appears to be receding in the geographies we operate in. We are constantly monitoring the impact that COVID-19 may have in current and future periods but historically we have experienced minimal effects on our customer base and order flow, and are well positioned to operate should COVID-19 restrictions return.

Conflict in Ukraine and Russia

As an organisation we want to express how shocked and saddened we are by the humanitarian crisis in Ukraine and are constantly monitoring the situation. We will continue to seek advice as the situation evolves and hope that the conflict can be resolved as soon and humanely as possible.

Historically, we only had some customers in Russia who were not significant relative to our operations. We have kept apprised of the latest sanctions, and upon the advice of legal counsel have recently announced internally that we cannot provide any of our products or services in Russia, nor can we continue to provide products or services with current Russian customers.

KPIs to map shift to consumption-based revenue model

Group revenues have historically been characterised by subscription contracts in which the licence component of revenues is recognised upfront. As paying for consumption is the primary way cloud services are bought. WANdisco has begun a shift to a consumption-based model. We believe that a consumption model is the true Software as a Service ("SaaS") model, with customers expecting to purchase on a consumption basis within the cloud ecosystem through Commit to Consume contracts and metered billing.

To effectively build consumption revenue streams, sales compensation must also be changed to incentivise the activation of customers and the early commitment of customers to build consumption through the year, as opposed to a single point of sale.

A consumption-based model provides greater agility and the ability to scale as required and provides valuable data to evolve our product and offering. Data on how customers are using the product drives interaction with customer success much of which is automated.

This shift to a consumption model, where revenue is recognised over time rather than upfront, will lead to revenues scaling over the year, with revenue recognised further into the sales cycle.

As our business continues to evolve, the metrics we use to measure our success also need to change. To aid in mapping pipeline progress against this changing revenue model, we will provide quarterly business updates providing new KPIs including:

- Current and YTD Bookings
- Period ending RPO ("Remaining Performance Obligations")

The objective of these KPIs is to provide an indication of business closed in the period and YTD, and RPO as a measure of the future revenues to flow through as our customers consume data.

Outlook

In 2021, the business has made steady progress in its transition to a cloud-centric, consumption-based model, resulting in more predictable revenues (unbilled backlog, or RPO), reduced discounting (metered pricing) and increased upsell opportunities. This helped drive strong bookings and RPO growth in H2 2021 as WANdisco benefitted from a stream of committed revenues that have the potential to increase as customers' data needs expand.

The general availability of the LiveData Platform for Azure was successfully launched in H2 2021. The announcement signified the completion of a multi-year joint project with Microsoft to integrate WANdisco's technology into its cloud fabric and unlock the Azure ecosystem for global blue-chips – one of the most important initiatives in WANdisco's history to date.

Following the major reorganisation of the Company's sales and go-to-market functions, we have seen the foundations of this begin to bear fruit with improved H2 2021 results, greater pipeline visibility for FY22 and lower operating costs.

Looking ahead, the high visibility of WANdisco's near term business pipeline underpins our confidence in strong trading in 2022. The Company is well placed to capture significant market opportunities in IoT-driven deals and expansion into new verticals in the coming year.

David Richards
Chairman and CEO
23 June 2022

> "We made significant strategic progress in FY21 reorganising our go-to-market operation and cost structure. This has provided us greater revenue visibility, accountability and efficiencies to drive our business forward, and I am confident that we will continue to convert on our strong pipeline of cloud migration opportunities in FY22.

Enterprise data activation requires WANdisco

Organisations today understand the importance of data and leveraging data for better decision-making to improve customer experiences and to identify and develop new revenue opportunities.

And yet, multiple surveys still find CEOs saying they want their organisation to be more data driven. It is estimated that over 80% (Source: Xebia - Dark Data Analytics article) of data that organisations collect, process, and store during regular business activities is never further utilised. This finding represents a huge lost opportunity.

Many organisations have initiatives underway to modernise their data architectures and bring critical business data to the cloud so they can leverage advanced AI and machine learning capabilities offered by cloud service providers and independent software vendors, such as Databricks and Snowflake.

Market trends

The vast majority of enterprise data today is unstructured. While structured data growth, such as that stored in relational databases, has been relatively unchanged since 2000, unstructured data has been growing at a rate of 55% to 65% per year.

Other key analyst findings and predictions include:

- Global cloud storage market (Source: Gartner - Enterprise Storage as a Service Is Transforming IT Operating Models article)
  - 22.3% – projected CAGR (from $50B in 2020 to $137B by 2025)
  - 11.5% – percentage of IT budget spent on cloud storage by 2023
- Internet of Things (“IoT”) data is the fastest-growing data segment
  - 50% – percentage of enterprise data expected to be created on edge platforms (Source: Gartner - 2022 Planning Guide for Cloud and Edge Computing)
  - 73.1 zettabytes – data generated from connected IoT devices by 2025 (Source: IDC - Worldwide Global DataSphere Forecast, 2021–2025)

2021 Hadoop-to-Cloud Migration Benchmark Report

In June 2021, WANdisco commissioned Radiant Advisors and Database Trends and Applications to survey the industry to better understand organisations plans, priorities, and challenges with Hadoop data migration to the cloud. Key takeaways from over 200 cloud architects include:

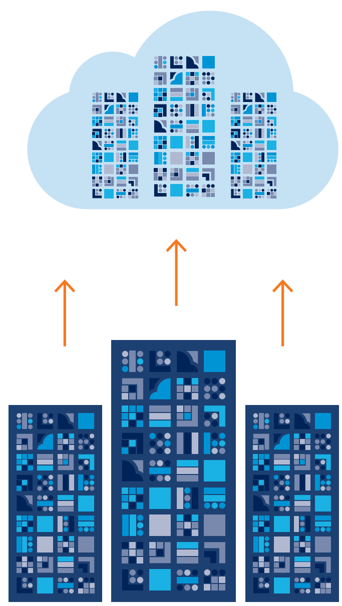
- Most IT leaders are pursuing cloud migration to lay the foundation for future business value creation, including cloud-scale analytics and data modernisation strategies
  - 78% – data modernisation initiatives
  - 61% – cloud-scale analytics
  - 49% – scalable cloud storage
- Many organisations are relying on “old-school” approaches and manual tools not designed for modern migration requirements
  - 56% – used or plan to use bulk transfer devices
  - 48% – planned or leveraged DistCp
- Legacy approaches result in 54% of projects running over time and/or budget, while other projects are never fully completed

Uniquely positioned

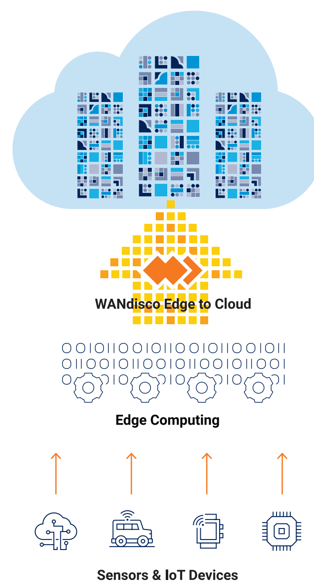
WANdisco is ideally positioned to take advantage of this large and growing market opportunity. For the majority of FY21, WANdisco has focused on helping enterprises migrate their on-premises Hadoop data sets to take advantage of the advanced analytics, AI, and machine-learning capabilities available in the cloud.

In Q4 FY21, WANdisco expanded into the IoT market and won its inaugural contract with a large European automotive components supplier valued at a minimum of $6m over five years. Further details are on page 11.

WANdisco's data activation platform is the only solution capable of handling two key dimensions (any data volume and any amount of data change) without introducing any business disruption or system downtime. As a result, data migrations are automated and projects are completed on time, within budget, and with reduced business risks.



On-prem to Cloud



Edge to Cloud

Data-first strategy

WANdisco promotes a data-first approach for enterprise cloud adoption and data activation. Traditional approaches take an application-first mindset, where all the applications and workloads are migrated at the same time. These "big bang" approaches take much longer to complete and introduce significant operational and business risk. A data-first approach focuses on getting the data moved first, making it immediately available to data scientists and other business users. In this way, data is activated much faster, enabling quicker time to new insights, new AI and machine-learning models, and greater ROI on cloud adoption.

WANdisco Data Migrator

Data Migrator automates the migration of Hadoop data and Hive metadata to the cloud. Data Migrator is fully self-service; deployment is performed in minutes and requires no changes to applications or business operations. Migrations of any scale can begin immediately and be performed while the source data is under active change without requiring any production system downtime or business disruption.

Data Migrator for Azure

Data Migrator for Azure is a native Microsoft Azure service that enables users to migrate petabyte-scale Hadoop data and Hive metadata to the Azure cloud with zero application downtime and zero risk of data loss, even while the source data is under active change. Data Migrator for Azure is deeply integrated with native Azure resources such as Azure Portal, CLI, role-based access control, Active Directory, Azure Policy enforcement, and Activity log integration. This tight integration provides customers with a turnkey user experience similar to other native Azure services.

WANdisco Edge to Cloud

Launched in public preview, Edge to Cloud is designed to move large IoT data sets at massive scale to enable organisations to activate all of their data for AI, machine learning, and analytics on modern cloud data platforms. Unlike other solutions, Edge to Cloud can scale to handle the largest IoT data sets and has been proven to move multi-petabytes of data per day, which will exceed an exabyte of data per year.

New use cases and market expansion

Hadoop to cloud

According to the 2021 Database Trends and Applications Hadoop-to-Cloud Migration Benchmark Report

73%

of respondents indicated they have either migrated, are in the process of migrating, or intend to migrate their on-premises Hadoop data to the cloud. More than half of the companies that intend to migrate haven't yet begun, and most companies expect their total volume of data to increase. Therefore, one of the key report findings predicts that the next wave of Hadoop migration will be larger – both in terms of numbers and data volume.

Edge to cloud

According to Gartner Research

50%

of enterprise-generated data will be created and processed outside the traditional data centre or cloud. This means that more than half of the data an organisation generates will originate at edge locations and/or IoT devices. Processing of this data will be performed at the edge; to further activate the data it will need to be moved to the cloud for advanced analytics, AI, and machine learning.

Multi-cloud and intercloud

A recent Gartner survey found that

76%

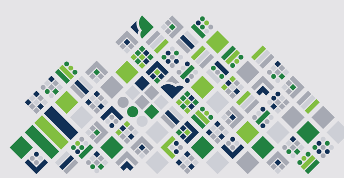
of respondents using the public cloud are using more than one cloud service provider. Gartner also makes the distinction between "multi-cloud" (the use of multiple cloud environments) and "intercloud" (which involves active data management, live data access, metadata access, and data transfer between clouds). Gartner recommends deploying multi-cloud and intercloud architectures deliberately, based on the specific optimisation needs of the use case. Gartner also identifies WANdisco as a vendor that can assist with the data replication requirements for this area.

Enabling a data-first approach for enterprise cloud adoption

Successful organisations follow three stages in their big data cloud adoption. Successful digital transformations take a data-first approach to migration which aligns with the strategy Microsoft, Amazon Web Services ("AWS"), Google Cloud Platform ("GCP") and others are recommending as a best practice. Without the data, the application migration becomes a pointless exercise. In fact, customers that migrate their data first innovate new cloud applications and glean powerful new business insights and ROI. They find they can decommission legacy on premises applications and on premises disaster recovery infrastructure, saving millions of dollars.

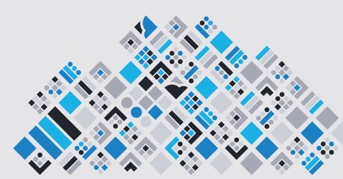
Hadoop to cloud

WANdisco is the only automated on-premises to cloud data migration platform and managed service, accelerating data modernisation by 10X and with zero business disruption, zero risk and best time to business outcomes and ROI. Guaranteed.



Edge to cloud

Only WANdisco moves exabyte scale IoT and file system data across edge systems, data centres and public clouds continuously and at high velocity enabling organisations to activate the data for AI, machine learning, and advanced analytics on modern cloud data platforms. The result is the fastest path to digital monetisation and new revenue streams for customers.



Multi-cloud and intercloud

Although many companies are already using more than one CSP, most are currently using them for different applications and have not truly integrated the data across those environments. Gartner has pointed out that integration of data across clouds is a "deep challenge", but that data and analytics leaders must prepare for the complexities. This is a significant long-term opportunity, and WANdisco solutions are ideally suited to enable organisations to address this challenge.

Case study

WANdisco makes inroads into largest and fastest-growing IoT market segment

Largest ever multi-million, multi-year contract with leading global automotive components supplier.

In Q4 FY21 WANdisco won an inaugural IoT contract with a large European automotive components supplier ("the Client"). The Client has entered into a Commit to Consume contract, valued at a minimum of $6m over five years, to replicate more than one exabyte of automobile sensor data to the Google cloud.

The Client is deploying WANdisco Edge to Cloud to support its edge computing platform to replicate sensor data from automotive components in an on-premises data centre to the Google cloud for use in multiple analytics platforms. The Client's objective is to create multiple services in the cloud to be consumed by automotive manufacturers and insurance companies.

WANdisco's unique technology was the only solution capable of moving the sensor data to the cloud within Google's ecosystem effectively and without disruption. This relationship represents the first contract win for WANdisco in the IoT space, and opens up a new and significant market opportunity for us.

Our contract with the customer marks another Commit to Consume win as described in WANdisco's half-year report and aligns revenue to the consumption of services, as is the standard in the cloud, while enhancing the predictability of future revenues. The Client committed a minimum of $100,000 of revenue per month for five years. Additionally, the Client expects significant data growth over the life of the contract, representing a potentially large expansion opportunity for WANdisco.

Strategy link:

1. Monetise strategic partner GTM relationships
2. Align roadmap to market opportunities and customer requirements

Learn more about our strategy on pages 18-21

"This contract win marks a significant moment for WANdisco and represents what is believed to be the largest ever data movement to the cloud. It is the largest Commit to Consume contract to date that we have signed and illustrates how we are aligning our business to the consumption models of our cloud and analytics partners. Our Commit to Consume model will also offer the business improved revenue predictability and easier upsell potential. Additionally, this is the first IoT use case served by our Edge to Cloud solution, opening up another significant market opportunity outside of the Hadoop market.

The use case of moving sensor data to the cloud and the Client creating its own cloud service is a prime example of how customers can use WANdisco technology on an ongoing basis, with the potential to expand and increase the amount of data being consumed over time.

David Richards
Chairman, President, CEO and Co-founder

Modern platform and GTM model to accelerate growth

Our data activation platform, new go-to-market ("GTM") model, and team will accelerate new customer acquisition and growth globally.

Inputs

Talented people

Strategic new hires in sales and operations bring years of experience from blue chip companies across cloud infrastructure and software-as-a-service.

Strategic GTM partnerships

We have developed a strong network of partnerships—from cloud service providers to cloud analytics leaders and global systems integrators—to accelerate customer engagement and revenue growth.

Product roadmap to accelerate RPO and revenue

With our data activation platform, including Data Migrator and Edge to Cloud, we have achieved product and market fit, reducing sales cycles and delivering dramatic customer business value by accelerating digital transformations and business outcomes.

Identifying new market opportunities for growth

We have dramatically increased our total addressable market with WANdisco Edge to Cloud, addressing IoT data activation use cases.

Read about our partnerships from page 16

Read more about our markets from page 8

Our value creation process

Customers

With our customers at the heart of our business model and go-to-market activities, we will align all other motions to expand our customer relationships offering new product and accelerate adding new customer logos, accelerated by expanding and adding new strategic partnerships with cloud service providers, ISVs, Systems Integrators and Value Added Resellers.

Our competitive advantage

- Improved revenue predictability
- Easier upsell potential with cloud solutions
- Reduced discounting for our premium brand
- Customer preferred purchase approach moving to consumption-based pricing

How we create value

Our patented technology
Our game-changing DConE technology uses consensus to keep unstructured data accessible, accurate and consistent in different locations.

WANdisco Data Activation Platform
We enable organisations to activate their data, and ensure the data stays accurate and consistent across all business application environments, regardless of geographic location, data platform architecture or cloud storage provider.

Embed and enable
We embed WANdisco data activation technology into cloud fabric to become de-facto standard.

Provide insight
We create solutions and partnerships that facilitate the use of data AI and machine learning to allow customers to get deeper insight into their data and to monetise it.

Our strategy
We are accelerating the speed to market of our solutions co-developed with our customers and partners and are exploring how our technology can accelerate time to customer business insights and new sources of revenue.

Reinvestment
We reinvest back into our business; during 2021 the areas of investment included sales, channel strategy and product development.

The value we create

For customers
The ability to put all of their data to work for their business all the time, at any scale.

$11.4m

investment in new technology

For colleagues
The growth of the business has provided many opportunities for existing and new colleagues, and we continue to invest in developing and retaining our people and strengthening the team.

159

colleagues

For partners
We have an expanding network of partners and systems integrators, all of which are dedicated to meeting the needs of our customers.

21

strategic partners and systems integrators

Read more about our KPIs on page 22

Read more about our strategy from page 18

Engaging with our stakeholders

WANdisco is driven by its purpose and its success depends on its ability to engage effectively and work constructively with all our stakeholders, and to take their views into account. Their interests are important to us, and we are committed to maintaining strong, positive and trusted relationships and to listening to and understanding the needs of all our stakeholders, so we can continue to deliver value and build a sustainable business.

Customers

Why we engage

- Understanding the needs of our customers in order to build enduring and profitable relationships is central to our strategy.

How we engage

- Customer feedback is regularly sought and collected by the business through a wide range of channels. This important feedback loop is utilised in future product development and across the business to the benefit of all parties.
- In normal times we regularly participate in a wide range of trade and partner events. They play an important role in our business development planning and showcasing our offerings. COVID-19 prevented normal attendance at most events during the year, although we did compensate with a growing number of virtual events and gatherings.
- We utilise our trading company website and digital channels, including leverage from partner channels, to showcase our products to our customers, prospects and broader partner ecosystem.

Outcomes

- Increased level of engagement with customers, prospects and partners at a strategic level.
- A greater understanding of both customer and market trend requirements better informs the development and refinement of our own strategy.
- Broader marketplace awareness and strong pipeline heading into 2022.

Read more about sustainability from page 24

Employees

Why we engage

- Our employees are at the heart of our business and help to drive our continued success.

How we engage

- The CEO communicates with employees directly through various channels.
- During 2021 there were a number of virtual all-hands meetings to update employees on the business, including product, sales, marketing and partnership strategy.
- Directors consult and seek opinion from managers and employees on a variety of different matters.
- The Executive Team are required to be actively visible in the business and offer an open-door policy to employees who would like to ask a question or offer a view.
- Employee wellness is an ongoing focus, led by our Head of HR, and we have put several new policies in place to support our employees in these challenging times.

Outcomes

- Wider and deeper communication leads to greater transparency throughout the business and facilitates a more engaged, motivated and effective team.
- The Group aims to provide a rewarding long-term personal development opportunity environment for its employees.
- A better informed and consulted workforce is more likely to have increased motivation and be more effective.
- Management has prepared plans following the easing of COVID-19 restrictions, which includes a more flexible approach to hybrid working.
- Launch of an innovative four-day working week for all employees.

Read more about corporate governance from page 36

Partners

Why we engage

- The WANdisco partner ecosystem is at the heart of our strategy and partners are effectively an extension of our commercial team. We work with our strategic partners, who contribute to our ability to secure new customers and our ambition to enable customer success. Our community of strategic partners includes the top cloud service providers, ISVs, SIs and Value Added Resellers, including several OEM relationships.

How we engage

- Direct engagements between Board members and our Executive Team with key partners.
- Go-to-market plans with our most strategic partners.
- Regular partner business reviews.
- New specialist sales teams assigned to engage strategic partners and to align with our direct sales efforts and go-to-market.

Outcomes

- Sales pipeline acceleration with Microsoft Azure, Amazon Web Services, Google Cloud Platform, Databricks, Snowflake, IBM, Oracle and several SIs.
- Joint marketing programs, extending budget and accelerating qualified lead velocity.
- Increase in WANdisco brand reputation by way of association with top partner brands.

Read more about our partners on page 16

Monetising strategic partnerships

Together with our partners we are growing, innovating, and investing to help customers transform their businesses with WANdisco data activation solutions. In 2021, we were laser-focused on monetising our strategic partnerships with Microsoft Azure, Amazon Web Services ("AWS"), Google Cloud Platform, Databricks, Oracle, IBM, and a select few strategic systems integrators to capture the multi-billion dollar data modernisation initiatives in the marketplace. As a result, we are in a position to generate more customers and revenue through our partners than ever before.

Four key focus areas in 2021

1 Strengthening engineering collaborations

- **General availability of LiveData Migrator for Azure.** LiveData Migrator for Azure is a first of its kind native Azure service, co-developed with Microsoft, that can be deployed simultaneously with other Azure services with an equivalent user experience.
- **LiveData Migrator integration to AWS Glue Data Catalog.** Customers can now directly migrate Apache Hive metastore residing on-premises (self-managed on AWS or other cloud providers) to AWS Glue Data Catalog, allowing them to assess their data seamlessly.
- **LiveData Migrator integration to Databricks.** We deepened our data activation platform integration with Databricks across clouds to automate the "last mile" migration of Apache Hive metadata directly into Databricks to enable customers to accelerate time to business outcomes with AI and machine learning powered cloud-scale analytics.

2 Strengthening alignment with strategic partners

- **Sales alignment.** We built two specialist overlay sales teams to align with our top cloud platform partners, AWS and Microsoft. The specialist teams focused on building joint pipelines and sales plans with our partners. By working closely with our partner teams, we aligned the sales, enablement, and marketing teams to accelerate sales pipeline and revenue growth.

3 Building new partnerships with high-growth leaders

- **Google Cloud Platform ("GCP").** GCP became WANdisco's newest cloud partner, as in 2021 we signed our biggest multi-million dollar, multi-year deal in history with a global manufacturing and IoT company.
- **Oracle Cloud.** We announced a new Oracle Cloud partnership and licensing deal, with a robust joint GTM plan and execution.
- **Consulting firms and systems integrators.** WANdisco works with consulting firms and SIs to align our GTM motions and integrate our technology into their data migration factory initiatives. Our partners provide expertise, global reach, and customer knowledge to accelerate WANdisco's growth. In 2021, we made further inroads into this sector:
  - **Accenture and Avanade.** The world's two-largest systems integrators signed a global agreement to resell WANdisco solutions as part of their data migration factory initiatives. This agreement embeds WANdisco into Accenture and Avanade's data migration factory initiative to provide a seamless data and application modernisation offering to expedite customers' migration of Hadoop-based data and applications to the cloud at scale.
  - **New SI partnerships.** In addition to signing agreements with Accenture and Avanade, we also partnered with new and strategic SIs to leverage their expertise, scale, and customer reach: Infosys, Wipro, Insight, Neudesic, Appsbroker, and 3Cloud.

> The native integration with Azure simplifies deployment and makes LiveData Migrator for Azure the primary choice in live data migration scenarios.
>
> **Satish HC**
> Executive Vice President, Data & Analytics, Infosys

4 Growing existing strategic partner relationships

Amazon Web Services

About the partnership

WANdisco helps customers quickly leverage the benefits and capabilities of AWS, with proven and scalable data activation capabilities for AWS, Amazon S3, Amazon EMR, AWS Glue Data Catalog, Amazon Athena, Snowflake, and Databricks.

AWS recognises WANdisco – 2021 update

- Awarded as one of eight launch partners at re:Invent 2021 (Data Mobility category)
- Designated as Advanced Tier Migration and Modernisation ISV Competency Partner
- Realised several new global WANdisco customers
- Became advanced technology partner:
  - Migration Acceleration Program ("MAP") for Storage
  - EMR Migration Program ("EMAP")
  - Migration Acceleration Program

Databricks

About the partnership

The combination of WANdisco LiveData Migrator and Databricks Delta Lake accelerates cloud adoption and modernises big data analytics, driving next-level business outcomes and performance.

Partnership achievements – 2021 update

- Enabled Delta Lake for Databricks across multiple cloud environments and general availability of Delta Lake integration in July 2021
- Created joint GTM, field enablement, and account mapping with Databricks business development, sales, and marketing teams, building a strong sales pipeline ahead of 2022

Microsoft

About the partnership

WANdisco's unique partnership with Microsoft spans engineering, customer success, sales, and marketing. LiveData Platform for Azure is natively integrated into the Azure portal, leveraging Microsoft services including security, ease of use, and metered billing. LiveData Platform for Azure enables customers to migrate data to Microsoft Azure rapidly and easily, allowing customers to fully utilise the power and capabilities of the Microsoft Azure platform.

Microsoft Gold Partner – 2021 update

- Launched general availability of LiveData Platform for Azure, a core Azure service that leverages the same security, billing, and experience as other native Azure services
- Named by Microsoft as the preferred solution for large-scale Hadoop migrations to Azure
- Gained significant large customers in various sectors – including telecommunications, advertising (Xandr, Inc.), and financial services – driving 20+ petabytes of data to Azure

Snowflake

About the partnership

WANdisco LiveData Migrator enables customers to move data to the Snowflake Cloud Data Platform, enabling big data analytics and more use cases in data modernisation initiatives.

Partnership achievements – 2021 update

- Launched private preview Snowflake integration with LiveData Migrator, enabling last mile data migration to Snowflake
- Landed first joint customer with Snowflake in December 2021
- Created joint GTM, field enablement, and account mapping with Snowflake's business development, sales, and marketing teams, building significant pipeline going into 2022

Focusing and delivering on our strategic initiatives

Strategic initiative	Importance	2021 achievements
1 Monetise strategic partner GTM relationships	The channel partnerships we have established have expanded our reach and are accelerating revenue growth by: › Providing WANdisco with access to vast sales teams, adding significant global and horizontal market reach › Enabling us to drive more revenue at lower cost › Supporting WANdisco in the areas of endorsement and marketing, accelerating brand awareness, and strengthening our brand reputation	› New partnership with Snowflake, the data cloud company › Enhanced partnership with Microsoft following the announcement of the general availability of the LiveData Platform for Azure › Some significant contract wins towards the end of the year with IBM, AWS and Google Cloud customers › Deepening of our strategic partnership with Oracle to provide WANdisco LiveData Migrator to both Oracle and its customers
2 Align product roadmap to market opportunities and customer requirements	The WANdisco data activation platform continues to address critical digital transformation challenges across cloud computing and big data for enterprise customers and their service providers. WANdisco is the first and only data activation platform for accelerating digital transformation at scale. We make exabyte-scale data actionable across clouds and enterprises in real time. Our customers unleash the business value of the cloud with zero downtime, data loss, or disruption and activate their business-critical data to power AI and machine learning, create new services, and transform businesses. We identify innovative technology solutions that will enhance the customer experience, and develop new functionality for customers that address key use cases that accelerate their digital transformation, enable new customer revenue streams, and enhance their end customers' brand loyalty.	› General availability of WANdisco LiveData Platform for Azure › LiveData Migrator support for Delta Lake format on Databricks › LiveData Migrator support for Hive metadata migration (including support for AWS Glue Data Catalog, Azure SQL, DB, Google Dataproc, Apache Hive, and Databricks) › Public preview of Snowflake support in LiveData Migrator (renamed Data Migrator in 2022) › Public preview of Edge to Cloud
3 WANdisco colleagues	We want to provide an environment where we attract, retain, develop, and enable all our colleagues to demonstrate, grow, and apply their capabilities – offering opportunities for everyone to reach their potential.	› Built on the strength of our management team with leadership positions in sales, marketing, and operations › Built out the sales and business development teams with strategic hires to accelerate growth in our consumption-based business model › Early adopters of the virtual working model and today we offer colleagues a choice of virtual or hybrid working models › Launch of four-day working week

KPI link:

- A Revenue
- B Cash overheads
- C RPO
- D Bookings

Priorities for 2022	Link to KPIs
We continue to seek opportunities to expand GTM and sources of revenue. Our 2022 priorities are to: › Activate Google Cloud Platform and Oracle partnership › Expand partner networks to scale resale channels › Accelerate the OEM sales channel	A B C D
› General availability of Edge to Cloud › General availability of Snowflake target in Data Migrator › Databricks support with Data Migrator for Azure › Data Hub – driving towards a fully cloud-native platform for data modernisation and activation. Supporting a serverless multi-tenant implementation and a single hub for coordinating all data movement, transformation, and activation across multiple cloud platforms, on-premises implementations, and specific analytics targets	A C D
› Continue to develop our team with training and other programs for career growth and development, with a focus on promoting from within › Support our hybrid working structure and double down on colleague wellness programs › Continually improve our colleague benefits packages	A B C D

Read about how we manage risk from page 28

Find our KPIs on page 22

Summary of 2021 achievements

In 2021, WANdisco pivoted to a consumption-based business model with LiveData Migrator and the general availability announcement of LiveData Migrator for Azure. We also dramatically expanded our total addressable market with new customers in the IoT market. With this expansion, WANdisco is moving and activating more than 1 exabyte of data, which is the equivalent of storing 14 million feature-length movies.

WANdisco's LiveData Migrator and LiveData Migrator for Azure became the only hands-off, automated data lake migration service that enables on-premises applications to continue to operate while migrating data under active change. Our customer wins and expansion into the IoT data market, expected to reach 73.1 zettabytes by 2025, dramatically broadens our market opportunity, giving us the ability to migrate large-scale exabyte sensor data from the edge to the cloud. This ability enables customers to activate that data in the cloud for transformative business insights and new revenue streams.

2021 demonstrated that cloud plays a vital role in business, and we look forward to continuing to give customers the complete freedom to choose where their data lives within their enterprise IT infrastructure, free from technological or cost constraints. As we move into 2022 with a solid foundation and expanded sources of revenue, WANdisco seeks to extend its lead within the data management market with new market opportunities, an exciting product roadmap, a world-class team, and strategic partnerships.

Evolving with the market

Activating new customers, expansions, and partner relationships

New deals

2021 saw substantial customer and partner growth for WANdisco with the signing of multiple, million-dollar deals that have expanded customer reach into new industries. Recent wins include a $6m, 5-year deal with a global manufacturer of sensors found in most of the world's automobiles, one of the largest mobile communications providers, and several top-10 global financial institutions.

Data-first approach

A global telecommunications giant adopted a data-first approach and used WANdisco LiveData Migrator to initially move 13 petabytes of data without requiring any business disruption. The data was immediately available for data scientists to use Azure services for AI and machine learning. Data teams went from blocking nearly 138 million robocalls per month to blocking over 1 billion robocalls per month as a result of using cloud-scale analytics.

The company has since migrated over 30 petabytes in less than one year and continues to use LiveData Migrator in a hybrid environment to transfer ongoing data changes from on-premises to the cloud.

> We cut our entire cloud data migration timeline for moving 13 petabytes in half.
>
> **Vice President of Data and Analytics**
> Global telecommunications company

Product innovation

Product protection: safeguarding our IP

WANdisco's technology continues to be unrivalled in the marketplace. Before WANdisco, companies did not have a practical or affordable way to consistently and continuously replicate real-time data at scale.

Our IP – as embodied in WANdisco Distributed Coordination Engine ("DConE") technology and the resulting products we have built – is well-protected. To date, we have filed more than 80 patents, and 38 have already been granted. We also have a head start of more than 15 years over any potential competition; this early foothold and the ongoing improvements we are making from experience with real-world applications of our technology at massive scale continue to ensure our market advantage.

Product innovation awards

WANdisco's technological accomplishments were recognised with three awards in 2021:

- Finalist, "Best Cloud Automation Solution", Cloud Excellence Awards 2021
- Finalist, "Cloud Innovation Provider of the Year", UK IT Industry Awards
- Finalist, "Best Enterprise Level SaaS", Software as a Service Awards 2021

Product plans for 2022 and beyond

Our product strategy will continue to evolve in line with our partner sales strategy, with further enhancements designed to capitalise on cross-industry opportunities and high-growth use cases that we have identified. Our main focus for 2022 is on accelerating the speed to market of solutions co-developed with or optimised for our strategic partners.

Successful partnerships with leading cloud providers

LiveData Platform for Azure general availability

In 2021, WANdisco deepened and monetised its relationship with Microsoft, as its LiveData Platform became the first natively integrated service in the Azure Customer Portal. Since this innovative new service became generally available in October 2021, the collaboration between Microsoft and WANdisco has drawn a number of brand name customers migrating petabytes of Hadoop, and IoT and file system data to the Azure cloud. As part of the Microsoft Hadoop Migration Accelerator program with Databricks, LiveData Migrator for Azure is a fully operational Azure-native service and is Microsoft's and Databrick's recommended Hadoop to Azure migration platform.

Strategic relationship with Oracle Corporation

In late 2021, WANdisco strengthened its partnership with Oracle to provide WANdisco LiveData Migrator to both Oracle and its customers. With this agreement, Oracle will provide customers and partners access to WANdisco LiveData Migrator at no additional cost to accelerate their massive data lake migrations to Oracle Cloud Infrastructure ("OCI").

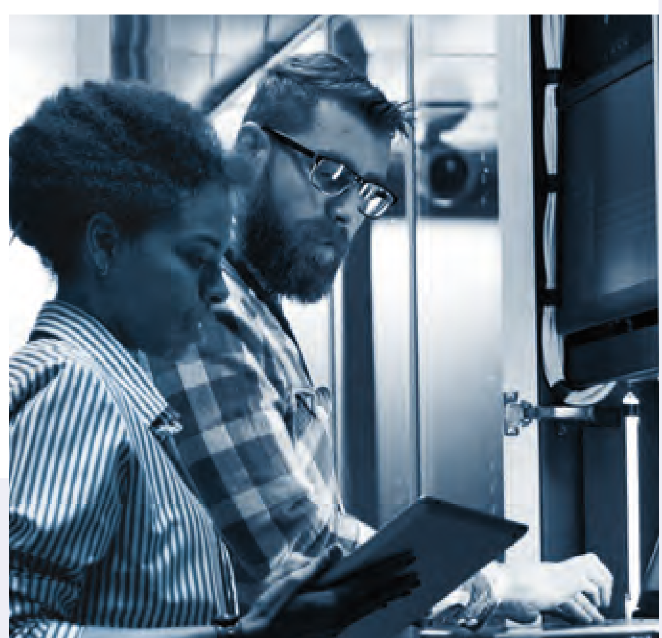
For enterprise organisations, migrations remain a major barrier to cloud adoption, largely due to the cost and effort required to capture, secure, and move petabytes of very active, business-critical data from various sources to the cloud. Oracle Cloud Lift Services provide customers with expanded access to technical tools – now including LiveData Migrator – and cloud engineering resources to accelerate migrations to OCI. Oracle offers these resources and services at no additional cost to all existing and new Oracle Cloud customers worldwide, saving customers time, money, and internal resources in their migrations to the cloud. Our new strategic relationship with Oracle opens up their customer base to WANdisco.

LiveData Migrator and Databricks

In 2021, WANdisco strengthened its partnership with Databricks with deep product integration and the ability for customers to migrate Apache Hive metadata directly into Databricks to help save time, reduce costs, and quickly enable new AI and machine-learning capabilities. For the first time, enterprises that want to migrate on-premises Hadoop and Spark content from Hive to Databricks can do so at scale and with high efficiency, while mitigating the many risks associated with large-scale cloud migrations.

WANdisco Edge to Cloud

In 2021, WANdisco launched the public preview of its Edge to Cloud solution, purpose-built for the large-scale migration of IoT and sensor data from the edge to the cloud. We conducted proof-of-concept demonstrations and closed deals with three large enterprise lighthouse customers in Europe (two post year end), proving out the solution. Together these customers have signed multi-year consumption-based contracts to migrate exabytes of sensor and smart metre data to Azure, AWS, and the Google Cloud Platform.



Monitoring our financial performance

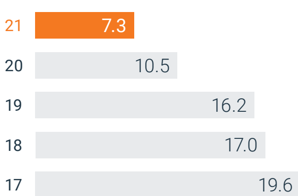
Commentary on the actual performance of the Group against each of these KPIs is set out in the Chairman and Chief Executive’s report and the Financial review.

Strategy link:

1. Monetise strategic partner GTM relationships
2. Align product roadmap to market opportunities and customer requirements
3. WANdisco colleagues

Revenue ($m)

$7.3m



Link to strategy

1 2 3

Definition and calculation

Total of all revenue streams generated by the Group.

Why each KPI is important for measuring progress

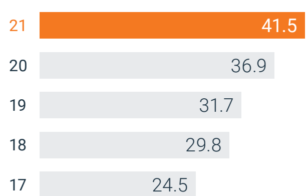
Measures the Group’s revenue, which is an indicator of the Group’s overall size and complexity and progress of strategic initiatives.

Performance in 2021

Revenue was lower in 2021, reflecting an increased shift to cloud-based revenues with the Commit to Consume contract basis.

Cash overheads ($m)

$41.5m



Link to strategy

1 2 3

Definition and calculation

Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure and equity-settled share-based payment.

Why each KPI is important for measuring progress

Key measure of the Group’s cost base, excluding the effects of certain non-operational/non-cash items.

Performance in 2021

Cash overheads increased in the year as we continued to make investments in go-to-market resources and engineering.

In addition, we continued to invest further in our strategic partnerships.

Remaining Performance Obligations (“RPO”) ($m)

$9.4m

Link to strategy

1 2 3

Definition and calculation

Deferred income and unbilled Commit to Consume contracts.

Why each KPI is important for measuring progress

This KPI is new and is provided to measure the shift to cloud-based Commit to Consume contracts.

Performance in 2021

The increase in the year reflects the new Commit to Consume contracts which were closed during 2021.

Bookings ($m)

$11.9m

Link to strategy

1 2 3

Definition and calculation

Total contract value of new contracts signed during the year.

Why each KPI is important for measuring progress

This KPI is new and is included to provide the value of deals agreed in the year including Commit to Consume arrangements.

Performance in 2021

The increase in the year reflects the new Commit to Consume contracts which were closed during 2021.

Case study

Smart data activation of smart meter data

Objective

One of the world's largest suppliers of IoT services is pioneering new approaches to energy supply and delivery. Their smart meters and grids service improves the efficiency of supply with an on-demand system that meets the exact demands of customers at any given moment.

Challenge

This global Telco provides enterprise customers with access to IoT data and analytics. They collect massive amounts of sensor data from smart meters and load it to on-premises storage. Their challenge was to migrate over 20 PB of data for two of their energy provider customers to multiple cloud providers quickly, and more on an ongoing basis.

Today the customer collects data from smart meters and loads the data to an on-premises Hadoop cluster running Cloudera. They want to migrate the data to multiple cloud providers.

In the future, the customer plans to change the architecture so that the smart meter data is transferred directly from the smart hubs (edge platforms) to the cloud and eliminate use of Hadoop. The customer is already considered a leader in the IoT space, and they expect to achieve 50% revenue growth from IoT. Continued data replication of IoT data from the customer's smart hubs to the cloud introduces the potential for ongoing value to the customer and additional revenue for WANdisco.

Solution

The customer needed a cloud agnostic platform to quickly and continuously move large amounts of data from on-premises storage to multiple cloud service providers for machine learning and AI use cases. The alternative products they considered were not cloud agnostic and did not offer the scale or performance that only WANdisco could deliver.

The global telco customer selected WANdisco to automate the large-scale continuous migration of 20PB of on-premises IoT/Sensor data to multiple cloud providers.

Results

Only WANdisco can move even exabyte scale IoT data across edge systems to public clouds continuously and at high velocity, enabling organisations to activate their data for AI, machine learning, and advanced cloud analytics. The result is the fastest path to digital monetisation and new revenue streams for customers.

“We are excited to see another major telecommunications company choosing to use our solutions under our Commit to Consume model. The IoT use case of edge platforms to the cloud is something we expect to grow over time, with the challenge of moving edge data to the cloud becoming an increasingly significant impediment to our customers' success. In fact, we already expanded our initial engagement with this major telco, whilst helping them realise the full capabilities of the cloud.

David Richards
WANdisco Chairman and CEO

Strategy link:

2 Align product roadmap to market opportunities and customer requirements

Learn more about our strategy on page 18

We are proud of our wealth of talent

WANdisco prides itself on its wealth of talent and its retention record. This is important given the competition for good software engineers. We have a strong track record of keeping people challenged, motivated and enthused by the complex scenarios our technology addresses.

Our priorities

The Group recognises that, although its primary responsibility is to its shareholders, it also has responsibilities towards its employees, customers, partners, suppliers and also, ultimately, those consumers who benefit from its products, the broader public and the environment.

Our people

We want to provide an environment where we attract, retain, develop and enable all our people to demonstrate, grow and apply their capabilities, offering opportunities for everyone to reach their potential.

Priorities

- Attract, retain and develop our people.

Outcomes

- A number of successful new hires in the year in key strategic roles.
- Successful hire, onboarding and development of people during the ongoing COVID-19 pandemic, during which our offices were closed for a large part of the year.
- Internal promotions within the business.
- Management has prepared plans following the easing of COVID-19 restrictions, which includes a more flexible approach to hybrid working.
- Launch of an innovative four-day working week for all employees.

Environment

WANdisco's overriding purpose is to enable organisations to activate all their data in a responsible and efficient manner. We aspire to apply sustainability management standards equal to our business ambitions, and every day we strive to make a difference in the communities in which we operate.

Priorities

- Ensure low impact of our business on the environment.

Outcomes

- Further investment in technology to collaborate and reduce physical travel to reduce the Group's environmental footprint.
- The COVID-19 pandemic resulted in our offices closing in March 2020, with our employees working remotely thereafter, with a move to flexible hybrid working practices once restrictions began to ease, along with a reduction in business travel.

Social and community

As a company we have a strong ethos of giving back to the community. This includes fostering the next generation of data scientists.

Priorities

- Development of engineering skills in local schools, university and colleges.

Outcomes

- Work placement students and WANdisco Data Academy.
- Platform for employees to promote and raise awareness of charities important to them.
- Support of the Laptops for Kids initiative during the COVID-19 pandemic.
- Sponsorship of the EyUp Skills Coding Academy.

Our people

Delivering relevant talent

WANdisco prides itself on its wealth of talent and its retention record. This is important given the competition for good software engineers. We have a strong track record of keeping people challenged, motivated and enthused by the complex scenarios our technology addresses.

In addition to providing work that stretches our people, we operate a mentoring scheme for those joining us fresh from university or early in their careers. Our young engineers are given the chance to shadow and work alongside data scientists with PhDs, many of whom have 30 or more years' real-world experience. Our Chief Scientist, Inventor and Co-founder, Dr Yeturu Aahlad, who developed the complex mathematical algorithm that forms the basis of WANdisco's patented DConE technology, is well known for being highly approachable. Our younger employees say that their day-to-day contact with Dr Aahlad and other senior engineers is more inspiring and useful than weeks of classroom training. Dr Aahlad is recognised as a global authority on distributed computing. He has a PhD in the subject from the University of Texas, Austin, as well as a BSc in Electrical Engineering from the Indian Institute of Technology ("IIT"), Madras.

California: Silicon Valley

Silicon Valley is a recognised centre of excellence for open-source development. In San Ramon, California, our engineering heritage goes back to our roots in the Hadoop open-source community and is the base for our Executive team members our Chief Scientist, Inventor and Co-founder, Dr Yeturu Aahlad, and Dr Konstantin Boudnik our VP and Chief Architect.

UK

Our employees in the UK come from all over the world and include graduates and PhD students from Queen's University, Belfast, Northern Ireland, which is globally acclaimed for its IT credentials. Sheffield is our European base and home to both our core technology development and customer support teams. In Belfast we also have part of our software development team, including the core of the WANdisco development team.

Diversity and inclusion

We continue to look for opportunities to achieve gender balance in our hiring policies, in addition to seeking the best professionals across the age and experience spectrum.

Our approach continues to be to match the most appropriate person to the role, but in light of findings that female representation in technology companies is still below 20% in some Western markets, we have taken proactive steps, such as improving our maternity provision, to ensure that our Company policies are not a barrier to women considering IT as a long-term career. In addition, we have continued to take proactive steps during the year to attend local events which aim to encourage more women into careers in engineering. At a grass-roots level, we are also committed to attracting talented new generations to data science and are working with Sheffield Hallam University to support and nurture talent.

New four-day working week initiative

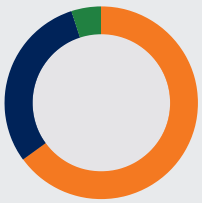
In February 2022 we became one of the first UK-listed companies to adopt a permanent four-day week for our people, in the latest sign of the upheaval in traditional working patterns caused by the pandemic.

We are offering our employees the ability to take Friday off as part of a longer weekend.

The pandemic had already allowed much higher productivity across our team, who were largely working from home. This meant that the work that was once being done in five days was now easily covered. We are predicting even greater levels of productivity and a boost to staff wellbeing.

Employees' salaries will not be affected by the changes. While Friday will be the default day off, workers will have the flexibility to choose an alternative day.

Headcount split



65% EMEA
30% North America
5% APAC

Environment

Reduction in our environmental impact

We are committed to managing our use of resources and proactively managing our environmental impact. We continue to focus our commitment on areas that are most relevant to WANdisco, our people and our customers. We have included a global warming policy in our employee handbook.

We have invested in technology to try and encourage collaboration across our business and also with customers and partners to reduce business travel.

Strategic report

Environment continued

Global warming code of conduct

During 2021 we adopted the Betterworld Solutions policy to prevent global warming.

The code of conduct, which was developed and launched by fellow South Yorkshire business AESSEAL, prompts the Board to prioritise sustainable projects over other capital programmes with a similar return on investment.

It invites staff, suppliers and other stakeholders to submit proposals for sustainable projects for consideration by directors and aims to show how climate-friendly projects can also be business-friendly.

The policy includes:

- Any sustainability project will be given priority over any other capital investment with a similar return on investment.
- Any sustainability project with a reasonable chance of getting a return on investment within four years or less should be brought to the attention of the Board.
- Current or potential supplier input is also welcomed.

Social and community

Delivering on corporate social responsibility

WANdisco's overriding purpose is to enable organisations to activate all their data in a responsible and efficient manner. We aspire to apply sustainability management standards equal to our business ambitions, and every day we strive to make a difference in the communities in which we operate.

As a company we have a strong ethos of giving back to the community. This includes fostering the next generation of data scientists. This commitment spans both sides of the Atlantic, from Sheffield in the UK, where the Company's British operations are based (and where CEO David Richards originates from), and the Belfast operation, to Silicon Valley, where WANdisco's North American operations are headquartered.

In 2021, the Company and its employees supported the following charitable and community causes:

Sheffield Hallam University interaction

During 2021 we have continued our practice of taking Sheffield Hallam University placement students for twelve-month placements. We have seen great success with this with students leaving at the end of their twelve months with the necessary skills to obtain employment within WANdisco. We have engaged with Sheffield Hallam via their Preferred Placement scheme and secured further placement students for 2022.

School placements

We have provided work experience placements for secondary school children (Tapton Secondary School and Yewlands Academy) in Sheffield.

The Sheffield College WANdisco Data Academy

The WANdisco Data Academy was the first academy launched in 2019 and exposes students to all areas of the IT business. Students who are part of the WANdisco Data Academy will gain experience of the global company by taking part in masterclasses and workshops run by various members of WANdisco staff.

The WANdisco Data Academy provides the opportunity for its students to take part in WANdisco led masterclasses from various members of the team, including those who are based in offices worldwide.

As part of the programme, there is an opportunity for two academy students to take part in an industry placement. This provides students with 315 hours of industry experience, in various aspects of the business, that they can then use for future applications. The students are selected on merit and will undergo further interviews in order to take part in this opportunity.

Students in the WANdisco Data Academy also take part in projects set by the employer, including recently, the Laptops for Kids campaign. By providing projects, this allows all of the WANdisco Data Academy students to gain hands-on experience and learn from industry experts.

Upon completion of the course, the WANdisco Data Academy students will receive a reference from WANdisco, as well as a mock interview.

Charitable donations

WANdisco believes in the importance of giving employees the opportunity to support charities and causes that are important to them and to raise awareness. To enable this, we have a platform for employees to post information on, and which allows other employees to donate to these charities if they wish.

In the UK, the Sheffield office donated £2,500 to the Sheffield Children's Hospital Charity for the "Snowflake Switch On" in December 2021. The initiative raised more than £332,000 towards a new on-site helipad and redeveloped Emergency Department.

In addition, during the ongoing COVID-19 pandemic the Group donated £44,000 in the UK towards food banks in the cities in which it has offices (Sheffield and Belfast) and $22,000 in San Ramon in the US.

Case study

David & Jane Richards Family Foundation, djrff.org

David set up the foundation with wife Jane to educate, empower and improve the lives of children. The Richards are keen to ensure that the study of computers and technology in schools is fun and engaging, with a focus on creativity and the practical applications of data science. They are also passionate about ecology and the environment, and are working to promote beekeeping as a valuable way to help young people become advocates for a greener society.

Laptops for Kids

During 2021 the Laptops for Kids initiative was originally set up, which facilitated the donation, secure erasure and distribution of used digital devices, enabling children from disadvantaged backgrounds to have access to the technology they need to participate in remote learning. The non-profit campaign sourced donations of 15,000 new and used devices, carried out secure erasure and distributed to schools according to need across the North of England.

Students at the WANdisco Data Academy at The Sheffield College securely erased the devices using licences and certification donated by global data security firm Blancco.

After COVID-19 restrictions started to ease, the initiative was renamed Laptops for All and it aims to increase access to learning, enterprise and communication for people of all ages and is focused on addressing the wider digital divide in society.

EyUp

WANdisco is a sponsor of EyUp Skills Coding Academy based in Sheffield, contributing £55,000 in 2021.

EyUp partners with a leading provider, iO Academy, to bring its award winning Full Stack Track coding course to the North of England. The course teaches all that is needed to land a first job as a software developer – in just 16 weeks.

Learning from professional developers with real-life experience, students gain practical knowledge in an environment as close to a real tech team as possible, and they come away with a wealth of skills and experience they can use to hit the ground running in their new career.

WANdisco has already hired a number of the successful graduates from the Academy.

2

recruited from the EyUp Academy

Eyup

laptops for all

closing the digital divide

Strategy link:

3 WANdisco colleagues

Learn more about our strategy on page 18

Assessing and actively managing our risks

The Group's operations expose it to a variety of risks.

Effective risk management aids decision making, underpins the delivery of the Group's strategy and objectives, and helps to ensure that the risks the Group takes are adequately assessed and actively managed.

The Group regularly monitors its key risks and reviews its management processes and systems to ensure that they are effective and consistent with good practice. The Board is ultimately responsible for the Group's risk management.

The risk management process involves the identification and prioritisation of key risks, together with appropriate controls and plans for mitigation, which are then reported to the Board. As with all businesses, the Group is affected by a number of risks and uncertainties, some of which are beyond our control.

The table opposite shows the principal risks and uncertainties which could have a material adverse impact on the Group.

This is not an exhaustive list and there may be risks and uncertainties of which the Board is not aware, or which are believed to be immaterial, which could have an adverse effect on the Group.

Risk management framework

Board

Leadership of risk management, sets strategic objectives and risk appetite and monitors performance

Accountable for the effectiveness of the Group's internal control and risk management processes

Read about corporate governance from page 36

Audit Committee

Delegated responsibility from the Board to oversee risk management and internal controls

Oversees the effectiveness of the Group's internal control and risk management processes

Monitors the independence and expertise of the external auditor

Find the Audit Committee report from page 48

Executive Directors

Communicate and disseminate risk policies

Support and help management to assess risk

Encourage open communication on risk matters

Assess materiality of risks in the context of the whole Group and monitor mitigation and controls

Find the Board of Directors from page 38

Strategy link:

1 Monetise strategic partner GTM relationships

2 Align product roadmap to market opportunities and customer requirements

3 WANdisco colleagues

1 2 3

People

Risk description

Our future success depends on retention of senior management and key technical personnel. Whilst much of our proprietary knowledge is documented, our technical experts contribute valuable skills and knowledge and, despite contractual confidentiality agreements, there can be no guarantee that those individuals will not in the future join competitors or establish themselves in competition.

During the year the headcount reduced from 180 to 159. This movement was due to a targeted increase in the R&D, sales, marketing and customer support teams to provide investment in our product and sales channel strategy net of reductions in other areas. It is essential that we retain and motivate our workforce and attract the right talent in the case of any replacement and new hires in the future.

Potential impact

This may impact our ability to attract and retain key talent, affecting our achievement of strategic objectives and performance milestones.

Risk mitigation

Our human resources function oversees employee communications to ensure, given our rapidly developing markets, employees understanding of our strategic direction enables them to make meaningful contributions to the achievement of our goals.

Stock-based compensation has continued to be an important component of retaining, motivating and attracting key talent.

Risk change

No change

1 2 3

Financing

Risk description

Our products Data Migrator, Edge to Cloud and Data Migrator for Azure address a still-emerging market in which we have limited forward visibility, and we continued to be a loss-making business in 2021.

Potential impact

This could adversely impact our ability to fund investment in our business to achieve our strategic goals.

Risk mitigation

Our own and partner sales pipelines continue to grow, and we have continued to build on the OEM relationship established with IBM during 2016 and expanded other partnerships, including Microsoft and Oracle during 2021. Operating costs increased during the year due to some targeted investment in R&D, sales, marketing and customer support teams.

We have prepared a detailed budget and forecasts of the Group's expected performance over a period covering at least the next twelve months from the date of the approval of these financial statements. As well as modelling the realisation of the sales pipeline, these forecasts also cover several scenarios.

During the year there was a share subscription for $42.5m of gross proceeds. Also, following the end of the year there was a share raise for $19.8m of gross proceeds. We maintain close relationships with our principal and potential providers of finance and continue to review the need for additional or alternative funding. See also Note 2(b).

Risk change

No change

1 2 3

Competition

Risk description

There can be no guarantee that competitors will not develop superior products. Competitors may have or develop greater financial, marketing or technical resources, enabling them to successfully develop and market competing products. As the open-source software on which we depend is licensed for free, our ability to sell value added products may be limited by potential customers opting to rely purely on the underlying open-source software, together with any free extensions that might be developed to address the same challenges that our software resolves.

Potential impact

This could adversely impact market share, growth, revenue, margin and overall profitability.

Risk mitigation

We protect our intellectual property by securing patents whenever possible. To date, we have filed more than 80 patents, 38 of which have been granted. We continue to dedicate significant resource to the constant enhancement of our core intellectual property.

Senior management devotes considerable time and resource to monitoring product releases by potential competitors in the data replication software market. During the year, we have continued to invest in our technologies and there were further new releases of our products.

Risk change

No change

Find the Board of Directors from page 38

1 2 3

Channel partner engagement

Risk description

We are in partnership with an array of vendors that offer on-premises and cloud solutions.

Some of these partnerships are relatively new business relationships. There is a risk that we mismanage these relationships or that partners decide not to devote significant sales or product integration resource to our offerings.

We have continued to further develop these partnerships during 2021.

Potential impact

This could adversely impact our partner relationships and the success of these relationships.

Risk mitigation

We have a business development and customer success team who are focused on supporting our customers and partners, developing new partner relationships and creating new commercial propositions that derive long-term value from these relationships.

Risk change

No change

1 2 3

Resource allocation and operational execution

Risk description

We address a significant and rapidly growing market, but, as a small company, we have limited people and capital resources. Over time it will be essential to keep adding to and refreshing this resource, but always it will remain essential that we ensure that resource is effectively directed to addressing and delivering on our strategic goals.

Potential impact

This could result in the balance of resources not being focused on the right strategic goals.

Risk mitigation

We have a business planning process which aims to ensure the investments we make and the allocation of existing resource are aligned with our strategic goals, which in turn are responsive to the evolution of our marketplace.

We continued to improve internal financial reporting and cost control processes. These financial reports are regularly monitored by senior management and the Board.

Risk change

No change

1 2 3

Products

Risk description

The software on which our products is based is complex and the products may contain undetected defects which may be discovered after first introduction. Such defects could damage the Group's reputation and reduce revenue from subscription renewals and extensions. Many of our products are designed for use with open-source software, whose development, by the open-source community, we do not solely control. Changes to its structure and development path may impair the effectiveness of our products. Regulation of data transfer is rapidly evolving and additional regulations concerning user privacy, content liability, data encryption and copyright protection may reduce the value added by our products.

Potential impact

If we fail to develop and manage a prioritised strategy for our products that delivers against customer and partner needs, there is a financial risk that customers will go elsewhere.

Risk mitigation

We have invested in quality control processes and training within our engineering team. We have a dedicated team committing code to relevant open-source tools to ensure our products interact well with open-source components and to monitor evolving open-source projects to which we could potentially add commercial value. Our product roadmap is based on requirements expressed by customers and partners with whom we are pursuing sales opportunities. Our product managers are mandated to propose roadmap alterations if regulations render our intended features either more or less relevant.

Risk change

No change

1 2 3

Sales

Risk description

Any economic downturn may have an adverse effect on the funds available for customers to invest in our products. Increasing budget scrutiny may periodically extend sales cycles, from customers' evaluations through to commencement of subscription contracts. Variability of sales cycles across different sizes and types of customer may bring volatility to our quarterly results. Any new sales executives joining the business, in a rapidly changing marketplace, may take longer than expected to reach full productivity in concluding sales transactions.

Potential impact

This could adversely impact our achievement of our revenue goals and expansion of our customer base and use cases.

Risk mitigation

Our products enable significant savings on data storage and processing and, therefore, demand should be relatively insensitive to economic conditions. Our strategy is oriented to generating a broad-based set of sales opportunities, across regions, industries, sizes of customer and technology use cases. We have invested in senior management and systems to manage the completion of sales engagement in an efficient and commercially beneficial manner.

Risk change

No change

1 2 3

COVID-19

Risk description

The COVID-19 pandemic was declared a global health emergency by the World Health Organization on 31 January 2020. The worldwide spread of COVID-19 has resulted in public health responses in affected regions, including travel bans and restrictions, social distancing requirements and shelter-in-place orders.

Potential impact

Global slowdown of economic activity could negatively impact our business, operations and financial performance.

Risk mitigation

Employees have been working remotely, cancelling all non-essential employee travel, and cancelling, postponing or holding virtually events and meetings. Strict review of non-essential expenses and cash flow. During the year there was a share raise for $42.5m of gross proceeds as referred to in the Financing risk on page 29. Also, following the end of the year there was a share raise for $19.8m of gross proceeds.

During 2021 employees have continued to successfully operate remotely with some limited and focused return to offices.

The severity, magnitude and duration of the COVID-19 pandemic, the public health responses and the economic consequences are uncertain, rapidly changing and difficult to predict, and the pandemic's impact on our operations and financial performance, as well as its impact on our ability to successfully execute our business strategies and initiatives, remains uncertain and difficult to predict.

Risk change

Reduced

Strategy link:

1. Monetise strategic partner GTM relationships
2. Align product roadmap to market opportunities and customer requirements
3. WANdisco colleagues

Case study

Global telco giant accelerates time to business outcomes and ROI

Objective

A global telecommunications leader started their journey to cloud computing by adopting Microsoft Azure. The company wanted to move away from costly on-premises data centres and into the cloud, while at the same time taking advantage of cloud elasticity and advanced cloud-scale analytics, AI, and machine learning.

Challenge

The company's cloud program was initially application focused, and the data science team quickly realised that the cloud migration needed to account for—and leverage—the value of their data being available in the cloud as quickly as possible. The challenge centred around migrating tens of petabytes of live production data without disrupting mission-critical business applications and operations.

Solution

The company adopted a data-first approach and used WANdisco LiveData Migrator to move more than 30 petabytes of data without requiring any business disruption. The data was immediately available for data scientists to use Azure services for AI and machine learning. Data teams went from blocking nearly 138 million robocalls per month to blocking over 1 billion robocalls per month, as a result of using cloud-scale analytics.

Business impacts included:

- Cutting the original data migration timeline objective by over 50%
- Quickly developing high-value AI models, enabling enhanced fraud detection:
  - Able to identify robocalls in seconds instead of days
  - A 7x increase in blocked robocalls per year
- Keeping the existing production environment in use during the entire process (no business disruption)
- Optimising existing workloads for the new cloud environment and avoiding big bang adoption cutover (no transition period between the old and new systems)
- Saving millions of dollars by decommissioning the on-premises disaster recovery data centre
- Achieving fast ROI on the project by leveraging a data-first approach

> “We cut our entire cloud data migration timeline for moving 13 petabytes in half.
>
> **Vice President of Data and Analytics**
> Global telecommunications company

Financial review

Erik Miller, Chief Financial Officer

Positioned for growth

2021 highlights

- Key investments made in channel and direct sales capacity to further establish product availability
- Announced LiveData Migrator for Azure ("LDMA") general availability, critical to pipeline conversion

Revenue for the year ended 31 December 2021 was $7.3m (2020: $10.5m).

Deferred revenue from sales booked during 2021 and in previous years, and not yet recognised as revenue, is $1.8m at 31 December 2021, at 31 December 2020 this stood at $3.8m. Our deferred revenue represents future revenue from new and renewed contracts, many of them spanning multiple years.

Adjusted EBITDA loss[2] was $29.5m (2020: $22.2m), due primarily to the reduction in revenue and continued investments in the business.

Revenue

Revenue was $7.3m (2020: $10.5m), reflecting the emphasis on signing Commit to Consume contracts that are recognised rateably over the term of the contract rather than substantially upfront with subscription type arrangements. Commit to Consume arrangements allow for revenues to increase in proportion to the amount of data migrated whereas subscription contracts are for a fixed amount regardless of the amount of data migrated over the contractual term.

The move to Commit to Consume contracts resulted in increased bookings in 2021 of $11.9m (2020: $10.2m) and RPO increased to $9.4m at 31 December 2021 (31 December 2020 $4.9m).

18% of revenues in 2021 came from a multi-period subscription agreement with a new customer through a partner, which contributed to the total largest customer representing 22% of revenues.

Contract wins continue to exhibit variability in the timing of their completion.

Operating costs

Cash overheads[1] increased in the year as we made investments in go-to-market resources and engineering, rising to $41.5m from $36.9m in 2020. In November 2021, recognising that our cloud products are easier for customers to install and use, we optimised our cost structure, trimming an estimated $6m in annual costs from the business on a forward looking basis.

Capitalised product development expenditure was $5.3m in the year (2020: $5.2m). All of this expenditure was associated with new product features.

Our headcount was 159 as at 31 December 2021 (31 December 2020: 180). The reduction in headcount was primarily due to our cost reduction efforts as discussed above.

Profit and loss

Adjusted EBITDA[2] loss for the year was $29.5m (2020: $22.2m).

The loss after tax for the year increased to $37.6m (2020: $34.3m), as a result of the lower revenue and increased overheads and partially offset by a lower share-based payment charge. The finance gain of $1.1m (2020: $1.8m loss), reported within finance income/(costs), arose from the retranslation of intercompany balances at 31 December 2021, reflecting the decrease in sterling against the US dollar. The impact of FX rates changes on the financial statements should be restricted to the retranslation of US dollar denominated intercompany loans, as opposed to the operating activities of the business. A translation loss (2020: gain) arising on the net assets of overseas subsidiaries reported in reserves results in a minimal impact on the Group net assets.

1 Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure and equity-settled share-based payment. See Note 9 for a reconciliation.

2 Operating loss adjusted for: impairment loss, depreciation, amortisation and equity-settled share-based payment. See Note 9 for a reconciliation.

> The major reorganisation of the Company's sales and go-to-market functions has begun to bear fruit with improved H2 2021 results, greater pipeline visibility, lower operating costs and expansion into new verticals and use cases for our products.

Balance sheet and cash flow

Trade and other receivables at 31 December 2021 were $5.7m (31 December 2020: $10.1m). This includes $1.2m of trade receivables (31 December 2020: $5.3m) and $4.5m related to non-trade receivables (31 December 2020: $4.8m). The reduction in trade receivables was due primarily to the timing of revenues during the year.

Trade and other payables reduced to $4.2m (31 December 2020: $5.5m), mainly due to reduced commissions to the sales team due to the lower revenue in 2021.

Net consumption of cash was $34.0m before financing (2020: $24.2m), resulting in a closing cash balance of $27.8m at 31 December 2021. The consumption of cash was due primarily to lower revenues and a modest increase in cash overheads. At 31 December 2021, we had drawings under our revolving credit facility with Silicon Valley Bank of $nil (2020: $0.6m).

On 10 March 2021 the Group announced the subscription of 6,885,572 new ordinary shares of 10 pence each in the Company by existing shareholders at a price of 446 pence (a discount of 0.4% on the closing share price on 9 March 2021), raising gross proceeds of $42.5m.

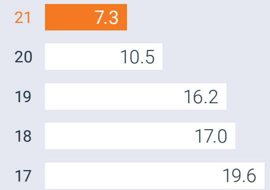
Subsequent events

On 15 June 2022 the Group announced a new subscription of shares to new and existing shareholders for 5,857,862 new ordinary shares of 10 pence each in the Company at a price of 270 pence (a premium of 5.5% on the closing share price on 14 June 2022) raising gross proceeds of $19.8m.

Erik Miller
Chief Financial Officer
23 June 2022

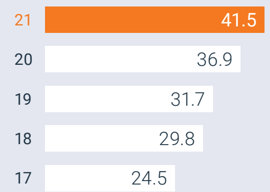
Revenue ($m)

$7.3m



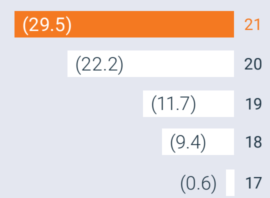
Cash overheads ($m)[1]

$41.5m



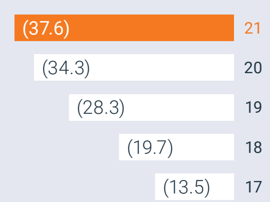
Adjusted EBITDA ($m)[2]

$(29.5)m



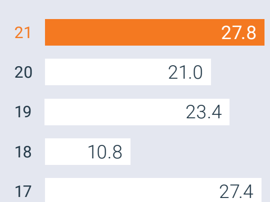
Statutory loss for the year ($m)

$(37.6)m



Cash ($m)

$27.8m



“

WANdisco’s ability to move petabytes or even exabytes of data without interrupting production and without risk of losing the data midflight is something no other vendor does.

Merv Adrian
Gartner, Vice President of Data and Analytics

Gartner®

Vice Chairman's introduction to governance

Bob Corey, Vice Chairman and Senior Non-executive Director

Effective governance and leadership

As an AIM-listed company the Board has adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code.

Bob Corey
Vice Chairman and
Senior Non-executive Director

The Corporate governance statement, together with the information provided below and in the Audit Committee report, explains how WANdisco's governance framework works. As a Board, we recognise that we are accountable to shareholders for good corporate governance, and we seek to promote consistently high standards of governance throughout the Group. The Group promotes this culture within its strategy and management of risks and is continually analysing this, from information provided by the Executive team, to ensure compliance.

During the year, we have complied with the QCA Code with the following exception:

- David Richards fulfils the role of Chairman and CEO of the Company. David took on both roles following the resignation of the prior Chairman. Bob Corey was appointed in November 2018 as Senior Non-executive Director and Vice Chairman to better balance the roles of CEO and Chairman.

During the year under review, we have continued to evaluate the composition of our Board, but no further appointments have been made.

In considering refreshment of the Board and succession planning, the Board will have regard to ongoing developments and trends including in relation to matters such as diversity in its broadest sense. Whilst the Company pursues diversity, including gender diversity, throughout the business, the Board is not committed to any specific targets. Instead, the Board will continue to pursue a policy of appointing talented people at every level to deliver high performance.

The Board holds all its strategic decision-making meetings at the Group's US offices and, as a result, takes the opportunity to meet with members of the Executive Team and to build on its knowledge of the business. There are regular interactive presentations from, and discussions with, the Executive Team and, in 2021, these have included the topics of product strategy, partnerships and engineering progress.

Finally, the Annual General Meeting ("AGM") will be held at the UK Company's offices on 22 July 2022; my fellow Directors and I look forward to seeing you. It is an excellent opportunity to meet the Board and to raise questions on the matters in hand at the meeting.

Bob Corey

Vice Chairman and
Senior Non-executive Director
23 June 2022

Learn more about our governance from page 42

Board composition

3 Non-executive Directors
3 Executive Directors

Tenure

6 3–5 years

Board effectiveness

The Board does not have a formal Board effectiveness process but the Chairman believes the Board has performed effectively over the year.

The key strategic issues and risks have been discussed in an open and honest forum with decisions being made based on the factual data presented.

Each Board member has a particular area of expertise and has utilised this to provide insightful comment and contribution to the business demands of the Group.

The Group is mindful of succession planning and has discussions on this matter. The Board feels it has a good balance of skills and expertise; however, all members are regularly challenged and assessed at the Board meetings.

Strategic decisions taken within the year and stakeholder consideration

Stakeholders	Considerations
Partners	› Go-to-market plans with our key strategic partners › New partner relationships and key external announcements › Establishment and hire of new specialist sales teams assigned to engage with strategic partners
Customers	› Prioritisation of feedback into future product development from customers › Resource planning to support new and potential customer priorities › Positioning of Company product offering and use cases for our products
Employees	› New policies to support employee wellness › Plans established for flexible and hybrid working arrangements › Launch of new four-day working week for employees

Board of Directors

Committee membership key

A Audit Committee
R Remuneration Committee
N Nomination Committee
☐ Committee Chairman

David Richards
Chairman, President, CEO and Co-founder

Age 51

Length of tenure
Appointed 11 May 2012
(Chairman from 6 October 2016)

Skills and experience
Since co-founding the Company in Silicon Valley in 2005, David has led WANdisco on a course for rapid international expansion, opening offices in the UK, Japan and China. David spearheaded WANdisco to a hugely successful listing on the London Stock Exchange (WAND:LSE) and, shortly after, the acquisition of AltoStor, which accelerated the development of WANdisco's first products for the Big Data market.

A passionate advocate of entrepreneurship, David has established and successfully exited several highly successful Silicon Valley technology companies. David was the founder and CEO of Librados, an application integration software provider, and led the company's acquisition by NASDAQ-listed NetManage, Inc. in 2005. David is a frequent commentator on a range of business and technology issues, appearing regularly on Bloomberg and CNBC. David holds a BSc in Computer Science from the University of Huddersfield.

After Paul Walker, the former Chairman, stepped down from the Board in October 2016, David took the role of Chairman. In 2017 David was awarded an Honorary Doctorate by Sheffield Hallam University in recognition of him being a champion of British technology and a passionate advocate of entrepreneurship.

David and his wife Jane founded the David & Jane Richards Family Foundation with the purpose to educate, empower and improve the lives of children through hands-on programmes and targeted assistance. They aim to encourage children to fulfil their potential and make a positive impact on the world around them. The first programmes commenced in 2018 in some state schools in the UK, where they will use new methods to teach computing skills and install beehives as part of a wider teaching curriculum.

In the 2022 Queen's New Year Honours List, David was awarded an MBE for his services to the Information Technology Sector and to Young People, particularly during COVID-19.

External appointments
With over 20 years of executive experience in the software industry, David sits on a number of advisory and executive boards of Silicon Valley start-up ventures.

Bob Corey
Vice Chairman and Senior Non-executive Director

Age 70

Length of tenure
Appointed 19 November 2018

Skills and experience
Bob brings more than 30 years of executive and financial management experience in public and private companies in Silicon Valley with software and hardware companies.

Bob is highly experienced in managing the financial aspects of public companies; he has a strong history with Wall Street, and extensive mergers and acquisitions experience. He also has deep corporate governance acumen and has served on numerous boards in Silicon Valley as Chairman of the Board, Chairman of the Audit Committee, and a member on Compensation and Nomination and Governance Committees.

Formerly, Bob was Chief Financial Officer of Callidus Software, a $2.4bn acquisition by SAP in April 2018. Until September 2017, he sat on the board and chaired the audit committee for Apigee, a $625m acquisition by Google. He has also served as the Chief Financial Officer of FrontRange Solutions USA Inc., an enterprise software company. Prior to FrontRange, Bob was a member of the board of directors at Extreme Networks, Inc., an ethernet solutions company, ultimately serving as Interim Chief Executive Officer and Executive Vice President and Chief Financial Officer. Bob has also served as a member of the board of directors for AmberPoint, Interwoven, Live Ops and Veraz Networks.

Bob began his career at Arthur Andersen, is a California CPA (not current), and has a Bachelor of Business Administration, Accounting from California State University at Fullerton. Bob is a Veteran of the United States Air Force, where he served as an Air Traffic Controller.

External appointments
None.

Erik Miller
Chief Financial Officer

Age 62

Length of tenure
Appointed 5 December 2016

Skills and experience
Erik was the Chief Financial Officer of Envivio, Inc., a NASDAQ-listed provider of video transcoding software, from February 2010 to January 2016, following its acquisition by Ericsson AB. From January 2008 to July 2009, Erik served as Chief Financial Officer at SigNav Pty. Ltd., a component supplier to the wireless industry, where he was responsible for finance and administration functions. From March 2006 to January 2008, he served as Chief Financial Officer at Tangler Pty. Ltd., a social networking company, where he was responsible for finance and administrative functions. Erik received a BS degree in Business Administration from the University of California, Berkeley.

External appointments
None.

Dr Yeturu Aahlad
Chief Scientist, Inventor and Co-founder

Age 64

Length of tenure
Appointed 23 February 2017

Skills and experience
Dr Aahlad is a recognised worldwide authority on distributed computing. He is named in 73 WANdisco patents, including US and international patents, continuations and divisionals. It was Dr Aahlad's vision and years of persistence that led to the invention of technology that many thought was impossible – that of Active-Active replication (WANdisco's patented DConE technology). Prior to WANdisco, Dr Aahlad served as the distributed systems architect for iPlanet (Sun/Netscape Alliance) Application Server. At Netscape, Dr Aahlad joined the elite team in charge of creating a new server platform based on the CORBA distributed object framework.

Prior to Sun/Netscape Dr Aahlad worked on incorporating the CORBA security service into Fujitsu's Object Request Broker. Dr Aahlad designed and implemented the CORBA event services while working on Sun's first CORBA initiative. Earlier in his career, Dr Aahlad worked on a distributed programming language at IBM's Palo Alto Scientific Center.

Dr Aahlad has a PhD in Distributed Computing from the University of Texas, Austin, and a BSc in Electrical Engineering from IIT Madras.

External appointments
None.

A
N
R

Grant Dollens
Non-executive Director

Age 43

Length of tenure
Appointed 9 October 2016

Skills and experience
Prior to founding Global Frontier Investments, LLC, Grant was an Investment Analyst and member of the investment committee for Ayer Capital, a long/short equity healthcare fund, where he was focused on medical devices, diagnostics, healthcare services, biotechnology and pharmaceutical investments. Prior to Ayer, Grant was an Associate in the healthcare group at BA Venture Partners (now Scale Ventures), where he sourced, evaluated and invested in private medical device, biotechnology, specialty pharmaceutical and healthcare service companies. Before BA Venture Partners, Grant was an Investment Banking Analyst in corporate finance at Deutsche Bank Alex. Brown focused on the technology sector.

Grant received his MBA from the Kellogg School of Management at Northwestern University, with majors in Analytical Finance, Management and Strategy, and Accounting. He received his BSc in Biomedical Engineering from Duke University.

External appointments
Grant founded Global Frontier Investments, LLC, a long-term oriented global equities fund, in 2010 and serves as its Portfolio Manager. Grant is also a member of the board of ColdQuanta, Inc.

A
N
R

Karl Monaghan
Non-executive Director

Age 59

Length of tenure
Appointed 5 December 2016

Skills and experience
Karl brings a wealth of capital markets and board experience. Prior to founding Ashling Capital, Karl has worked in corporate finance for Robert W. Baird, Credit Lyonnais Securities, Bank of Ireland, Johnson Fry and BDO Stoy Hayward. Additionally, he trained as a Chartered Accountant with KPMG in Dublin and holds a Bachelor of Commerce degree from University College Dublin.

External appointments
Karl is currently Managing Partner at Ashling Capital LLP, which he founded in December 2002, to provide consultancy services to both quoted and private companies.

Karl is also currently a Non-executive Director of AIM company CareTech Holdings plc.

Sector experience	David Richards	Bob Corey	Erik Miller	Dr Yeturu Aahlad	Grant Dollens	Karl Monaghan
Technology	■	■	■	■	■	■
Financial management	□	■	■	□	■	■
Strategy development	■	■	■	□	■	□
Corporate governance	□	■	■	□	□	■
Corporate finance	□	□	□	□	■	■
Healthcare	□	□	□	□	■	□

Strong and experienced leadership team

Paul Scott-Murphy
Chief Technology Officer

Length of tenure
Seven years

Skills and experience
Paul has overall responsibility for WANdisco's product and technology, including customer engagement, technical innovation, new market and product initiation and creation. This includes direct interaction with the majority of WANdisco's significant customers, partners and prospects. He was previously VP of product management for WANdisco and Regional Chief Technology Officer for TIBCO Software in Asia Pacific and Japan. Paul has a Bachelor of Science with first class honours and a Bachelor of Engineering with first class honours from the University of Western Australia.

Keith Graham
Chief Product Officer

Length of tenure
Seven years

Skills and experience
Keith previously spent nine years with TIBCO Software in Asia Pacific including serving for over five years as Regional Vice President and Managing Director of Australia and New Zealand. Keith worked at Librados as Vice President EMEA, where he was part of the founding team from start-up until the acquisition by NetManage. He was a Regional Director at Reuters Plc, where he was responsible for Reuters' $100m+ software solutions business. Keith holds an MA in Management Science and Information Systems Studies from Trinity College, Dublin.

Peter Scott
SVP Business Development

Length of tenure
Thirteen years

Skills and experience
Peter was a member of the sales management team at Empirix's Web Business Unit, which was acquired by Oracle. He was also part of the sales management team at Vecta Software, a CRM and business intelligence software vendor. He began his career with Sales Dynamics, helping early stage venture-backed technology companies establish sales processes that enabled them to achieve aggressive revenue targets. Prior to his career in technology sales, Peter spent six years in the British Army with the Royal Engineers.

Chris Pemberton
VP Marketing

Length of tenure
One year

Skills and experience
Chris has deep experience in modern B2B technology marketing and connecting brands with buyers through powerful messaging, content, demand gen, and digital experiences. He led content and digital marketing programmes for Persado, SANS Institute, and NextHealth Technologies and has led content strategy with Gartner and Charles Schwab. He delivered double-digit traffic, lead, and revenue growth for GU Energy Labs and Ghirardelli Chocolate Company.

Chris spent years advising C-level technology executives while at the Corporate Executive Board (now Gartner) and holds an MBA from the Middlebury Institute of International Studies as well as certificates in advanced digital marketing analytics.

Anne Lynch
SVP Human Resources

Length of tenure
Five years

Skills and experience
Anne was the VP HR of Envivio, Inc. She was also the VP HR for Harmonic, Inc. as well as the Director General of Harmonic Europe. She has also held senior level positions at Quantum (Seagate), Schlumberger Limited and Computer Sciences Corporation ("CSC"). Anne earned her BA at Clarke University and completed graduate studies in Linguistics at Emory University and postgraduate studies at L'université Paris-Sorbonne. She has a Master of Arts degree in Business Leadership and Ethics from St. Mary's College of California.

Justin Holtzinger
SVP Product and Engineering

Length of tenure
Four years

Skills and experience
Justin is a customer-focused leader with more than 20 years of experience and a proven track record of successfully building high-performance technology teams capable of delivering unmatched customer experiences during his seven-year career at EMC, where he held leadership roles in professional services, led their Global Data Migration Practice, and later led the global services product launch for EMC's high-performance Big Data compute appliance. Justin obtained his Master of Business Administration from St. Mary's of California.

David Richards
Chairman, President,
CEO and Co-founder

Erik Miller
Chief Financial Officer

Dr Yeturu Aahlad
Chief Scientist, Inventor
and Co-founder

Read about our Board from page 38

Ian Wild
VP Customer Experience

Length of tenure
Thirteen years

Skills and experience
Ian joined WANdisco in 2009, having spent the previous ten years as part of the management team of a UK based telecoms company, supporting the company from startup through IPO and acquisition. While there, Ian operated in various technical and customer leadership roles. Upon joining WANdisco, Ian oversaw the growth of their UK-based engineering operation before relocating to California in 2014 where he now owns Customer Experience as part of the Product Management group.

Larry Webster
General Counsel and
Company Secretary

Length of tenure
Eight years

Skills and experience
Larry previously worked at Wilson Sonsini Goodrich & Rosati, a large California-based law firm, where he provided advice and services both to large corporations and emerging growth technology companies. He also had roles in Gunderson Dettmer, another Silicon Valley firm, and Hughes & Luce, a Dallas law firm. He started his legal career at telecommunications giant Northern Telecom in Texas. Larry holds a JD from Brigham Young University, a BSc in Business Management and a BA in Asian Studies, also from Brigham Young University.

Dr Konstantin Boudnik
VP and Chief Architect

Length of tenure
Two years

Skills and experience
Dr Konstantin Boudnik is one of the veteran developers of Apache Hadoop, co-author of Apache BigTop, the open-source framework for creation of software stacks and operation of data processing projects used by all commercial vendors of Hadoop-based platforms. With more than 20 years of experience in software development, Dr Boudnik was awarded with 16 US patents in distributed computing. Over the years, Dr Boudnik has founded a number of technological start-ups, and his consulting business delivers solutions for companies.

Rich Baker
SVP Global Sales

Length of tenure
One year

Skills and experience
Rich has worked in IT for 20+ years. His experience spans business operations, pricing, partner alliances, business development, and sales (SMB, Enterprise, & Global Key Accounts). He has held leadership positions across the UK, Ireland and EMEA. Product sets include hardware, technology, big data, middleware, applications (CRM, ERP & CX), analytics, and mobile across on-prem, hybrid, public and private clouds. He has worked for both corporate and partner organisations globally.

Ensuring the long-term success of the Group

Board effectiveness

Board composition and responsibilities

The Board comprises three Executive Directors (including the Chairman) and three Non-executive Directors, two of which are independent (Bob Corey and Karl Monaghan).

The Board is responsible for the long-term success of the Group. It has established a strategy and business model which promote long-term value for shareholders as outlined in the Strategic report on pages 6 to 35. It sets the Group's values, standards and strategic aims and oversees implementation within a framework of prudent and effective controls, ensuring only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group. In addition, it promotes a corporate culture that is based on ethical values and behaviours; these corporate values guide the objectives and strategy of the Company.

The corporate values are reflected in everything that the Company does, beginning with the selection criteria used in the employee recruitment process and continuing throughout all elements of the Company's business. The Board ensures that ethical behaviours are expected, and followed, by approving a set of internal policies on matters such as whistleblowing. The Board also ensures that appropriate systems and controls are in place to ensure compliance with those policies as part of its efforts to promote a healthy corporate culture, which is for the benefit of all stakeholders.

Meeting attendance

David Richards	■	■
Bob Corey	■	■
Erik Miller	■	■
Dr Yeturu Aahlad	■	■
Grant Dollens	■	■
Karl Monaghan	■	■

■ Attended
□ Did not attend
Not required to attend

The Board has agreed the schedule of matters reserved for its decision, which includes ensuring that the necessary financial and human resources are in place to meet its obligations to its shareholders and others. It also approves acquisitions and disposals of businesses, major capital expenditure and annual financial budgets, and sets dividend policy.

An Executive Committee supports the Board in implementing strategy and reports relevant matters to the Board for its consideration and approval. This Executive Committee comprises three Executive Directors and ten members of senior management.

All the Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with applicable rules, regulations and Board procedures.

Directors have the right to request that any concerns they have are recorded in the appropriate Committee or Board minutes.

Board and Committee meetings

The table above shows the number of Board meetings held during the year, and the attendance of each Director. See our Committee reports for Audit, Remuneration and Nomination Committee meetings.

Board Committees

To assist the Board in carrying out its functions and to ensure that there is independent oversight of internal controls and risk management, the Board delegates certain responsibilities to its three principal Committees as shown in the governance framework diagram opposite.

More detail on each of the Committees can be found on pages 47 to 52.

Board independence, appointment and re-election

There are two Non-executive Directors, who are considered by the Board to be independent of the management and are free to exercise independence of judgement. They have never been employees of the Group and they do not participate in the Group's bonus arrangements. They receive no other remuneration from the Group other than their Directors' fees.

Each new Director, on appointment, is briefed on the activities of the Group. Professional induction training is also given as appropriate. The Chairman briefs Non-executive Directors on issues arising at Board meetings if required and Non-executive Directors have access to the Chairman at any time. Ongoing training is provided as needed. Directors were updated on a frequent and regular basis on the Group's business.

Directors are subject to re-election at the Annual General Meeting ("AGM") following their appointment. In addition, at each AGM one-third (or the whole number nearest to one-third) of the Directors retire by rotation.

Terms of appointment and time commitment

All Non-executive Directors are appointed for an initial term of three years subject to satisfactory performance. After this time, they may serve additional three-year terms following review by the Board. All Non-executive Directors are expected to devote such time as is necessary for the proper performance of their duties. Directors are expected to attend all Board meetings and Committee meetings of which they are members and any additional meetings as required. Further details of their terms and conditions are summarised in the Remuneration report on pages 50 to 52 and the terms and conditions of appointment of the Non-executive Directors are available at the Company's registered office.

Governance framework

Board

Executive Team

Chaired by the Chief Executive Officer, it comprises the three Executive Directors and senior management representation from product, marketing, engineering, business development, finance, legal, HR, sales and support. It assists the Executive Directors in implementing the business plan and policies and managing the operational and financial performance of the Company.

Nomination Committee

Learn more on page 47

Audit Committee

Learn more from page 48

Remuneration Committee

Learn more from page 50

Ensuring Board effectiveness

Board effectiveness continued

Development, information and support

All Board Directors have access to the Company Secretary, who advises them on governance matters. The Chairman and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors and of sufficient quality to enable the Board to discharge its duties. Specific business-related presentations are given by members of the Executive Team when appropriate and external speakers also attend Board meetings to present on relevant topics. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary. As part of the Board evaluation process, training and development needs are considered and training courses are arranged, where appropriate.

In line with the Code, we ensure that any new Directors joining the Board receive appropriate support and are given a tailored induction programme organised through the Company Secretary, including the provision of background material on the Company and briefings with management as appropriate. Each Director's individual experience and background are considered in developing a programme tailored to his or her own requirements. Any new Director will also be expected to meet with major shareholders if required.

Succession planning

The Nomination Committee focuses on Board succession and composition and succession planning.

Board evaluation

The performance of the Board was evaluated informally on an ongoing basis with reference to all aspects of its operation including, but not limited to: the appropriateness of its skill level; the way its meetings were conducted and administered (including the content of those meetings); the effectiveness of the various Committees; whether corporate governance issues were handled in a satisfactory manner; and whether there was a clear strategy and objectives. The conclusion was that the Board was performing as expected.

The Board evaluation was internally facilitated and aligned with the ten principles of the QCA Code. All members of the Board fully engaged with the Board evaluation, which has produced a consistent set of results in terms of both the participants' assessment of the strengths and current state of the Board, and also the priorities for further development. The feedback from the evaluation exercise has been very useful, and will guide further actions and decisions taken because of it. Each Director's performance is appraised through the normal appraisal process. Save for the Chairman and Chief Executive Officer, who was appraised by the Non-executive Directors, the Executive Board members were appraised by the Chairman and Chief Executive Officer. The Non-executive Directors were appraised by the Chairman and Chief Executive Officer.

Board activities throughout the year

At each scheduled meeting

Discuss:

- Strategic and operational matters
- Trading results
- Management accounts and financial commentary
- Treasury matters
- Legal, Company Secretarial and regulatory matters
- Investor relations
- Corporate affairs

Review:

- Minutes of previous meetings
- The implementation of actions agreed at previous meetings
- The rolling annual agenda items

April

Update on product strategy and partnerships

Approval of 2021 budget and proposed share placing

Approval of 2020 Annual Report and Accounts

December

Business review, including reviews of CEO, CFO, Sales, Business Development, Engineering and Product, Marketing and strategy

Internal controls and risk management

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. Such a system is designed to mitigate against and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Executive management considered the potential financial and non-financial risks which may impact on the business as part of the quarterly management reporting procedures. The Board received the principal risk outputs of these quarterly management reports and monitored the position at Board meetings. The principal risks are set out on pages 29 to 31.

The Board confirms that there are ongoing processes for identifying, evaluating and mitigating the significant risks faced by the Group. The processes, which have been in place throughout the year and up to the date of approval of the Annual Report and Accounts, are consistent, so far as is appropriate for the nature and size of the Group's business, with the guidance issued by the Financial Reporting Council.

The Group's internal financial control and monitoring procedures include:

- clear responsibility on the part of line and financial management for the maintenance of good financial controls and the production of accurate and timely financial management information;
- the control of key financial risks through appropriate authorisation levels and segregation of accounting duties;
- detailed monthly budgeting and reporting of trading results, balance sheets and cash flows, with regular review by management of variances from budget;
- reporting on any non-compliance with internal financial controls and procedures; and
- review of reports issued by the external auditor.

The Audit Committee, on behalf of the Board, reviewed reports from the external auditor together with management's response regarding proposed actions. In this manner, it has reviewed the effectiveness of the system of internal controls for the year under review.

The Group considers information security to be of utmost importance, demonstrated by our ISO 27001 certification, the globally recognised standard for information security. To achieve and maintain our certification we have developed a number of processes that allow us to more fully understand the information we process and the security threats we face, which has led to us adopting policies and systematically implementing controls to manage and mitigate these threats. Our Information Security Group, made up of senior employees in multiple departments, oversees the creation, execution and continual improvement of our Information Security Management System. Our core security-related values are clearly understood and articulated in our information security policies, and staff awareness of risks, and their obligations to identify and manage them has continued to improve. Our adopted approach affords better protection of all our stakeholders' information and allows the Group to continually improve and adapt its information security controls as new threats emerge and our business undergoes change and expansion in our turbulent world.

Communicating to our shareholders

Relations with shareholders

WANdisco is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. During the year, numerous activities were undertaken to engage with shareholders.

Results announcements

We communicate with shareholders through our full-year and half-year announcements and trading updates. We invite institutional shareholders and analysts to view our full-year and half-year announcements. The presentation slides and a webcast of the presentations are made available at www.wandisco.com/investors/reports-and-presentations on the day of announcement.

Shareholder meetings

The AGM is the principal forum for dialogue with private shareholders, and we encourage shareholders to attend and participate. The AGM was held on Wednesday 16 June 2021 at our office in Sheffield, with the results being published on our website, www.wandisco.com/investors.

This year's AGM will be held at 10am on Friday 22 July 2022 at our office in Sheffield. Full details are included in the Notice of Meeting, which is sent to shareholders at least 21 days before the meeting.

Website and shareholder communications

Our website, www.wandisco.com/investors, provides a range of corporate information on our business, results and financial performance, including copies of our Annual Report and Accounts, announcements and presentations.

Meetings, roadshows and conferences

The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer and the Chief Financial Officer. A calendar of events is set out below.

The Chief Executive Officer and the Chief Financial Officer regularly meet with institutional shareholders to foster a mutual understanding of objectives. In particular, an extensive programme of meetings with analysts and institutional shareholders is held following the interim and preliminary results announcements. Feedback from these meetings and market updates prepared by the Company's Nomad are presented to the Board to ensure it understands shareholders' views. The other Non-executive Directors are available to shareholders to discuss strategy and governance issues.

2021 key shareholder engagements

Month	Communication	Type
January 2021	Needham Investor Conference	Conference
February 2021	KeyBanc Capital Markets 2021	Conference
May 2021	Needham Investor Conference	Conference
May 2021	Annual Report published	Report
June 2021	AGM	Meeting
	Result of AGM	RNS
September 2021	Interim results	Meeting, RNS
November 2021	Needham Investor Conference	Conference

Meeting RNS Report Conference

Nomination Committee report

David Richards, Chairman, President, CEO and Co-founder

Monitoring succession planning

The Nomination Committee assists the Board in determining Board appointments and succession planning for Directors.

David Richards
Chairman, President, CEO and Co-founder

Committee composition

The Nomination Committee is chaired by David Richards and the other members of the Committee are Bob Corey, Grant Dollens, Karl Monaghan and Erik Miller.

Committee responsibilities

The Nomination Committee has responsibility for: reviewing the structure, size and composition of the Board and recommending to the Board any changes required; succession planning; and identifying and nominating for approval Board candidates to fill vacancies as and when they arise. The Committee is also responsible for reviewing the results of any Board performance evaluation process and making recommendations to the Board concerning the Board's Committees and the re-election of Directors at the AGM.

The membership of the Nomination Committee comprises the three Non-executive Directors, David Richards and Erik Miller.

The Nomination Committee is required to meet not less than once a year and at such other times as required.

It has written terms of reference, which are available for review at www.wandisco.com.

Committee meetings

The Nomination Committee met once during the year, with the Chief Executive Officer and Chief Financial Officer in attendance.

The Board has considered diversity in broader terms than just gender and believes it is also important to have the correct balance of skills, experience, independence and knowledge on the Board. All Board appointments will be made on merit and with the aim of achieving a correct balance. The Group has formal policies in place to promote equality of opportunity across the whole organisation and training is provided to assist this.

Currently, there are no women on the Board. As opportunities arise, the Board will seek to increase the presence of women on the Board consistent with the above policy and the terms of reference of the Nomination Committee.

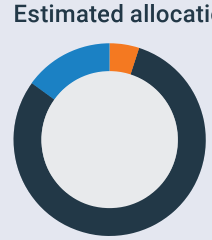
David Richards
Chairman, President,
CEO and Co-founder
23 June 2022

Committee meeting attendance

David Richards	■
Bob Corey	■
Erik Miller	■
Grant Dollens	■
Karl Monaghan	■

■ Attended
□ Did not attend
Not required to attend

Estimated allocation of time



5%	Performance evaluation
80%	Succession planning
15%	Structure review

Audit Committee report

Bob Corey, Vice Chairman and Senior Non-executive Director

Ensuring compliance and effectiveness

I am pleased to present the Report of the Audit Committee, which provides a summary of the Committee's role and activities during the 2021 financial year.

Bob Corey
Vice Chairman and Senior Non-executive Director

Committee composition

Bob Corey is the Chairman of the Committee and the other members of the Committee are Karl Monaghan and Grant Dollens. The Board considers Bob Corey to have relevant and recent financial experience, given his biography set out on page 38.

Committee responsibilities

The Audit Committee ("the Committee") is established by and is responsible to the Board. It has written terms of reference, which are available for review at www.wandisco.com. Its main responsibilities are:

- to monitor and be satisfied that the Group's financial statements are fair, balanced and understandable before submission to the Board for approval, ensuring their compliance with the appropriate accounting standards, the law and the AIM Rules;
- to monitor and review the effectiveness of the Group's system of internal control;
- to make recommendations to the Board in relation to the appointment of the external auditor and its remuneration, following appointment by the shareholders in general meeting, and to review and be satisfied with the auditor's independence, objectivity and effectiveness on an ongoing basis; and
- to implement the policy relating to any non-audit services performed by the external auditor.

The Committee is authorised by the Board to seek and obtain any information it requires from any officer or employee of the Group and to obtain external legal or other independent professional advice as is deemed necessary by it.

Committee meetings

There were two meetings of the Committee during the year scheduled to coincide with the review of the scope of the external audit and observations arising from its work in relation to internal control, and to review the financial statements. The external auditor attended one of these meetings. Since the end of the financial year, the Committee has met twice (in February 2022 and June 2022) to consider, amongst other matters, this Annual Report, with the external auditor being present at these meetings. The Committee also met with the external auditor, without the Executive Directors being present, once during the year.

Committee meeting attendance

Bob Corey	■	■
Grant Dollens	■	■
Karl Monaghan	■	■

■ Attended
□ Did not attend
Not required to attend

Estimated allocation of time

5%	Performance evaluation
25%	Accounting matters
10%	Risk management
20%	Internal controls
40%	Financial reporting

Significant work undertaken by the Committee during the year

Review of the 2021 financial statements

The Audit Committee reviewed and endorsed, prior to submission to the Board, the full-year financial statements and the preliminary, interim results and trading update announcements. The Committee considered risk management updates, agreed external audit plans, approved accounting policies and ensured appropriate whistleblowing arrangements and associated policies were in place.

In reviewing the financial statements with management and the auditor, the Committee has discussed and debated the critical accounting judgements and key sources of estimation uncertainty as set out in Note 4 to the financial statements. As a result of our review, the Committee has identified the following issues that require a high level of judgement or have a significant impact on the interpretation of this Annual Report.

COVID-19 and the conflict in Ukraine and Russia

Management reviewed the potential impacts that COVID-19 and the conflict in Ukraine and Russia could have on the business.

The Committee is satisfied with the findings identified and that appropriate disclosures have been made in the Annual Report and Accounts.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

The detailed budget and forecasts formed the basis of the going concern review and management also prepared a sensitised version, which considered a delay in revenue growth and included actions, under the control of the Group, that they could take to further significantly reduce the cost base in the coming year in the event that longer-term revenue is set to remain consistent with the level reported in 2021. The cash flow model includes the injection of $19.8m cash, which was raised following the year end and announced on 15 June 2022. Further details are included in Note 2(b).

The Committee is satisfied with the findings of the going concern review and that appropriate disclosures have been made in the Annual Report and Accounts.

Revenue recognition

Under IFRS 15 the Group is required to de-bundle subscription arrangements into the separate licence and maintenance and support performance obligations. The method of allocation requires judgement and is based on prior experience of separate arrangements (e.g. when maintenance and support is sold separately on a perpetual licence) along with market practice.

The Committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures have been made in the Annual Report and Accounts.

Capitalisation and carrying value of development costs

The Group capitalises development costs which meet the criteria required under IAS 38. The carrying amount of the intangible assets is allocated to CGUs. The recoverable amount was calculated using a value in use basis based on financial forecasts.

The Committee is satisfied that the judgements made by management in the value in use calculation are reasonable and that appropriate disclosures have been made in the Annual Report and Accounts.

In reaching this conclusion the Committee has considered the reports and analysis prepared by management and has also constructively challenged assumptions. The Committee has also considered detailed reporting from and discussions with the external auditor.

Committee performance

The Committee carried out an annual assessment of its own performance during the year and the conclusion was that the Committee was performing as expected.

External auditor

As required, the external auditor provided the Committee with information for review about policies and processes for maintaining its independence and compliance regarding the rotation of audit partners and staff. The Committee considered all relationships between the external auditor and the Group and was satisfied that they did not compromise the auditor's judgement or independence, particularly with the provision of non-audit services.

An internal review of the effectiveness of the external audit process was carried out during the year and no deficiencies were found. Management was satisfied with the external audit team's knowledge of the business and that the scope of the audit was appropriate, all significant accounting judgements had been challenged robustly and the audit had been effective.

All of the above was considered before a recommendation was made by the Committee to the Board to propose BDO for re-election at the AGM.

Internal audit function

Given the Group's size and development, the Board did not consider it necessary to have an internal audit function during the year. The Board will continue to monitor this requirement annually.

Bob Corey
Vice Chairman and
Senior Non-executive Director
23 June 2022

Determining remuneration policies

This report sets out information about the remuneration of the Directors of the Company for the year ended 31 December 2021.

Karl Monaghan
Chairman of the Remuneration Committee

The Board, as required by the QCA Code, supports the principle of transparency and has prepared this report in order to provide information to shareholders on executive remuneration arrangements.

The Remuneration Committee

Committee composition

The Remuneration Committee is chaired by Karl Monaghan and the other members of the Committee are Bob Corey and Grant Dollens.

Committee responsibilities

The Remuneration Committee's primary purposes are to assist the Board in determining the Company's remuneration policies, review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of service, the granting of share options, and other equity incentives.

Committee meetings

The Remuneration Committee met two times in the year, with the other Board members in attendance as appropriate.

Remuneration Committee report

The content of this report is unaudited unless stated.

Remuneration policy

The objective of the remuneration policy is to ensure that the overall remuneration of Executive Directors is aligned with the performance of the Group and preserves an appropriate balance of income and shareholder value.

Non-executive Directors

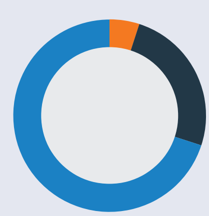
Remuneration of the Non-executive Directors is determined by the Executive Directors. Non-executive Directors are not entitled to pensions, annual bonuses or employee benefits. They are entitled to participate in share option arrangements relating to the Company's shares. Each of the Non-executive Directors has a letter of appointment stating his annual fee and that his appointment is initially for a term of three years, subject to re-appointment at the AGM, renewable for further periods of three years. Their appointment may be terminated with three months' written notice at any time.

Committee meeting attendance

Karl Monaghan	■	■
Bob Corey	■	■
Grant Dollens	■	■

■ Attended
□ Did not attend
Not required to attend

Estimated allocation of time



5% Performance evaluation
25% Remuneration policy
70% Share option grant review

Directors' remuneration

The normal remuneration arrangements for Executive Directors consist of basic salary and annual performance-related bonuses. In addition, they receive private healthcare.

The Committee intends to make further awards under the Long-Term Incentive Plan ("LTIP") during 2022. Details of any awards will be disclosed in next year's Remuneration Committee report.

2021 annual bonus

The 2021 Bonus Plan comprised a target bonus based on a % of base salary. The Bonus Plan is based on the achievement of corporate financial performance measures, including revenue and overheads targets. Having regard to the performance of the business, the Remuneration Committee resolved to pay bonuses as set out on page 52.

Similar bonus principles will be adopted for 2022. Performance targets and weightings were set by the Remuneration Committee at the start of the year.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 54.

Directors' share options

Aggregate emoluments disclosed below do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of options for Directors who served during the year are as follows:

	Exercise price	Number of options at 1 January 2021	Number of options granted	Number of options exercised	Number of options lapsed	Number of options at 31 December 2021
Executive Directors						
David Richards	£1.90	92,771	–	–	–	92,771
	£0.10	12,687	–	–	–	12,687
	£0.10	23,764	–	–	–	23,764
Dr Yeturu Aahlad	£0.10	12,687	–	–	–	12,687
	£0.10	23,764	–	–	–	23,764
Erik Miller	£1.90	410,789	–	–	–	410,789
	£8.39	423,707	–	–	–	423,707
	£0.10	12,687	–	–	–	12,687
	£0.10	23,764	–	–	–	23,764
Non-executive Directors						
Grant Dollens	–	–	–	–	–	–
Karl Monaghan	–	–	–	–	–	–
Bob Corey	–	–	–	–	–	–

Remuneration Committee report continued

Directors' remuneration (audited)

	Payment currency	Salary/fees '000	Bonus '000	Benefits[1] '000	31 December 2021 Total '000	31 December 2020 Total '000
Executive Directors						
David Richards	£	£388	£146	£2	**£536**	$910
Erik Miller	$	$250	$63	$31	**$344**	$405
Dr Yeturu Aahlad	$	$150	–	$22	**$172**	$171
Non-executive Directors						
Grant Dollens	£	£40	–	–	**£40**	£40
Karl Monaghan	£	£40	–	–	**£40**	£40
Bob Corey	£	£50	–	–	**£50**	£50

1 Benefits include the provision of private health insurance for Executive Directors and their immediate families.

The total Directors' remuneration for the period ended 31 December 2021, in US dollars, was $1,438,000 (2020: $5,433,000) including gains on share options exercised in the prior year.

Approval

This report was approved by the Directors and signed by order of the Board.

Karl Monaghan
Chairman of the Remuneration Committee
23 June 2022

Directors' report
Erik Miller, Chief Financial Officer

The Directors present their report and the audited financial statements for the year ended 31 December 2021 in accordance with the Companies (Jersey) Law 1991. Particulars of important events affecting the Group, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 6 to 35, which is incorporated into this report by reference together with the Corporate governance report on pages 42 to 46. In addition, this report should be read in conjunction with information concerning employee share schemes, which can be found in the Remuneration Committee report on pages 50 to 52 and in Note 13 to the financial statements, and which is incorporated by way of cross-reference into the Directors' report.

Principal activity

The principal activity of the Group is the development and provision of global collaboration software.

Business review and future developments

A review of the Group's operations and future developments is covered in the Strategic report section of the Annual Report and Accounts on pages 6 to 35. This report includes sections on strategy and markets and considers key risks and key performance indicators.

Financial results

Details of the Group's financial results are set out in the consolidated statement of profit or loss and other comprehensive income and other components on pages 61 to 90.

Dividends

The Directors do not recommend the payment of a dividend (2020: $nil).

Going concern

The Company's business activities, together with risk factors which potentially affect its future development, performance or position, can be found in the Strategic report on pages 6 to 35. Details of the Company's financial position and its cash flows are outlined in the Financial review on pages 33 and 34.

After making reasonable enquiries and following a share subscription during the year which raised $42.5m of gross proceeds, with another share subscription after the end of the year for total proceeds of $19.8m, the Board has an expectation that the Group and the Company have adequate financial resources together with a strong business model to ensure they continue to operate for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements. This is described in more detail in Note 2(b).

Annual General Meeting ("AGM")

On pages 92 to 95 is the Notice of the Company's tenth AGM to be held at 10am on 22 July 2022 at the UK Company's offices, Castle House, 1–13 Angel Street, Sheffield S3 8LN.

Directors

The Directors who served on the Board and on Board Committees during the year are set out on pages 38 and 39. One-third of the Directors are required to retire at the AGM and can offer themselves for re-election.

Information on Directors' remuneration and share option rights is given in the Remuneration Committee report on pages 50 to 52.

Directors' indemnity arrangements

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. Other than this, and with the exception of employment contracts between each Executive Director and the Group, at no time during the year did any Director hold a material interest in any contract of significance with the Group or any of its subsidiary undertakings. The Group has purchased and maintained throughout the year Directors' and officers' liability insurance in respect of all Group companies.

None of the Directors had any interest in the share capital of any subsidiary company. Further details of options held by the Directors are set out in the Remuneration Committee report on pages 50 to 52.

The middle market price of the Company's ordinary shares on 31 December 2021 was 412.50 pence and the range during the year was 260.00 pence to 540.00 pence, with an average price of 393.27 pence.

Significant shareholders

The Company is informed that, at 9 June 2022 (the latest practicable date prior to publication), individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of shares	% of issued ordinary share capital
Grant Dollens[1]	7,226,219	12.08%
Davis Capital Partners, LLC	5,873,268	9.82%
Lombard Odier Asset Management (Europe) Limited	5,525,943	9.24%
Invesco Ltd.	5,085,131	8.50%
Conifer Capital Management	3,297,915	5.51%
Dr Yeturu Aahlad	2,477,016	4.14%
Richard Griffiths	2,420,130	4.05%
Ross Creek Capital Management, LLC	2,025,000	3.39%
David Richards	1,807,264	3.02%

1 Of which 526,384 shares (0.88%) are held by Grant Dollens personally and 1,921,988 shares (3.21%) are held by Global Frontier Partners, LP and 4,777,847 (7.99%) are held by Global Frontier Technology Opportunity Fund, LP, in which Grant Dollens is interested (Grant Dollens is currently Managing Member at Global Frontier Investments, LLC, a US-based investment manager, and Portfolio Manager for Global Frontier Partners, LP, a shareholder in WANdisco).

Erik Miller, Chief Financial Officer

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company at 31 December 2021 and 9 June 2022 (the latest practicable date prior to publication) were as follows:

	At 31 December 2021		At 9 June 2022	
	Number of shares	% of issued ordinary share capital	Number of shares	% of issued ordinary share capital
Executive				
David Richards	1,807,264	3.03%	1,807,264	3.02%
Dr Yeturu Aahlad	2,477,016	4.16%	2,477,016	4.14%
Erik Miller	1,820	0.00%	1,820	0.00%
Non-executive				
Grant Dollens[1]	7,226,219	12.12%	7,226,219	12.08%
Karl Monaghan	64,629	0.11%	64,629	0.11%
Bob Corey	22,170	0.04%	22,170	0.04%

1 Of which 526,384 shares (0.88%) are held by Grant Dollens personally and 1,921,988 shares (3.21%) are held by Global Frontier Partners, LP and 4,777,847 (7.99%) are held by Global Frontier Technology Opportunity Fund, LP, in which Grant Dollens is interested (Grant Dollens is currently Managing Member at Global Frontier Investments, LLC, a US-based investment manager, and Portfolio Manager for Global Frontier Partners, LP, a shareholder in WANdisco).

Articles of Association

Any amendments to the Articles of Association of the Company may be made by special resolution of the shareholders.

Research and development

The Group expended $11,380,000 during the year (2020: $8,991,000) on research and development, of which $5,340,000 (2020: $5,220,000) was capitalised within intangible assets and $6,040,000 (2020: $3,771,000) was charged to the income statement. In addition, an amortisation charge of $5,115,000 (2020: $5,070,000) has been recognised against previously capitalised costs.

Derivatives and financial instruments

The Group's policy and exposure to derivatives and financial instruments is set out in Note 23.

Employee involvement

It is the Group's policy to involve employees in its progress, development and performance. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. The Group is a committed equal opportunities employer and has engaged employees with broad backgrounds and skills.

It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues.

Health and safety

The Group is committed to providing a safe and healthy working environment for all staff and contractors. The Group's health and safety standard sets out the range of policies, procedures and systems required to manage risks and promote wellbeing.

Political and charitable donations

During the year ended 31 December 2021 the Group made political donations of $nil (2020: $nil) and charitable donations of $97,911 (2020: $82,578).

Supplier payment policy and practice

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations.

The number of creditor days outstanding at 31 December 2021 was 14 days (2020: 17 days).

Auditor

As recommended by the Audit Committee, a resolution for the re-appointment of BDO LLP as auditor of the Company is to be proposed at the forthcoming AGM.

Audit information

Each of the Directors at the date of the Directors' report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware and he has taken all the reasonable steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

Subsequent events

On 15 June 2022 the Group announced a new subscription of shares to new and existing shareholders for 5,857,862 new ordinary shares of 10 pence each in the Company at a price of 270 pence (a premium of 5.5% on the closing share price on 14 June 2022) raising gross proceeds of $19.8m.

The Directors' report has been approved by the Board of Directors on 23 June 2022.

Signed on behalf of the Board.

Erik Miller
Chief Financial Officer
23 June 2022

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

Companies (Jersey) Law requires the Directors to prepare Group financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the UK ("UK adopted international accounting standards") and applicable law.

Under Companies (Jersey) Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the UK; and
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report
to the members of WANdisco plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of WANdisco plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and notes to the Consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting has been included in the key audit matters section below.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	100% (2020: 100%) of Group loss before tax 100% (2020: 100%) of Group revenue 100% (2020: 98%) of Group total assets		
Key audit matters		2021	2020
	Revenue recognition	✓	✓
	Capitalisation of internal development costs	✓	✓
	Carrying value of development costs	✓	✓
	Going concern	✓	✓
Materiality	Group financial statements as a whole $430k (2020: $350k) based on 1.25% (2020: 1.25%) of the three-year average of loss before tax.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In determining the scope of our audit, we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole.

The Group audit engagement team performed a full scope audit of three significant components. At the Group level, we also tested the consolidation process.

For the remaining two non-significant components the Group audit engagement team performed other procedures, including analytical reviews, audit procedures on specific balances and direct confirmation of cash balances to respond to any potential risks of material misstatement to the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Going concern See Note 2(b).	The Group's continuing losses, along with other factors, including cash burn rate, decreasing revenue year on year and the impact of COVID-19 pandemic, are indicators that the risk associated with the Group's going concern status is greater than normal. The considerations supporting the going concern assessment require the Directors to make highly subjective judgements. We have therefore spent significant audit effort in assessing the appropriateness of the assumptions involved, and as such this has been identified as a Key Audit Matter.	› Obtaining an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Group's financial performance including forecasting and budgeting processes and the Group's risk assessment process; › Evaluating the Directors' cash flow forecast model including the relevance and reliability of underlying data used to make the assessment by agreeing to supporting documentation, including management accounts, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other; › Assessing the Group's historical budgeting accuracy, via a retrospective review of actual performance against budget and understanding the changes in circumstances by reviewing the pipeline of customers leading to the forecast revenue; › Analysing changes in key assumptions including a reasonably possible (but not unrealistic) reduction in forecast revenue to understand the sensitivity in the cash flow forecasts for a period of twelve months from the date of approval of the financial statements; › We evaluated the Directors' plans for future actions such as revenue growth and gross profit margins in relation to the going concern assessment including whether such plans are feasible in the circumstances, with reference to management accounts and other supporting documentation; › Reviewing post-balance sheet events, specifically the funding received as a result of the equity issued in June 2022 and the actual post year end results against budgeted performance of the Group in January, to May 2022; and › We evaluated the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist in accordance with IAS 1.
Revenue recognition See Note 7 and relevant accounting policies in Note 28.	The Group's contracts with customers involve multiple performance obligations. Therefore, revenue recognition related to each performance obligation requires judgement over the assessment of the separate contract performance obligations. We assessed revenue recognition as a fraud risk as revenue forms the basis for certain of the Group's key performance indicators, both in external communications and for management incentives. We identified specific risks of fraud and error in respect of inappropriate revenue recognition given the nature of the Group's contracts with customers as follows: › The recognition of revenue in the appropriate period, including the deferral, or accrual of revenue, i.e., cut-off; › The completeness of deferred revenue; › The measurement of revenue attributed to each deliverable within a contract with a customer; and › Risk of manipulation of revenue through manual journal entries. We therefore considered revenue recognition to be a key audit matter.	Our audit work included the following procedures on the revenue recognition: › We evaluated management's determination of whether the nature of the Group's products results in the provision of a deliverable at a point in time or over a contractual term. This included the assessment of a sample of new or one-off transactions. › For a sample of customers, we tested all revenue transactions in FY2021 with the customers to (1) ensure a proper identification of deliverables; (2) proper and consistent allocation of the contract price to the performance obligations satisfied over time and at a point in time; (3) for deliverables, for which revenue is earned over time, accurate calculation of the revenue and deferred revenue based on the progress of the contract, (4) consistent application of the revenue recognition policy, and (5) appropriate period of revenue recognition with reference to contractual documents; › We performed cut-off testing, testing a sample of revenue transactions either side of the period end to underlying support to confirm that revenue was appropriately recognised in the correct period. › We performed a search for revenue recorded through journal entries and tested for any unusual entries such as unexpected double entry combinations, or entries that were posted outside of normal business processes. We investigated any unusual items to establish whether the sale had occurred in the financial year to support the revenue recognised; › We performed certain specific procedures to address the risk of management override, which included testing of unusual, new or significant transactions or contractual terms as contracts usually have standard terms; and › For a sample of contracts we obtained management's analysis of their estimate of the fair value attributed to each identified performance obligation within each sampled contract and the timing of revenue recognition for each deliverable. The allocation of fair value is typically 20% to licenses and 80% to maintenance and support. We audited this by looking at the allocations used by comparable public companies and through reviewing the underlying contracts for non-standard terms and conditions that might indicate that this allocation should be different.

Key observations

Based on procedures performed, we consider that revenue has been recognised appropriately and in accordance with accounting standards.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Capitalisation of internal development costs See Note 15 and relevant accounting policies in Note 28.	The Directors apply judgement in the classification of expenditure as capital in nature rather than ongoing operational expenditure. The significant judgement and related risk is that internal costs are capitalised that should be expensed under the requirements of IAS 38 – Intangible assets. Due to the judgements involved on this area we considered it to be a key audit matter.	› For a sample of items capitalised during the year we assessed the nature cost and evaluated the appropriateness of its classification as capitalised costs, having regard to IAS 38 requirements. This included assessing whether major projects are technically feasible and commercially viable by reference to existing orders and future forecasts given the core technology; and › We agreed the existence of a sample of employees to contracts including verifying their salary costs. Through challenging management's judgements and assumptions, we were able to gain comfort that the costs capitalised as development expenditure were appropriate based on the efforts and work involved on the systems.

Key observations
Based on procedures performed, we consider the judgements made by management in capitalising development costs were reasonable and the development costs capitalised were in line with the requirements of IAS 38.

Key audit matter		How the scope of our audit addressed the key audit matter
Carrying value of development costs See Note 15 and relevant accounting policies in Note 28.	The Group continues to be loss making and as result, the Group has tested previously capitalised development costs for impairment. There remains a degree of uncertainty around whether expected revenues and profits will be realised and be sufficient to ensure recoverability of the assets recognised on the balance sheet. Due to the judgements involved on this area we considered it to be a key audit matter.	Our audit work included the following procedures on carrying value of development costs: › We performed audit procedures on the reasonableness of the growth rates, margin and the discount rate applied including comparison to economic and industry forecasts where appropriate with assistance from BDO valuation specialists; › We assessed the appropriateness of the key assumptions used in the FY22 forecast including new customer acquisition (pipeline) to supporting evidence, upsell/add-ons and level of loss of customers by assessing these against the results achieved in FY21; and › We performed sensitivity analysis of management's model in respect of the key assumptions such as discount rate and growth rates to ensure there was sufficient headroom in their calculation.

Key observations
Based on procedures performed, we considered that management's judgements and disclosures were appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our application of materiality continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2021 $k	2020 $k
Materiality	430	350
Basis for determining materiality	1.25% of three-year average loss before tax. Provides a more stable measure year on year of performance from a financial and operational perspective for the Group.	
Rationale for the benchmark applied	Suitable benchmark to address the performance of a non-profitable business.	
Performance materiality	280	227
Basis for determining performance materiality	65% of materiality. The level of performance materiality to be applied was based on our assessment of the Group's internal controls and the impact of these on our proposed audit strategy. We have considered the level of expected errors and managements attitude to correcting proposed audit adjustments when reaching our conclusion of the level of performance materiality to be applied.	65% of materiality. The level of performance materiality to be applied was based on our assessment of the Group's internal controls and the impact of these on our proposed audit strategy. We have considered the level of expected errors and managements attitude to correcting proposed audit adjustments when reaching our conclusion of the level of performance materiality to be applied.

Component materiality

We set materiality for each significant component of the Group based on a percentage of between 45% and 65% of Group materiality dependent on the size and our assessment of the risk of material misstatement of the significant components. Component materiality ranged from $189k to $280k. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $21,500 (2020: $17,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Jersey) Law 1991 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies (Jersey) Law 1991 and ISAs (UK) to report on certain opinions and matters as described below.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion: › proper accounting records have not been kept by the Parent Company or returns adequate for our audit have not been received from branches not visited by us; or › the Parent Company financial statements are not in agreement with the accounting records and returns; or › we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the annual report and the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the components and the relevant tax compliance regulations in the jurisdictions in which the Group operates, of which the key ones relate to the reporting framework (IFRS and the Companies (Jersey) Law 1991), AIM rules, labour law, health and safety and taxation. We obtained an understanding legal and regulatory frameworks that are applicable to the Group by making enquiries of management and corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group.
- We enquired of management and obtained and reviewed supporting documentation, concerning the Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

The engagement partner has assessed and confirmed that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Based on our understanding of the environment and assessment of the incentive and opportunity for fraud we carried out the following procedures:

- Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and manual consolidation entries;
- Challenging the assumptions and judgements made by management in respect of significant accounting estimates;
- In areas impacting Group key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk, as described in the revenue recognition. capitalisation of develop costs and carrying value of development costs key audit matter section above; and
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Butcher
For and on behalf of BDO LLP, Chartered Accountants
London, UK
23 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC315127).

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	31 December 2021 $'000	31 December 2020 $'000
Revenue	6,7	**7,306**	10,532
Cost of sales	8	**(659)**	(1,066)
Gross profit		**6,647**	9,466
Operating expenses	8,9	**(44,350)**	(43,373)
Impairment loss	23(a)(ii)	**(2,131)**	—
Operating loss	9	**(39,834)**	(33,907)
Finance income	10	**1,175**	305
Finance costs	10	**(172)**	(2,183)
Net finance income/(costs)	10	**1,003**	(1,878)
Loss before tax		**(38,831)**	(35,785)
Income tax	11	**1,236**	1,453
Loss for the year		**(37,595)**	(34,332)
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		**(1,041)**	3,872
Other comprehensive (loss)/income for the year, net of tax		**(1,041)**	3,872
Total comprehensive loss for the year attributable to owners of the parent		**(38,636)**	(30,460)
Loss per share			
Basic and diluted loss per share	12	**($0.65)**	($0.68)

The notes on pages 65 to 90 are an integral part of these consolidated financial statements.

Financial statements

Consolidated statement of financial position
At 31 December 2021

	Note	31 December 2021 $'000	31 December 2020 $'000
Assets			
Property, plant and equipment	14	2,244	2,895
Intangible assets	15	5,252	5,027
Other non-current assets	16	1,201	2,215
Non-current assets		8,697	10,137
Trade and other receivables	17	5,731	10,142
Cash and cash equivalents	18	27,759	21,039
Current assets		33,490	31,181
Total assets		42,187	41,318
Equity			
Share capital	19(a)	8,608	7,641
Share premium	19(c)	213,762	172,868
Translation reserve	19(c)	(2,752)	(1,711)
Merger reserve	19(c)	1,247	1,247
Retained earnings		(186,442)	(150,851)
Total equity		34,423	29,194
Liabilities			
Loans and borrowings	20	1,230	1,778
Deferred income	21	334	659
Deferred tax liabilities	11(d)	4	4
Non-current liabilities		1,568	2,441
Current tax liabilities		29	12
Loans and borrowings	20	586	1,115
Trade and other payables	22	4,156	5,462
Deferred income	21	1,425	3,094
Current liabilities		6,196	9,683
Total liabilities		7,764	12,124
Total equity and liabilities		42,187	41,318

The notes on pages 65 to 90 are an integral part of these consolidated financial statements.

The financial statements on pages 61 to 90 were approved by the Board of Directors on 23 June 2022 and signed on its behalf by:

David Richards
Chairman and CEO

Erik Miller
Chief Financial Officer

Company registered number: 110497

Consolidated statement of changes in equity
For the year ended 31 December 2021

	Note	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total equity $'000
		Attributable to owners of the Company					
Balance at 31 December 2019		7,097	149,336	(5,583)	1,247	(121,922)	30,175
Total comprehensive (loss)/income for the year							
Loss for the year		–	–	–	–	(34,332)	(34,332)
Other comprehensive income for the year		–	–	3,872	–	–	3,872
Total comprehensive income/(loss) for the year		–	–	3,872	–	(34,332)	(30,460)
Transactions with owners of the Company							
Contributions and distributions							
Equity-settled share-based payment	13(d)	–	–	–	–	5,403	5,403
Share options exercised		162	106	–	–	–	268
Proceeds from share placing		382	23,426	–	–	–	23,808
Total transactions with owners of the Company		544	23,532	–	–	5,403	29,479
Balance at 31 December 2020		7,641	172,868	(1,711)	1,247	(150,851)	29,194
Total comprehensive (loss)/income for the year							
Loss for the year		–	–	–	–	(37,595)	(37,595)
Other comprehensive loss for the year		–	–	(1,041)	–	–	(1,041)
Total comprehensive loss for the year		–	–	(1,041)	–	(37,595)	(38,636)
Transactions with owners of the Company							
Contributions and distributions							
Equity-settled share-based payment	13(d)	–	–	–	–	2,004	2,004
Share options exercised		15	21	–	–	–	36
Proceeds from share placing		952	40,873	–	–	–	41,825
Total transactions with owners of the Company		967	40,894	–	–	2,004	43,865
Balance at 31 December 2021		8,608	213,762	(2,752)	1,247	(186,442)	34,423

The notes on pages 65 to 90 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Loss for the year		(37,595)	(34,332)
Adjustments for:			
– Depreciation of property, plant and equipment	14	1,077	1,203
– Amortisation of intangible assets	15	5,115	5,070
– Net finance costs		116	69
– Income tax	11	(1,236)	(1,453)
– Foreign exchange		(992)	3,773
– Equity-settled share-based payment	13(d)	2,004	5,403
		(31,511)	(20,267)
Changes in:			
– Trade and other receivables		5,728	339
– Trade and other payables		(1,280)	910
– Deferred income		(1,994)	(57)
Net working capital change		2,454	1,192
Cash used in operating activities		(29,057)	(19,075)
Interest paid		(170)	(294)
Income tax received		998	662
Net cash used in operating activities		(28,229)	(18,707)
Cash flows from investing activities			
Interest received	10	5	21
Acquisition of property, plant and equipment		(427)	(307)
Development expenditure	15	(5,340)	(5,220)
Net cash used in investing activities		(5,762)	(5,506)
Cash flows from financing activities			
Proceeds from issue of share capital net of transaction costs of $0.6m (2020: $1.1m)		41,861	24,076
Repayment of bank loan	20(c)	(556)	(1,666)
Payment of lease liabilities	20(c)	(517)	(595)
Net cash from financing activities		40,788	21,815
Net increase/(decrease) in cash and cash equivalents		6,797	(2,398)
Cash and cash equivalents at 1 January		21,039	23,354
Effect of movements in exchange rates on cash held		(77)	83
Cash and cash equivalents at 31 December	18	27,759	21,039

The notes on pages 65 to 90 are an integral part of these consolidated financial statements.

1. Reporting entity

WANdisco plc ("the Company") is a public limited company incorporated and domiciled in Jersey. The Company's ordinary shares are traded on AIM. The Company's registered office is 47 Esplanade, St. Helier, Jersey JE1 0BD. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the development and provision of global collaboration software.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") - UK adopted international accounting standards. They were authorised for issue by the Company's Board of Directors on 23 June 2022.

Under Article 105(11) of the Companies (Jersey) Law 1991, a parent company preparing consolidated financial statements need not present solus (parent company only) financial information, unless required to do so by an ordinary resolution of the Company's members.

(a) Accounting policies

Details of the Group's accounting policies are included in Note 28. The policies have been consistently applied to all the years presented, unless otherwise stated.

The following new standards and amendments to standards that are effective for the first time for the financial year beginning 1 January 2021 have been adopted:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16); and
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).

These amendments to standards have not had a material impact on these financial statements.

(b) Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 20.

As at 31 December 2021 the Group had net assets of $34.4m (31 December 2020: $29.2m), including cash of $27.8m (2020: $21.0m) as set out in the consolidated statement of financial position, with no debt facility outstanding (2020: debt facility fully drawn of $0.6m). In the year ended 31 December 2021, the Group incurred a loss before tax of $38.8m (2020: $35.8m) and net cash outflows before financing of $34.0m (2020: $24.2m).

During 2021, the performance of the Group declined, with revenue reducing by 31% to $7.3m (2020: $10.5m) and operating loss increasing to $39.8m (2020: $33.9m).

The Directors have prepared a detailed budget and forecast of the Group's expected performance over a period covering at least the next twelve months from the date of the approval of these financial statements. As well as modelling the realisation of the sales pipeline, these forecasts also cover a number of scenarios and sensitivities in order for the Board to satisfy itself that the Group remains within its current cash facilities, details of which are included in Note 20. The cash flow model includes the injection of $19.8m of cash which was announced following the year end on 15 June 2022.

Whilst the Directors are confident in the Group's ability to grow revenue, the Board's sensitivity modelling (which considered the impact of Brexit, COVID-19, recession risks and the conflict in Ukraine) shows that the Group can remain within its facilities in the event that revenue growth is delayed (i.e. revenue does not increase from the level reported in 2021) for a period in excess of twelve months. The Directors' financial forecasts and operational planning and modelling also include the actions, under the control of the Group, that they could take to further significantly reduce the cost base during the coming year in the event that longer-term revenues were set to remain consistent with the level reported in 2021. On the basis of this financial and operational modelling, the Directors believe that the Group has the capability and the operational agility to react quickly, cut further costs from the business and ensure that the cost base of the business is aligned with its revenue and funding scale.

As a consequence, the Directors have a reasonable expectation that the Group can continue to operate within its existing facilities and be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Group financial statements.

3. Functional and presentational currency

See accounting policy in Note 28(b).

The consolidated financial statements are presented in US dollars, as the revenue for the Group is predominantly derived in this currency. Billings to the Group's customers during the year by WANdisco, Inc. were all in US dollars with certain costs being incurred by WANdisco International Limited in sterling and WANdisco, Pty Ltd in Australian dollars. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

4. Use of judgements and estimates

See accounting policy in Note 28(c).

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies, which are included in note 28 (c), that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 7 – revenue recognition (note 28 (d)).
- Note 15 – development costs (note 28 (m)).

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 28 (d) – revenue recognition: allocation of value to maintenance and support element of subscription arrangements.
- Note 15 – impairment test of intangible assets: key assumptions underlying recoverable amounts, including the recoverability of development costs.

(c) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Further information about the assumptions made in measuring fair values is included in the following note:

- Note 13 – share-based payment.

5. Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") which are non-IFRS measures to monitor the performance of its operations. The Group believes these APMs provide useful historical financial information to help investors and other stakeholders evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. In particular, the Group uses APMs which reflect the underlying performance on the basis that this provides a more relevant focus on the core business performance of the Group and aligns with our KPIs. Adjusted results exclude certain items because if included, these items could distort the understanding of our performance for the year and the comparability between periods. The Group has been using the following APMs on a consistent basis and they are defined and reconciled as follows:

- Cash overheads: Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure and equity-settled share-based payment. See Note 9 for a reconciliation.
- Adjusted EBITDA: Operating loss adjusted for: impairment loss, depreciation, amortisation and equity-settled share-based payment. See Note 9 for a reconciliation.

6. Operating segments

See accounting policy in Note 28(e).

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance and support.

(a) Geographical segments

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

Revenue	2021 $'000	2020 $'000
North America – USA	4,992	8,635
North America – Other	32	34
Europe	1,218	1,096
Rest of the world – China	643	412
Rest of the world – Other	421	355
	7,306	10,532

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

6. Operating segments continued

(b) Major products

The Group's core patented technology, DConE, enables the replication of data. This core technology is contained in all the Group's products.

(c) Major customers

	2021 % of revenue	2021 $'000 revenue	2020 % of revenue	2020 $'000 revenue
Customer 1	22%	1,572	5%	522
Customer 2	4%	286	10%	1,070
Customer 3	2%	176	24%	2,515

No other single customers contributed 10% or more to the Group's revenue (2020: nil).

7. Revenue

See accounting policy in Note 28(d).

The Group generates revenue primarily from the sale of global collaboration software to its customers; see Note 6.

(a) Split of revenue by timing of revenue recognition

Revenue	2021 $'000	2020 $'000
Licences and services transferred at a point in time	4,666	7,607
Maintenance and support services transferred over time	2,640	2,925
	7,306	10,532

(b) Contract balances

The following table provides information about receivables, contract assets and liabilities from contracts with customers.

	2021 $'000	2020 $'000
Receivables, which are included in "Other non-current assets – accrued income"	1,161	2,124
Receivables, which are included in "Trade and other receivables – accrued income"	1,059	1,480
Contract liabilities, which are included in "Deferred income – non-current"	(334)	(659)
Contract liabilities, which are included in "Deferred income – current"	(1,425)	(3,094)

Total contract assets	2021 $'000	2020 $'000
At 1 January	3,604	5,790
Excess of revenue recognised over rights to cash being recognised in the year	1,459	758
Impairment of contract assets	(1,951)	(368)
Interest on contract assets	51	284
Transfers in the year from contract assets to trade receivables	(943)	(2,860)
At 31 December	2,220	3,604

Total contract liabilities	2021 $'000	2020 $'000
At 1 January	3,753	3,810
Amount invoiced in advance of performance and not recognised as revenue during the year	1,100	2,565
Amount previously included in contract liabilities that was recognised as revenue during the year	(3,094)	(2,622)
At 31 December	1,759	3,753

7. Revenue continued

(c) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so "point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

8. Expenses

(a) Expenses by nature

	Note	2021 $'000	2020 $'000
Cost of sales		659	1,066
Staff costs		27,329	27,570
Development costs capitalised	15	(5,340)	(5,220)
Amortisation of development costs	15	5,115	5,070
Depreciation of property, plant and equipment	14	1,077	1,203
Auditor's remuneration	8(b)	224	193
Other expenses		15,945	14,557
Operating expenses		44,350	43,373
Total cost of sales and operating expenses		45,009	44,439
Impairment loss		2,131	—
Total items included in arriving at operating loss		47,140	44,439

Included in staff costs above are $377,000 (2020: $326,000) relating to payments made to defined contribution plans.

The other expenses disclosed above primarily relate to other employee related costs, travel, 3rd party marketing spend, premises and technology costs and legal and professional costs.

(b) Auditor's remuneration

	2021 $'000	2020 $'000
Audit of these financial statements	157	135
Amounts receivable by auditor in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	67	58
	224	193

9. Adjusted EBITDA and cash overheads

Management has presented the performance measures "Adjusted EBITDA" and "Cash overheads" because it monitors these performance measures at a consolidated level and it believes that these measures are relevant to an understanding of the Group's financial performance. Adjusted EBITDA and cash overheads are not defined performance measures in IFRS. The Group's definition of adjusted EBITDA and cash overheads may not be comparable with similarly titled performance measures and disclosures by other entities.

(a) Reconciliation of operating loss to "Adjusted EBITDA"

	Note	2021 $'000	2020 $'000
Operating loss		(39,834)	(33,907)
Adjusted for:			
Impairment loss		2,131	—
Amortisation and depreciation		6,192	6,273
Equity-settled share-based payment	13(d)	2,004	5,403
Adjusted EBITDA		(29,507)	(22,231)
Development expenditure capitalised	15	(5,340)	(5,220)
Adjusted EBITDA including development expenditure		(34,847)	(27,451)

9. Adjusted EBITDA and cash overheads continued

(b) Reconciliation of operating expenses to "Cash overheads"

	Note	2021 $'000	2020 $'000
Operating expenses	8(a)	(44,350)	(43,373)
Adjusted for:			
Amortisation and depreciation		6,192	6,273
Equity-settled share-based payment	13(d)	2,004	5,403
Development expenditure capitalised	15	(5,340)	(5,220)
Cash overheads		(41,494)	(36,917)

10. Net finance income/(costs)

See accounting policy in Note 28(j).

	2021 $'000	2020 $'000
Interest income on cash and cash equivalents	5	21
Interest income on non-current assets	51	284
Net foreign exchange gain	1,119	—
Finance income	1,175	305
Net foreign exchange loss	—	(1,809)
Interest payable on bank borrowings	(3)	(71)
Finance charges	(7)	(65)
Leases (interest portion)	(160)	(202)
Loan amortisation costs	(2)	(36)
Finance costs	(172)	(2,183)
Net finance income/(costs)	1,003	(1,878)

The net foreign exchange gain (2020: loss) arose on sterling-denominated intercompany balances. These balances were retranslated at the closing exchange rate at 31 December 2021, which was 1.35, a 0.5% reduction compared to the rate of 1.36 at 31 December 2020. The loss on intercompany balances in the Consolidated statement of profit or loss is offset by an equivalent exchange loss (2020: gain) on the retranslation of the intercompany balances, which is included in the retranslation of net assets of foreign operations, included in the other comprehensive income.

11. Income tax

See accounting policy in Note 28(k).

(a) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Current tax credit		
Current year	1,305	1,194
Changes in estimates related to prior year	(69)	259
Income tax	1,236	1,453

11. Income tax continued

(b) Reconciliation of effective tax rate

	2021 %	2021 $'000	2020 %	2020 $'000
Loss before tax from continuing operations		38,831		35,785
Tax using the Company's domestic tax rate	21%	8,155	21%	7,515
Effect of tax rates in foreign jurisdictions	(0%)	(84)	0%	(76)
Tax effect of:				
Non-deductible expenses	(0%)	(108)	(2%)	(832)
Tax exempt expenses	(0%)	(14)	(1%)	(311)
R&D tax credits	1%	568	1%	523
Losses not recognised for current or deferred tax	(19%)	(7,212)	(16%)	(5,625)
Changes in estimates related to prior year	(0%)	(69)	1%	259
	3%	1,236	4%	1,453

The changes in estimates related to prior year of $69k (2020: $259k) includes an additional amount now recognised in respect of research and development tax credits relating to prior year of $32k (2020: $235k).

(c) Factors affecting the current and future tax charges

During 2021 the Chancellor of the Exchequer announced that the corporate tax rate would increase from 19% to 25% from 1 April 2023. The changes announced during the Budget on 3 March 2021 were substantively enacted as at the 2021 balance sheet date, therefore, all opening deferred taxation balances have been remeasured at 25%.

In December 2017, numerous changes to the tax laws were enacted in the US, including a decrease in the corporate tax rate from 35% to 21%. The deferred tax balance for US tax resident members of the Group at 31 December 2021 has been calculated based on the rate of 21% (2020: 21%).

The parent company WANdisco plc files tax returns in the US due to the presence of US trade.

(d) Deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following temporary differences in respect of property, plant and equipment:

	2021 $'000	2020 $'000
Deferred tax liabilities	(4)	(4)

The Group has unrecognised deferred tax assets of $33,479,000 (2020: $27,289,000) in respect of tax losses arising in the Group, for which there is no expiry date.

The Directors consider that there is not enough certainty over the availability of future taxable profits against which these losses may be offset and no asset has therefore been recognised.

12. Loss per share

(a) Basic loss per share

The calculation of basic loss per share has been based on the following loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

	2021 $'000	2020 $'000
Loss for the year attributable to ordinary shareholders	37,595	34,332

Weighted average number of ordinary shares

	2021 Number of shares '000	2020 Number of shares '000
Issued ordinary shares at 1 January	52,613	48,241
Effect of shares issued in the year	5,186	2,251
Weighted average number of ordinary shares at 31 December	57,799	50,492

12. Loss per share continued

(a) Basic loss per share continued

	2021 $	2020 $
Basic loss per share	0.65	0.68

(b) Adjusted loss per share

Adjusted loss per share is calculated based on the loss attributable to ordinary shareholders before net foreign exchange gain/(loss), acquisition-related items and the cost of equity-settled share-based payment, and the weighted average number of ordinary shares outstanding:

	Note	2021 $'000	2020 $'000
Loss for the year attributable to ordinary shareholders		37,595	34,332
Adjusted for:			
Impairment loss		(2,131)	–
Net foreign exchange gain/(loss)	10	1,119	(1,809)
Equity-settled share-based payment	13(d)	(2,004)	(5,403)
Adjusted loss for the year		34,579	27,120

	2021 $	2020 $
Adjusted loss per share	0.60	0.54

(c) Diluted loss per share

Due to the Group having losses in all years presented, the fully diluted loss per share for disclosure purposes, as shown in the consolidated statement of profit or loss and other comprehensive income, is the same as for the basic loss per share.

13. Share-based payment

See accounting policy in Note 28(g)(ii).

(a) Description of share-based payment arrangements

The Group operates share option plans for employees of the Group. Options in the plans are settled in equity in the Company and are normally subject to a vesting schedule but not conditional on any performance criteria being achieved.

The terms and conditions of the share option grants between 14 September 2011 (the date WANdisco plc acquired WANdisco, Inc.) and 31 December 2021 are as follows:

			2021		2020	
Year of grant	Range of exercise prices	Vesting schedule	Number outstanding	Weighted average remaining contractual life	Number outstanding	Weighted average remaining contractual life
Prior to 2017	£0.10	3,4	75,455	3.7	75,455	4.7
Prior to 2017	£0.23–£4.55	1,2,3,4	1,171,591	3.0	1,285,276	3.7
2017	£0.10	4	66,667	5.7	66,667	6.7
2017	£3.90–£8.39	3	1,161,733	5.5	1,161,733	6.5
2018	£0.10	4,6,7	310,752	6.7	315,827	7.7
2018	£3.60–£8.34	3	70,831	6.7	71,915	7.7
2019	£0.10	4,6	520,742	7.3	588,436	8.3
2019	£5.10–£5.95	3	59,108	7.4	66,110	8.4
2020	£0.10	4,5,8,9	251,156	8.6	434,660	9.7
2020	£4.70–£5.10	3	146,365	8.6	205,605	9.7
			3,834,400	5.4	4,271,684	6.5

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13. Share-based payment continued

(a) Description of share-based payment arrangements continued

The following vesting schedule applies:

1. 25% of option vests on exercisable commencement date; 1/48th of granted option shares vest monthly thereafter.
2. Option vests on third anniversary of the date of grant.
3. Option vests 33% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
4. Option vests in three instalments: 1/3rd on first anniversary of vesting commencement date, 1/3rd on second anniversary and 1/3rd on third anniversary.
5. Option vests 100% on first anniversary of vesting commencement date.
6. Option vests in two instalments: 30% on the second anniversary of vesting commencement date and 70% on the third anniversary.
7. Option vests 1/3rd on first anniversary and then quarterly thereafter (8.33% per quarter).
8. Option vests 1/6th of the shares granted every six months.
9. Option vests 1/6th after six months, 1/3rd after 18 and 30 months and 1/6th after 36 months.

(b) Measurement of fair values

The fair value of the employee share purchase plan has been measured using a Black-Scholes option pricing model.

The inputs used in the measurement of fair values at grant date of the equity-settled share-based payment plans granted during the prior year were as follows (there were no grants made in 2021, so no fair value measurements have been disclosed):

	2021	2020
Weighted average share price	N/a	$7.05
Exercise price	N/a	$2.19
Dividend yield	N/a	0%
Risk-free interest rate	N/a	0.07%
Expected volatility	N/a	30%
Expected life (years)	N/a	1–5 years
Weighted average fair value of options granted during the year	N/a	$4.85

- The dividend yield is based on the Company's forecast dividend.
- The risk-free interest rate is based on the treasury bond rates for the expected life of the option.
- Expected volatility is based on the historical volatility of shares of listed companies with a similar profile to the Company.
- Expected life in years is determined from the average expected period to exercise.

(c) Reconciliation of outstanding share options

The number and weighted average exercise prices of share options (including previous options in WANdisco, Inc.) under the share option plans were as follows:

	Number of options 2021	Weighted average exercise price 2021 $	Number of options 2020	Weighted average exercise price 2020 $
Outstanding at 1 January	4,271,684	3.47	5,028,157	2.57
Forfeited during the year	(323,599)	1.49	(159,190)	1.21
Exercised during the year	(113,685)	0.31	(1,272,143)	0.22
Granted during the year	—	—	674,860	2.19
Outstanding at 31 December	3,834,400	3.71	4,271,684	3.47
Exercisable at 31 December	3,165,769	4.10	2,784,861	4.72
Vested at the end of the year	3,165,769	4.10	2,784,861	4.72

13. Share-based payment continued

(c) Reconciliation of outstanding share options continued

	2021 $	2020 $
Exercise price in the range:		
From	0.14	0.14
To	11.34	11.39

	2021 Years	2020 Years
Weighted average contractual life remaining	5.4	6.5

(d) Expense recognised in profit or loss

	2021 $'000	2020 $'000
Total equity-settled share-based payment charge	2,004	5,403

14. Property, plant and equipment

See accounting policy in Notes 28(l) and (q).

(a) Reconciliation of carrying amount

	Right of use assets $'000	Leasehold improvements $'000	Fixtures and fittings $'000	Computers $'000	Total $'000
Cost					
Balance at 1 January 2020	3,169	625	349	2,139	6,282
Additions	14	8	6	293	321
Effect of movements in exchange rates	50	17	6	27	100
Balance at 31 December 2020	3,233	650	361	2,459	6,703
Balance at 1 January 2021	3,233	650	361	2,459	6,703
Additions	—	14	6	407	427
Disposals	—	(19)	(126)	(362)	(507)
Effect of movements in exchange rates	(7)	(3)	(1)	(4)	(15)
Balance at 31 December 2021	3,226	642	240	2,500	6,608
Accumulated depreciation					
Balance at 1 January 2020	(578)	(198)	(305)	(1,466)	(2,547)
Depreciation	(566)	(110)	(23)	(504)	(1,203)
Effect of movements in exchange rates	(18)	(7)	(5)	(28)	(58)
Balance at 31 December 2020	(1,162)	(315)	(333)	(1,998)	(3,808)
Balance at 1 January 2021	(1,162)	(315)	(333)	(1,998)	(3,808)
Depreciation	(577)	(107)	(21)	(372)	(1,077)
Disposals	—	19	126	362	507
Effect of movements in exchange rates	4	2	1	7	14
Balance at 31 December 2021	(1,735)	(401)	(227)	(2,001)	(4,364)
Carrying amounts					
At 31 December 2020	2,071	335	28	461	2,895
At 31 December 2021	1,491	241	13	499	2,244

14. Property, plant and equipment continued

(b) Right of use assets

	Property $'000	Computers $'000	Total $'000
Balance at 1 January 2020	2,576	15	2,591
Additions	13	1	14
Depreciation	(560)	(6)	(566)
Effect of movements in exchange rates	32	–	32
Balance at 1 January 2021	**2,061**	**10**	**2,071**
Additions	–	–	–
Depreciation	(571)	(6)	(577)
Effect of movements in exchange rates	(2)	(1)	(3)
Balance at 31 December 2021	**1,488**	**3**	**1,491**

Property leases

The Group leases land and buildings for its office space. These leases run between three and ten years. Some leases include the option to renew the lease for an additional period of the same duration after the end of the contract term. Options to renew are only included in the term if it is reasonably certain that the option will be exercised. Some leases provide for additional rent payments based on local price indices.

Other leases

The Group leases computer equipment, with lease terms of three to five years. For the low-value items, the Group has elected not to recognise right of use assets and lease liabilities for these leases.

15. Intangible assets

See accounting policy in Notes 28(m) and (p).

(a) Reconciliation of carrying amount

	Goodwill on business combinations $'000	Development costs $'000	Computer software $'000	Total $'000
Cost				
Balance at 1 January 2020	3,154	53,291	1,689	58,134
Acquisitions – internally developed	–	5,220	–	5,220
Balance at 31 December 2020	3,154	58,511	1,689	63,354
Balance at 1 January 2021	3,154	58,511	1,689	63,354
Disposals	–	–	(1,689)	(1,689)
Acquisitions – internally developed	–	5,340	–	5,340
Balance at 31 December 2021	**3,154**	**63,851**	**–**	**67,005**
Accumulated amortisation				
Balance at 1 January 2020	(3,154)	(48,414)	(1,689)	(53,257)
Amortisation	–	(5,070)	–	(5,070)
Balance at 31 December 2020	(3,154)	(53,484)	(1,689)	(58,327)
Balance at 1 January 2021	(3,154)	(53,484)	(1,689)	(58,327)
Disposals	–	–	1,689	1,689
Amortisation	–	(5,115)	–	(5,115)
Balance at 31 December 2021	**(3,154)**	**(58,599)**	**–**	**(61,753)**
Carrying amounts				
At 31 December 2020	–	5,027	–	5,027
At 31 December 2021	**–**	**5,252**	**–**	**5,252**

15. Intangible assets continued

(b) Amortisation

The amortisation charge on intangible assets is included in operating expenses in the consolidated statement of profit or loss and other comprehensive income.

(c) Impairment test

The carrying amount of the property, plant and equipment and intangible assets $7,496k (2020: $7,922k) are allocated across cash-generating units ("CGUs"). A CGU is defined as the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The recoverable amount of the CGUs is determined using value in use ("VIU") calculations. As at 31 December 2021 and 2020, the Group had one CGU, the DConE CGU, which represents the Group's patented DConE replication technology, forming the basis for all products sold by the Group.

Goodwill on business combinations arose as part of the acquisitions of OhmData, Inc. in June 2014 and AltoStor, Inc. in November 2012. The intangibles arising as part of these acquisitions are allocated to the DConE CGU. The recoverable amount of the DConE CGU has been calculated on a VIU basis at both 31 December 2021 and 31 December 2020. These calculations use cash flow projections based on Board approved budget and financial forecasts, which anticipate growth in the Group's installed base along with new customer growth, resulting in an average revenue growth of 78% over the five-year period with a 7% increase in cost base over the five-year period, and appropriate long-term growth rates. To prepare VIU calculations, the cash flow forecasts are discounted back to present value using a pre-tax discount rate of 10% (2020: 10%) which reflects the Group's assessment of the Weighted Average Cost of Capital ("WACC"). This rate is derived using market data such as risk free rates and Group specific risk factor adjustments. A terminal value growth rate of 2% (2020: 2%) is applied from 2026. The Directors have reviewed the recoverable amount of the CGU and do not consider there to be any indication of impairment.

A sensitivity analysis was performed for the DConE CGU and management concluded that no reasonably possible change in any of the key assumptions would cause for the carrying value of the DConE CGU to exceed its recoverable amount. The revenue growth rate assumption is considered to be the variable with the most sensitivity. However, varying this by 18% would still allow the recoverable amount to exceed the carrying value. Therefore management is confident in the assumptions used.

(d) Development costs

Development costs are predominantly capitalised staff costs associated with new products and services. Development costs are allocated to the DConE CGU, the recoverable amount of which has been determined on a VIU basis as described above.

16. Other non-current assets

Due in more than a year	2021 $'000	2020 $'000
Other receivables	40	91
Accrued income	1,161	2,124
	1,201	2,215

17. Trade and other receivables

See accounting policy in Note 28(n).

Due within a year	2021 $'000	2020 $'000
Trade receivables	1,182	5,319
Other receivables	278	411
Accrued income	1,059	1,480
Corporation tax	2,532	2,277
Prepayments	680	655
Total trade and other receivables	5,731	10,142

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 23(a) (ii) and (iv).

18. Cash and cash equivalents

	2021 $'000	2020 $'000
Bank balances	27,759	21,039

19. Equity

See accounting policy in Note 28(o).

(a) Share capital

	2021 Number	2021 $'000	2020 Number	2020 $'000
Share capital				
Allotted and fully paid – par value 10 pence	59,612,280	8,608	52,613,023	7,641
Authorised – par value 10 pence	100,000,000		100,000,000	

The ordinary share capital of WANdisco plc is designated in sterling.

(b) Ordinary shares

During the year, 113,685 ordinary shares were issued at 10 pence nominal value relating to employees exercising share options, leading to $15k additional share capital. The average exercise price of the share options was $0.31 per share (with a range of $0.31 - $0.36) resulting in additional share premium of $21k.

On 9 March 2021 the Group announced a new subscription of shares to an existing shareholder for 4,864,480 new ordinary shares of 10 pence each in the Company at a price of 446 pence raising gross proceeds of $30.0m.

In addition, on 10 March 2021 the Group announced the placing (which was approved by General Meeting on 29 March 2021) for 804,972 new ordinary shares of 10 pence each in the Company together with the subscription of 1,216,120 new ordinary shares of 10 pence each at a price of 446 pence (a discount of 0.4% on the closing share price on 9 March 2021), raising gross proceeds of $12.5m.

Total transaction costs were $0.6m.

(c) Nature and purpose of reserves

Share premium

Amount subscribed for share capital in excess of nominal value.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Merger reserve

The acquisition by WANdisco plc of the entire share capital of WANdisco, Inc. in 2012 was accounted for as a reverse acquisition. Consequently, the previously recognised book values and assets and liabilities were retained and the consolidated financial information for the period to 16 May 2012 has been presented as a continuation of the WANdisco business, which was previously wholly owned by the WANdisco, Inc. Group.

The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. The difference between the nominal value of these shares and the nominal value of WANdisco, Inc. shares at the time of the acquisition has been transferred to the merger reserve.

20. Loans and borrowings

See accounting policy in Notes 28(n) and (q).

	2021 $'000	2020 $'000
Non-current liabilities		
Secured bank loan	—	—
Lease liabilities	1,230	1,778
	1,230	1,778
Current liabilities		
Current portion of secured bank loan	—	556
Current portion of lease liabilities	586	559
	586	1,115
Total loans and borrowings	1,816	2,893

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 23.

20. Loans and borrowings continued

(a) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				31 December 2021		31 December 2020	
Borrowing	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Secured bank loan	US dollars	US prime rate + 1.5%	2021	–	–	556	556
Lease liabilities	US dollars and sterling	8%	3–10 years	2,162	1,816	2,843	2,337
Total interest bearing				2,162	1,816	3,399	2,893

At 31 December 2021, there was no bank loan debt. In 2020 there was $0.6m term debt drawn down with Silicon Valley Bank. The facility comprises $nil (2020: $0.6m) term debt, with an interest-only period to 31 May 2018, followed by a three-year maturity at a floating interest rate charged at 1.5% above the US prime rate. The bank loan was secured over the assets of WANdisco, Inc.

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	2021 $'000	2020 $'000
Less than one year	698	718
Between one and five years	1,007	1,482
More than five years	457	643
	2,162	2,843

Expenses relating to short-term leases recognised in profit or loss were $13,000 (2020: $7,000).

(c) Reconciliation of movements in liabilities to cash flows arising from financing activities

	Lease liabilities $'000	Bank loan $'000
Balance at 1 January 2021	2,337	556
Non-cash movements		
Effect of movements in exchange rates	(4)	–
Cash movements		
Repayment of borrowings	–	(556)
Payment of lease liabilities	(517)	–
Total changes from financing cash flows	(517)	(556)
Balance at 31 December 2021	1,816	–

21. Deferred income

See accounting policy in Note 28(d).

Deferred income which falls due:	2021 $'000	2020 $'000
Within a year	1,425	3,094
In more than a year	334	659
Total deferred income	1,759	3,753

Deferred income represents contracted sales for which services to customers will be provided in future years.

22. Trade and other payables

	2021 $'000	2020 $'000
Trade payables	770	786
Accrued expenses	3,386	4,676
	4,156	5,462

23. Financial instruments – fair values and risk management

See accounting policy in Notes 28(n) and (s).

(a) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (a)(ii));
- liquidity risk (see (a)(iii));
- market risk (see (a)(iv));
- currency risk (see (a)(v)); and
- interest rate risk (see (a)(vi)).

(i) Risk management framework

The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade receivables

The carrying amounts of financial assets represent the maximum credit exposure and approximate to their fair value.

Ageing of trade receivables

	2021 $'000	2020 $'000
Neither past due nor impaired	855	4,650
Past due but not impaired		
Past due 1–30 days	327	663
Past due 31–90 days	—	6
Total not impaired trade receivables	1,182	5,319

Credit losses of $180,000 were applied to trade receivables in the year ended 31 December 2021 (2020: $100,000) . Other than this, there were no other credit losses applied in 2021 or 2020 as they were assessed as low risk. The Group assesses expected credit loss for each individual customer considering their financial position, experience and other factors.

All trade receivables are denominated in US dollars.

Contract assets

Credit losses of $1,951,000 were applied to contract assets in the year ended 31 December 2021 (2020: $367,500). Other than this, there were no other credit losses applied to contract assets in 2021 or 2020 as they were assessed as low risk. This assessment is made for each individual customer considering their financial position, experience and other factors.

Cash and cash equivalents

The Group held cash and cash equivalents of $27.8m at 31 December 2021 (2020: $21.0m). The cash and cash equivalents are held with banks which are rated P-1 for short-term obligations, based on Moody's ratings.

23. Financial instruments – fair values and risk management continued

(a) Financial risk management continued

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have enough liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Board monitors rolling cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections, which included the equity raise post-year end for gross proceeds of $19.8m, indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances for at least 12 months from the date of signing these financial statements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

Non-derivative financial liabilities

At 31 December 2021	Carrying amount $'000	Contractual cash flows Total $'000	Less than 12 months $'000	1–2 years $'000	2–5 years $'000	>5 years $'000
Lease liabilities	1,816	2,162	698	463	544	457
Trade payables	4,156	4,156	4,156	—	—	—
	5,972	6,318	4,854	463	544	457

Non-derivative financial liabilities

At 31 December 2020	Carrying amount $'000	Contractual cash flows Total $'000	Less than 12 months $'000	1–2 years $'000	2–5 years $'000	>5 years $'000
Secured bank loan	556	556	556	—	—	—
Lease liabilities	2,337	2,843	718	655	827	643
Trade payables	5,462	5,462	5,462	—	—	—
	8,355	8,861	6,736	655	827	643

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

(iv) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

The Group may be affected by general market trends, which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

(v) Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily US dollars, sterling and Australian dollars. The following table shows the denomination of the year-end cash and cash equivalents balance:

	Sterling $'000	Australian dollar $'000	Euro $'000	US dollar $'000	Total $'000
2021 cash and cash equivalents	4,408	66	110	23,175	27,759
2020 cash and cash equivalents	14,703	165	220	5,951	21,039

Had the foreign exchange rate between the US dollar and sterling changed by 5%, this would have affected the loss for the year and the net assets of the Group by $937,000 (2020: $796,000).

23. Financial instruments – fair values and risk management continued

(a) Financial risk management continued

(vi) Interest rate risk

The Group is no longer exposed to interest rate risk, as the debt drawing was repaid during the year (2020: $0.6m). Interest was charged at 1.5% above the US prime rate. The interest was sensitive to movements in the US prime rate.

(vii) Capital management

The Group defines the capital that it manages as its total equity, as disclosed in the consolidated statement of financial position on page 62. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and support the growth of the business. During the year, the Group raised $42.5m gross proceeds from an equity raise and $19.8m following the end of the year.

24. List of subsidiaries

See accounting policy in Note 28(a).

Set out below is a list of the subsidiaries of the Group:

Company name	Country of incorporation	Holding	Proportion of shares held	Nature of business
WANdisco International Limited	UK	Ordinary shares	100%	Development and provision of global collaboration software
WANdisco, Inc.	US	Ordinary shares	100%	Development and provision of global collaboration software
OhmData, Inc.	US	Ordinary shares	100%	Dormant
AltoStor, Inc.	US	Ordinary shares	100%	Dormant
WANdisco, Pty Ltd	Australia	Ordinary shares	100%	Development and provision of global collaboration software
WANdisco Software (Chengdu) Ltd	China	Ordinary shares	100%	Development and provision of global collaboration software

All of the above entities are included in the consolidated financial statements.

25. Commitments and contingencies

At 31 December 2021 the Group had no capital commitments (31 December 2020: $nil). The Group had no contingent liabilities at 31 December 2021 (31 December 2020: none).

26. Related parties

(a) Transactions with key management personnel

Key management personnel compensation comprised the following:

	2021 $'000	2020 $'000
Short-term employee benefits	4,653	4,801
Equity-settled share-based payment	754	2,825
	5,407	7,626

Further details on the remuneration, share options and pension entitlements of the Directors are included in the Directors' share options and the Directors' remuneration tables included in the Remuneration Committee report on pages 50 to 52, which form part of these audited financial statements.

27. Subsequent events

On 15 June 2022 the Group announced a new subscription of shares to new and existing shareholders for 5,857,862 new ordinary shares of 10 pence each in the Company at a price of 270 pence (a premium of 5.5% on the closing share price on 14 June 2022) raising gross proceeds of $19.8m.

28. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any contingent consideration is measured at fair value at the date of acquisition.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into US dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US dollars at an average rate for the year, where this approximates to the foreign exchange rates ruling at the dates the fair value was determined. The functional currency of the parent company WANdisco plc is sterling.

Foreign currency differences are recognised in other comprehensive income ("OCI") and accumulated in the translation reserve.

(c) Use of estimates and judgements

The preparation of financial information in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Accounting estimates

The preparation of financial statements in conformity with adopted IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Directors consider the following to be the estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or in the long term:

Revenue

Key assumption: When allocating revenue between different performance obligations, the fair value of the various components is required, which involves the use of estimates to establish the relative fair values. See Note 7.

28. Significant accounting policies continued

(c) Use of estimates and judgements continued

(ii) Judgements

The Group applies judgement in how it applies its accounting policies, which do not involve estimation, but could materially affect the numbers disclosed in these financial statements. The key accounting judgements, without estimation, that have been applied in these financial statements are as follows:

Development costs

Capitalisation of development expenditure is completed only if development costs meet certain criteria. Full detail of the criteria is in Note 28(m)(i).

- Alternative accounting judgement that could have been applied – not capitalising development costs.
- Effect of that alternative accounting judgement – reduction of $5,252,000 of assets' carrying value.

Revenue

An additional area of judgement is the recognition and deferral of revenue in the situation when different performance obligations are bundled together in one sales contract. For example, the carve-out of the term licence in a subscription arrangement from the maintenance and support element. When products are bundled together for the purpose of sale, the associated revenue, net of all applicable discounts, is allocated between the constituent parts of the bundle on a relative fair value basis. The Group has a systematic basis for allocating relative fair values in these situations based on all information (including market conditions, entity-specific factors, and information about the customer or class of customer) that is reasonably available, which is normally a rate of 20% of the licence value.

- Alternative accounting judgement that could have been applied – alternative methodology to allocate the fair values.
- Effect of that alternative accounting judgement – change in revenue figure and deferred income by the same amount.

(d) Revenue from contracts with customers

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

The details of the accounting policies in relation to the Group's various products and services are set out below:

Type of product/service	IFRS 15 treatment
Software licences – perpetual licences	Under IFRS 15, revenue on perpetual licences is recognised in full once the licence has been granted and the customer has been provided with access to the software as it is considered that control has been passed at that point in time.
Software subscriptions (which include both a term software licence and a maintenance and support contract)	Under IFRS 15 subscription arrangements have been split into two performance obligations which are both considered as distinct: › term software licence; and › maintenance and support. The allocation of transaction price between the two performance obligations is based on an adjusted market assessment approach. Term software licences are treated like perpetual licences with revenue being recognised in full once the licence has been granted and the customer has been provided with access to the software as it is considered that control has been passed at that point in time. The maintenance and support component is spread over the life of the contract as the performance obligation is satisfied over time matching the period of the contract as the requirements of IFRS 15.35(a) are met, and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
Maintenance and support contracts	Maintenance and support revenue is spread over the life of the contract as the performance obligation is satisfied over time, matching the period of the contract as the requirements of IFRS 15.35(a) are met, and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
Training, implementation and professional services	Sales of training, implementation and professional services are recognised on delivery of the services at a point in time.
Royalties	Royalties are accounted for on an accruals basis. Under IFRS 15 the recognition of royalties is prohibited until the sale or usage occurs, even if the sale or usage is probable.
Sales commissions	Under IFRS 15, the costs of obtaining a contract should be recognised as an asset and subsequently amortised if they are incremental and are expected to be recovered. Amortisation is charged on a basis consistent with the transfer to the customer of the licence or services to which the capitalised costs relate.

28. Significant accounting policies continued

(d) Revenue from contracts with customers continued

The Group recognises revenue on a gross basis (as the principal), in line with IFRS 15 requirements, when selling through online marketplaces as it has the primary responsibility for fulfilling the promise to provide the specified goods or service and has the discretion to establish prices.

The Group determines the transaction price it is entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts. Customers either pay up-front or in payment instalments over the term of the related service agreement.

Contract assets relate to:

- accrued income – licence revenue which has been recognised but has not yet been billed to the customer (as it is being billed in instalments over the term of the related service agreement) at the reporting date. The contract asset is transferred to receivables when the Group issues an invoice to the customer.

Contract liabilities relate to deferred income and include maintenance and support contracts which are either billed separately or allocated from a subscription contract, along with licence or services which have not been delivered to the customer, which is recognised as revenue when the performance obligations are satisfied.

(e) Segmental reporting

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance and support.

The Group has adopted IFRS 8 "Operating Segments" from the date of transition to IFRS. IFRS 8 requires the Group to determine and present its operating segments based on information which is provided internally to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the Chief Executive Officer.

(f) Cost of sales

Cost of sales includes commissions earned by our salesforce on sales and direct costs relating to software supply.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past services provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment arrangements

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market-based performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted.

28. Significant accounting policies continued

(h) Government grants

The Group recognises an unconditional government grant related to development costs as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

(i) Exceptional items

Exceptional items comprise items of income and expense that are material in amount and that merit separate disclosure in order to provide an understanding of the Group's underlying financial performance.

(j) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(k) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year (including R&D tax credits) and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

28. Significant accounting policies continued

(k) Income tax continued

(ii) Deferred tax continued

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

› Computer equipment	Three years
› Fixtures and fittings	Three years
› Leasehold improvements	Three to five years
› Right of use assets	Life of lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Other intangible assets (including computer software)	Other intangible assets, including those acquired on acquisition of subsidiaries, have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.
Development costs	Expenditure on research activities is recognised in profit or loss as incurred. Development activities relate to software development and involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if: › development costs can be measured reliably; › the product or process is technically and commercially feasible; › future economic benefits are probable; and › the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. The expenditure capitalised includes direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Otherwise, development costs are recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

28. Significant accounting policies continued

(m) Intangible assets and goodwill continued

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Other intangible assets	Two years
Development costs	Two years
Computer software	Over the life of the software licence

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

(n) Financial instruments continued

(ii) Classification and subsequent measurement continued

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are measured in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis to realise the asset and settle the liability simultaneously.

28. Significant accounting policies continued

(o) Share capital

Share capital is denominated in sterling and is translated into US dollars on issue with no subsequent retranslation. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(p) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for estimate credit losses ("ECL") on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

For other financial assets, when determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract, such as a default; or
- it is probable that the customer will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

28. Significant accounting policies continued

(q) Leases

(i) Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are mostly relevant to changing how and for what purpose the asset is used. The Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) As a lessee

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which compromises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

28. Significant accounting policies continued

(r) Operating loss

Operating loss is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating loss excludes net finance costs and income taxes.

(s) Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 23).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

29. Standards issued but not yet effective

Several new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- IFRS 17 "Insurance Contracts" (effective date 1 January 2023);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (effective date 1 January 2023);
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (effective date 1 January 2022);
- Annual Improvements 2018-2020 Cycle (effective date 1 January 2022);
- Reference to the Conceptual Framework (Amendments to IFRS 3) (effective date 1 January 2022);
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) (effective date 1 January 2022);
- Amendments to IFRS 17 (effective date 1 January 2023);
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective date 1 January 2023);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective date 1 January 2023);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective date 1 January 2023); and
- Definition of Accounting Estimates (Amendments to IAS 8) (effective date 1 January 2023).

Five-year record

31 December	2017 $'000	2018 $'000	2019 $'000	2020 $'000	**2021 $'000**
Revenue	19,637	17,019	16,155	10,532	**7,306**
Revenue growth	73%	(13%)	(5%)	(35%)	**(31%)**
Deferred revenue	14,160	4,318	3,810	3,753	**1,759**
Deferred revenue growth	13%	(70%)	(12%)	(1%)	**(53%)**
Cash	27,396	10,757	23,354	21,039	**27,759**
Operating loss	(10,603)	(23,237)	(27,179)	(33,907)	**(39,834)**
Impairment loss	—	—	—	—	**2,131**
Amortisation of intangible assets	6,699	6,475	5,701	5,070	**5,115**
Depreciation of property, plant and equipment	215	388	1,101	1,203	**1,077**
EBITDA before exceptional items	(3,689)	(16,374)	(20,377)	(27,634)	**(31,511)**
Add back equity-settled share-based payment	3,109	6,977	8,707	5,403	**2,004**
Adjusted EBITDA before exceptional items	(580)	(9,397)	(11,670)	(22,231)	**(29,507)**
Development expenditure capitalised	(6,303)	(4,910)	(5,062)	(5,220)	**(5,340)**
Adjusted EBITDA before exceptional items including development expenditure	(6,883)	(14,307)	(16,732)	(27,451)	**(34,847)**

Note:

- The 2018 figures include the adoption of IFRS 15 “Revenue from Contracts with Customers” and the prior years have not been restated and are prepared on an IAS 18 basis.
- The 2019 figures include the adoption of IFRS 16 “Leases” and the prior years have not been restated and are presented on an IAS 17 basis.

Notice of Annual General Meeting

Notice is given that the tenth Annual General Meeting of WANdisco plc ("the Company") will be held at the UK Company's offices, Castle House, 1–13 Angel Street, Sheffield S3 8LN, on 22 July 2022 at 10am for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. That the Company's financial statements for the year ended 31 December 2021, the Strategic report and the reports of the Directors and auditor thereon be received and considered.
2. That Erik Miller be re-elected as a Director of the Company.
3. That Grant Dollens be re-elected as a Director of the Company.
4. That BDO LLP be re-appointed as auditor of the Company.
5. That the Directors be authorised to determine the remuneration of the auditor.
6. That, in substitution for all existing authorities but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and are hereby generally and unconditionally authorised pursuant to Article 2.3 of the Company's Articles of Association ("the Articles") to exercise all powers of the Company to allot, grant options over or otherwise dispose of relevant securities (as that term is defined in the Articles) in respect of up to an aggregate nominal amount of £1,993,404, provided that (unless previously revoked, varied or renewed) this authority shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.
7. That, pursuant to Article 58A(1)(b) of the Companies (Jersey) Law 1991 ("the Law") and Article 13 of the Articles, an ordinary share purchased pursuant to resolution 9 below may be held by the Company as treasury shares in accordance with Articles 58A and 58B of the Law.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

8. That, subject to the passing of resolution 6 and pursuant to Article 2.10 of the Articles, the Directors be and are hereby generally empowered to allot, grant options over or otherwise dispose of equity securities (within the meaning of the Articles) wholly for cash, pursuant to the general authority described in resolution 6 above, as if pre-emption rights did not apply to any such allotment, such power being limited to:

    8.1 the allotment of equity securities in connection with a rights issue, open offer or pre-emptive offer to holders on the register of the ordinary shares in the capital of the Company ("ordinary shares") on a date fixed by the Directors where the equity securities respectively attributable to the interests of all those shareholders are proportionate (as nearly as practicable) to their respective holdings on that date subject to any exclusions or other arrangements as the Directors may consider necessary or expedient in relation to fractional entitlements, legal or practical problems under the law of any territory or the regulations or requirements of any relevant regulatory authority or stock exchange in any territory; and

    8.2 the allotment (other than pursuant to resolution 8.1 above) wholly for cash of ordinary shares up to an aggregate nominal amount of £598,021,

    provided that (unless previously revoked, varied or renewed), such authorities shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

9. That the Directors be and are hereby authorised pursuant to Article 13 of the Articles and Article 57 of the Law as amended to make market purchases of ordinary shares, subject to the following conditions:

   9.1 the maximum number of ordinary shares authorised to be purchased may not be more than 15% of the issued share capital of the Company as at the date of this Notice;

   9.2 the minimum price (exclusive of expenses) which may be paid for an ordinary share is £0.001; and

   9.3 the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed:

      9.3.1 an amount equal to 105% of the average middle market quotation for ordinary shares taken from the London Stock Exchange plc Daily Official List for the five business days immediately preceding the date on which such shares are to be contracted to be purchased; and

      9.3.2 the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange plc Daily Official List at the time,

   such authority to expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, unless such authority is varied, revoked or renewed prior to such date.

By order of the Board

Larry Webster
Company Secretary
23 June 2022

Registered in Jersey under the Companies (Jersey) Law 1991 with company number 110497.

Registered office

47 Esplanade
St. Helier
Jersey
JE1 0BD

Notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 20 July 2022. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 10am (UK time) on 22 July 2022 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.

3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

6. You can vote either:

   - by logging on to www.signalshares.com and following the instructions;
   - by requesting a hard-copy form of proxy directly from the registrars, Link Group (previously called Capita), on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9am and 5.30pm, Monday to Friday excluding public holidays in England and Wales; or
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by 10am on 20 July 2022.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in Note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message ("a CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10am on 20 July 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999.

Notes continued

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

13. As at 9 June 2022 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 59,802,130 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 9 June 2022 are 59,802,130.

14. In the Company's Articles of Association, Article 22.25 says: Where so requested in the manner set out in section 527(4) of the UK Companies Act 2006 by members who hold shares representing at least 10% of the paid up share capital of the Company (excluding treasury shares) and who have a right to vote at the general meeting at which the Company's annual accounts are laid, the Company shall without prejudice to its obligations under the Companies Law publish on its website a statement setting out any matter relating to the audit of the Company's accounts or any circumstances connected with an auditor of the Company ceasing to hold office, and the Company shall comply with all the obligations relating to the publication of such statement contained in the provisions of sections 527 to 529 (other than sections 527(5) and 527(6)) of the UK Companies Act 2006, provided always that the Company shall not be required to comply with the obligation set out in section 527(1) of the UK Companies Act 2006 where the Board believes in good faith that the rights conferred by this Article 22 are being abused.

15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

16. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 9.45am on the day of the Meeting until the conclusion of the Meeting:

    - copies of the Directors' letters of appointment or service contracts.

A copy of this Notice can be found on the Company's website at www.wandisco.com.

Secretary, advisers and share capital information

Secretary
Larry Webster

Offices
UK office
Castle House
1–13 Angel Street
Sheffield S3 8LN

US office
5000 Executive Parkway
Suite 270
San Ramon
CA 94583

Registered office
47 Esplanade
St. Helier
Jersey JE1 0BD

Company registered number
110497

Brokers
Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Auditor
BDO LLP
55 Baker St
Marylebone
London W1U 7EU

Legal advisers
Brown Rudnick LLP
8 Clifford Street
London W1S 2LQ

Pillsbury Winthrop Shaw Pittman LLP
2550 Hanover Street
Palo Alto
CA 94304-1114

Carey Olsen (Jersey) LLP
47 Esplanade
St. Helier
Jersey JE1 0BD

Bankers
Silicon Valley Bank
Alphabeta
14–18 Finsbury Square
London EC2A 1BR

HSBC Bank plc
Carmel House
49-63 Fargate
Sheffield S1 2HD

Registrars
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

Share capital
The ordinary share capital of WANdisco plc is listed on AIM, a market operated by London Stock Exchange Group plc. The shares are listed under the trading ticker WAND. The ISIN number is JE00B6Y3DV84.

LinkVote+
Link Group, the Company's registrar, has launched a shareholder app: LinkVote+.

It's free to download and use and gives shareholders the ability to access their records at any time.

The app also allows users to submit a proxy appointment quickly and easily online rather than through the post.

The app is available to download on the Apple App Store and Google Play.

LINK VOTE+

Download on the App Store

GET IT ON Google Play

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C014999

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP012420

WANdisco plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Premier Elements Fire, an FSC® certified material. This document was printed by Opal X using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

Produced by
designportfolio

Activate Your Data

WANdisco plc
47 Esplanade
St. Helier
Jersey JE1 0BD