WANDisco plc

Preliminary Results
Year ended 31 December 2014

17 March 2015

Highlights

David Richards
CEO

Highlights

wanDISCO

Operating platform evolving

Patented technology applied to more market segments

Revenue +40%
Sales bookings +18%

$26m new equity funding

Big Data customer traction

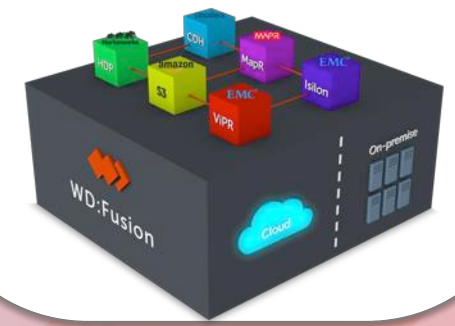
First 10 Big Data customers

British Gas contract expansion shows scale-up potential

Global top 10 bank customer win post-year end

New Big Data product & partners

Fusion



Open Data Platform

Hortonworks, EMC², Pivotal, Teradata, IBM, splunk>, sas, Capgemini, GE

Evolution of WANdisco's Hadoop products

'Non-Stop'

1 Continuous Availability

More patented technology

2nd patent allowed, January 2015

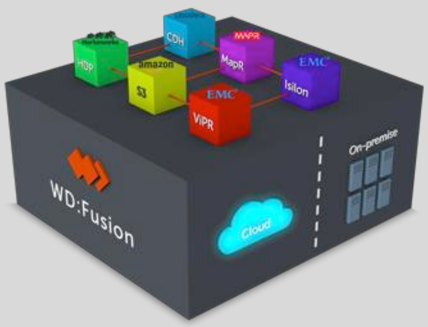
Underpins Zoning & Selective Replication

More patents in process

'5 reasons why Hadoop needs WANdisco'

1. Continuous Availability
2. 100% Utilisation
3. Cluster Zoning
4. Multi-Data Centre Ingest
5. Selective Replication

Hadoop compatible storage



Finance & Operations Update

Paul Harrison
CFO

Key financials

$m	2014	2013	% change	
Bookings	17.4	14.8	+18%	New Big Data customers
Deferred Revenue	19.3	13.1	+47%	Revenue from current & prior year sales Multi-year subscriptions
Revenue	11.2	8.0	+40%	Sales Bookings inflow Strong deferred revenue
Adjusted EBITDA	(17.9)	(7.8)		Sales and marketing investment Resource mix shift to Big Data
Capitalised R&D	9.0	7.4	+22%	New Big Data products
Net Cash	2.5	25.7		Equity raise augmented cash after year end Debt facility undrawn at year end

EBITDA loss excludes share-based payments, capitalised product development, acquisition-related items and exceptional items

Sales bookings

ALM

- 51% from new customers shows market potential
- Q4 impact from Big Data focus
- Realigned sales team for 2015

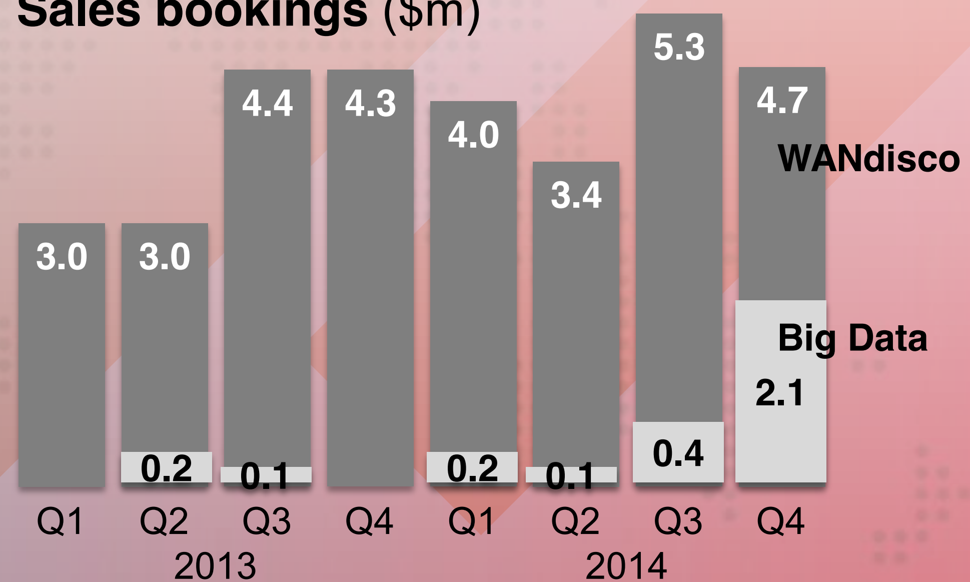
Big Data

- Q4 acceleration in deals
- Strong early per node pricing
- Sales leadership and partnership changes

Sales mix ($m)

$m	2014	2013
ALM	14.6	14.6
Big Data	2.8	0.2
ALL	17.4	14.8

Sales bookings ($m)



Big Data Q4 deal metrics

5 key Q4 deals

	Low	Average/Median	High
Total deal value	$160K	$410K	$750K
Initial node count	50	150	250
Term length	1-year	3-year	perpetual
Price per node per year ($K)	1.0	1.5	2.2
Annual future contract scale-up (customer plans)	15%	55%	130%

Averages are simple unweighted arithmetic averages; except the average term length which is the mode (most common value)
Averages not weighted by deal values, so node count x price per node x term length does not reconcile to average deal value
Annual price per node excludes perpetual deals
Excludes one small Big Data bundle deal with ALM

ALM sales bookings metrics

ALM Deal Type	Bookings ($m)		Deal count		Average deal size ($'000)		% of total bookings	
	2014	2013	2014	2013	2014	2013	2014	2013
New subscriptions	7.5	5.8	46	49	162	118	51%	40%
Add-on deals	4.0	1.0	54	33	74	31	28%	7%
Renewals	2.8	7.2	68	73	41	98	19%	49%
SmartSVN	0.3	0.6					2%	4%
ALL ALM DEALS	**14.6**	**14.6**	**168**	**155**	**87**	**94**	**100%**	**100%**

- ⬆ **New customer bookings +29%** — ***Customers adopting new Open Source tools***
- ⬆ **New customer deal sizes +38%** — ***Enterprise multi-site focus***
- ✔ **Renewal rate 87%** — ***Multi-year deals boosted 2013 renewals***

Revenue

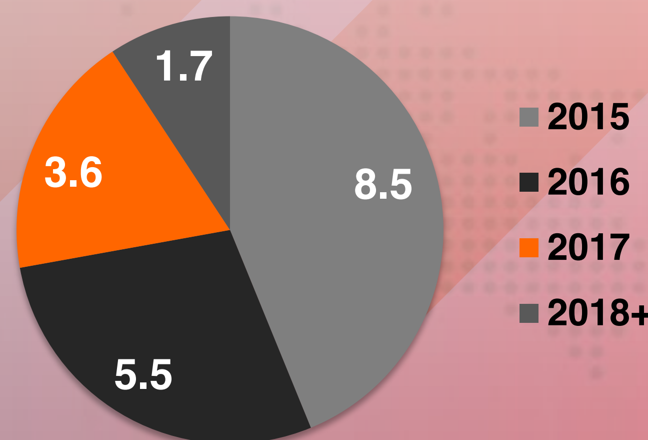
- Deferred revenue up 47% to $19.3m
- Revenue up 40% to $11.2m
- Multi-year deals added large deferrals
- $8.5m of deferred revenue for 2015
- Increasingly predictable revenue stream

2014 revenue came from…

Deferred from sales up to 2012	**$1.5m**	13%
Deferred from 2013 sales	**$4.8m**	43%
2014 sales bookings	**$4.9m**	44%
ALL	**$11.2m**	100%

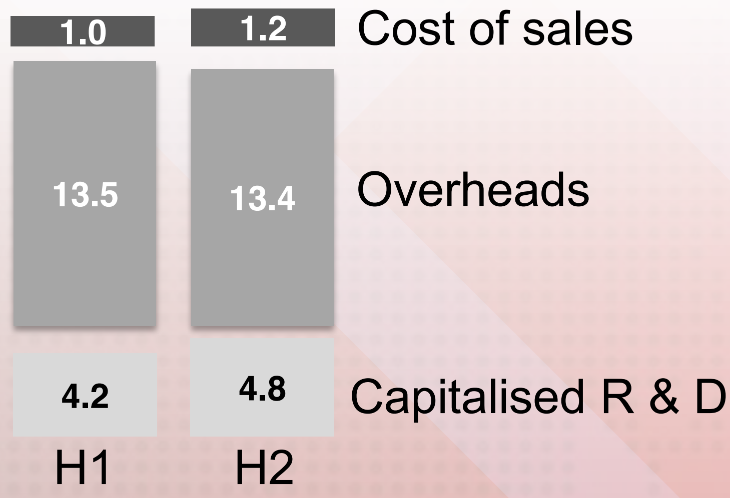
31 December 2014 Deferred Revenue

$ revenue profile



Costs aligned with Big Data & ALM strategy

- Overheads largely unchanged from H1 to H2
- Big Data go to market investment continues
- Investments partly offset by cost savings



Costs and headcount, 2014

Function	Cost ($m)				Closing Headcount			
	%	2014	%	2013	%	2014	%	2013
Product Development	31%	11.8	33%	7.7	53%	96	53%	76
Sales & marketing	43%	16.5	38%	8.7	28%	51	27%	39
Customer support	3%	1.2	3%	0.8	9%	16	9%	13
Administration	23%	8.6	26%	6.1	10%	19	11%	15
TOTAL	100	38.1	100	23.3	100	182	100	143

Investments

- Sales rep hiring
- Big Data product & marketing

Savings

- Big Data testing consolidated in UK
- ALM product development & support productivity

Cash flow

Working capital ($m)	31 Dec 2014	31 Dec 2013	change
Receivables	**13.4**	**10.5**	2.9
Payables	**(3.2)**	**(2.7)**	(0.5)
Deferred revenue	**(19.3)**	**(13.1)**	(6.2)
Net working capital	**(9.1)**	**(5.3)**	(3.8)

Cash Flow ($m)	
EBIT	**(39.9)**
Depreciation & amortisation	**8.6**
Share based payments	**13.3**
Net working capital change	**3.8**
Currency	**0.6**
Cash flow from operations	**(13.6)**
Net capital expenditure	**(0.5)**
Product development	**(9.0)**
Net cash invested	**(23.1)**

Net Cash ($m)	
Net cash at 1 January 2014	**25.7**
Net cash invested	**(23.1)**
Employee options exercised	**0.5**
Currency movement	**(0.6)**
Net cash at 31 December 2014	**2.5**

Equity and debt funding

Debt

- $10m revolving credit with HSBC
- Announced August 2014
- Available to 31 March 2017
- Not utilised to date

HSBC

Equity

- $26m cash inflow net of fees (post year-end)
- Share count increased from 24m to 29m
- Placing price 375p
- New shares traded from 18 February

15 UK and US institutions

Financial Summary

Sales Bookings

- Further sales bookings growth
- First Big Data sales with expansion potential
- New Open Data Platform pipeline at early stages

Revenue

- Revenue - strong growth
- Deferred revenue - strong growth, positive working capital impact

Costs & Funds

- Cost efficiencies - stable cost run rates in H2
- Moving ALM towards profitability in 2015
- New funding for further Big Data go-to-market investment

Strategic Update

David Richards
CEO

Milestones

wanDISCO

Product → Partners → Trials → Live Production

- **Product:** Non-Stop Hadoop early adopters
- **Partners:** Distribution & infrastructure partnerships
- **Trials:** Embarked on Production Trials
- **Live Production:** Significant Customer Wins

UC Irvine Health

British Gas 'land'

ORACLE

Hortonworks

Financial, Industrial

Consumer, Technology

EPSILON

dunnhumby

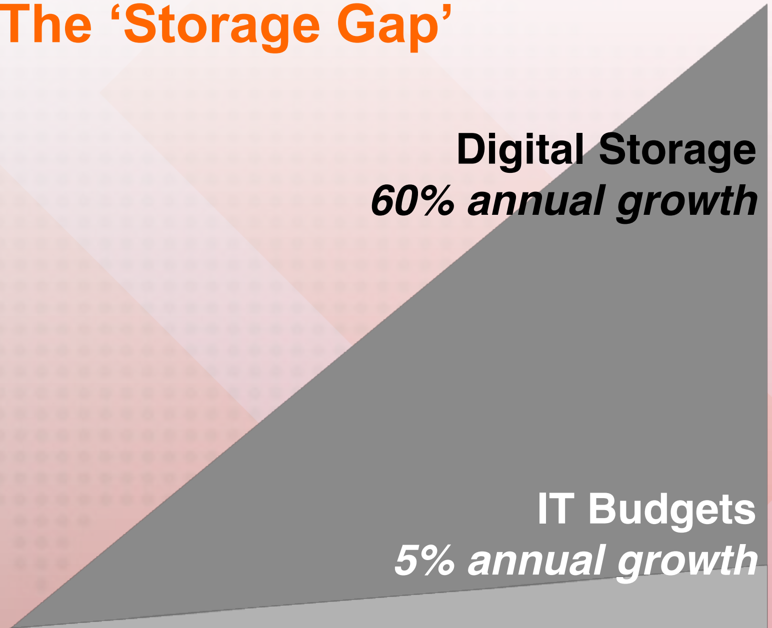
British Gas 'expand'

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

High data growth accelerating the market

- **Over 1,500 customers now subscribe to Hadoop distributions**
- **Hortonworks and Cloudera customers reached over 850 by December 2014**
- **Market moving from experimental to live phase**
- **WANdisco is a high-value essential when Hadoop adopters reach live production stage**

The 'Storage Gap'



Source: IDC

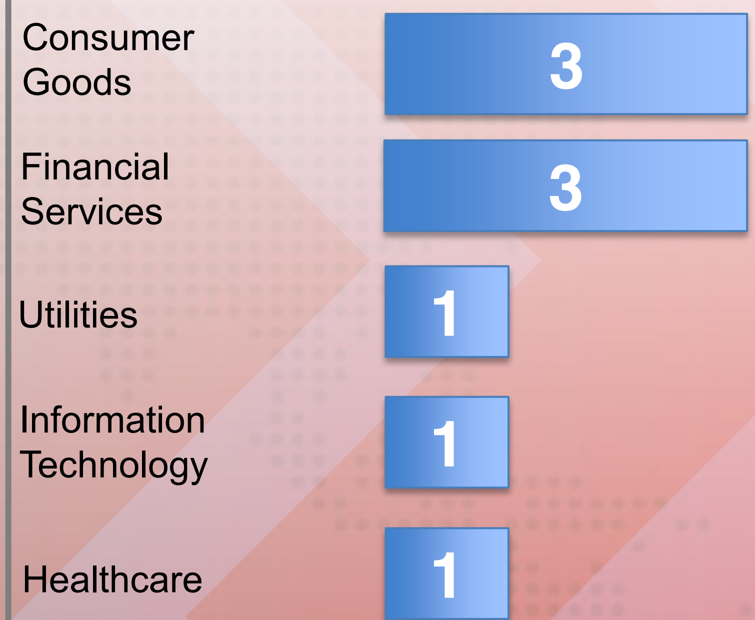
Momentum in Big Data deals…

Across a broad spread of industries

Growing deal volumes

Includes both British Gas deals: initial (Q1) & expansion (Q4)

Broad industry spread



British Gas: two deals but counted as a single customer

Customer wins

WANdisco

EPSILON — *December*

1 Continuous Availability
3 Cluster Zoning

dunnhumby — *December*

1 Continuous Availability
3 Cluster Zoning
4 Multi-Data Centre Ingest

Global Credit Cards — *November*

1 Continuous Availability
3 Cluster Zoning
4 Multi-Data Centre Ingest

US Retail Bank — *December*

1 Continuous Availability
2 100% Utilisation
5 Selective Replication

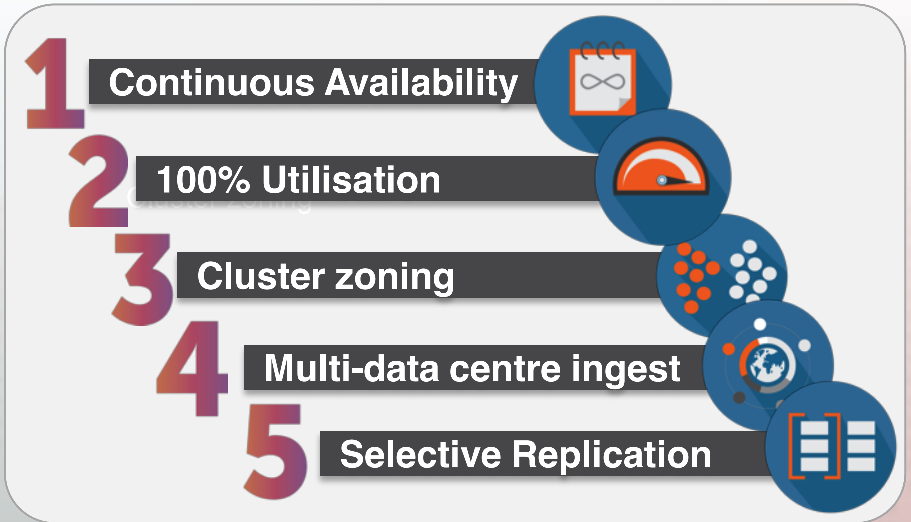
British Gas — *December*

1 Continuous Availability
2 100% Utilisation
4 Multi-Data Centre Ingest

Global Retail Bank — *February*

1 Continuous Availability
2 100% Utilisation
3 Cluster Zoning
4 Multi-Data Centre Ingest
5 Selective Replication

Global bank customer win



Step 1
UK-to-UK data centre replication

Step 2
UK-to-Asia data centre replication

Step 3
Selective Replication - source data kept in national jurisdictions but analytics shared

Business case

- 12 data centres in multiple jurisdictions with varying data requirements
- Extending from investment banking into retail banking and risk management
- New applications - trade finance, corporate banking, high frequency trading

Choosing WANdisco

- 99% cost savings by retiring legacy infrastructure
- Alternatives did not perform over WAN and brought proprietary lock-in risk
- Non-Stop Hadoop the ‘only’ choice once open source chosen

Contract expansion with growing data

British Gas

Further adoption of household smart meters

Hadoop applied to wider IT estate

EPSILON

'HBase' streaming of digital messages

Growing unstructured content

dunnhumby

Refining segmentation of 700 million shoppers

More analysis products, e.g. automated pricing

US Retail Bank

Selective replication across multiple jurisdictions

Into trade finance and risk management

US Retail Bank

Monitoring internal communications systems

Potential for common data mining, across 30,000 databases

Global Credit Card Bank

Machine learning from ATMs & mobile devices

Real-time queries un-interrupted by batch analysis

Fusion for the Open Data Platform

Cross-platform product

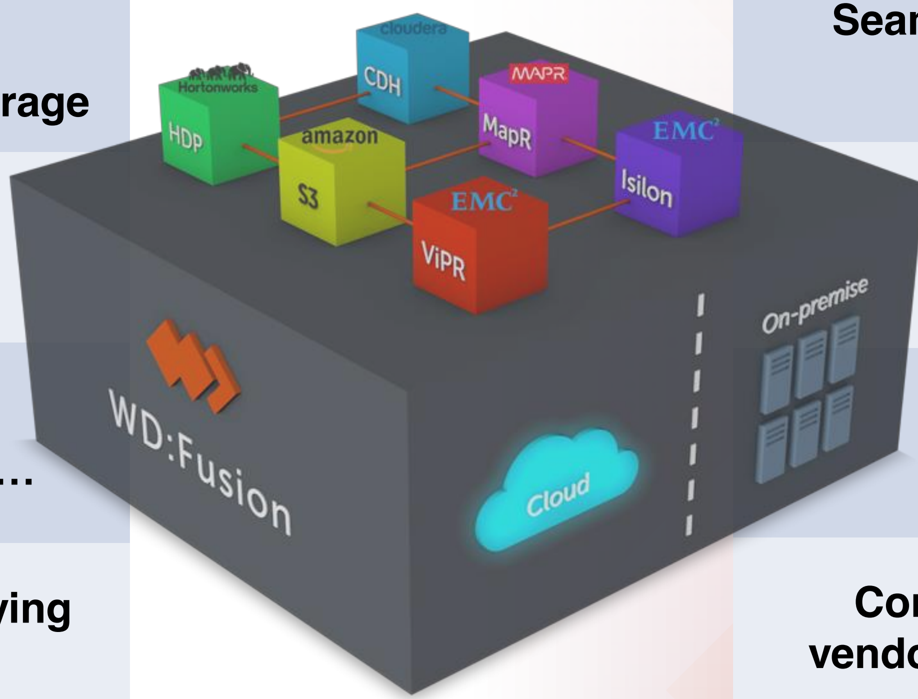
Single access and consistency across all Hadoop-compatible storage

Standard Hadoop APIs

Range of data stores EMC, Teradata, NetApp…

Non-invasive to underlying storage

Deployed without heavy integration



Commercial benefits

Seamless use of multiple distributions

Enables migration between storage vendors

Easy install

Connects with non-ODP vendors such as Cloudera

Requires no support from Cloudera or Hortonworks

Joining the Hadoop Open Data Platform

ANNOUNCING THE...

OPEN DATA PLATFORM

Enabling Big Data solutions to flourish atop a common core platform.

- Industry leaders promoting Hadoop
- WANdisco is a founding member of the ODP (invited by EMC)
- Accelerates application delivery with common and consistent core
- Interchangeable components free customers from vendor lock-in
- Expands our market of potential addressable customers

ALM

New customers in a growing market

- New customer sales bookings up 29%
- Q4 sales impacted by diversion of sales resource to Big Data
- Last year's multi-year deals impacted this year's renewals
- Customers staying with us through changes to new source code management tools like Git

New blue chip customers

Synaptics, Scotiabank, Polycom, ADP, Cablevision, Globant

Expanding source code management

Pitney Bowes, T. Rowe Price, McGraw Hill, Western Digital, Cisco, Huawei, SanDisk

87% renewal rate

pixelworks, Halliburton, FannieMae, fiserv., O2Micro, Walmart

ALM

Towards profitability

- Growth potential as market moves to new Open Source tools
- Realigned ALM sales force for 2015
- Current sales opportunities require little new product development
- Cost reduction by exiting 'SmartSVN' webstore business
- Critical mass enables move towards profitability in 2015

2015 Goals

- More Big Data deals from production trials pipeline
- Scale-up of existing Big Data contracts
- *WD:Fusion* frees enterprises from Hadoop vendor lock-in
- Big Data Partner ecosystem beyond Hadoop distributors
- ALM moves towards profit