

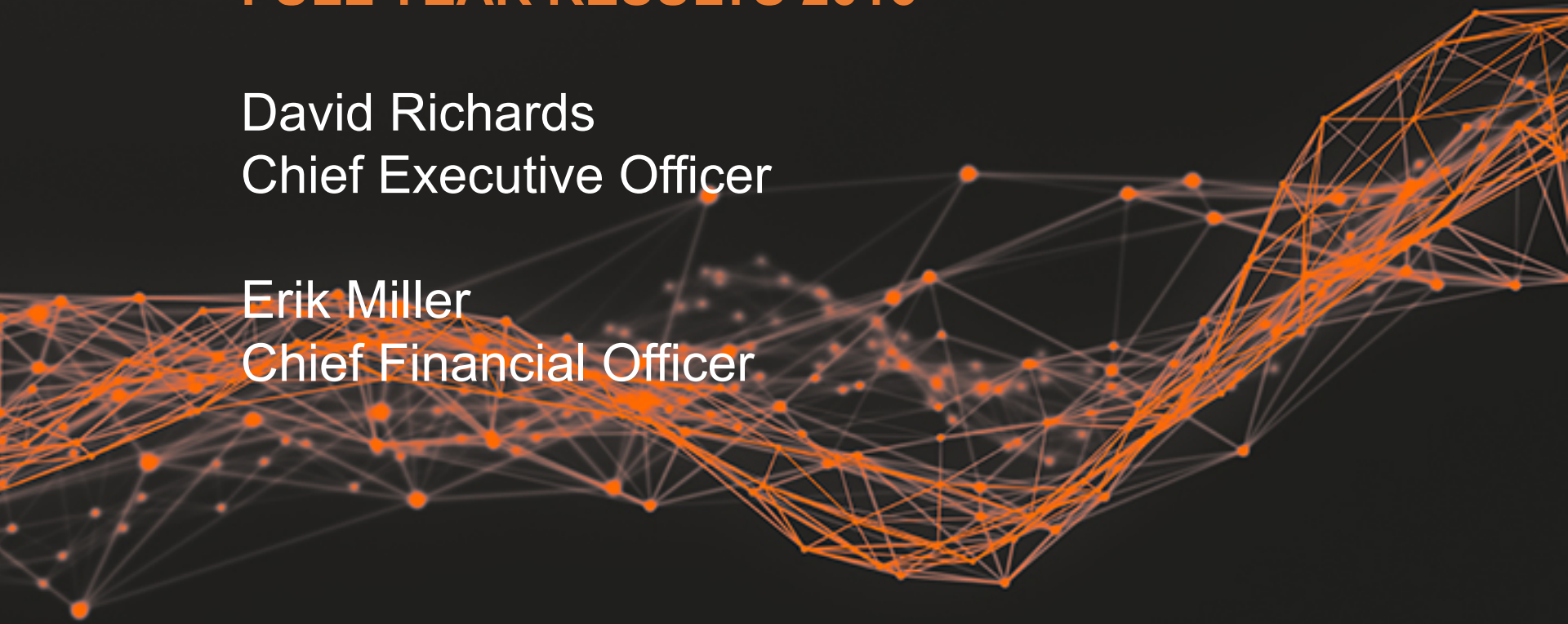


The World Leader in
Active Data Replication™

FULL YEAR RESULTS 2016

David Richards
Chief Executive Officer

Erik Miller
Chief Financial Officer





SCORE CARD

PRIORITY IN FY 2016		RESULT
Reduce cash consumption without impact our ability to execute		Cash overheads reduced by \$11.2m to \$23.4m with significantly improved overall performance
Traction in Big Data and Cloud with our Fusion technology		Bookings increased by 184%
Renewed focus on SCM (ALM)		Bookings increased by 29%
Traction with IBM OEM of Fusion ('IBM Big Replicate')		Closed first \$1m (to WANdisco) contract in Q4 2016
Adoption of Fusion into Cloud & Big Data markets		15 new customers – 3 record Big Data deals
Development of channels for operational leverage		Deals with IBM, Oracle, HPE, Amazon



HIGHLIGHTS

OPERATIONAL

- Won 15 new Big Data and Cloud customers
- Secured landmark OEM with IBM
- Contract momentum through strategic partnerships with IBM, Amazon and Oracle.
 - \$1m order for Fusion as part of Dubai's Smart City project via HPE
 - \$1.5m order for Fusion with a major US bank via Oracle
 - \$1m order for fusion with a multinational automobile manufacturer via IBM
- Renewed sales focus underpins profit growth within Source Code Management product set
- Strong order book and sales pipeline into 2017



- WANdisco stands for:
Wide Area Network Distributed Computing
- World leader in Active Data Replication™
- IPO in 2012 on London Stock Exchange AIM, Symbol WAND
- Dual headquartered in San Ramon, California and Sheffield, England
- Our solutions are based on a mathematical proof developed by Co-Founder & Chief Scientist Dr. Yeturu Aahlad
- 7 registered patents and 25 pending applications in the US and internationally



OUR BUSINESS MODEL

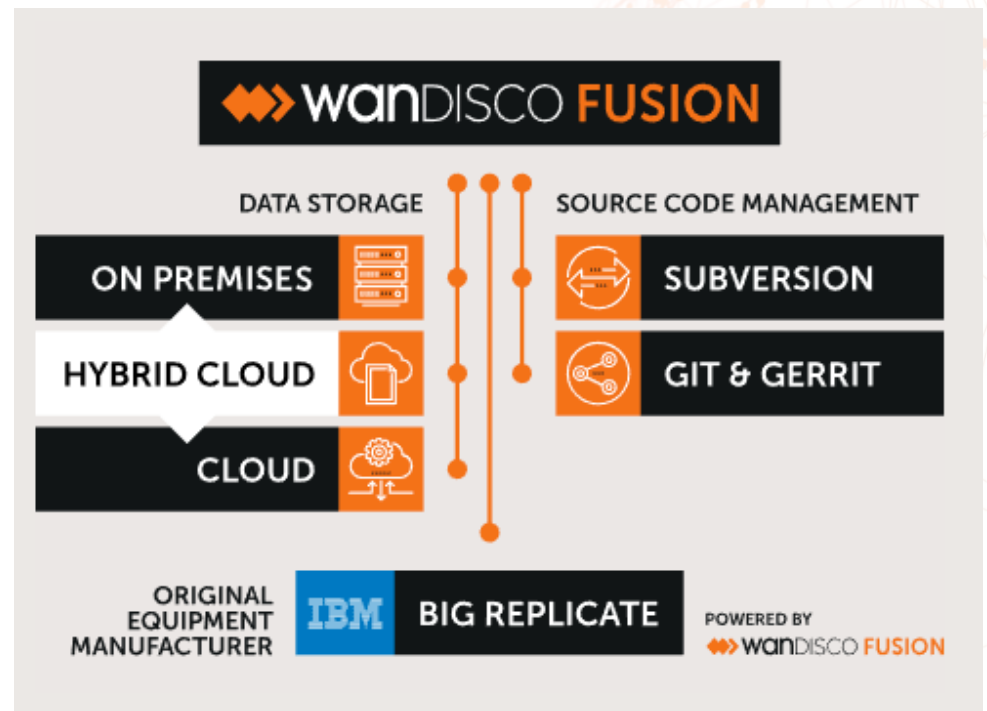
- Pure software solutions / Intellectual property.
 - Very scalable, very high gross margin
- WANdisco Fusion leverages burgeoning Big Data and Cloud markets
- Customer base from the Global 2000 with recurring subscription revenue.
- Operational leverage from strategic channel partners: IBM, Amazon, Microsoft, Oracle, Google, HPE.
 - Highly efficient distribution model with minimal sales & marketing costs
- Road-tested technology with high profile deployments, at scale.
 - Business critical environment including: automotive, financial services, retail, healthcare



WANDISCO FUSION®

- Created in 2015
- General purpose replication platform rather than a specific platform for Hadoop
- Cloud, on-premises file systems, Hadoop
- Fusion enables the replication of continuously changing data to the cloud and on-premises data centers with guaranteed consistency, no downtime and no business disruption.

**NO OTHER
PRODUCT CAN
DO THIS**



WE SOLVE ACTIVE DATA REPLICATION TO THE CLOUD

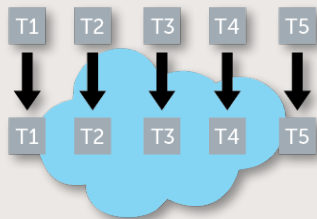


WITHOUT WANDISCO FUSION

- Downtime
- Time-based one-way copy for low-volume 'cold' data
- Data movement always behind
- Data consistency not guaranteed

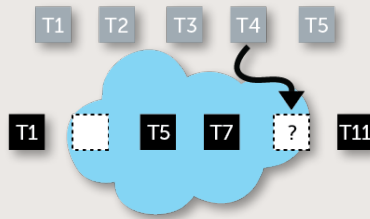
SMALL DATA

Data moved in 'blocks' at specific times



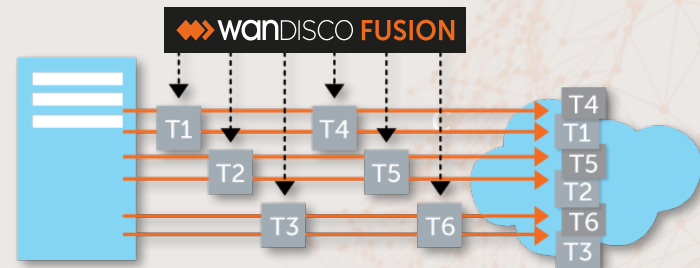
BIG DATA

Time-based transfer does not work at scale



WITH WANDISCO FUSION REPLICATION

- No downtime
- Moves data as it changes
- Supports migration and hybrid use cases
- Petabyte scale with guaranteed data consistency



THE ONLY WAY TO REPLICATE
ACTIVE DATA AT SCALE IN
AND OUT OF THE CLOUD

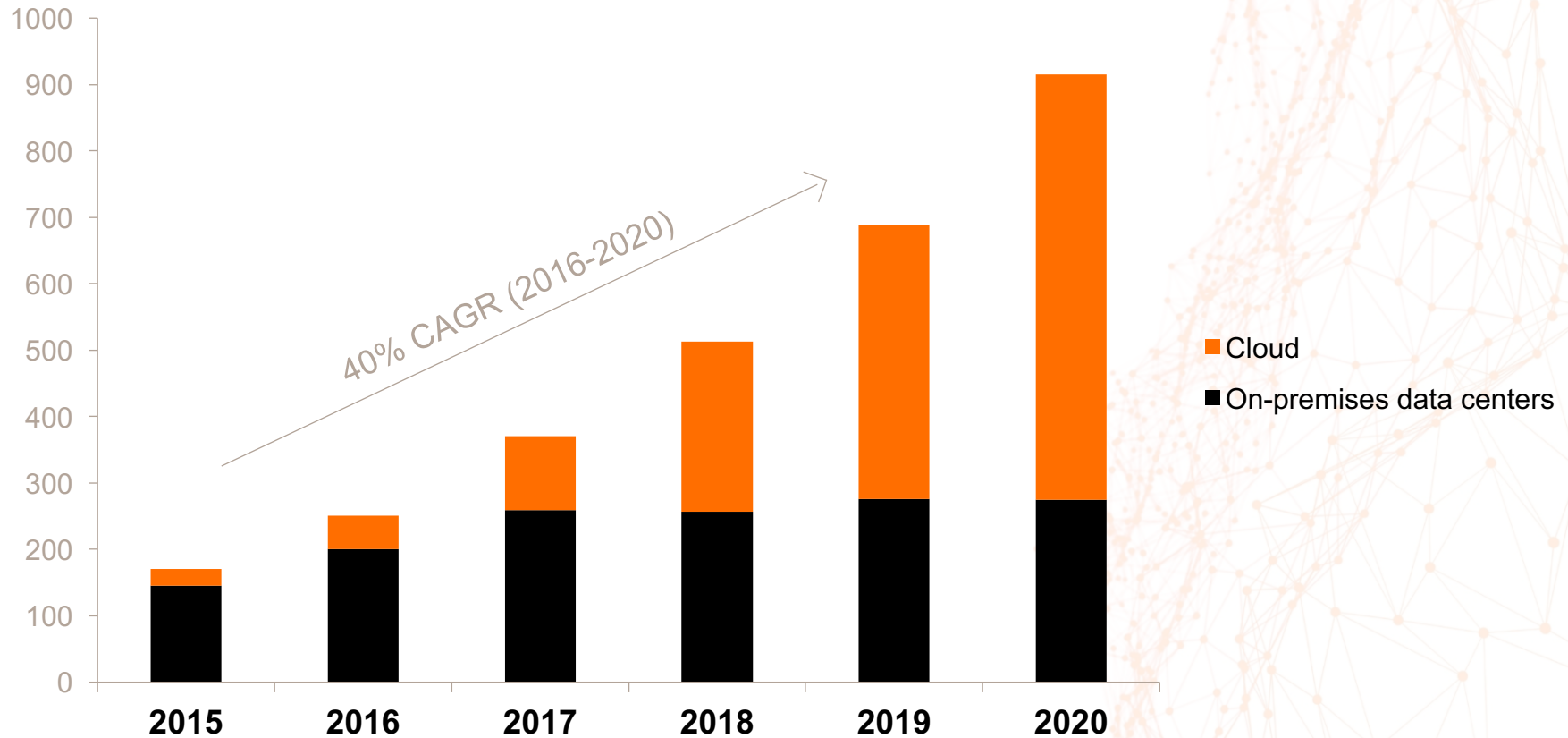


**“COMPUTER SCIENCE STILL SAYS
WHAT WE HAVE DONE IS
IMPOSSIBLE BUT IT’S NOT.”**

Dr. Yeturu Aahlad
Chief Scientist, Inventor & Co-Founder

THE BIG DATA & CLOUD MARKET

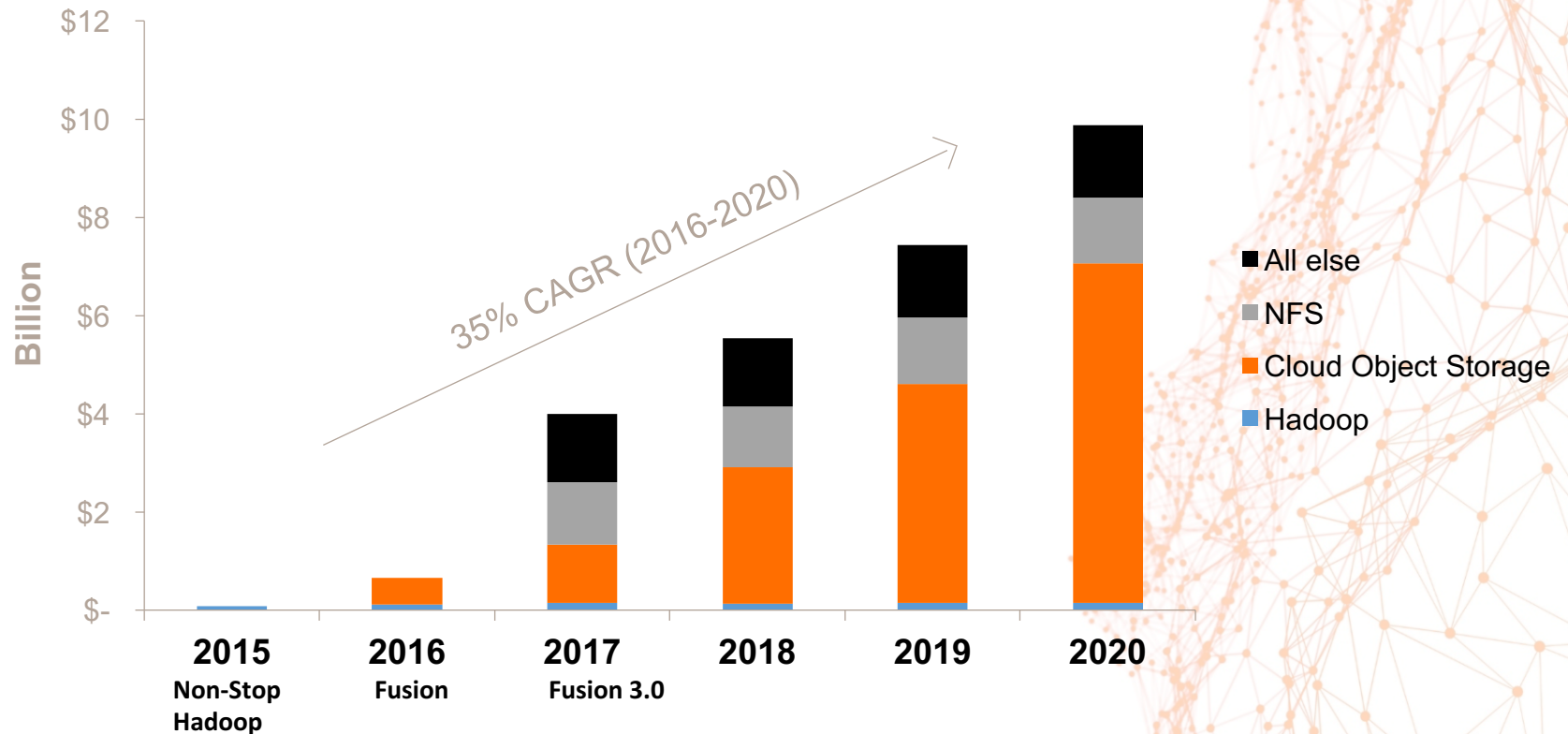
(Exabytes of Data)



Source: Cisco Global Cloud Index: 2015-2020. Published 2016

ADDRESSABLE MARKET FOR WANDISCO PRODUCTS

(assuming 10% of all stored data requires continuous replication)



Source: Cisco Global Cloud Index: 2015-2020. Published 2016 , WANdisco estimates



PROGRESS WITH IBM

- 
- *April 2016*
 - Signed white label OEM agreement for “IBM Big Replicate”
 - *June 2016*
 - IBM Big Replicate was generally available in the IBM price book.
 - *August 2016*
 - WANdisco completed software engineering to integrate Fusion with IBM infrastructure.
 - *September 2016*
 - Trained ~5,000 quota carrying IBM sales representatives
 - Closed first deal with a major European bank
 - *December 2016*
 - Closed first \$1m deal with a global automotive company



USE CASE

DRIVING CAR TECHNOLOGY FORWARD

CHALLENGE

- A major automotive manufacturer needed to ensure vehicle data moved seamlessly between data centers and the cloud to fulfill the growing demand in the sector for driverless technology and predictive maintenance.
Current solution required an outage of 30+ days

SOLUTION

- IBM Big Replicate, powered by WANdisco Fusion, was found to be the only solution on the market capable of moving such continuously changing data sets with no downtime and no disruption.



“Before we had IBM Big Replicate [Fusion] we ran trials in replicating a small sub-set of our data which required about a 30 hour outage, which we could do over a weekend. When we ran an extrapolation of that we realized that by the end of 2017 that would grow to a 30 day outage for our key systems. With Big Replicate we can move data without any downtime and that is absolutely critical”

– Head of Big Data & Cloud Technologies



USE CASE

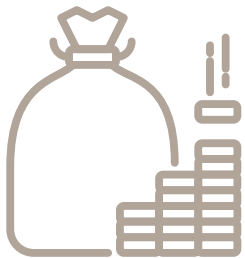
DATA RESILIENCE FOR A MAJOR US BANK

CHALLENGE

- Implementing Oracle Big Data Appliances for key financial applications including fraud detection, regulatory compliance and customer retention. Required to have disaster recovery and recovery time point within a tolerable range. Systems could not be updated without downtime.

SOLUTION

- Implemented WANdisco Fusion and achieved sub 15-minute service level agreement for high availability of key financial applications. Seamless upgrades with elimination of planned outage.



“Regulatory requirements prevented us from going into production with key financial applications like fraud detection and risk because we had to meet strict SLAs. WANdisco Fusion meets these requirements and allows us to deploy business critical applications.” – **Head of IT Infrastructure**



USE CASE

DISASTER RECOVERY AND EFFICIENT USE OF RESOURCES FOR A MAJOR RETAILER

CHALLENGE

- Implementing Hadoop and cloud (Microsoft Azure) to replace existing legacy storage. Economics of Hadoop didn't work (vs. legacy) so needed to utilize second DR datacenter for compute workloads. Replication solution needs to be completely automated. Unable to upgrade or relocate servers without downtime.

SOLUTION

- Implementing WANdisco across two data centers and Azure (Hybrid Cloud). Now able to use DR for compute workloads – reduced server hardware requirements by ~ 50%. Seamless upgrades and server relocation.



“Quite simply WANdisco enables us to use our disaster recovery data center for compute workloads. This means we are able to fully utilize our server infrastructure and that dramatically reduces our costs”

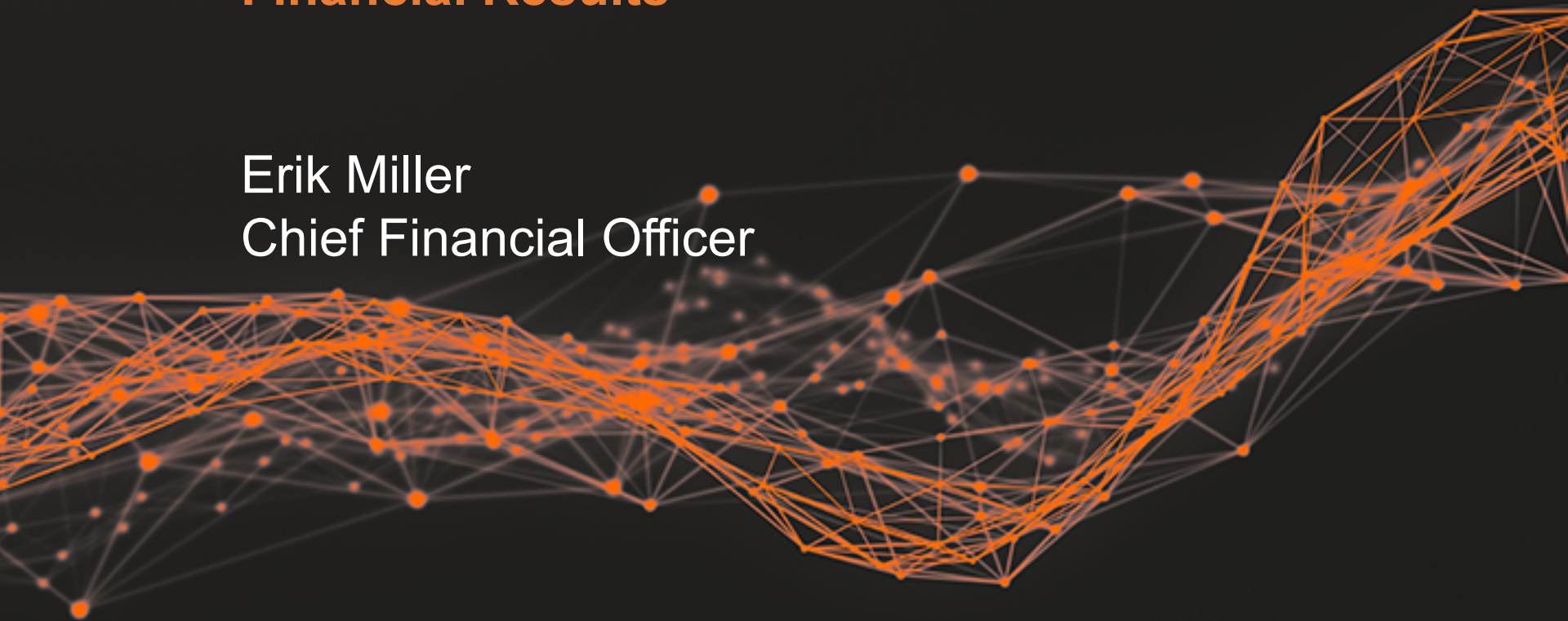
- Senior Director, Data & Analytics



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Financial Results

Erik Miller
Chief Financial Officer





HIGHLIGHTS

FINANCIAL

- Total bookings for the year up **72% to \$15.5m** (2015: \$9.0m)
 - Big Data & Cloud bookings rose **184% to \$7.1m** (2015: \$2.5m)
 - SCM bookings rose **29% to \$8.4m** (2015: \$6.5m)
- Revenue for the year up **4% to \$11.4m** (2015: \$11.0m)
- Operating expenses were reduced by **\$11.2m to \$23.4m** (2015: \$34.6m)
 - Exiting the year with cash overheads of approx. \$25m for 2017
- Adjusted EBITDA loss more than halved to **\$7.5m** (2015: \$16.0m loss)
- Cash at year-end of **\$7.6m** (31 Dec 2015: \$2.6m)
- Cash burn reduced to **\$0.2m** in Q4 2016 (Q4 2015: \$6.9m)
- Debt-free



BIG DATA AND SCM SALES

BIG DATA

- 15 new Fusion customers
- 8 scale-up and renewal deals
- New sales bookings \$7.1m (2015: \$2.5m)
- Recognized Revenue \$3.2m (2015: \$1.8m)

Big Data sales metrics (averages)

Value per contract	\$286k	Mix of large rollouts and smaller-scale projects
Price per node per year	\$1,300	Range of pricing Volume pricing for scale-ups
Term length	3.5 years	Range of term lengths

SCM

- Sales and product refocus brought 2016 recovery
- High contribution from new customers and renewals
- Recognized Revenue \$8.2m (2015: \$9.2m)
- Profitable at contribution margin level before central overheads

SCM sales metrics

Deal type	New Sales Bookings (\$m)		% of total		Deal count	
	2016	2015	2016	2015	2016	2015
New customer	3.4	1.2	41%	19%	17	20
Add-on	1.1	1.6	13%	25%	40	49
Renewal	3.7	3.5	44%	53%	59	83
SmartSVN	0.2	0.2	2%	3%		
TOTAL	8.4	6.5	100%	100%	116	152

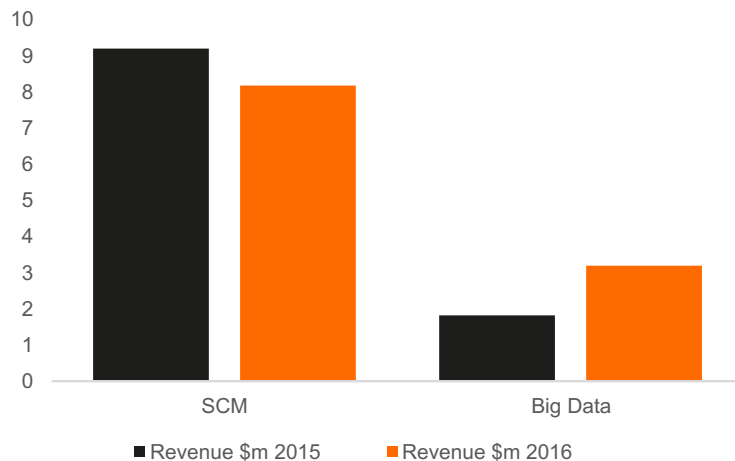


RECOGNIZED REVENUE

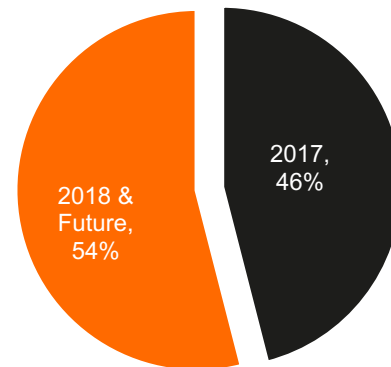
- Revenue increased \$400k to \$11.4m from \$11m in 2015
- SCM average subscription term length of over 2 years
- Deferred revenue of \$12.5m, \$5.8m of which will be recognised as revenue in 2017

Bookings to revenue (\$m)	2016	2015
Sales Bookings	15.5	9.0
New deferred revenue	(12.0)	(6.5)
New recognised revenue	3.5	2.5
Deferred revenue release from prior years	7.9	8.5
Revenue	11.4	11.0

Revenue by product



Deferred revenue roll-out





PROFIT & LOSS

\$m	2016	2015	\$m change
New sales bookings	15.5	9.0	6.5
Revenue	11.4	11.0	0.4
Cost of sales	(1.4)	(0.8)	(0.6)
Gross profit	10.0	10.2	(0.2)
'CASH' OPERATING COSTS	(23.4)	(34.6)	11.2
Profit pre-SBP & Capitalisation	(13.4)	(24.4)	11.0
Capitalised portion of R&D	5.9	8.4	(2.5)
Adjusted EBITDA	(7.5)	(16.0)	8.5

SCM refocus and ramping Big Data significantly improved bookings

New sales + deferrals

Sales commissions

Headcount reduced from 143 to 118 at 31 December 2016

Reduced in line with Engineering staff

EBITDA loss more than halved in year

CASH FLOW

Working capital (\$m)	2016	2015
Receivables	4.7	5.1
Payables	(3.5)	(2.7)
Deferred revenue	(12.5)	(9.8)
Net working capital	(11.3)	(7.4)



Net cash at 1 January 2016	2.6
Share issue & employee option exercises	13.5
Currency movement	(0.2)
Net cash invested	(8.3)
Net cash at 31 December 2016	7.6



Cash flow (\$m)	2016	2015
Adjusted EBITDA	(7.5)	(16.0)
Net working capital change	3.9	(1.7)
Currency, interest, tax	1.3	0.1
Cash flow from operations	(2.3)	(17.6)
Net capital expenditure	(0.1)	(0.1)
Product development	(5.9)	(8.4)
Net cash invested	(8.3)	(26.1)



SUMMARY AND OUTLOOK

- ✓ **THE ONLY VIABLE SOLUTION** FOR ACTIVE DATA REPLICATION AT SCALE
- ✓ **SOFTWARE** LEVERAGED TO BURGEONING CLOUD COMPUTING MARKET
- ✓ **GLOBAL 2000** CUSTOMER BASE WITH RECURRING REVENUE
- ✓ **ACCELERATING** TOP-LINE GROWTH AND NARROWING LOSSES
- ✓ **IMPROVED** BALANCE SHEET NEARING POSITIVE CASH FLOW
- ✓ **EXPERIENCED, WORLD-CLASS LEADERSHIP TEAM**



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Active Data Replication™

THANK YOU





GO TO MARKET



**DIRECT:
SOURCE CODE
MANAGEMENT**

OEM



INDIRECT : STRATEGIC PARTNERS



DIVERSE AND GROWING CUSTOMER BASE



Financial Services
Major US Bank



Automotive
Multinational Auto Manufacturer



Healthcare
Fighting Dementia



Government
Dubai



USE CASE

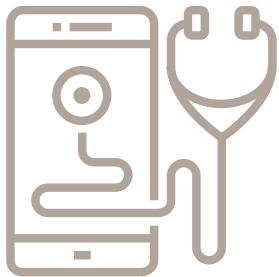
USING BIG DATA TO FIGHT DEMENTIA

CHALLENGE

- An EU funded initiative which could make it easier for doctors to spot the early signs of dementia needed to move big data between eight different cloud providers for analysis so it could be analysed by over 950 different applications.

SOLUTION

- WANdisco Fusion was the only solution that could not only transfer continually changing data to the cloud but also do it at the speed and volume they required.



"This project wouldn't be possible without moving around large volumes of continually changing data. We need to do this in a distributed manner and for that we are using cloud technology and WANdisco Fusion. There is no other solution on the market that can move such active data and do it with guaranteed consistency."

- Professor Alex Frangi, Project lead



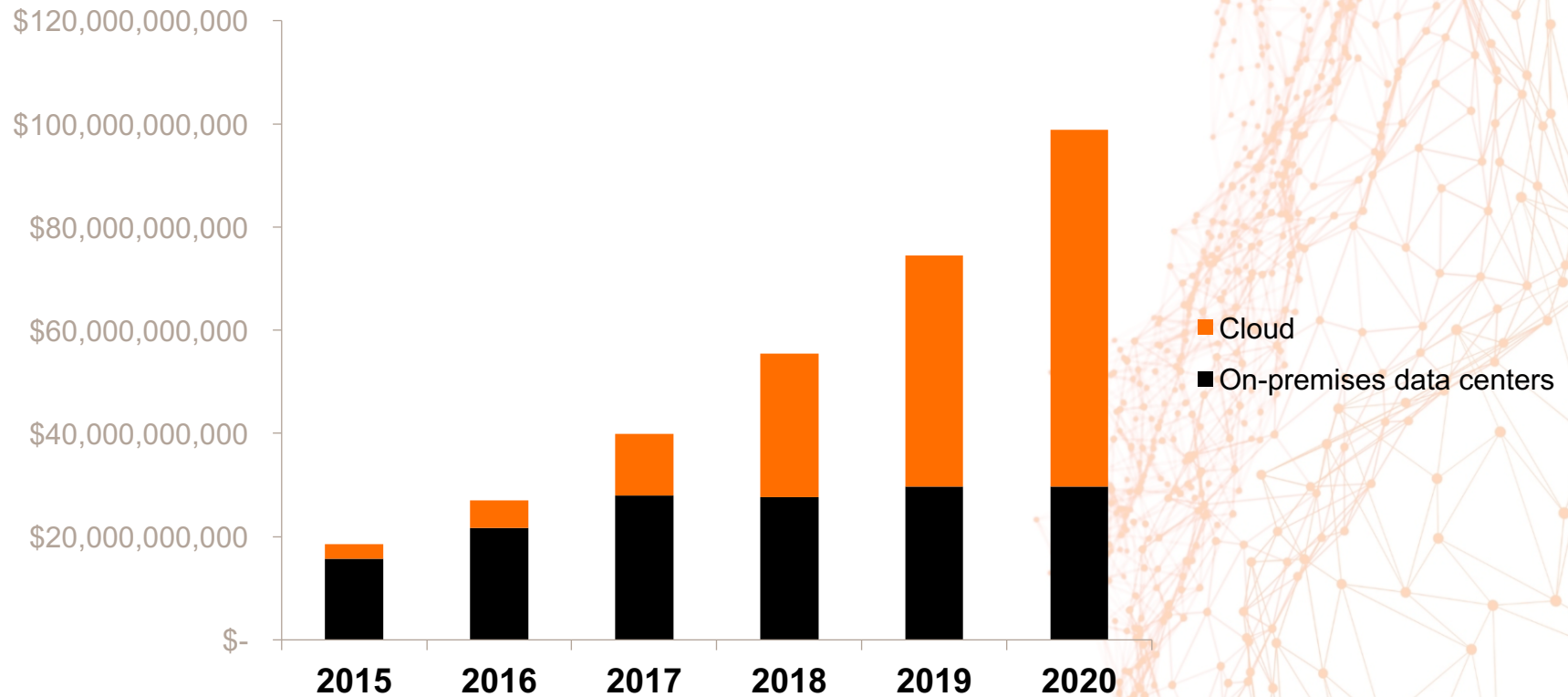
FINANCIAL HIGHLIGHTS

		2016	2015
<i>Strong growth in bookings</i>	Big Data ramping	\$15.5m	\$9.0m
<i>Growth in revenue</i>	Recognized Revenue	\$11.4m	\$11.0m
<i>Significantly reduced cost base</i>	'Cash' Operating Costs	\$23.4m	\$34.6m
<i>EBITDA loss more than halved</i>	Adjusted EBITDA*	(\$7.5m)	(\$16.0m)
<i>Cash position</i>	Cash, no debt	\$7.6m	\$2.6m

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

TOTAL ADDRESSABLE MARKET (TAM) FOR CONTINUOUS REPLICATION

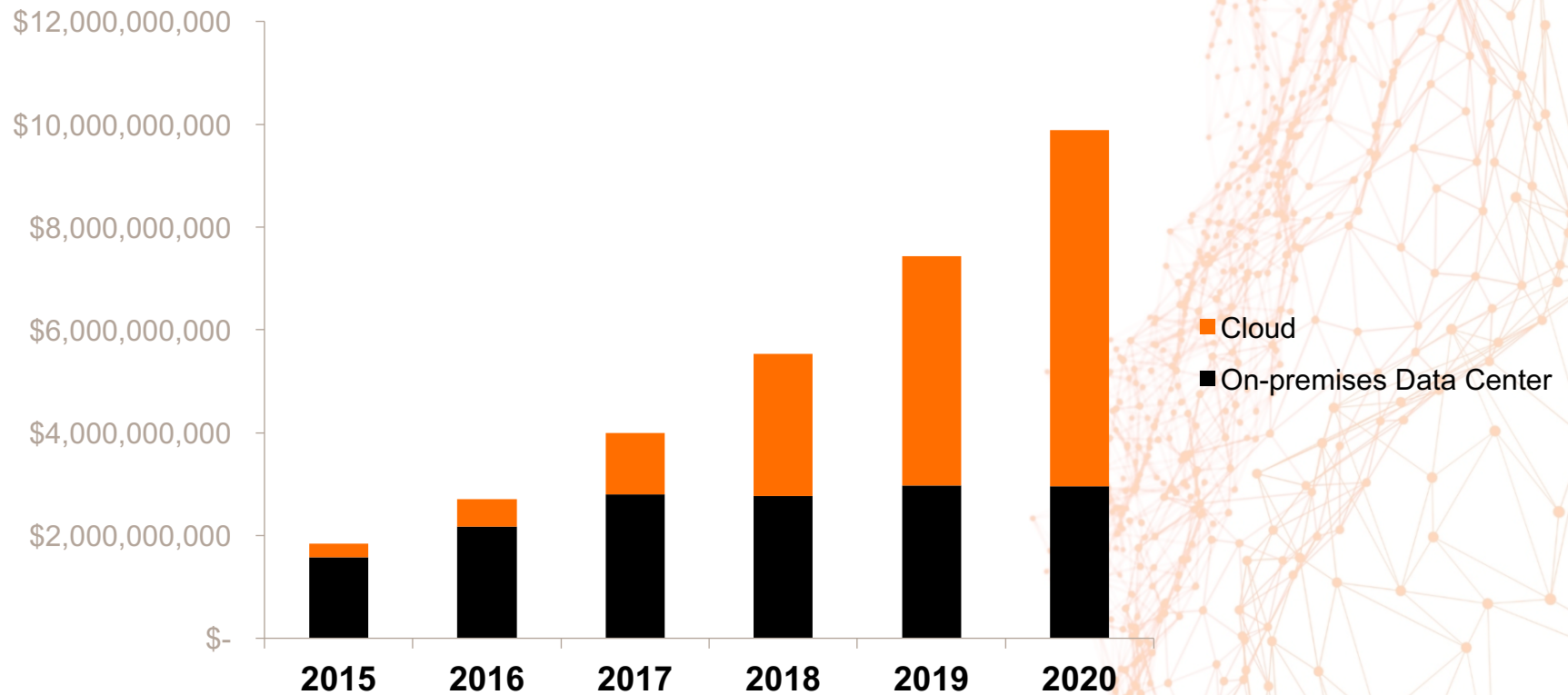
(if all stored data is continuously replicated)



Source: Cisco Global Cloud Index: 2015-2020. Published 2016 , Wandisco estimates

TOTAL ADDRESSABLE MARKET (TAM) FOR CONTINUOUS REPLICATION

(assuming 10% of all stored data requires continuous replication)



Source: Cisco Global Cloud Index: 2015-2020. Published 2016 , Wandisco estimates