



The **LiveData** Company

INTERIM RESULTS 2018

Six months ended 30 June 2018

David Richards

Chairman & Chief Executive Officer

Erik Miller

Chief Financial Officer



The **LiveData** Company

Business Update

David Richards, Chairman & CEO



2018 strategic priorities

**DEEPENING
PARTNER
RELATIONSHIPS**

**CONTINUED
CUSTOMER
TRACTION**

**TRANSITION
TO
RECURRING
REVENUE
MODEL**



H1 2018 financial highlights

Bookings

\$9.0m

H1 17 \$10.2m

Revenue

\$5.7m

(\$6.6m)*
H1 17 \$9.7m

Adj. EBITDA

(\$6.8m)

H1 17 \$0.3m

Cash Overheads

\$14.6m

H1 17 \$11.5m

Cash Balance

\$18.0m

FY 17 \$27.4m

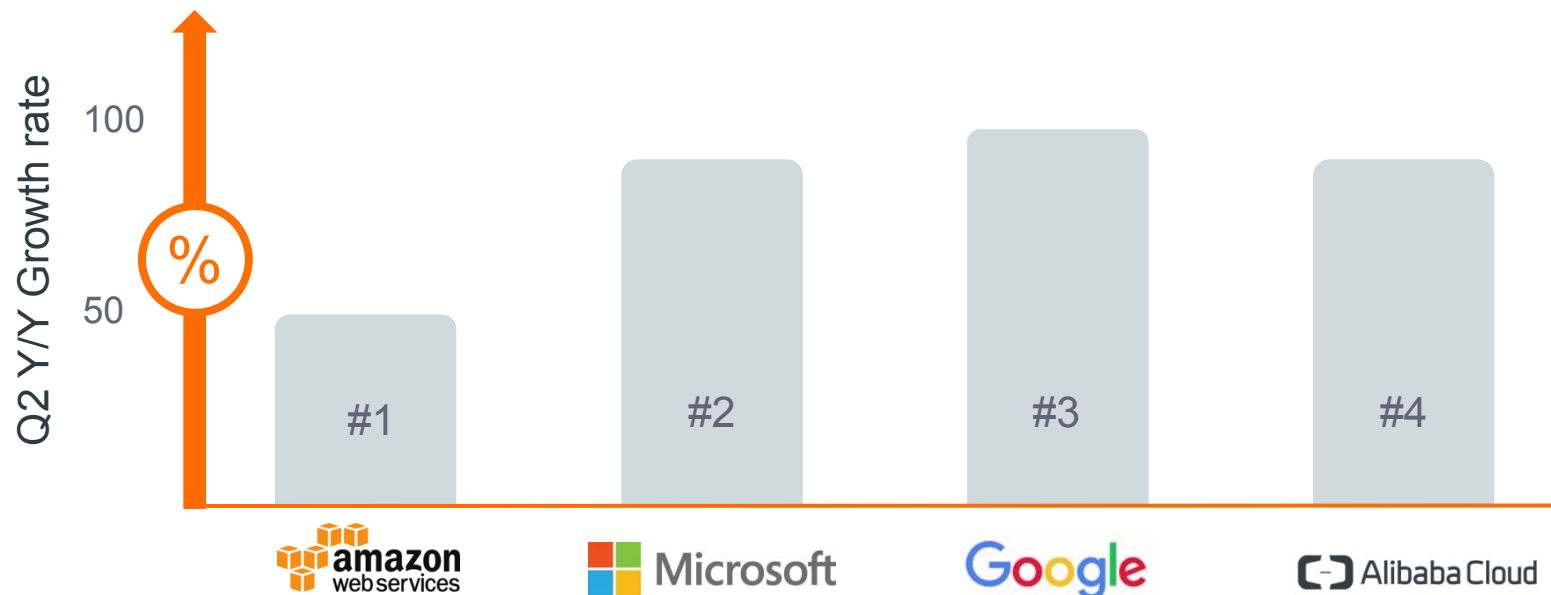
*pre-IFRS 15 equivalent



TAM update



Rapid growth in cloud adoption continues



Market leaders in cloud infrastructure (IaaS/PaaS)

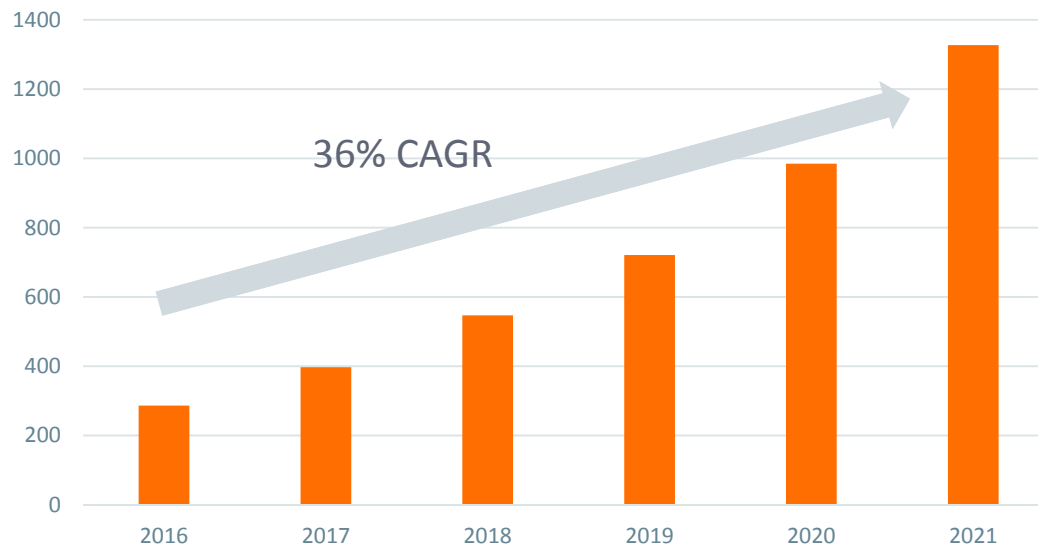
Source: excerpts from reports from Canalys (Cloud Analysis July 2018) and Synergy (Cloud Infrastructure Services Q2 2018)

© WANdisco 2018 | wandisco.com



Cloud data growth driving market size

Forecasted growth of all stored data worldwide (exabytes)



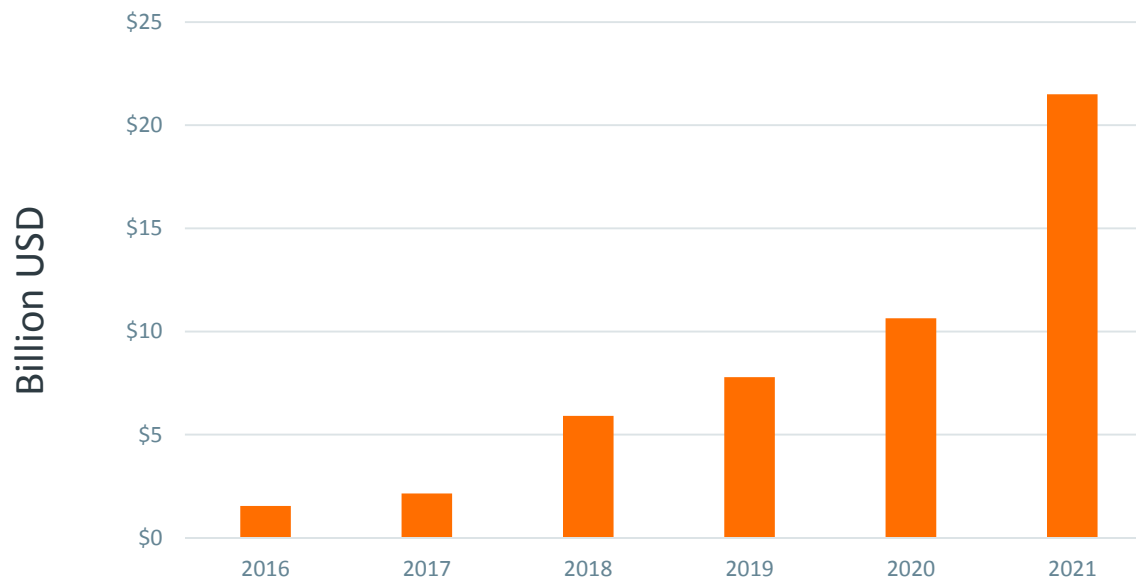
- Forecasted stored data increased c7% since last report
- Data centre to data centre traffic now forecast to be 14% of all data stored (vs 9% in last Cisco report)

Source: Cisco Global Cloud Index: 2016-2021. | Published 2018



TAM expansion driven by data growth and use cases

TAM for live data replication of cloud enterprise data, in billion USD



Source: Current WANdisco Fusion pricing for cloud | data sizing based on Cisco

- Growing amount of data centre to data centre traffic
- Adoption of multi-cloud likely to accelerate the need for LiveData
- Adding data types increases TAM



The **LiveData** Company

Deepening partner relationships

Efficient go-to-market model



Status of strategic partners

	Enhanced Royalty, minimum commitment
 Microsoft	Strategic co-sell partnership, strategic customer wins
 Alibaba Cloud	OEM into Alibaba cloud first product delivered and launched
	Marketplace listing, incentivised sales and product integration
	Highest accreditation based on Oracle proven best practices
	OEM into Dell Virtustream cloud
	Co-sell and re-sell agreement (largest Microsoft Azure reseller in UK)



Deepening Microsoft Relationship

Progress during the period:

- ◆ Joint go-to-market with a packaged Microsoft Azure offering
- ◆ Signed four strategic customer deals with significant growth potential
- ◆ Expansion of use cases:
 - ◆ Hybrid Cloud/Migration
 - ◆ Multi-Cloud, multi-region cloud
 - ◆ Future joint development of SQL technology.
- ◆ Launched resell agreement with 21Vianet, exclusive operator of Azure China



Deepening IBM Relationship

Progress during the period:

- ◆ Announced upgraded OEM deal - renegotiated royalty from 30% to 50%
- ◆ Guaranteed annual minimum royalty commitment
- ◆ Joint development for IBM Big SQL planned for release in H2 - significantly expands TAM
- ◆ New customers in insurance, banking, telecommunications and US Government
- ◆ Expanded opportunity pipeline



**INCREASED
ROYALTY**
from
30% to 50%



**EXPANDING
TAM**
joint SQL
development



**GROWING
PIPELINE**
customers in
new sectors



Deepening Alibaba Relationship

Alibaba launched OEM solution:

- ◆ First set of product launched in September
- ◆ Additional products scheduled for release during H2 to further expand use cases
- ◆ Enablement of ~1000 enterprise sellers (China) underway
- ◆ Enablement underway of Alibaba partner ecosystem – consulting partners
- ◆ Joint engineering underway to provide tighter integration of products and seamless customer onboarding experience
- ◆ Pipeline building
- ◆ First wins expected Q4 FY18



**First
product
released**



**Enablement of
~1000 Enterprise
sellers
underway**



**Joint
engineering
underway**



The need for LiveData for Multi-Cloud

WANdisco Fusion for Multi-Cloud replication:

- ◆ Enables continuous replication of data across multiple cloud vendors and locations

LiveData for Multi-Cloud ensures:

- ◆ **Consistent global data** – customers can replicate data across a Multi-Cloud architecture with guaranteed data accuracy
- ◆ **Optimised multi-vendor cloud strategy** – data available in different cloud applications preventing vendor lock-in
- ◆ **Cut total cost of ownership** – arbitrage costs across different cloud vendors



The **LiveData** Company

Continued customer traction

Multiple industries and opportunity to scale



Why customers buy Fusion

DISASTER RECOVERY

Automated recovery with no disruption

CLOUD MIGRATION

Without downtime or data loss

HYBRID CLOUD

Real-time sync between on-prem and cloud

ANALYTICS INFRASTRUCTURE

Always-accurate insights at every location

MULTI-CLOUD

Continuous consistency between cloud providers

INTERNET OF THINGS

Ingest and analyse data at any location

SECURITY AND COMPLIANCE

Complete control of data to meet regulatory requirements



Why cloud platform providers need Fusion

- ◆ Only viable solution for LiveData
- ◆ Accelerates consumption of partner services
- ◆ Expands Partner's TAM
- ◆ Access to available support



**Only
solution
for
LiveData**



**Accelerates
consumption
of cloud
services**



**Expands Partner's
TAM**



Winning with Microsoft in Automotive

One of the world's largest manufacturers of premium cars and trucks selects WANdisco Fusion for hybrid cloud & cloud migration

Data shared between Azure Cloud and on-premises Hadoop clusters and migration of applications & services

Significant cost reduction in cloud storage and key cloud applications such as AI

Hybrid cloud and migration of business critical applications

Ensure business continuity while transitioning to a hybrid cloud infrastructure

Accelerating Azure migration

Significant Azure customer with huge expansion

“By using Azure, we started to deliver months faster than would have been possible in our on-premises environment. Ensuring we have our data simultaneously on cloud and on-premise is a key business imperative.”



Winning with Microsoft in Retail

Very large multi-channel retailer wanted to merge customer data from acquired business with its existing customer data to utilize its advanced analytics platform

Data shared between Azure Cloud and two different on-premises Hadoop clusters

Faster results from more data sources - Increased ROI and better insights

Disaster Recovery / High Availability - Azure is the backup of both on-premises clusters

Increased data agility and ability to meet disaster recovery objectives

Accelerating Azure migration

Increased Azure consumption - **1.2 PB replicated to date**

“We have found WANdisco Fusion is the only enterprise grade solution on the market which enables all our data to be synced across multiple distributions of Hadoop in three different locations at the same time using both on-prem and in Azure. The implementation and support we have received from WANdisco has been fantastic.”



Winning with Microsoft in Financial Services

Very large financial institution wanted to exploit the power and flexibility of the cloud while meeting regulatory demands across multiple Azure cloud regions

**Data migrated to the cloud
with zero downtime and no
disruption to business**

Risk of migration mitigated
through the deployment of Fusion

**Multi-cloud, multi-regional
Disaster Recovery / High
Availability**

Met strict regulatory SLA's

**Enabled
multi-cloud**

Provide customer with
flexibility in the future

“WANdisco Fusion enables multi-cloud replication between Azure regions easily and cost effectively – and offers the ability to replicate to other cloud vendors too.” – VP, Enterprise Technology Strategy



Winning with Microsoft in Manufacturing

High-tech chip manufacturer wanted to **1)** employ advanced analytics to help accelerate its innovation cycle time **2)** cut operational costs by moving to the cloud **3)** could not afford any system outage during migration

Migration to Azure HDInsight using Data Box with zero downtime

Data Box + Fusion was only way to achieve migration due to limited network capacity

Multiple data ingest sources coordinated with cloud to create near-zero recovery time DR capability

Accelerated Azure migration and consumption

Multi-cloud environment enabled for future use

Opportunity to switch production environment to cloud and use on-premise as backup

“Migration is easier and faster – and more elegant – with WANdisco Fusion”



The **LiveData** Company

Transition to recurring model

Predictable annual recurring revenue base

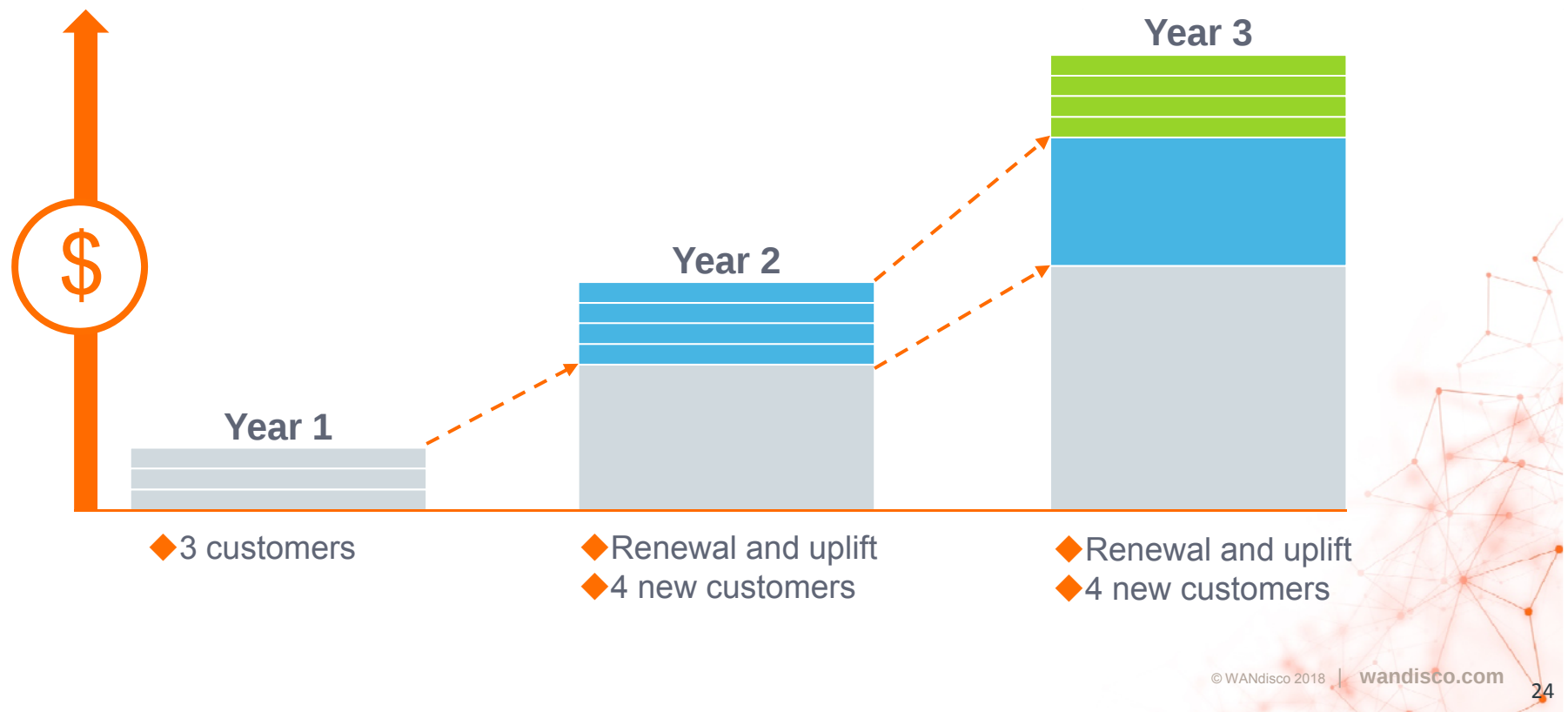
Multi-year customer journey

-Long-term Hybrid and multi-cloud





Transition to more predictable recurring revenue model





The **LiveData** Company

Financial Update

Erik Miller, CFO



FINANCIAL HIGHLIGHTS

	H1 2018	H1 2017
Bookings	\$9.0m	\$10.2m
Recognised revenue	\$5.7m	\$9.7m
Cash overheads	\$14.6m	\$11.5m
Adjusted EBITDA*	(\$6.8m)	\$0.3m

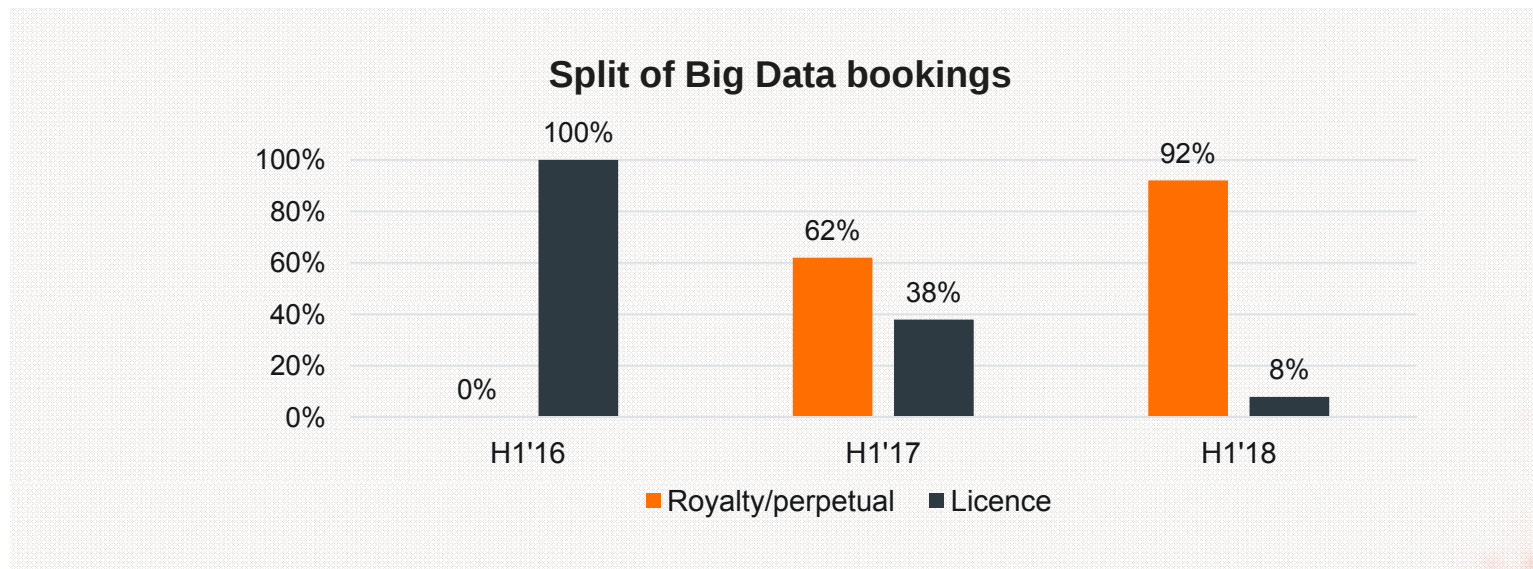
	30 Jun 18	31 Dec 17
Cash Balance	\$18.0m	\$27.4m

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



BIG DATA BOOKINGS METRICS

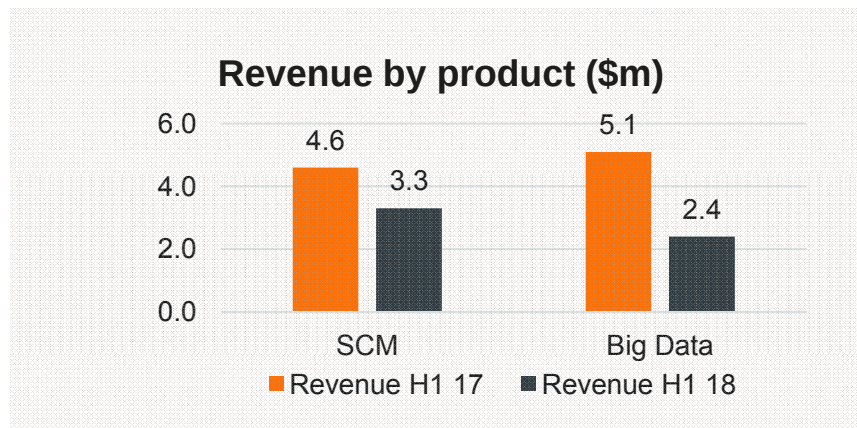
Number of new deals	Total bookings	Average selling price
12	\$6.2m	\$0.5m





RECOGNISED REVENUE

- Bookings late in period reduced recognised revenue
- Majority of H1 Bookings to be recognised in H2
- IFRS 15 Adoption reduced opening deferred revenue carried forward from prior periods



Bookings to revenue (\$m)	H1 2018	H1 2017
Sales bookings	9.0	10.2
New deferred revenue	(6.0)	(6.6)
New recognised revenue	3.0	3.6
Deferred revenue release from prior years	2.7	6.1
Revenue	5.7	9.7

Breakdown of revenue (\$m)	H1 2018	H1 2017
Deferred revenue release from prior year subscriptions	2.4	5.0
Perpetual licences/royalties	1.5	4.2
Other recurring subscriptions	1.8	0.5
Revenue	5.7	9.7



PROFIT & LOSS

\$m	H1 2018	H1 2017	\$m change	
New sales bookings	9.0	10.2	(1.2)	
Revenue	5.7	9.7	(4.0)	Later Bookings lowered recognised
Cost of sales	(0.4)	(0.9)	0.5	Lower sales commissions and deferrals under IFRS15
Gross profit	5.3	8.8	(3.5)	
Cash Overheads	(14.6)	(11.5)	(3.1)	Cash Overheads on plan, minimal headcount increase Headcount 138 at 30 Jun 2018; (31 December 2017: 132)
Profit pre-SBP & capitalisation	(9.3)	(2.7)	(6.6)	
Capitalised portion of R&D	2.5	3.0	(0.5)	
Adjusted EBITDA	(6.8)	0.3	(7.1)	Less revenue and higher cost base



SUMMARY CASH FLOW

- Cash consumption primarily due to lower revenues and a modest increase in cash overheads
- Resources sufficient for future needs

Cash flow statement (\$m)	H1 2018	H1 2017
Statutory loss	(11.3)	(6.3)
Adjustments for non-cash items	4.6	6.5
Working capital movements	(0.7)	1.8
Tax received/interest paid	(0.3)	0.6
Net cash used in operating activities	(7.7)	2.6
Capex/development costs capitalised	(2.8)	(3.6)
Equity proceeds	0.7	0.3
Net debt draw-down	0.7	3.0
Net (decrease)/increase in cash and cash equivalents	(9.1)	2.3
Cash and cash equivalents at the start of the period	27.4	7.6
Retranslation of opening cash and cash equivalents	(0.3)	-
Cash and cash equivalents at the end of the period	18.0	9.9



SUMMARY BALANCE SHEET

- Reduced deferred income post IFRS 15 due to acceleration of licence component of subscription agreement
- Trade and other receivables remain strong at \$5.4m

Balance sheet (\$m)	30 Jun 2018	30 Jun 2017	31 Dec 2017
Non-current assets	8.7	6.6	8.5
– Trade and other receivables	5.4	6.2	6.0
– Cash and cash equivalents	18.0	9.9	27.4
Current assets	23.4	16.1	33.4
TOTAL ASSETS	32.1	22.7	41.9
– Trade and all other payables	(3.9)	(4.4)	(5.9)
– Current deferred income	(3.3)	(7.1)	(7.1)
– Current borrowings	(1.8)	(0.1)	(1.0)
Current liabilities	(9.0)	(11.6)	(14.0)
– Non-current deferred income	(1.3)	(7.3)	(7.1)
– Non-current borrowings	(3.3)	(3.3)	(3.3)
Non-current liabilities	(4.6)	(10.6)	(10.4)
TOTAL LIABILITIES	(13.6)	(22.2)	(24.4)
NET ASSETS	18.5	0.5	17.5



IFRS 15 RESTATEMENT

Key areas of impact:		H1 2018 IFRS 15	IFRS 15 net impact	H1 2018 Restated*
PROFIT & LOSS				
Revenue	Acceleration of licence component of subscription arrangement, net impact	\$5.7m	\$0.9m	\$6.6m
Cost of sales	Sales commissions deferred and matched to new revenue profile under IFRS 15	(\$0.4m)	\$0.1m	(\$0.3m)
Total P&L impact			\$1.0m	
BALANCE SHEET				
Deferred revenue	Reduced balance due to acceleration of licence component of subscription agreement	(\$4.6m)	(\$7.0m)	(\$11.6m)
Accrued income	Recognition of asset for accelerated licence revenue on future period payment instalments	\$3.5m	(\$2.4m)	\$1.1m
Contract asset	Deferred sales commissions being spread over new revenue profile under IFRS 15	\$0.5m	(\$0.5m)	-
Total BS impact			(\$9.9m)	

* Effective 1 January 2018 the company has adopted a new revenue recognition standard (IFRS 15) which impacted the company's recognition of revenue from certain of its term licence agreements. A reconciliation is provided above to present the 2018 H1 figures under the prior year basis under the revenue recognition standard applicable at that time (IAS 18).



The **LiveData** Company

Summary and outlook

David Richards, Chairman & CEO



SUMMARY AND OUTLOOK

- ◆ Global demand for Live Data use cases in Big Data and Cloud is growing rapidly
- ◆ Deepened relationships with IBM, Microsoft and Alibaba
- ◆ Transitioning to subscription and predictable recurring revenue business model
- ◆ Robust and strengthening sales pipeline underpins the Board's continued confidence in achieving full year market expectations



Q&A



Appendix

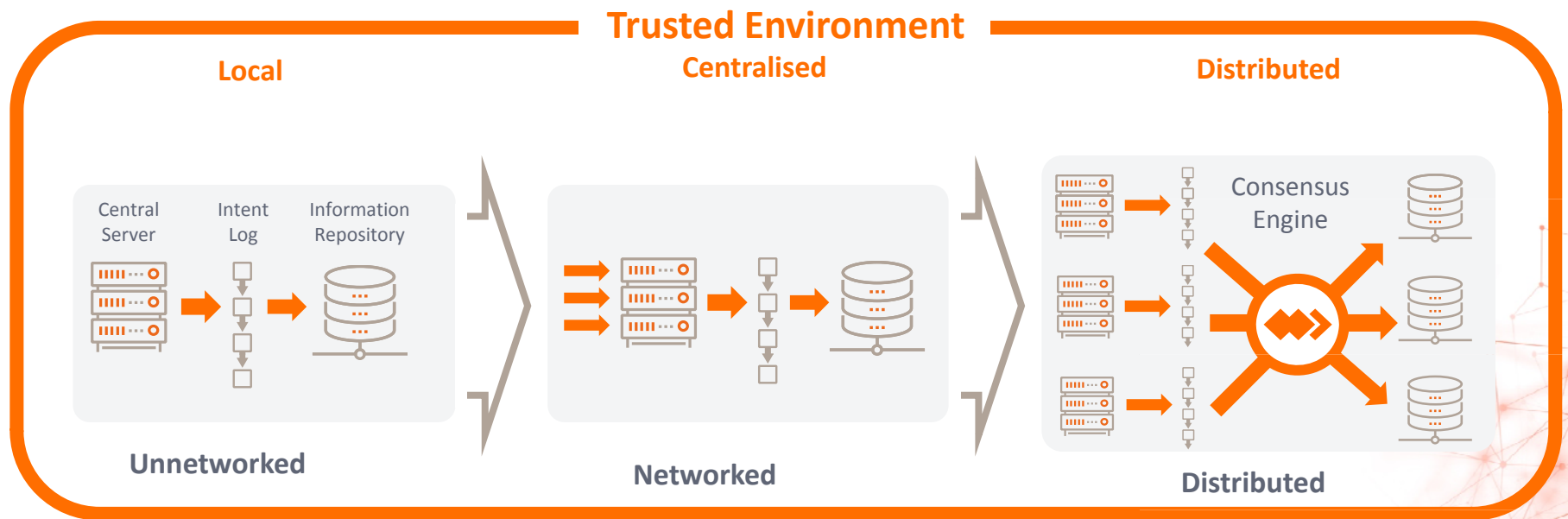


The **LiveData** Company

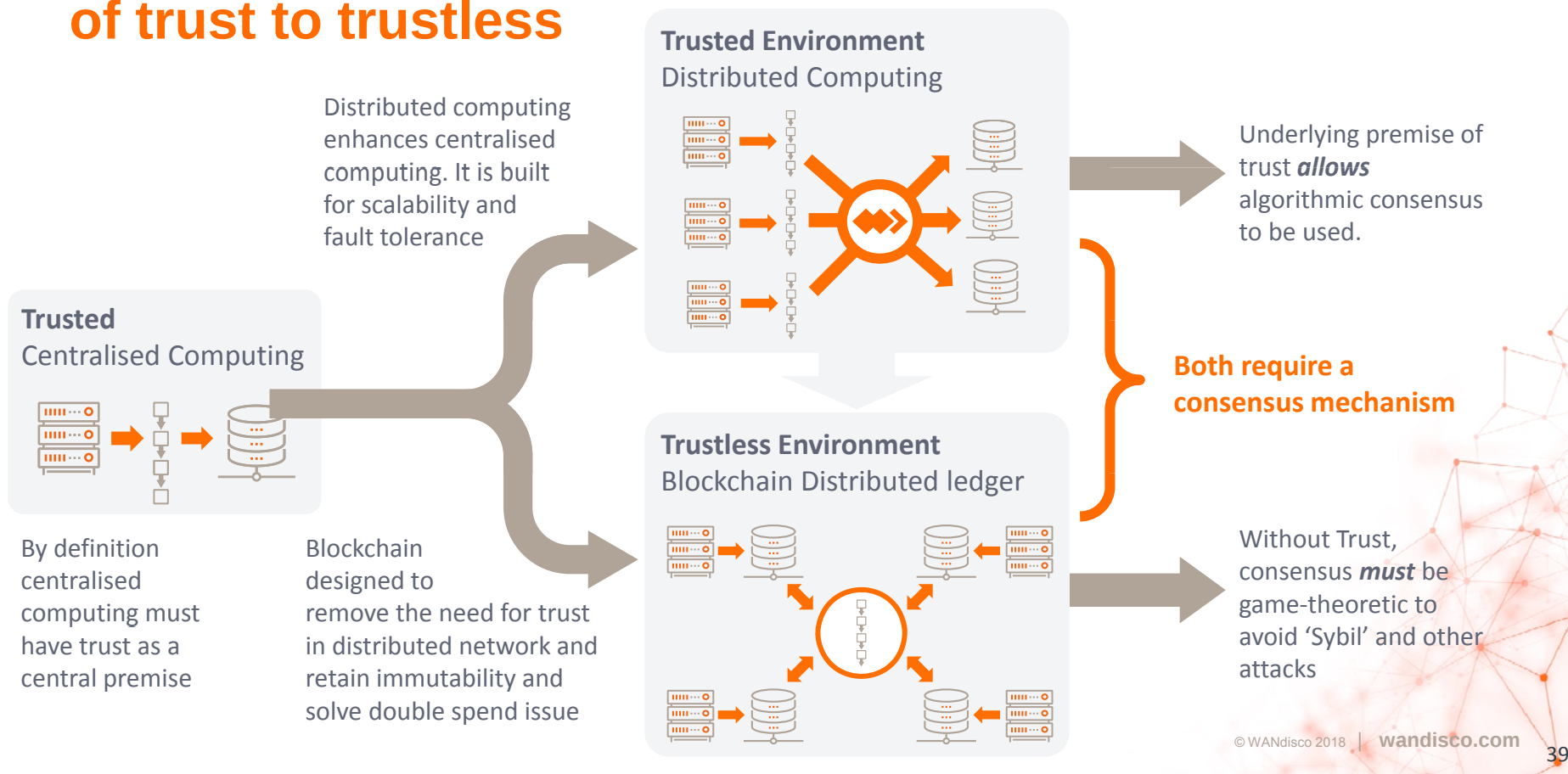
WANdisco and Blockchain

The quest for a scalable, fault tolerant solution

Computing has evolved around the foundation of trust



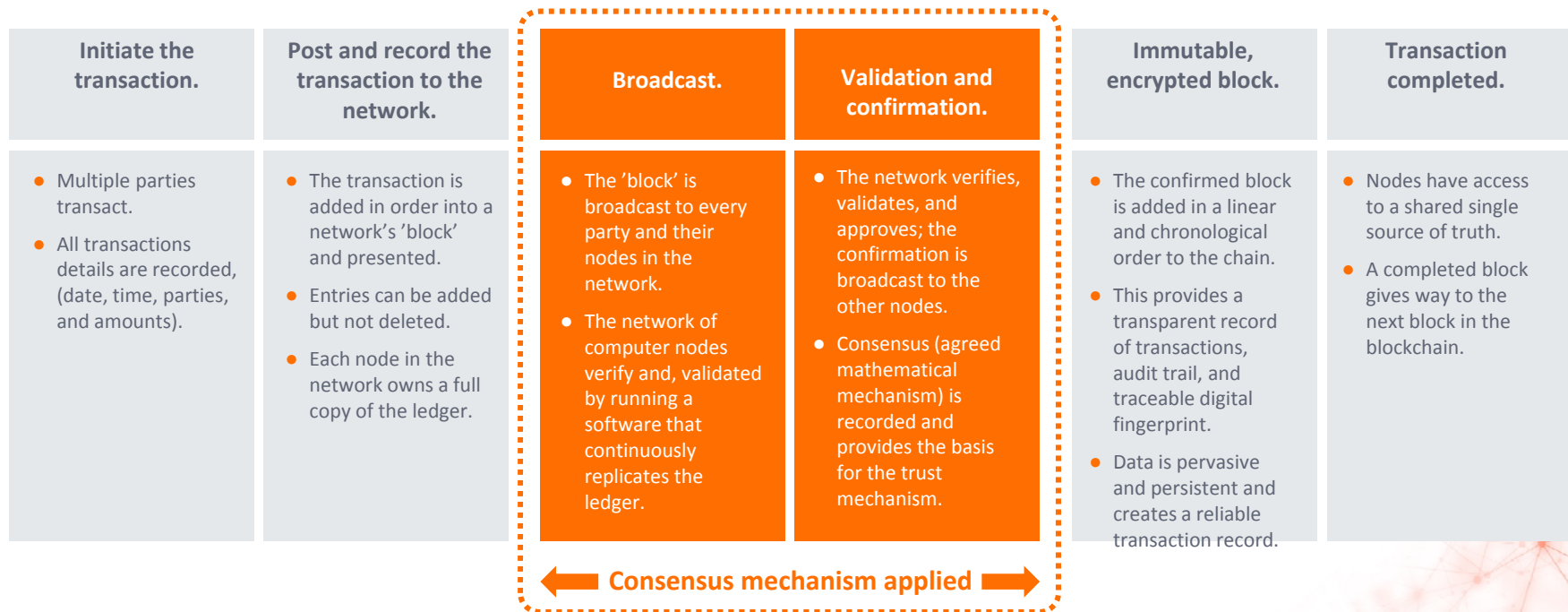
Moving from the principle of trust to trustless



The importance of consensus in any Blockchain transaction



Consensus allows a decentralised network to arrive at an agreement about the state of the Blockchain.



TYPES OF BLOCKCHAIN

Permissioned vs. Permissionless



Commonality:

- **Blockchain is analogous to the Intent Log.** Decentralised, peer to peer networks, where “each participant” maintains a replica of a shared append-only ledger of digitally signed transactions.
- **A consensus mechanism is critical.** The records are kept in sync through a consensus mechanism.
- **Immutability.** Certain guarantees are provided on the immutability of the ledger, even when some participants are faulty or malicious.

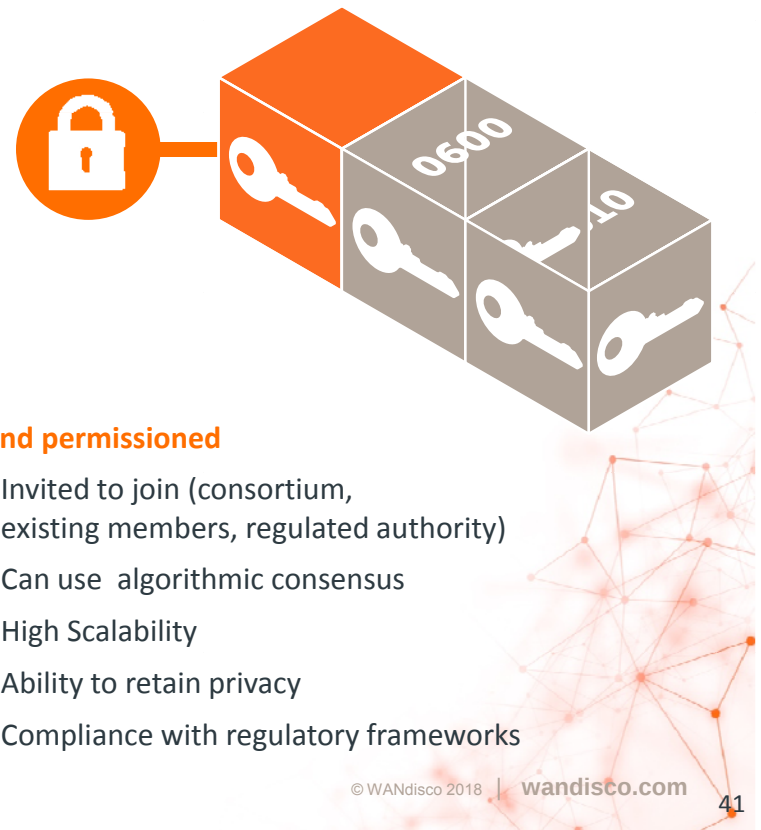
Differences:

Permissionless e.g. Bitcoin, Ethereum

- Open to all – anonymity of user
- Elimination of central authority – Trustless environment
- Every transaction is public
- Requires game-theoretic consensus
 - Implies transaction friction and thus limited transaction throughput

Private and permissioned

- Invited to join (consortium, existing members, regulated authority)
- Can use algorithmic consensus
- High Scalability
- Ability to retain privacy
- Compliance with regulatory frameworks





WANDisco Patent

**Patent submitted for the use of DConE as the consensus mechanism in
permissioned Blockchain**

Enabling the creation of applications which are:

1

Fault-tolerant

2

Secure

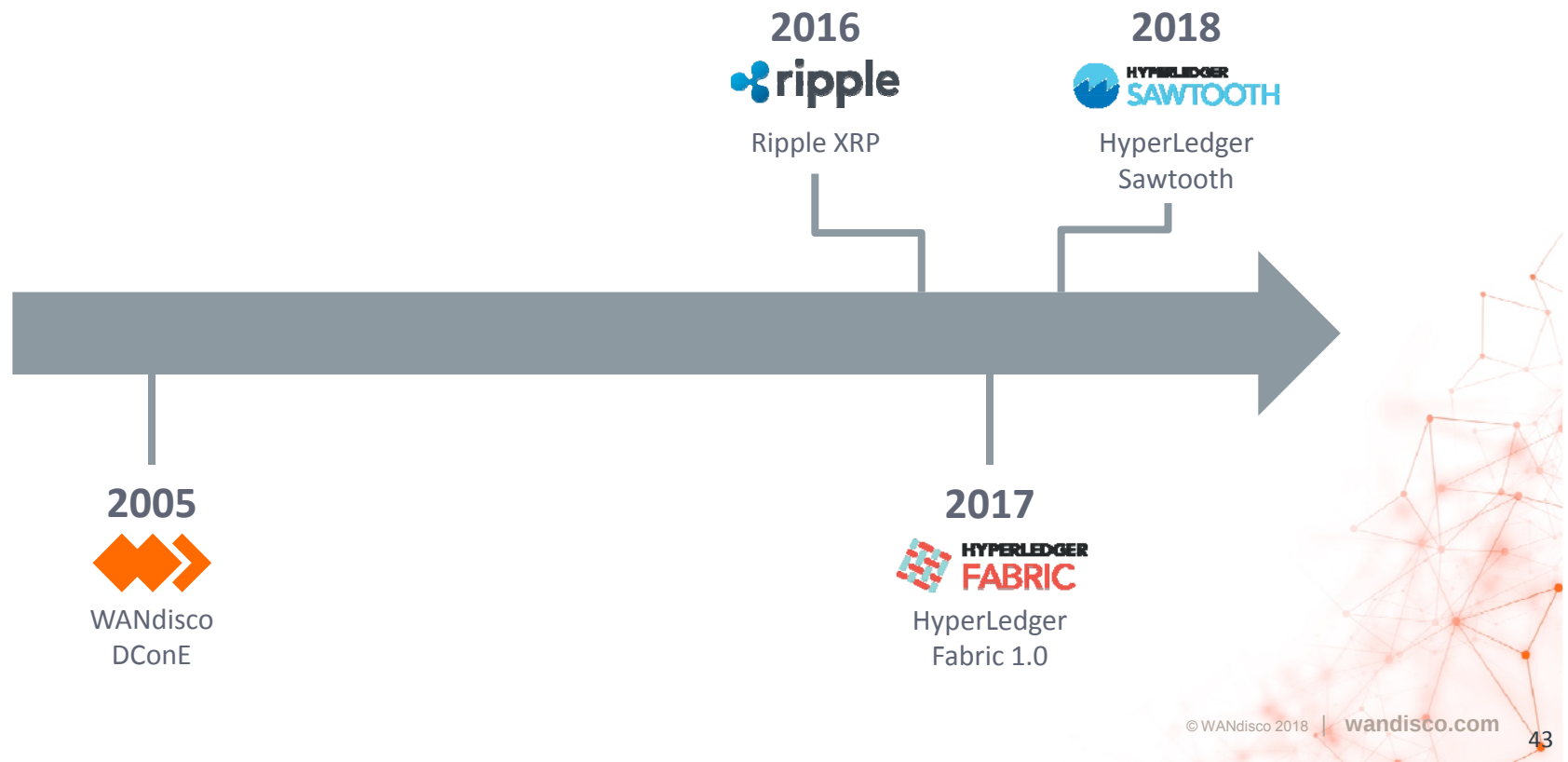
3

**High-
Performance**

With just one example being the AuX Gold exchange
created by WANDisco to illustrate the use of DConE



DConE has been available for over a decade





THANK YOU