# FY20 Results Presentation

David Richards, Co-founder and CEO

Erik Miller, CFO

Daud Khan, VP Corporate Development

May 2021

# Agenda

- Strategic and Financial Highlights

- The Azure Opportunity

- Case Studies

- FY20 Financial Results

- Outlook and Summary

- Q&A

wanDISCO

# Strategic Highlights

Primary strategic goal achieved, deeply embedding WANdisco into cloud fabric

- Fortified Microsoft partnership with Go-To-Market launch and metered billing in Q4 2020 appearing as native Azure app
  - Joint blog, part of Data Lake Migration program, featured app on portal, acceleration of internal community calls
  - Targeting migration of >100 petabytes of data in FY21

- Launch of LiveData Migrator on Amazon Web Services platform September 2020 and migration competency status
  - GoDaddy launch customer
  - Joint marketing programme
  - Chosen migration solution for EMR acceleration programme
  - Targeting migration of >30 petabytes of data in FY21

- Expanding systems integrator relationships including Infosys and growing opportunity in AI with Databricks and Snowflake

wanDISCO

# Financial Headlines

Robust balance sheet to accelerate conversion of pipeline revenue

- Revenue of $10.5 million (2019: $16.2 million)
  - In line with revised expectations following the extended timeline to deliver metered billing

- Statutory loss from operations $34.3 million (2019: $28.3 million)
  - Reflecting lower revenue in the period and increased cash overheads to invest in go-to-market resources and engineering

- Strong balance sheet to accelerate conversion of cloud opportunity
  - Cash reserves of $55.3 million at 30 April 2021 and virtually no debt following $42.5 million fund raise post period end

- Continued Board confidence in outlook, restating target to deliver at least $35m in revenues in FY21

wanDISCO

# Cloud Platform, System Integrators, Data & AI ISVs

WANdisco's unique capabilities recognized across the ecosystem

- **Cloud Platforms:** Azure (deep integration), AWS (migration competency status, funded joint marketing programs), Google Cloud Platform - in progress.

- **Data & AI ISVs:** Databricks (LiveData Platform plug-in available in H2), Snowflake (latest partnership, plug-in being developed).

- **System integrators:** Infosys our key global SI relationship. Data & AI specialists, Neudesic, Motifworks and Avanade all enabled.

# Positioned for Growth

## Product, Partnerships, Promotion, Priorities

- **Product**: Launch of self-serve, automated data migration tool in Q4 FY20 was a critical stepping stone in transitioning from an enterprise software business to a native cloud business.

- **Partnerships**: Largest cloud platforms (AWS, Azure), Analytics focused SIs, largest cloud analytics services (Snowflake, Databricks, Azure Synapse, Azure HDI, AWS Glue, EMR) all recognize the need for WANdisco technology.

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

- **Priorities:** Primary focus to accelerate conversion of >130 petabyte FY21 Hadoop data migration opportunity.

# Azure opportunity just beginning

# Why do Customers choose WANdisco?

## The only solution to migrate at petabyte scale

" We looked at a lot of different technologies, and what we needed was a tool that would move data reliably, at scale......So I talked about 13 petabytes of data on our data lake. There are just a lot of companies that are still dealing in terabytes, and we needed one who could deal in that volume…..[and] we needed to do it in less than a year.
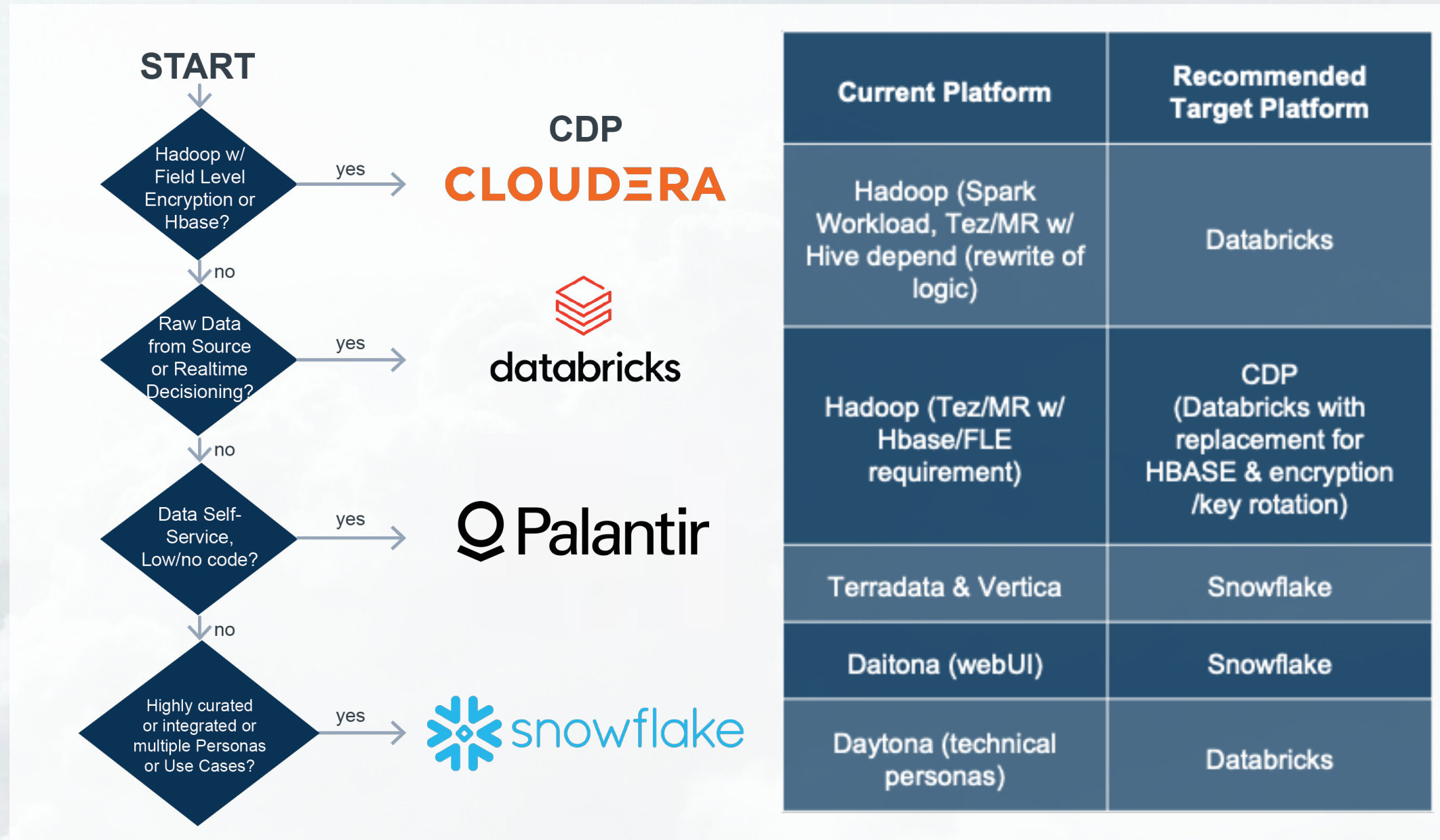
And I have to credit WANdisco, because I don't think we initially were sure that it could handle our scale…….It's just been a great partnership, and I think a real success story for both companies.
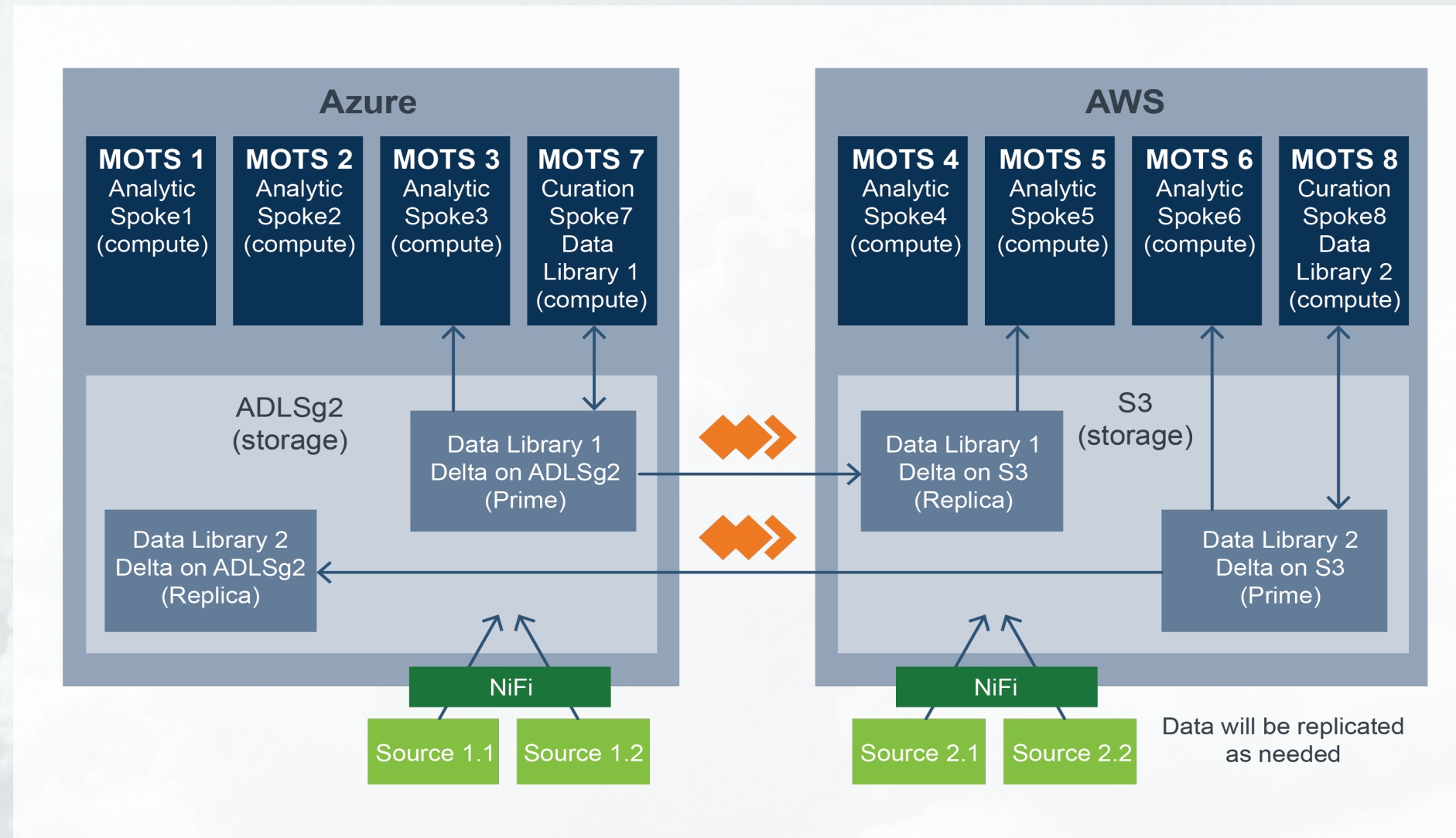
**QUOTE FROM RECENT CUSTOMER EVENT**

wanDISCO

# Customer Architecture

## The future of analytics in the cloud

**START**

```
Hadoop w/ Field Level Encryption or Hbase?  ──yes──▶  CDP CLOUDERA
        │ no
        ▼
Raw Data from Source or Realtime Decisioning?  ──yes──▶  databricks
        │ no
        ▼
Data Self-Service, Low/no code?  ──yes──▶  Palantir
        │ no
        ▼
Highly curated or integrated or multiple Personas or Use Cases?  ──yes──▶  snowflake
```

| Current Platform | Recommended Target Platform |
|---|---|
| Hadoop (Spark Workload, Tez/MR w/ Hive depend (rewrite of logic) | Databricks |
| Hadoop (Tez/MR w/ Hbase/FLE requirement) | CDP (Databricks with replacement for HBASE & encryption /key rotation) |
| Terradata & Vertica | Snowflake |
| Daitona (webUI) | Snowflake |
| Daytona (technical personas) | Databricks |

wanDISCO

# Customer Architecture

Real Analytics Use Case – Databricks and Snowflake

# Azure view point: Jurgen Willis

## General Manager of Azure Engineering/Azure Storage

- "**Turnkey** solution for data lake migrations."

- "You **begin your data lake migration in minutes** and not weeks or months like you would with other solutions."

- "WANdisco LiveData Platform for Azure is our **preferred solution** for Hadoop to Azure migrations."

- "Deploy and manage data lake migrations using the same Azure management experience you enjoy today through the Azure Portal."

- "LiveData Platform is tightly integrated with Azure and follows the same metered, pay as you go billing model as all other Azure services. **LiveData Platform for Azure consumption will appear on the same monthly Azure bill** and provides a consistent and convenient way to track and monitor your usage."

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

# Vendor Support – Azure with Hadoop migration program

## Azure Data and AI migration initiative recommends WANdisco

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

△ Azure

**PRIYA VIJAYARAJENDRAN**
VICE PRESIDENT DATA & AI AT MICROSOFT

wanDISCO

# Supporting Quotes

Industry analyst and customer confirms uniqueness and simplicity of WANdisco products

**Gartner makes rare quote indicating uniqueness of WANdisco technology**

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

**Gartner**

**MERV ADRIAN**
GARTNER RESEARCH VICE PRESIDENT OF DATA AND ANALYTICS

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

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

**Johnson Controls**

**DAWIT ALEMU**
TECHNICAL ARCHITECTURE LEAD ANALYTICS COE, JOHNSON CONTROLS

**wanDISCO**

# Landing in ADLS to Accelerate Azure Consumption Revenue

Each $ of WANdisco translates to $10-20 ACR



Last mile

ADLS Gen2

HDInsight

databricks

Azure Synapse Analytics

snowflake

wanDISCO
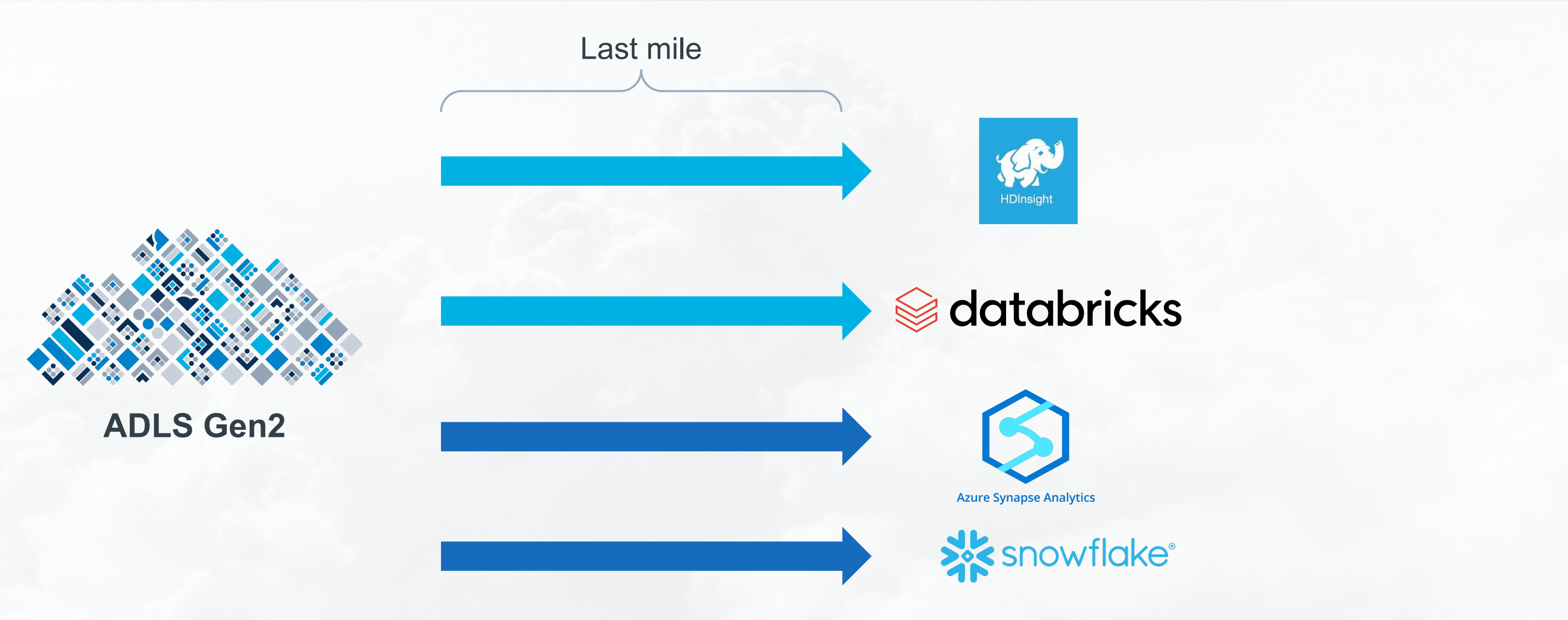
# Attractive to Whole Ecosystem

## Azure Seller

- **Fastest time to value**: Accelerates ACR (Azure Consumed Revenue) for committed customers (MACC)

- Enables ACR by solving data gravity problem with native Azure customer experience

- Predictable time & cost

## Global SIs

- **Fastest time to value**

- Automates and de-risks large scale data lake migration and thereby allows focus on digital transformation

## Other platform services

- **Fastest time to value**

- Accelerates opportunity in Azure ecosystem

- Predictable time & cost

wanDISCO
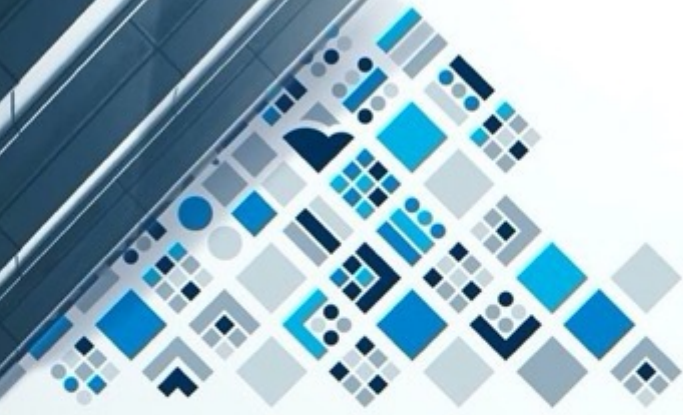
# FY 2020 Financial Results

**Erik Miller - CFO**

# Financial Headlines

| | FY20 | FY19 |
|---|---|---|
| Recognised revenue | $10.5m | $16.2m |
| Cash overheads | $36.9m | $31.7m |
| Adjusted EBITDA* | ($22.2m) | ($11.7m) |

| | 31 Dec 20 | 31 Dec 19 |
|---|---|---|
| Cash balance | $21.0m | $23.4m |

# Profit & Loss

| $m | FY20 | FY19 | $m change | Comments |
|---|---|---|---|---|
| **Revenue** | **10.5** | **16.2** | **(5.7)** | Big data revenue grew 18% - some larger ALM deals in 2019 did not repeat in 2020 |
| Cost of sales | (1.0) | (1.2) | 0.2 | Lower sales commissions with lower revenue |
| Gross profit | 9.5 | 15.0 | (5.5) | High gross margin linked to software model |
| **Cash overheads** | **(36.9)** | **(31.7)** | **(5.2)** | Cash overheads on plan, headcount increased Headcount 180 at 31 December 2020; (31 December 2019: 162) |
| **Profit pre-SBP & capitalisation** | **(27.4)** | **(16.7)** | **(10.7)** | Increase in Cash Overheads with lower revenue |
| Capitalised portion of R&D | 5.2 | 5.0 | 0.2 | Increased investment in Engineering and Go-to-Market resources |
| **Adjusted EBITDA** | **(22.2)** | **(11.7)** | **(10.5)** | Continued investment in strategic partners and engineering capabilities |

wanDISCO

# Summary Cash Flow

Operating cash consumption primarily due to lower revenues and a modest increase in cash overheads
Offset by raise of $24.1m

| Cash flow statement ($m) | FY20 | FY19 |
|---|---:|---:|
| **Statutory loss** | **(34.3)** | **(28.3)** |
| Adjustments for non-cash items | 14.0 | 16.5 |
| Working capital movements | 1.2 | (2.3) |
| Tax received/interest paid | 0.4 | 0.3 |
| **Net cash used in operating activities** | **(18.7)** | **(13.8)** |
| Capex/development costs capitalised/interest received | (5.5) | (5.6) |
| Equity proceeds | 24.1 | 34.2 |
| Debt/lease repayment | (2.3) | (2.2) |
| **Cash and cash equivalents at the start of the year** | **23.4** | **10.8** |
| Retranslation of opening cash and cash equivalents | - | - |

| Cash reserves as at 30 April 2021 |
|---|

$55.3 million following successful fundraising of $42.5 million in March 2021 and no debt

# Summary Balance Sheet

Strong balance sheet provides platform to accelerate conversion of cloud opportunity

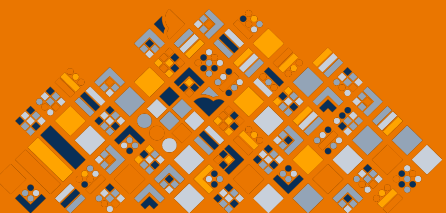| Balance sheet ($m) | 31 Dec 20 | 31 Dec 2019 |
|---|---:|---:|
| **Non-current assets** | **10.2** | **11.6** |
| – Trade and other receivables | 10.1 | 8.5 |
| – Cash and cash equivalents | 21.0 | 23.4 |
| **Current assets** | **31.1** | **31.9** |
| | | |
| **TOTAL EQUITY** | **29.2** | **30.2** |
| – Non-current deferred income | 0.6 | 1.2 |
| – Non-current borrowings | 1.8 | 2.9 |
| **Non-current liabilities** | **2.4** | **4.1** |
| – Trade and all other payables | 5.5 | 4.4 |
| – Current deferred income | 3.1 | 2.6 |
| – Current borrowings | 1.1 | 2.2 |
| **Current liabilities** | **9.7** | **9.2** |
| **TOTAL LIABILITIES** | **12.1** | **13.3** |

# Successful Fundraising to strengthen Balance Sheet

Early positive momentum with Azure, creates opportunity to accelerate investment into other cloud vendors (AWS, GCP), other ML/AI (Machine Learning/Artificial Intelligence) platforms and enablement activities for widening SI (System Integrator) relationships.

- Hire a specialist sales team to accelerate growth with Azure and AWS.

- Build dedicated teams for a growing pipeline with Databricks (across all platforms). With Snowflake representing a significant end destination for ML/AI, we expect ramp up engineering work and the building of a dedicated sales channel.

- Accelerate field enablement for (Google) GCP opportunities to capitalize on a growing pipeline.

- Increase field enablement with our SI relationships in the early phases of growth.

- Enable the Group to build balance sheet strength for the next stage of its growth, which includes considering a potential dual-listing on a US market to better position the company with commercial partners.

wanDISCO

# Outlook and summary

# Mapping the cloud migration opportunity

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

**LiveData Migrator**

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

FY21 >100 petabyte migration target on Azure

**Azure**

FY21 >30 petabyte migration target on AWS

**aws**

WANdisco's $35m FY21 revenue target is a $350m to $700m opportunity for partners

**+**

Cross Cloud LiveData Plane Artificial Intelligence Analytics

wanDISCO

# Pivoting to consumption-based model

## Matching cloud vendors and data and AI providers

- **Consumption is the true SaaS:** All services in the cloud fabric are used on a consumption basis (storage, CPUs), customers expect this as a standard.

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

- **Culture focussed on driving lifetime value:** Sales compensation model has changed to align with consumption. Incentivising the activation of customers and the early commitment of customers to build consumption through the year.

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

- **Customer lifecycle management:** Data on how customers are using the product drives interaction with customer success much of which is automated.

# Consumption vs traditional Subscription

How the pivot to consumption changes behaviour

| | Consumption | Subscription |
|---|---|---|
| Risk | Vendor | Customer |
| POC | Short, continue to use if it works | Long, customer must be sure it works |
| Contract | Metered (SaaS) or Agreed Consumption | Flat-rate/Upfront agreement (x-years for $x) |
| Software | Must be self service, must provide immediate value | Services and consultative sale |
| Revenue Predictability | Increasingly predictable through cohort analysis | Lumpy due to revenue recognition rules |
| Sales Process | Drive many POCs | Selective POCs (higher value deals) |

wanDISCO

# Benefits of Consumption Model Transition

Breaking down the barriers to land and expand

- Increasingly reliable and predictable revenue streams

- Customers enabled to increase consumption at will, with focus on driving higher lifetime value per customer and ramping over time

- Selling our service how our customers want to buy and aligned to the models of industry leaders such as Databricks and Snowflake

- Significantly lower level of discounting vs subscription

wanDISCO

# Growing number of opportunities in pipeline

Strong pipeline evolution during 2020



No. of opportunities - 2020

Private Preview Azure

Limited Public Preview Azure

Public Preview Azure & GTM launch
LiveData Migrator on AWS launch

# Summary

## Positioned to convert >130 petabyte opportunity in FY21

- **Product**: Launch of self-serve, automated data migration tool in Q4 FY20 was a critical stepping stone in transitioning from an enterprise software business to a native cloud business.

- **Partnerships**: Largest cloud platforms (AWS, Azure), Analytics focused SIs, largest cloud analytics services (Snowflake, Databricks, Azure Synapse, Azure HDI, AWS Glue, EMR) all recognize the need for WANdisco technology.

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

- **Priorities:** Primary focus to accelerate conversion of >130 petabyte FY21 Hadoop data migration opportunity.

**wan**DISCO

# KPIs for 2021 and outlook

- The shift to a consumption model where revenue is recognized over time rather than up front will lead to revenues scaling over the year.

- To map pipeline progress to scaling revenue we will provide a business update in the short term providing new KPIs:
  - Number of customer wins
  - Notional MRR (metered plus an estimate of subscription revenue as MRR)
  - Retention rate (% of customers using the product vs, those using a year earlier)

- Based on migrating >100PB of data on Azure and >30PB on AWS in 2021, we believe that revenues in 2021 will be at least $35m.

# Q&A

# Thank you