



Activate **Your Data**

WANdisco plc

Annual Report and Accounts 2022



WANdisco is the data activation company

Introduction and background

The Annual Report and Accounts have been delayed following the discovery of the events outlined in the RNS announcements summarised below, which set out the background that is relevant for shareholders to review since the end of FY22.

On 9 March 2023, the Company released two RNS announcements collectively stating that:

- › The Board had become aware of significant, sophisticated and potentially fraudulent irregularities which related to received purchase orders and related revenue and bookings, as represented by one senior sales employee (the "Irregularities").
- › As a result of the identification of the Irregularities, the Company had no confidence in its announced FY22 bookings expectations.
- › The Company would conduct an investigation with external legal and professional advisers into the Irregularities and its true financial position.
- › Following a request from the Company, AIM had suspended trading in the Company's shares.

On 10 March 2023, the Company released an RNS announcement stating that:

- › It had appointed FRP Advisory to lead an independent investigation into the Irregularities (the "Independent Investigation").
- › The Company had formed an investigation committee comprising independent non-executive directors to support and facilitate the investigation process.

On 3 April 2023 and 28 April 2023, the Company released RNS announcements collectively stating that the conclusions of the Independent Investigation concluded that:

- › All of the purchase orders associated with one senior sales employee were illegitimate.
- › All other purchase orders (i.e. those not associated with or secured by the senior sales employee in question) were legitimate.
- › Accordingly, estimated revenue for FY22 referenced in the Trading Update dated 11 January 2023 should have been \$9.7 million (unaudited) as compared with not less than \$24m (unaudited) and estimated bookings should have been \$11.4m (unaudited) compared with \$127m (unaudited).
- › An update on key initiatives following FRP Advisory's continuing work to examine relevant processes and controls and other steps being taken to improve the Company's internal processes would be provided in the Annual Report and Accounts for FY22.

On 20 April 2023, the Company released an RNS announcement stating that it had been notified by the Financial Conduct Authority

(the "FCA") of its commencement of an investigation into the Company (the "FCA Investigation"). The FCA Investigation relates to certain regulatory announcements released by the Company during the period 1 May 2021 to 9 March 2023, which may have materially mis-stated the Company's financial position.

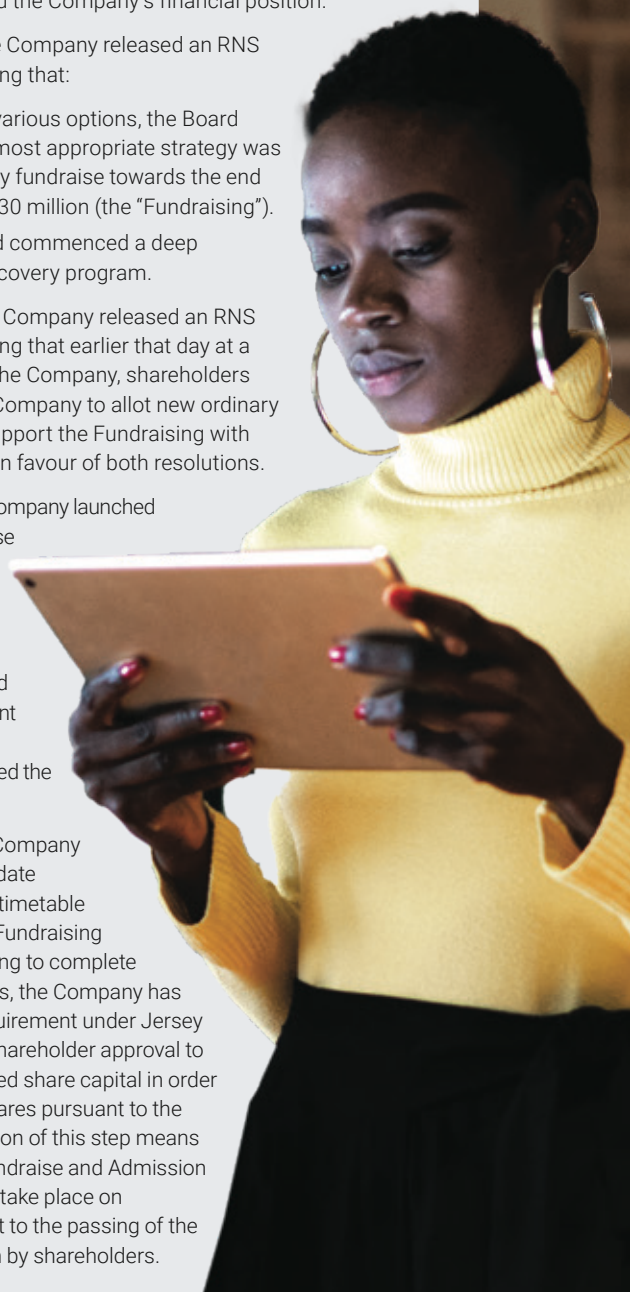
On 15 May 2023, the Company released an RNS announcement stating that:

- › Having reviewed various options, the Board believed that the most appropriate strategy was to launch an equity fundraise towards the end of June 2023 of \$30 million (the "Fundraising").
- › The Company had commenced a deep transformation recovery program.

On 6 June 2023, the Company released an RNS announcement stating that earlier that day at a general meeting of the Company, shareholders had authorised the Company to allot new ordinary shares in order to support the Fundraising with 97.8% of votes cast in favour of both resolutions.

On 3 July 2023, the Company launched the Fundraising to raise gross proceeds of \$30 million at a price of 50 pence per share and, on 4 July the Company released an RNS announcement stating that it had successfully completed the Fundraising.

On 5 July 2023, the Company issued an RNS to update shareholders on the timetable associated with the Fundraising stating that "In working to complete the fundraise process, the Company has encountered the requirement under Jersey law to seek further shareholder approval to increase its authorised share capital in order to issue the Offer Shares pursuant to the Fundraise." Completion of this step means settlement of the Fundraise and Admission are now expected to take place on 25 July 2023, subject to the passing of the necessary resolution by shareholders.



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 company data – either in Internet of Things ("IoT") sensor data in edge environments or on-premises data lakes – and cloud environments, allowing businesses to operate seamlessly in a hybrid or multi-cloud environment.

WANDisco has 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.

»» Read more about our solution from page 2

Reasons to invest in WANDisco

WANDisco is a data activation platform for achieving data transfer at scale.

WANDisco makes petabyte and exabyte-scale data trapped in on-premises data lakes and IoT/edge/file systems actionable by delivering continuous cloud data migrations in real time with no business disruption or data loss. WANDisco activates data to power artificial intelligence ("AI") and machine learning, create new services, and transform businesses.

Innovative technology

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

\$10.2m

development spend

»» Learn more about our innovative technology from page 2

Significant opportunity

Our addressable market is expanding with new opportunities for data movement and integration.

\$6.3B

forecast market size for data integration tools by 2027¹

¹ Gartner, Arunasree Cheparthi et al., Forecast: Enterprise Infrastructure Software, Worldwide, 2021-2027, 1Q23 Update.

»» Learn more about our significant opportunity from page 8

Experienced employees

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

177²

employees at 31 December 2022

² Post-year end the headcount was reduced by 30%.

»» Learn more about our talented people from page 12

Product/market fit

Our solutions are in demand for key use cases across multiple industries where the needs for data movement to the cloud are acute.

85%

bookings growth in 2022

»» Learn more about our strong partnerships from page 12

Contents

Overview

02 WANDisco at a glance

Strategic report

04 Interim Chair's statement

06 Interim Chief Executive's report

08 Our markets

10 Our business model

12 Our stakeholders

14 Sustainability

16 Our strategy

18 Our key performance indicators ("KPIs")

20 Risks

24 Financial review

Corporate governance

26 Interim Chair's introduction to governance

28 Board of Directors

30 Executive team

32 Corporate governance report

37 Nomination Committee report

38 Audit Committee report

40 Remuneration Committee and remuneration report

43 Directors' report

45 Statement of Directors' responsibilities

Financial statements

46 Independent auditor's report to the members of WANDisco plc

52 Consolidated statement of profit or loss and other comprehensive income

53 Consolidated statement of financial position

54 Consolidated statement of changes in equity

55 Consolidated statement of cash flows

56 Notes to the consolidated financial statements

84 Five-year record

85 Secretary, advisers and share capital information

Stay up to date with the latest news and investor information at: www.wandisco.com



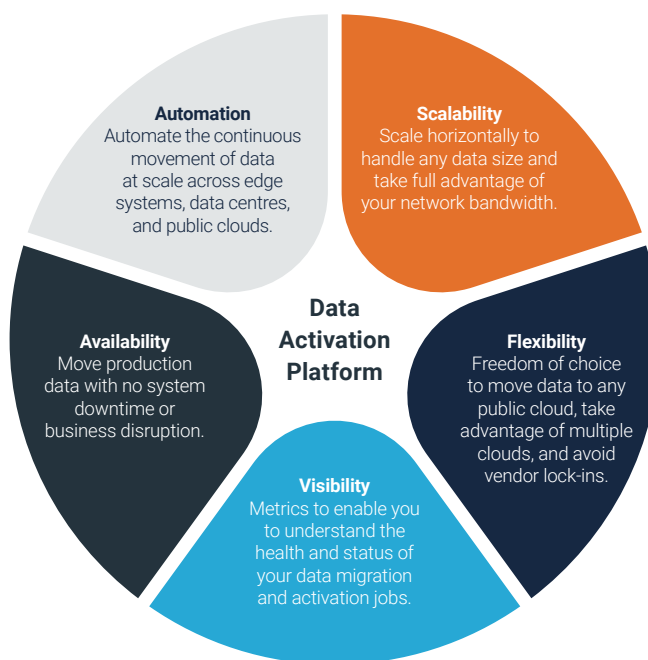
Our product portfolio offers data leaders the flexibility to move massive datasets to any cloud – on their terms

WANDisco's solution and product portfolio moves large datasets – from either on-premises data lakes or edge environments – to the cloud at massive scale so organisations can activate all of their data for AI, machine learning and analytics on modern cloud data platforms including Microsoft Azure, AWS, Google, Oracle, Databricks and Snowflake.

A single platform to meet all of your data needs.

Data leaders can move petabyte-scale data to the cloud of their choice, faster than any other method with no business disruption. Data activation is the process of leveraging business-critical data to enable better business decisions, improve the customer experience, create new revenue streams, and deliver meaningful and measurable business value.

WANDisco's Data Activation Platform enables the movement of Hadoop data and metadata, as well as the continuous movement of IoT and file system data across edge systems, data centres, and public clouds.



WANDisco solutions

Edge to Cloud

- › Automates movement of IoT and file data.
- › Supports all leading public cloud environments, avoiding vendor lock-in.
- › Scales horizontally using multiple agents.
- › Takes full advantage of available network bandwidth.

Data Migrator

- › Automates migration of Hadoop data and Hive metadata.
- › Eliminates application downtime or business disruption.
- › Minimises business risks.
- › Enables fastest time to business outcomes.

Data Migrator for Azure

- › Turnkey migration solution with deep integration to Azure services.
- › Deploy and manage from Azure Portal and Command-Line Interface ("CLI").
- › Provides experience similar to that of other native Azure services.
- › Microsoft's preferred solution for Hadoop-to-Azure migrations.

Key relationships are the foundation for desirable target storage which enables data activation in any cloud.

Customers rely on WANdisco for mission critical data transfer use cases



Moved 26PB 75% faster than manual approach

- › Saved \$3m by decommissioning on-prem DR ahead of schedule.

"WANdisco Data Migrator for Azure is our preferred solution for Hadoop-to-Azure migrations."

Jurgen Willis

General Manager of Azure Engineering/Azure Storage



Transferred >2.5PB to AWS

- › Saved \$1.5m with no business disruption while decommissioning old hardware.

"We found WANdisco to be the optimal approach to deliver the best time to value, rather than running a more time-consuming and costly manual migration project internally."

Wayne Peacock

Chief Data and Analytics Officer, GoDaddy



Activated DR site in Azure 10x faster

- › Replicate data between on-prem and Azure in real time.

"WANdisco provides consistent data across our cloud and on-premise solutions, offering near-zero RPO and enabling Hybrid cloud agility to drive the business forward."

Ajay Prasad

AMD Big Data Leader, AMD



AI/ML cloud analytics in real time

- › Moved off inflexible and expensive on-prem solution into Azure 15x faster.

"The on-premises solution would have been nothing more than dead end for us, as it would have been too inflexible as well as very expensive. WANdisco was the only answer."

Guido Vetter

Head of Center of Excellence Advanced Analytics, Daimler



Getting back on track



Ken Lever,
Interim Non-executive Chair

Path to refinancing

I was formally appointed to the role of Director and Executive Chair on 5 April 2023 having joined the Group as a consultant on 19 March 2023, then taking the role of Interim Non-executive Chair on 22 March 2023, and then the role as Interim Executive Chair on 3 April 2023 after David Richards, founder and former Chair, Chief Executive and President of WANDisco stepped down from the Board.

I was originally approached to take on the role following the announcement on 9 March 2023 of the share suspension following the discovery of the Irregularities. It had rightly been decided at that time for good governance reasons to separate the positions of Chair and Chief Executive, as David Richards previously held both roles. It was also decided at that time to appoint FRP Advisory to undertake an Independent Investigation. I was asked to assume the role of Chair of the Investigations Committee.

After David Richards and Erik Miller (Chief Financial Officer) stepped down from the Board on 2 and 3 April 2023 respectively, I assumed the role of Executive Chair. I appointed ex-Blue Prism plc Chief Financial Officer, Ijoma Maluza as an Interim Chief Financial Officer who joined the Group on 11 April 2023. I also commenced a search for a new Chief Executive Officer and was able to secure the services of Stephen Kelly (currently on an interim basis), a very experienced executive with an exemplary track record in senior executive leadership roles with a number of significant technology companies, including Sage plc and Microfocus plc, who joined the Group on 10 May 2023. I resumed my position as Interim Non-Executive Chair on the same day.

During my period as Executive Chair I focused my time on recruiting the new Interim Chief Executive Officer, the investigation of the Irregularities, substantially reducing the cost base of the business through a headcount realignment exercise, progressing the refinancing of the Group to ensure it continued as a going concern, undertaking a review of governance in the business and progressing the audit of the accounts for the Group for the year ended 31 December 2022.

With the challenges resulting from the Irregularities the audited accounts of the Group have been delayed, without the challenges resulting from the Irregularities, the Company would have expected to publish its accounts late March 2023. The Board apologises for the delay in finalising the accounts.

On 15 May 2023 the Board issued an RNS announcement in which it provided a number of data points. Firstly, as of the end of April 2023 the Group had available to it \$8.1m of cash. Secondly, the run rate annualised costs had been reduced from \$41m to circa \$25m. Thirdly, cash reserves of the Group would expire during July 2023. Finally, it was noted that, to achieve the lifting of the suspension of the shares, the Group would need to raise \$30m (gross) of new finance. A circular to shareholders was subsequently issued to convene a general meeting to provide the authority to the Directors to issue additional ordinary shares to secure the necessary funding. The general meeting of shareholders was held on 6 June 2023 and provided the required authority to the Directors. We are delighted that the funding for the Company was obtained on 4 July 2023. The Company will seek shareholder approval for the increase in share capital to 300,000,000

shares on 24 July 2023 to enable the shares to be issued and the settlement of the fundraising and admission are expected on 25 July 2023.

At the time of the suspension of the shares on AIM, the price of the ordinary shares was £13.10, with the additional finance raised in July 2023 at £0.50. Through the soft pre-emption process those existing holders who are able to follow their money will not suffer any dilution as a result of the issuance of new ordinary shares as part of the fundraising. Those unable to follow their money will see a substantial reduction in the share price.

The Irregularities and associated investigations

As summarised in the Introduction and background section of the Annual Report and Accounts, there have been various RNS announcements about the Independent Investigation and FCA Investigation. The Company has accepted the findings in the Independent Investigation and is committed to learning the appropriate lessons from the process. The Company also continues to co-operate with the FCA Investigation

Board composition

The appointment of Stephen Kelly as Interim Chief Executive Officer and Ijoma Maluza as Interim Chief Financial Officer has provided the Group with a world class leadership team. Pending the raising of \$30m via equity, and the lifting of the share suspension, both Stephen and Ijoma have agreed to take on these roles on a permanent basis. Stephen and Ijoma will join the Board as Executive Directors once their roles are made permanent.

In 2022 Bob Corey stepped down from the Board and as Chair of the Audit Committee after 4 years as a Non-executive Director. The Board thanks Bob for his input and involvement during his time with the Group. Peter Lees was appointed in August 2022 as a Non-executive Director and Senior Independent Director. Peter chairs the Nomination Committee. On 19 May 2023 Grant Dollens stepped down from the Board after six years on the Board. Grant made a significant contribution during his time on the Board. Both Bob and Grant will be missed for their considered input.

It is the intention to review Board composition to ensure there is an appropriate balance of skills and capabilities.

WANDisco colleagues

Our colleagues have had to put up with a lot. The uncertainty created by the Irregularities, the RNS announcement on 9 March 2023 and the headcount realignment has created a lot of anxiety for all. I must thank everyone for their support and hard work during this difficult time.

The future

Since joining the Group, I have devoted too much time looking backwards. As we put the Irregularities and the Independent Investigation behind us I want to be more forward looking so that I can support and challenge the executive management. It is planned that we build on the leading, differentiated technology which gives us a great competitive advantage. With a great Executive Team in place I feel sure that the Company can prosper from the new, solid foundation established.

Ken Lever

Interim Non-executive Chair

11 July 2023

Building on our competitive position in an attractive market



Stephen Kelly,
Interim Chief Executive Officer

2022 a wasted year

I started in my role as Interim Chief Executive on 10 May 2023 and have agreed to take up the permanent position on the completion of an issue of \$30m of equity securities and the lifting of the suspension of the shares.

Joining the Group after the conclusion of 2022 means there is little I can say about 2022. I am a shareholder in WANdisco so I share many of the same sentiments, surprise and disappointments as other shareholders. What I can say is that 2022 in many respects turned out to be a wasted year. The irregularities which came to light in March 2023 shattered the view that the Company had passed an inflexion point and secured significant orders from large corporate companies in some of our chosen market segments. In reality, in 2022 we achieved little growth in sales bookings and revenue as compared to 2021. In addition, we pivoted some functions within the Company towards supporting prospective customers, who failed to materialise. It also meant that as 2022 progressed, we invested in significant costs in preparation for the new order intake only to find that the breakeven point for the business had receded once it was discovered the orders were false. Finally, the belief that the Group had secured significant new orders led to some complacency amongst the sales and business development resources such that there was a failure to develop a significant pipeline believing that the substantial orders that had been placed would provide an opportunity to achieve the required sales growth in an orderly fashion.

Market opportunity and differentiated technology

It is pointless dwelling on the past. We can only learn from the mistakes and strive towards excellence in governance as a platform to build a sustainable, high quality, profitable growth technology company. WANdisco has a history of under-performance when generating sales bookings and revenue despite the strength of its market leading technology. My focus is going forward and establishing a leading market presence building on our strong competitive position in a growing market. I have joined the Group at a difficult and yet exciting time.

The market opportunity for WANdisco is huge. Put very simply the massive explosion of data from the growth in digitalisation and greater use of technology in every aspect of our lives has led to a need to transfer large amounts of data between physical locations and from physical locations to the cloud providers. If owners of data are to make the most of artificial intelligence, machine learning and data analytics they will have to meet a significant challenge to transfer high volumes of data reliably at speed. There are many use cases being developed where major corporates in many sectors are looking for a solution to this challenge.

In the short time I have been with the Group I have been asked whether our technology offering is real and why we are not able to sell more effectively, questioning the product market fit, the use cases and the demand for our offering.

Not only is our technology real but it is differentiated. Of course, there are alternative ways of doing what we can do and there are competing technologies. For example, there are open-source offerings to extract, transfer and load data.

There are also data ingestion offerings from all the cloud providers; these are unique to the cloud providers. There are custom offerings often promoted by the data integrators. One of these alternatives is optimized to move large dynamic data sets at speed. Often they can be expensive to develop reliably and time consuming to deploy. Our technology is different because it has the capability to seamlessly move large amounts of data at speed with zero downtime or business disruption. It is cloud-agnostic, offering our customers the choice of multiple cloud providers, for hybrid and multi-cloud environments and live data can be moved even whilst it is changing.

Developing a world class go to market (“GTM”) organisation

So why have we failed repeatedly to take advantage of the market opportunity with differentiated technology? The answer is that we have been shown to be severely inadequate as a sales organisation to develop and convert sales opportunities despite the obvious needs of the prospective customers and the obvious growing demand for our offering.

My immediate focus is to develop a sales, partner and business development organisation that can better articulate the use cases and prove value to new and existing customers and prospective customers. We must work more effectively alongside our existing partner relationships with the cloud providers such as AWS, Google, Microsoft, Oracle, the OEM relationship with IBM and the analytics partnerships with Databricks and Snowflake as well as other alliance relationships. Our strategy must be to grow direct sales alongside these partner relationships with a growing emphasis on subscription sales rather than a ‘commit to consume’ model. We can also do a better job at

selling services alongside the software sales. Strong account management will also be used to ensure the demands of our customers can be reliably and effectively met. We must ensure ease of implementation and deployment which we can achieve using the strong technical support that we have in our business.

Priorities

My priorities are to target run-rate cash flow breakeven sometime during the latter half of FY24 followed by EBITDA breakeven and ultimately to move towards profitability. We can achieve this by driving sales growth and by ensuring better cost management. Raising the \$30m equity in the business alongside cash flow breakeven will ensure that WANDisco will break the habit of incurring cash flow losses and then returning to shareholders for additional funding and dilution. My most immediate priority during the balance of 2023 is to build a pipeline that can support sales and revenue growth as we move through 2024. We are in the early stages of rebuilding the GTM functions with a number of workstreams identified. We will update investors on progress as we go.

Building on the good start

Ken Lever’s involvement with the business for the six weeks prior to me joining the Group set us on the right road. The initial focus had to be on cost reduction through headcount realignment, refinancing, the investigation into the Irregularities and creating a better environment for good governance. I am now going to build on this strong start and ensure we develop a strong performance culture within the Group, focus on responsibility and accountability at all levels in the organisation, establish the most effective business development

and GTM strategy and establish world class governance. There is much to do but with the strong Executive Team in place I am confident that we can succeed.

There is no doubt we have an attractive market: significant size, strong growth, limited direct competition and customer demand from the Global 1000.

There is clear evidence that we have a strong product offering and we can demonstrate value to the customer at an economic price point. We must do more on organisational capability: we have the channels to market – we must make better use of them; we have the management and leadership – we must build on this; and, we have the required cost and resource base – we need to do more to ensure its effectiveness.

Profiting from the strategic position

The classic ingredients for success are in place, an attractive market and a good competitive position. To capitalise on it, we need greater discipline and focus. The new leadership in the business will provide the framework to drive value creation for all our stakeholders so that our partners, customers and colleagues share in the success of the new WANDisco as we drive growth in the economic value of the business for our shareholders. Without doubt 2023 will be a transition year on the road to greater prosperity for the Group in 2024 and beyond.

Stephen Kelly
Interim Chief Executive Officer
11 July 2023

Market forces are creating momentum for WANdisco solutions

The vast majority of enterprise data today is unstructured and quickly moving towards edge computing environments. Data from IoT sensors, enabled by 5G networks and new computing architectures, is driving a significant movement to the edge. By 2025, Gartner estimates that 50% of data is expected to be created outside of traditional data centres. Connected cars already spin off upwards of 25GB of data per hour per car – all outside of legacy data storage and processing environments. At the same time,

structured data growth, such as that stored in relational databases, has been relatively unchanged since 2000 while unstructured data has grown significantly. IDC forecasts that more than 90% of the data created each year through 2026 will be unstructured.

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.

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.

Unstructured data is the future

90%

of new data created annually through 2026 will be unstructured¹

Cloud computing continues to be a backbone of computing architectures

26%

2021-2026 cloud infrastructure and platform services growth ("CAGR")⁴

IoT sensor data is a whole new source of value and data growth

50%

of data is expected to be created outside central data centres by 2025²



More IoT data than available bandwidth

73ZB

of IoT data by 2025³

1 IDC WW Global DataSphere and Global StorageSphere Structured and Unstructured Data Forecast, 2022-2026.

2 Ted Friedman, Edge Computing and Internet of Things Solutions: What to Know and How to Prepare, Gartner.

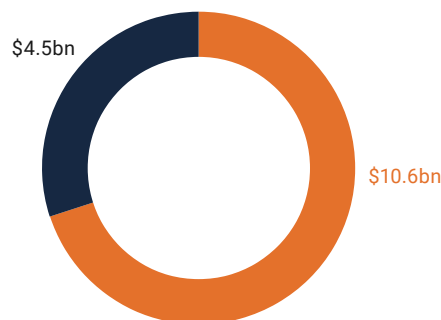
3 IDC: Worldwide Global DataSphere IoT Device and Data Forecast, 2021-2025.

4 Graham, Colleen et al, Forecast Analysis: Cloud Infrastructure and Platform Services, Worldwide, Gartner.

Market trends

WANdisco is well positioned to capture a share of the total market opportunity for data management software.

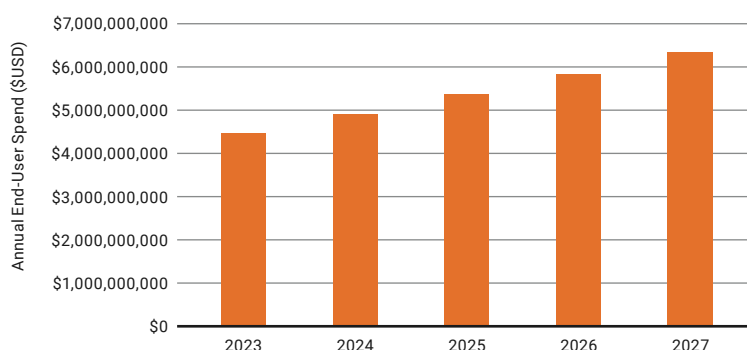
WANdisco Total Available Market



■ Total Market Opportunity for Data Management Software (excluding DBMS)

■ Total Available Market for Data Integration Software

Year-on-year growth of Data Integration Software Market – 2023-2027



Support for hybrid and intercloud data management is now critical.

Ehtisham Zaidi,
Senior Director Analyst, Gartner

Gartner®

Uniquely positioned

WANdisco is ideally positioned to take advantage of this large and growing market opportunity. The combination of speed, scale, cloud coverage and applicability across verticals and use cases creates new opportunities.

Cloud agnostic approach offers compelling flexibility

Gartner reports that 76% of data leaders using public cloud are using more than one cloud service provider such as AWS, Microsoft Azure or Google. At the same time, Gartner predicts that by 2026, 60% of Infrastructure and Operations (I&O) leaders will implement hybrid cloud file deployments.

Hybrid- and multi-cloud are clearly a key part of modern data architectures and WANdisco's cloud-agnostic approach and suite of solutions provides the flexibility leaders need to make hybrid and multi-cloud a reality.

Faster data movement means faster ROI

To realise a positive ROI with cloud computing means data first needs to be in the cloud. Enterprises often live in a hybrid architecture for years while they transition to the cloud and WANdisco has a proven track record of transferring data to leading cloud platforms faster than alternative approaches.

Broad use case coverage

Data leaders in multiple industries are looking to integrate data across cloud, on-prem and edge environments to take full advantage of cloud, AI, machine learning and data science solutions. From disaster recovery to uploading IoT data from connected cars and smart factories to preventing spam calls and optimising electric vehicle energy consumption, WANdisco is positioned to meet the needs of key use cases for data leaders.

Modern platform and GTM model to accelerate growth

Following the changes to the Board the growth opportunities available have been re-examined. Our Data Activation Platform, go-to-market (“GTM”) model, and strong product focus will accelerate new customer acquisition and growth globally.

Inputs



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 growth

Data Migrator, Data Migrator for Azure, and Edge to Cloud provide future opportunities to capitalise on product market fit across a range of use cases for cloud data movement from diverse data source environments. Enhancements and functionality evolution is geared toward delivering dramatic customer business value by accelerating digital transformations and business outcomes.



Identifying new market opportunities for growth

Data lake migrations, continuous IoT sensor data transfer, and new hybrid cloud data environments and use cases we believe provide future opportunities to leverage the product portfolio for new growth opportunities.



Read about our partnerships from page 12



Read more about our markets from page 8

Our value creation process



Our purpose

To enable organisations to activate all their data in a responsible and efficient manner.

Our competitive advantage

Scale

The capability to seamlessly migrate large amounts of data.

Speed

The capability to migrate data quickly with zero downtime or business disruption.

Cloud Agnostic

The capability to offer customers a choice of multiple cloud providers for hybrid and multi-cloud environments.

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.

Live Data Movement

The capability to move actively changing production datasets of any size while preserving business continuity.

Deep Partnerships

The capability to easily integrate with all major cloud service providers.

Embed and enable

We embed WANDisco technology into cloud fabric and core technology architectures to become a mission critical part of client data and IT strategy.

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.

Our strategy

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



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 listening to and understanding the needs of all our stakeholders, so we can continue to deliver value and build a sustainable business.



Shareholders



Read more about our corporate governance from page 26

Why we engage

- › They are our providers of equity capital without whom WANdisco could not grow and invest for future success.

How we engage

- › In normal times the Chief Executive and Chief Financial Officer meet with shareholders to discuss the half year and full year results and periodically there are capital markets day presentations.
- › The Chair is available to engage with shareholders as required as is the Senior Independent Director.

- › Each year an Annual General Meeting is held to which shareholders are invited and given the opportunity to ask questions of the Board.
- › Following the identification of the Irregularities, an RNS announcement was made on 9 March 2023 to alert stakeholders to the Irregularities and on 10 March 2023 to advise of the appointment of a third party to conduct an investigation. On 3 April and 20 April 2023 updates were provided on the investigation as well as reference being included in the announcement relating to the shareholder general meeting on 19 May 2023 and the 'Next Steps' announcement on 9 June 2023.

Outcomes

- › Engagement with shareholders has helped ensure support for the Group's plans for a capital raise following the identification of the Irregularities.



Partners



Read more about our partners from page 12

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.
- › Following the identification of the Irregularities, engagement took place by senior management on an as requested basis with partners.

Outcomes

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



Customers



Read more about sustainability from page 14

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. As COVID-19 restrictions began to ease, we began returning to many high-impact events in-person while continuing to efficiently leverage hybrid and virtual events.
- › 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.
- › Meetings were held with customers as requested following the announcement of the Independent Investigation.

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 effective optimisation and alignment of campaigns and stakeholder messaging.



Employees



Read more about sustainability from page 14

Why we engage

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

How we engage

- › The Chief Executive Officer communicates with employees through various channels.
- › During 2022 we held focused virtual all-hands meetings to update employees on the business, including product, sales, marketing and partnership strategies.

- › Directors consult and seek opinion from managers and employees on a variety of different matters.
- › The Executive Team are 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 and we have put several new policies in place to support our employees.
- › Following the announcement of the investigation of the Irregularities 'all-hands' on-line calls were held with all employees by the Chief Executive.

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 productive approach to hybrid working.



Regulatory bodies



Read more about our corporate governance from page 26

Why we engage

- › We recognise that regulatory frameworks are in place to protect the interests of stakeholders, ensure compliance with laws and regulations, and maintain the stability and fairness of the business environment.
- › By actively engaging with regulatory bodies, we demonstrate our dedication to upholding these principles and contributing to a sustainable and thriving marketplace.

How we engage

- › As a result of the identification of the Irregularities the Financial Conduct Authority and the Serious Fraud Office were informed as well as AIM regulation via the Company's Solicitors and the Company's Nominated Advisor.
- › There is continuing liaison with the regulatory bodies whilst the FCA investigation proceeds.

Outcomes

- › Our engagement with regulatory bodies serves to strengthen our reputation as a trustworthy and responsible organization. We understand that by actively participating in regulatory processes, we contribute to the broader goal of building a fair and sustainable business environment. Through our ongoing collaboration, we aim to foster mutual understanding, promote good governance, and maintain the trust and confidence of our shareholders, customers, and partners.

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.

Impact of Irregularities

- › Regrettably, after the year end we had to reduce the headcount in the business to ensure that we have a sustainable business and save the broader business.



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.

Impact of Irregularities

- › No direct impact.



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, universities and colleges.

Outcomes

- › Work placement students and WANdisco Data Academy.
- › Platform for employees to promote and raise awareness of charities important to them.

Impact of Irregularities

- › After the year end we have had to curtail a number of activities as these became unsustainable given the financial position of the business.



Focusing and delivering on our strategic initiatives

1 Accelerate partner and product/market fit success

Importance

The combination of increased data volume generated from IoT sensor data, increase demand for business insights from AI and machine learning along with a need to maintain hybrid data architectures creates new opportunities for existing and new WANdisco solutions:

- › Aligning key messages and differentiated value propositions for important use cases in key verticals means tapping into additional sources of demand
- › Enabling efficient sales motions by leveraging partnerships for new market entry and priority industry coverage with joint account targeting including auto, manufacturing, financial services, telco, and energy sectors
- › Supporting WANdisco in the areas of joint marketing across digital campaigns and in-person events, joint business planning and identifying new account opportunities

2022 achievements

- › Deepened strategic relationship with Oracle
- › Continued momentum with Microsoft Azure through Data Migrator for Azure product

Priorities for 2023

We continue to seek opportunities to expand go to market and sources of revenue. Our 2023 priorities are to:

- › Expand Edge to Cloud penetration into additional verticals with attractive use cases for WANdisco solutions including smart factories, connected car data and telco data monetisation from cloud architectures
- › Deepen market penetration into existing industries where WANdisco has a foothold with new use cases
- › Continue to activate Google Cloud Platform, Azure, AWS, and Oracle partnerships and expand early traction with Azure Storage Migration Program and AWS automotive industry sales playbook

Link to KPIs



2 Align product roadmap to market opportunities and customer requirements

Importance

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.

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.

2022 achievements

- › Launched Edge to Cloud solution to capitalise on need for running cloud-scale analytics against IoT sensor data for breakthrough insights
- › Released next generation Data Activation Platform which added important functionality including automatic source cleanup, verification enhancements, and user interface improvements
- › General availability of WANdisco Data Migrator for Azure
- › Public preview of Snowflake support in Data Migrator

Priorities for 2023

- › Continue to develop Edge to Cloud based on customer and market feedback
- › General availability of Snowflake target in Data Migrator
- › Explore cloud-native platform options for data management and activation

Link to KPIs



3 WANDisco colleagues

Importance

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.

2022 achievements

- › Built on the strength of our management team with leadership positions in sales, marketing, and operations
- › Built out the sales team with strategic hires
- › Early adopters of the virtual working model and today we offer colleagues a choice of virtual or hybrid working models

Priorities for 2023

- › Continue to develop our colleagues 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

Link to KPIs



KPI link:

A Revenue

B Cash overheads

C Bookings

›› Read about how we manage risk from page 20

›› Find our KPIs on page 18

Monitoring our financial performance

Commentary on the actual performance of the Group against each of these KPIs is set out in the Financial review.

Strategy link:

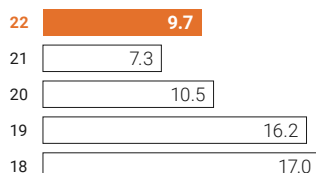
1 Accelerate partner and product/market fit success

2 Align product roadmap to market opportunities and customer requirements

3 WANdisco colleagues

Revenue (\$m)

\$9.7m



Link to strategy



Definition and calculation

Total of all revenue streams generated by the Group.

Why each KPI is important for measuring progress

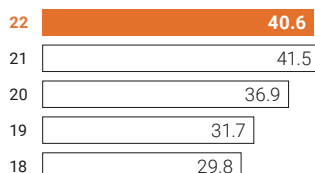
Measures the Group's revenue, which is an indicator of the Group's overall size and complexity and progress of strategic initiatives.

Performance in 2022

Revenue grew in 2022 mainly due to the increased bookings.

Cash overheads (\$m)

\$40.6m



Link to strategy



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.

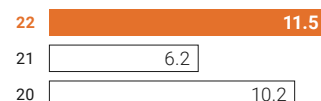
Performance in 2022

Cash overheads reduced in the year. The decline was driven by a reduction in employee costs primarily from rationalising headcount in late 2021 before ramping up in the second half of 2022 and lower marketing costs as the business reviewed the efficacy of the marketing investments.

Following the year end, the Group announced a reduction of its global headcount by approximately 30% and reduced the Group's annualised cost base from \$41m to circa \$25m. These actions are across all areas of the Company's operational and geographic footprint.

Bookings (\$m)

\$11.5m



Link to strategy



Definition and calculation

Total contract value of new contracts signed during the year.

Why each KPI is important for measuring progress

This is the measure of the value of deals agreed in the year.

Performance in 2022

Bookings increased over prior year.



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 process

» Read about corporate governance on page 26

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 on page 38

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 on page 28

Link to strategy:

- 1 Accelerate partner and product/market fit success
- 2 Align product roadmap to market opportunities and customer requirements
- 3 WANdisco colleagues

People

1 2 3

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 increased from 159 to 177. 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. Following the identification of the Irregularities following the year end, headcount was reduced by 30%. It continues to be 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. There is also regular contact with employees through all-hands calls.

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

Risk changeIncrease **Financing**

1 2 3

Risk description

Our Data Activation Platform addresses a still-emerging market in which we have limited forward visibility, and we continued to be a loss-making business in 2022.

Potential impact

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

Risk mitigation

We have continued to build on the OEM relationship established with IBM during 2016 and further developed other partnerships, including Microsoft and Oracle during 2021. Following the year end after the identification of the Irregularities, the Company announced a reduction of its global headcount by approximately 30% and reduced the Group's annualised cost base from \$41 million to circa \$25 million. These actions are across all areas of the Company's operational and geographic footprint.

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 \$19.7m of gross proceeds. Also, following the end of the year there was a share raise for \$30.0m of gross proceeds (which will complete when shareholder approval has been obtained to increase the authorised share capital limit). 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) of the financial statements.

Risk changeIncrease **Competition**

1 2 3

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 90 patents, 46 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 changeNo change 

Channel partner engagement

1 2 3

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 2022.

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

Increase



Resource allocation and operational execution

1 2 3

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



Products

1 2 3

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



Sales

1 2 3

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



COVID-19

1 2 3

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 worked remotely, cancelled all non-essential employee travel, and cancelled or postponed or held virtual events and meetings. Strict review of non-essential expenses and cash flow. During the year there was a share raise for \$19.7m of gross proceeds as referred to in the Financing risk on page 21. Also, following the end of the year there was a share raise for \$30.0m of gross proceeds (subject to the increase in the authorised share capital).

During 2022 employees have moved to a hybrid flexible working model.

On 9 May 2023, the World Health Organization ("WHO") announced that they determined that COVID-19 should now be considered an established and ongoing health matter which no longer constitutes a public health emergency of international concern, so this risk has significantly reduced.

Risk change

Reduced



Link to strategy:

- 1 Accelerate partner and product/market fit success
- 2 Align product roadmap to market opportunities and customer requirements
- 3 WANDisco colleagues

Positioned for growth



Ijoma Maluza,
Interim Chief Financial Officer

Revenue for the year ended 31 December 2022 was \$9.7m (2021: \$7.3m).

Deferred revenue from sales booked during 2022 and in previous years, and not yet recognised as revenue, is \$2.3m at 31 December 2022, at 31 December 2021 this stood at \$1.8m. The increase was due primarily to increased bookings during the year. Our deferred revenue represents future revenue from new and renewed contracts, many of them spanning multiple years.

Adjusted EBITDA loss² was \$31.6m (2021: \$29.5m). 2021 Adjusted EBITDA includes \$5.3m of capitalised development expenditure whilst 2022 Adjusted EBITDA has no capitalised development expenditure.

Revenue

Revenue was \$9.7m (2021: \$7.3m). Revenue from deals closed in the current year was \$8.3m (2021: \$4.2m) and revenue from deals closed in the prior years was \$1.4m (2021: \$3.1m). The increase in deals closed in the year was primarily driven by contract renewals in our ALM business which accounted for \$5.4m of the deals closed in the current year (2021: \$4.0m). For the Data Migration business, deals closed contributed to \$4.3m (2021: \$3.3m) of revenues.

Services revenues for both the ALM and Data Migration business were \$0.2m (2021: \$0.2m) and continue to contribute a modest amount of revenue. We believe that this is an area that should provide opportunity for incremental contribution to revenues going forward.

From a geographical perspective, we saw increased contributions to revenues from key renewals in Europe and China which accounted for \$1.2m and \$1.9m, respectively.

Overall, during 2022, contract wins continued to be lumpy with the sales execution challenges outlined in the Chief Executive's review a major challenge for the business and its ability to deliver consistent and predictable sales bookings.

Operating costs

Cash overheads¹ decreased to \$40.6m from \$41.5m in 2021. The decline was driven by a reduction in employee costs primarily from rationalising headcount in late 2021 before ramping up in the second half of 2022 and lower marketing costs as the business reviewed the efficacy of the marketing investments.

Our headcount was 177 as at 31 December 2022 (31 December 2021: 159).

Profit and loss

Adjusted EBITDA² loss for the year was \$31.6m (2021: \$29.5m). The loss after tax for the year decreased to \$29.6m (2021: \$37.6m).

The financial gain of \$11.3m (2021: \$1.1m gain), reported within finance income/(costs), arose from the retranslation of intercompany balances at 31 December 2022, reflecting the decrease in sterling against the US dollar. The impact of FX rate changes on the financial statements is due to the retranslation of US dollar denominated intercompany loans. A translation loss (2021: loss) arising on the net assets of overseas subsidiaries reported in reserves results in a minimal net impact on the Group net assets.

Balance sheet and cash flow

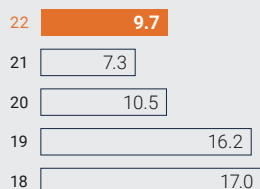
Property, plant and equipment at 31 December 2022 reduced to \$0.7m (31 December 2021: \$2.2m) as additions were significantly lower than the depreciation charge driven by right of use assets and a modification to the lease term on a right of use asset.

Intangible assets reduced from \$5.3m at 31 December 2021 to \$nil as there was no capitalisation of development costs in 2022 as it did not meet the criteria for capitalisation under IAS 38 and the remaining balance was impaired at 31 December 2022.

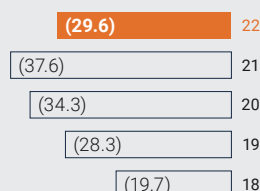
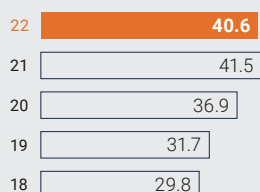
¹ Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure and equity-settled share-based payment.

² Operating loss adjusted for: impairment loss, depreciation, amortisation and equity-settled share-based payment.

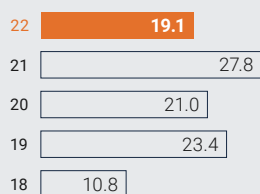
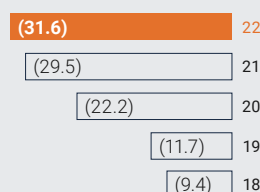
Revenue (\$m)

\$9.7m

Statutory loss for the year (\$m)

\$ (29.6)mCash overheads (\$m)¹**\$40.6m**

Cash (\$m)

\$19.1mAdjusted EBITDA (\$m)²**\$ (31.6)m**

Trade and other receivables at 31 December 2022 were \$4.9m (31 December 2021: \$5.7m). This includes \$1.0m of trade receivables (31 December 2021: \$1.2m) and \$3.9m related to non-trade receivables (31 December 2021: \$4.5m). Trade receivables reduced at 31 December 2022 due to the lower amount of bookings invoiced in the fourth quarter in 2022 compared to 2021. Other receivables reduced mainly due to a lower corporation tax receivable from R&D tax credit claims offset by increased prepayments and other receivables.

Net consumption of cash was \$27.7m before financing (2021: \$34.0m), this was partly offset by the contribution of \$20.0m from the issue of share capital, net of exchange rate movements of \$0.5m and payment of lease liabilities of \$0.5m resulted in a closing cash balance of \$19.1m at 31 December 2022 (31 December 2021: \$27.8m).

Trade and other payables increased to \$6.2m (31 December 2021: \$4.2m). The increase mainly related to an increase in bonus and audit fee accruals in 2022 compared to 2021.

Deferred income from sales booked during 2022 and in previous years, and not yet recognised as revenue, is \$2.3m at 31 December 2022, at 31 December 2021 this stood at \$1.8m. Our deferred income represents future revenue from new and renewed contracts, many of them spanning multiple years. Deferred income increased due to a number of licence renewals on which the revenue is recognised in 2023.

Share capital and share premium increased to \$242.4m at 31 December 2022 (31 December 2021: \$222.4m) due to the proceeds from the fundraising in the year of \$19.4m and proceeds from share options exercised of \$0.6m.

Subsequent events

Subsequent to the year end the Irregularities were identified which was the subject of the Independent Investigation. The background and actions taken are explained in the Chair's statement.

On 15 May 2023 the Board issued an RNS announcement in which it provided a number of data points:

- › Firstly, it was stated that as of the end of April the Group had available to it \$8.1m of cash.
- › Secondly, it was also stated that the run rate of annualised costs had been reduced from \$41m to circa \$25m.
- › Thirdly, it was noted that the cash reserves of the Group would expire during July 2023.
- › Finally, it was noted that to achieve the lifting of the suspension of the shares the Group would need to raise \$30m (gross) of new finance. A circular to shareholders was subsequently issued to convene a general meeting to provide the authority to the Directors to issue additional ordinary shares to secure the necessary funding.

The general meeting of shareholders was held on 6 June 2023 and provided the required authority to the Directors. On 4 July 2023 the Group announced a new subscription and placing of shares to new and existing shareholders for 47,528,517 new ordinary shares of 10 pence each in the Company at a price of 50 pence raising gross proceeds of \$30.0m. The Company will seek shareholder approval for the increase in share capital to 300,000,000 shares on 24 July 2023 to enable the shares to be issued. The settlement of the fundraising and admission are expected on 25 July 2023.

Ijoma Maluza

Interim Chief Financial Officer

11 July 2023

Room for improvement



Ken Lever,
Interim Non-executive Chair

The Corporate governance statement, together with the information provided below and in the Audit Committee report, the report of the Nomination Committee and the Directors' Remuneration Report set out how WANDisco's governance framework is structured. As a Board, we recognise that we are accountable to shareholders for good corporate governance.

Although we seek to promote consistently high standards of governance throughout the Group the Irregularities experienced during 2022, as described in the Chair's statement, has clearly identified frailties in the way the governance structure has operated in practice and undermined confidence in the governance framework.

Actions being taken to improve governance are:

1. It is intended to establish an internal audit function which will either be an in-house resource or the use of an outsourced service.
2. Controls over the issuance of permanent and temporary licences will be strengthened.
3. A more robust process will be established for the recognition and recording of orders received from customers and for their independent verification.
4. Greater involvement of the Finance function over the business case and commercial terms of sales transactions.
5. A more rigorous process for the release of RNS announcements associated with sales wins will be established.
6. A workstream is to be established to introduce excellence in governance and controls.

We already promote a culture of risk management but the method in which the Irregularities arose was not an identified risk. We will continue to develop the risk management process to ensure that such risks are surfaced through the facilitation process.

During 2022 we have complied with the QCA Code except that David Richards fulfilled the role of Chair and Chief Executive Officer until he stepped down from the Board on 2 April 2023. Following David Richards' departure, I was appointed as Interim Executive Chair. A formal process was not adopted for my appointment due to the gravity of the situation and the need to make an early appointment. When the shares are relisted it is the intention of the Board to undertake an independent process to identify a Chair and I will offer myself as a candidate for the role.

As mentioned in the Chair's statement it is intended to re-look at the composition of the Board following the various departures and appointments. 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, given the critical nature of the business following the Irregularities, suspension of the Company's shares and FCA enquiry, the Board will continue to pursue a policy of appointing talented people at every level to deliver high performance to co-ordinate the recovery of the business.



3 Non-executive Directors

1 Executive Directors

2 0-1 years

2 5+ years

Board effectiveness

The Board does not have a formal Board effectiveness process and a process will be introduced in 2023.

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 composition is under review.

Strategic decisions taken within the year and stakeholder consideration

Stakeholders	Considerations
Partners	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> New policies to support employee wellness Plans established for flexible and hybrid working arrangements
Shareholders	<ul style="list-style-type: none"> Additional engagement following the discovery of the Irregularities through RNS announcements and meetings.
Regulators	<ul style="list-style-type: none"> Engagement with the regulatory bodies regarding the Irregularities


The Board 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 2022, these included product strategy, partnerships and engineering progress.

The Annual General Meeting ("AGM") will be held at Brown Rudnick LLP's London office on 30 August 2023; 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.

Ken Lever

Interim Non-executive Chair

11 July 2023

 Learn more about our governance from page 26

Board team



Ken Lever

Interim Non-executive Chair

Age 69

Length of tenure

Appointed 22 March 2023
(Executive Chair from 5 April 2023 to
10 May 2023)

Skills and experience

Ken is an experienced business leader, having held a number of senior executive and non-executive positions within UK-listed firms.

He is currently Senior Independent Director and Chairman of the Audit Committee at both Vertu Motors plc and Rockwood Strategic plc, as well as Deputy Chairman of Rainier Developments Limited. Ken has recently stepped down as Non-executive Chairman of Biffa plc and RPS Group plc.

Ken was also a Non-executive Director at Blue Prism plc, an intelligent automation software business, where he was Chair of the Audit Committee.

In his executive career, Ken was latterly Chief Executive Officer of technology, business services and insurance software business Xchanging plc.

Ken is a member of the Advisory Board of the Alliance Manchester Business School and was a member of the Accounting Council (formally the Accounting Standards Board) of the Financial Reporting Council.

External appointments

Ken is the Senior Independent Director and Chairman of the Audit Committee of Vertu Motors plc, the Senior Independent Director and Chairman of the Audit Committee of Rockwood Strategic plc and Deputy Chairman of Rainier Developments Limited.



Dr Yeturu Aahlad

Chief Scientist, Inventor
and Co-founder

Age 65

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.



Karl Monaghan

Independent
Non-executive Director

Age 60

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.



Peter Lees

Senior Independent
Non-executive Director

Age 59

Length of tenure

Appointed 10 August 2022

Skills and experience

Peter has built a successful 35-year career in the UK financial markets, having served in senior leadership roles across multiple financial institutions, with a particular focus on Equity Capital Markets and the provision of investment and strategic advice to public and private companies.

Peter has built, grown and led a number of UK, European and Global Equity teams during his career, including most recently serving as a Managing Director at Stifel, where he was part of the leadership team in the Technology and Life Science sectors. Prior to that, Peter served as Head of UK and European teams at F&C, responsible for managing over £15bn of assets under management. Earlier in his career, Peter rose to become Head of the UK Equity Team at Morgan Grenfell (latterly, Deutsche Bank), helping to drive the organisation towards its ultimate position as one of the top three Asset Management companies in London.

External appointments

None.

Sector experience

	Ken Lever	Dr Yeturu Aahlad	Karl Monaghan	Peter Lees
Technology	◆	◆	◆	◆
Financial management	◆		◆	◆
Strategy development	◆		◆	◆
Corporate governance	◆		◆	◆
Corporate finance	◆		◆	◆

Committee membership key

- ◆ A Audit Committee
- ◆ R Remuneration Committee
- ◆ N Nomination Committee
- ◆ Committee Chairman

Strong and experienced leadership team



Stephen Kelly
Interim Chief Executive Officer

Length of tenure
Less than one year

Skills and experience

Stephen Kelly is a successful serial growth CEO with global experience in complex enterprise software & technology businesses with strong partner and direct sales channels. Stephen has an exceptional leadership record from start-ups to the largest organisations in both private and public sectors. Stephen led the turnarounds as CEO of Sage (FTSE50), Micro Focus (FTSE250), and grew Chordiant rapidly (Nasdaq) adding approximately \$10bn of market value increase over almost 50 quarters during his stewardship as a public company CEO. The companies led by Stephen all became global market leaders in their sectors.

In the 1980s, Stephen joined an early-stage European team at Oracle where annual triple-digit revenue growth was the standard in the enterprise data business. Stephen was on the founding team at high growth Chordiant, which grew from zero to \$70m revenues in four years, became a fintech market leader with twelve of the top 20 global retail banks standardising on the Chordiant enterprise platform and listed in a \$2bn IPO on Nasdaq in 2000.

Stephen led the rapid and successful transformations to profitable growth at both Micro Focus and Sage while enhancing customer advocacy & market leadership. Micro Focus tripled its revenues to over half a billion dollars in three years with EBITDA moving from 20% to 43% and was the top performing FTSE stock with seven-fold stock increase in four years. Sage cloud revenues went from near-zero to over \$500m ARR in three years and stock price doubled for Sage to become one of the UK's few tech companies valued at over \$10bn.



Ijoma Maluza
Interim Chief Financial Officer

Length of tenure
Less than one year

Skills and experience

Ijoma is a Chartered Accountant with over 20 years of experience in Finance including as CFO of listed and private equity-owned companies in the Technology and Software industries. Ijoma was CFO of Blue Prism plc, a software company listed on the London Stock Exchange, before its sale to SS&C Inc in 2022. Prior to Blue Prism, he was CFO of IP.Access, a private equity-owned, hardware and software developer of small cells radio solutions. After qualifying as a Chartered Accountant, Ijoma worked in Investment Banking in the TMT team at Rothschild & Co. before joining Xchanging, a FTSE 250 company, where he became Corporate Development and Corporate Strategy Director leading all M&A activities.



Paul Scott-Murphy
Chief Technology Officer

Length of tenure
Eight 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.



Anne Lynch
SVP Human Resources

Length of tenure
Six 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 Customer Success and Engineering

Length of tenure
Five 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.



Rich Baker
Interim SVP Global Sales

Length of tenure
Less than 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.



Larry Webster
General Counsel and Company Secretary

Length of tenure
Nine 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.



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.

Other Executive team members on the Board:

Dr Yeturu Aahlad

Chief Scientist, Inventor and Co-founder

Read about our Board from page 28

Ensuring the long-term success of the Group

Board effectiveness

Board composition and responsibilities

The Board currently comprises an Independent Interim Non-executive Chair, two independent Non-executive Directors and one Executive Director. The Board composition is currently under review.

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 4 to 25. 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 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.

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 Team supports the Board in implementing strategy and reports relevant matters to the Board for its consideration and approval. This Executive Committee comprises the Executive Director and eight 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 37 to 42.

Meeting attendance

David Richards	◆	◆	◆	◆
Bob Corey	◆	◆	◆	◇
Erik Miller	◆	◆	◆	◆
Dr Yeturu Aahlad	◆	◆	◆	◆
Grant Dollens*	◆	◇	◆	◆
Karl Monaghan	◆	◆	◆	◆
Peter Lees	◇	◇	◇	◆

◆ Attended

◇ Did not attend

◇ Not required to attend

* Grant Dollens abstained from one Board meeting to avoid a conflict of interest.

Note that David Richards, Bob Corey, Erik Miller and Grant Dollens are no longer on the Board.

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.

The Chair briefs Non-executive Directors on issues arising at Board meetings if required and Non-executive Directors have access to the Chair at any time. Ongoing training is provided as needed. Directors were updated on a frequent and regular basis on the Group's business.

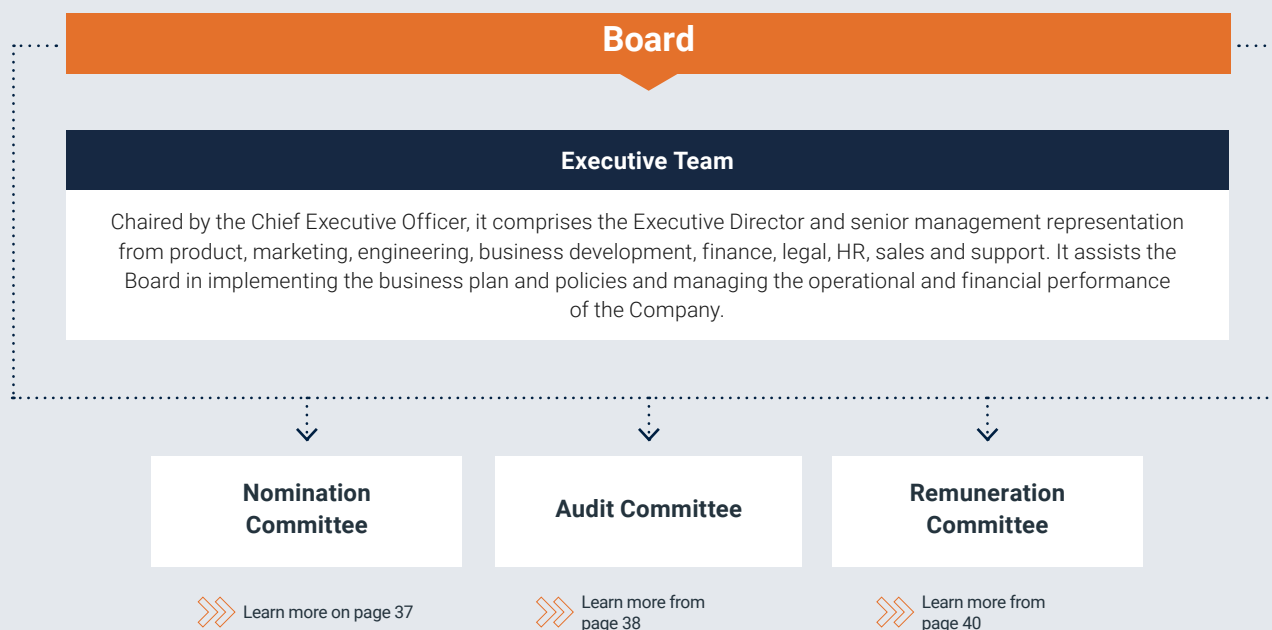
Directors are subject to re-election at the Annual General Meeting ("AGM") following their appointment. In addition, at each AGM one-third (or the whole number nearest to one-third) of the Directors retire by rotation.

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 40 to 42 and the terms and conditions of appointment of the Non-executive Directors are available at the Company's registered office.

Governance framework



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 Chair 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 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 or further development. The feedback

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 sales and finance strategy.
- Approval of 2022 budget and proposed share placing.

May

- Approval of financing.

June

- Approval of Annual Report and financial statements.

October

- Business review, including reviews of CEO, CFO, Commercial review and Investor relations.

from the informal 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 then Chair and Chief Executive Officer, who was appraised by the Non-executive Directors, the Executive Board members were appraised by the Chair and Chief Executive Officer. The Non-executive Directors were appraised by the Chair and Chief Executive Officer.

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 20 to 23.

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 identification of the Irregularities brought into question the effectiveness of controls over the recognition, recording and reporting of revenue. As a result of the review performed by FRP Advisory control improvements, as outlined on page 26 have been implemented to ensure that the circumstances giving rise to the Irregularities cannot recur.

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 last AGM was held on Friday 22 July 2022 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 30 August 2023 at Brown Rudnick's London office. 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 Chair and other Non-executive Directors are available to shareholders to discuss strategy and governance issues when necessary.

2022 key shareholder engagements

Month	Communication	Type
February 2022	Investor Group Meeting	
June 2022	Annual Report published Stifel Investor Conference	 
July 2022	AGM Result of AGM	 
September 2022	Capital Market Day London Interim Results	 
December 2022	Stifel Conference New York	

Monitoring succession planning

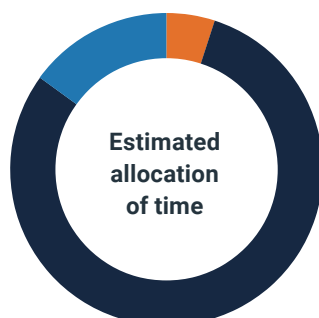


Peter Lees
Chair of the
Nomination Committee

Committee meeting attendance

David Richards	◆	◆
Bob Corey	◆	◇
Erik Miller	◆	◆
Grant Dollens	◆	◆
Karl Monaghan	◆	◆
Peter Lees	◇	◆

- ◆ Attended
- ◇ Did not attend
- ◇ Not required to attend



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

Committee composition

The Nomination Committee is chaired by Peter Lees (David Richards until he stepped down from the Board on 2 April 2023) and the other members of the Committee are Karl Monaghan and Ken Lever (from the date of his appointment). Bob Corey, Erik Miller and Grant Dollens were members until they stepped down from the Board on 10 August 2022, 3 April 2023 and 19 May 2023 respectively.

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 Chair, Ken Lever, and the two Non-executive Directors, Peter Lees and Karl Monaghan.

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 twice 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.

The composition and skill mix of the Board is currently actively under review.

Peter Lees
Chair of the Nomination Committee
11 July 2023

Ensuring compliance and effectiveness

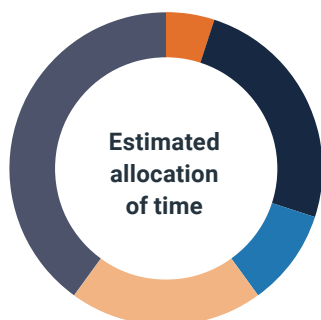


Karl Monaghan
Chair of the Audit Committee

Committee meeting attendance

Bob Corey	◆	◆	◆
Grant Dollens	◆	◆	◆
Karl Monaghan	◆	◆	◆
Peter Lees	◇	◇	◇

- ◆ Attended
- ◇ Did not attend
- ◇ Not required to attend



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

Committee composition

Karl Monaghan is the Chair of the Committee and was appointed to this position after Bob Corey stepped down from the Board on 10 August 2022. The other members of the Committee are Peter Lees and Ken Lever from the dates of their appointments. Bob Corey and Grant Dollens were members until they stepped down from the Board on 10 August 2022 and 19 May 2023 respectively. The Board considers Karl Monaghan to have relevant and recent financial experience, given his biography set out on page 28.

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 three 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 two of these meetings. Since the end of the financial year, the Committee has met twice (in January 2023 and July 2023) 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.

Significant work undertaken by the Committee during the year

Review of the 2022 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.

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 2022. Further details are included in Note 2(b) of the financial statements. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Group and Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments should the going concern basis of preparation be inappropriate.

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 an adjusted market approach.

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.

Irregularities

Subsequent to the year end the Irregularities was identified which was the subject of an independent investigation. The background and actions taken are explained in the Chair's statement.

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 stage of development it was not previously thought that an internal audit function was necessary. Following the discovery of the Irregularities the Company will now examine the optimum way to establish internal audit processes either through the use of internal resources or outsourced services.

Karl Monaghan

Chair of the Audit Committee

11 July 2023

Determining remuneration policies

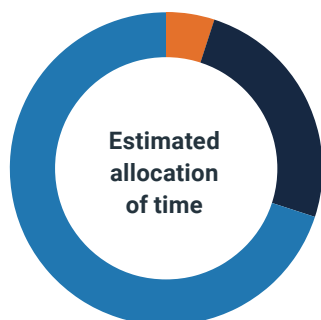


Karl Monaghan
Chair of the
Remuneration Committee

Committee meeting attendance

Karl Monaghan	◆	◆
Bob Corey	◆	◇
Peter Lees	◇	◆
Grant Dollens	◆	◆

- ◆ Attended
- ◇ Did not attend
- ◇ Not required to attend



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

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

Karl Monaghan is the Chair of the Committee and the other members of the Committee are Peter Lees and Ken Lever from the dates of their appointments. Bob Corey and Grant Dollens were members until they stepped down from the Board on 10 August 2022 and 19 May 2023 respectively.

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 and Executive Team 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 whole Board. 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.

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 2023. Details of any awards will be disclosed in next year's Remuneration Committee report.

2022 annual bonus

The 2022 Bonus Plan comprised a target bonus based on a percentage 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 42.

In the light of the circumstances of the business it is unlikely that bonuses will be paid for 2023 unless they relate to existing contractual entitlements.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 44.

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 2022	Number of options granted	Number of options exercised ¹	Number of options lapsed	Number of options at 31 December 2022
Executive Directors						
David Richards ⁴	£1.90	92,771	—	—	—	92,771
	£0.10	12,687	—	(12,687)	—	—
	£0.10	23,764	—	(23,764)	—	—
	£5.08	—	700,000	—	—	700,000
Dr Yeturu Aahlad	£0.10	12,687	—	(12,687)	—	—
	£0.10	23,764	—	(23,764)	—	—
	£5.08	—	200,000	—	—	200,000
Erik Miller ⁴	£1.90	410,789	—	—	—	410,789
	£8.39	423,707	—	—	—	423,707
	£0.10	12,687	—	(12,687)	—	—
	£0.10	23,764	—	(23,764)	—	—
	£5.08	—	400,000	—	—	400,000
Non-executive Directors						
Grant Dollens ⁵	£0.10	—	41,969	—	—	41,969
Karl Monaghan	£0.10	—	45,239	—	—	45,239
Peter Lees ²	£0.10	—	24,560	—	—	24,560
Bob Corey ³	£0.10	—	57,238	(57,238)	—	—

1 Options exercised were sold at a price of £4.60, total gain on sale was \$522,000 (2021: \$nil).

2 Joined 10 August 2022.

3 Left 10 August 2022. The options exercised in 2022 were sold at a price of £3.37.

4 Left 2 and 3 April 2023 respectively. The options granted in 2022 to David Richards and Erik Miller were unvested and lapsed on leaving.

5 Left 19 May 2023.

6 Ken Lever joined post-year end on 22 March 2023 and had no options in 2022.

Remuneration Committee report continued

Directors' remuneration (audited)

	Payment currency	Salary/fees '000	Bonus '000	Benefits ¹ '000	31 December 2022 Total '000	31 December 2021 Total '000
Executive Directors						
David Richards ⁴	\$	514	588	36	1,138	536
Erik Miller ⁴	\$	269	244	38	551	344
Dr Yeturu Aahlad	\$	171	—	22	193	172
Non-executive Directors						
Grant Dollens ⁵	£	40	—	—	40	40
Karl Monaghan	£	40	—	—	40	40
Peter Lees ²	£	20	—	—	20	—
Bob Corey ³	£	43	—	—	43	50

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

2 Joined 10 August 2022.

3 Left 10 August 2022.

4 Left 2 and 3 April 2023 respectively.

5 Left 19 May 2023.

6 Ken Lever joined post-year end on 22 March 2023 and received no remuneration in 2022.

The total Directors' remuneration for the period ended 31 December 2022, in US dollars, was \$2,832,000 (2021: \$1,438,000) including gains on share options exercised in the current year.

Approval

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

Karl Monaghan

Chair of the Remuneration Committee

11 July 2023

The Directors present their report and the audited financial statements for the year ended 31 December 2022 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 4 to 25, which is incorporated into this report by reference together with the Corporate governance report on pages 32 to 36. 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 40 to 42 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 4 to 25. 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 52 to 81.

Dividends

The Directors do not recommend the payment of a dividend (2021: \$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 4 to 25. Details of the Company's financial position and its cash flows are outlined in the Financial review on pages 24 and 25.

After making reasonable enquiries and following a share subscription during the year which raised \$19.7m with another share subscription after the end of the year for \$30.0m. The Company will seek shareholder approval for the increase in share capital to 300,000,000 shares on 24 July 2023 to enable the shares to be issued and the settlement of the fundraise and admission are expected on 25 July 2023. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Group and Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments should the going concern basis of preparation be inappropriate. This is described in more detail in Note 2(b).

Annual General Meeting ("AGM")

The Company's eleventh AGM is to be held at 10am on 30 August 2023 at Brown Rudnick's London office.

Directors

The Directors who served on the Board and on Board Committees during the year are set out on pages 28 and 29. One-third of the

Significant shareholders

The Company is informed that, at 31 March 2023 (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	10,023,135	14.92%
Davis Capital Partners, LLC	6,636,752	9.88%
Invesco Ltd.	5,082,341	7.56%
Richard Griffiths	3,958,958	5.89%
Lombard Odier Asset Management (Europe) Limited	3,650,586	5.43%
Dr Yeturu Aahlad	2,477,016	3.69%
Conifer Capital Management	2,200,000	3.27%

¹ Of which 526,384 shares (0.78%) are held by Grant Dollens personally and 2,155,769 shares (3.21%) are held by Global Frontier Partners, LP and 7,340,982 (10.92%) 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).

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 40 to 42.

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 40 to 42.

The middle market price of the Company's ordinary shares on 31 December 2022 was 920.00 pence and the range during the year was 222.50 pence to 935.00 pence, with an average price of 380.49 pence.

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company at 31 December 2022 and 31 March 2023 (the latest practicable date prior to publication) were as follows:

	At 31 December 2022		At 31 March 2023	
	Number of shares	% of issued ordinary share capital	Number of shares	% of issued ordinary share capital
Executive				
David Richards (left 2 April 2023)	1,836,867	2.74%	1,836,867	2.73%
Dr Yeturu Aahlad	2,477,016	3.70%	2,477,016	3.69%
Erik Miller (left 3 April 2023)	25,013	0.04%	25,013	0.04%
Non-executive				
Ken Lever (joined 22 March 2023)	—	—	—	—
Grant Dollens ¹ (left 19 May 2023)	10,023,135	14.96%	10,023,135	14.92%
Karl Monaghan	64,629	0.11%	64,629	0.10%

1 Of which 526,384 shares (0.78%) are held by Grant Dollens personally and 2,155,769 shares (3.21%) are held by Global Frontier Partners, LP and 7,340,982 (10.92%) 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 \$10,200,000 during the year (2021: \$11,380,000) on research and development, of which \$nil (2021: \$5,340,000) was capitalised within intangible assets and \$10,200,000 (2021: \$6,040,000) was charged to the income statement. In addition, an amortisation charge of \$3,903,000 (2021: \$5,115,000) 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.

Employees

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.

We support all applicable labour laws and the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons.

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 2022 the Group made political donations of \$nil (2021: \$nil) and charitable donations of \$76,409 (2021: \$97,911).

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 2022 was 16 days (2021: 14 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

Subsequent to the year end Irregularities were identified which was the subject of an independent investigation. The background and actions taken are explained in the Chair's statement.

On 15 May 2023 the Board issued an RNS announcement in which it provided a number of data points:

- Firstly, it was stated that as of the end of April the Group had available to it \$8.1m of cash.
- Secondly, it was also stated that the run rate annualised costs had been reduced from \$41m to circa \$25m.
- Thirdly, it was noted that the cash reserves of the Group would expire during July 2023.
- Finally, it was noted that to achieve the relisting of the shares the Group would need to raise \$30m gross of new finance. A circular to shareholders was subsequently issued to convene a general meeting of shareholders to provide the authority to the Directors to issue additional ordinary shares to secure the necessary funding.

The general meeting of shareholders was held on 6 June 2023 and provided the required authority to the Directors. On 4 July 2023 the Group announced a new subscription and placing of shares to new and existing shareholders for 47,528,517 new ordinary shares of 10 pence each in the Company at a price of 50 pence raising gross proceeds of \$30.0m. The Company will seek shareholder approval for the increase in share capital to 300,000,000 shares on 24 July 2023 to enable the shares to be issued and the settlement of the fundraising and admission are expected on 25 July 2023.

The Directors' report has been approved by the Board of Directors on 11 July 2023.

Signed on behalf of the Board.

Ken Lever

Interim Non-executive Chair
11 July 2023

Statement of Directors' responsibilities

In respect of the Annual Report and the financial statements

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 2022 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 the 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 2022 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 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.

Material uncertainty related to going concern

We draw attention to note 2(b) to the financial statements, which explains that the Parent Company requires shareholder approval to increase its authorised share capital to enable shares to be issued in settlement of the \$30m fundraise in order to continue as a going concern. As noted in note 2(b), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

For the reason set out above and based on our risk assessment, we determined going concern to be a key audit matter.

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's ability to continue to adopt the going concern basis of accounting and in response to the key audit matter included:

- › We involved our business restructuring specialists in our response to, and our audit of, the cash flow forecasts;
- › We obtained an understanding of the business model, objectives 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;
- › We evaluated 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, and assessing whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other;
- › We assessed 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;
- › We analysed 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;
- › We reviewed post-balance sheet events, specifically the funding announced in July 2023 and the actual post year end results against budgeted performance of the Group in January to May 2023; and
- › We evaluated the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment in accordance with IAS 1.

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% (2021: 100%) of Group loss before tax 100% (2021: 100%) of Group revenue 97% (2021: 100%) of Group total assets		
Key audit matters		2022	2021
	Revenue recognition	✓	✓
	Going concern	✓	✓
	Management override of controls	✓	—
	Capitalisation of internal development costs	—	✓
	Carrying value of development costs	—	✓
	The Capitalisation of internal development costs and Carrying value of development costs are no longer considered to be key audit matters in 2022, because there were no costs capitalised in the year ended 31 December 2022 and the carrying value of development costs was £nil as at 31 December 2022.		
Materiality	Group financial statements as a whole \$375k (2021: \$430k) based on 1.1% (2021: 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. In addition to the matter disclosed in the Material uncertainty related to going concern section of our report we have determined the matter below to be the key audit matter to be communicated. 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.

Independent auditor's report continued to the members of WANDisco plc

An overview of the scope of our audit continued

Key audit matters continued

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. The revenue recognised for the year was also materially impacted by the results of the Investigation.

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 satisfaction of a performance obligation at a point in time or over a contractual term through the consideration of the Group's contract terms and the requirements of IFRS 15. This included the assessment of a sample of new or one-off transactions;
- › For a sample of customers, we tested all revenue transactions in FY2022 with the customers to ensure (1) 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, accrued 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 and the satisfaction of the respective performance obligation;
- › 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 a sample of unusual, new or significant transactions or contractual terms as contracts usually have standard terms;
- › We specifically reviewed the adjustments posted by management to reverse the alleged fraudulent revenue transactions identified from the Investigation, agreeing these to supporting documentation; 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 80% to licenses and 20% to maintenance and support. We assessed the appropriateness of 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
Management override of controls See Note 27 As a result of the Investigation, and our work, there is evidence that senior management were able to override the controls that were in place during and subsequent to the year ended 31 December 2022. There is a risk that the absence of controls which allowed the alleged fraud to occur, could persist in similar or other areas. As a result there is a risk that the controls may not have prevented or detected and corrected material misstatements on a timely basis more broadly in the Group financial statements for the year ended 31 December 2022.	<ul style="list-style-type: none"> › We involved our forensic specialists in our response to, and our audit of, the findings of the Investigation. › We evaluated the terms of engagement and credentials and independence of the Group's appointed forensic investigators. We critically assessed the detailed findings and, using our forensic specialists considered if the approach taken was reasonable and whether any additional procedures were considered necessary. We also considered the nature of the findings and undertook additional procedures and testing to satisfy ourselves where we considered it was necessary. › Based on the current year misstatements noted, as well as the results of the Investigation, we reassessed our planned audit approach, revising our risk assessment in respect of certain areas of the Group financial statements and consequently revising and extending our audit procedures in those areas where errors had been identified or where matters had been raised through the Investigation. › We also revisited and lowered our performance materiality used in testing as appropriate. Our audit approach was predominantly substantive, with no reliance on internal controls, and management explanations were assessed against the available evidence that was considered to be reliable. › In light of findings from the Investigation we performed an extended analysis of work already carried out on the IT systems relevant to the audit, with a specific focus on access rights to those systems and the risks related to access gained to and activity within those systems in the year. An extended analysis was also carried out over journal entries with higher risk criteria which we agreed back to supporting documentation where considered appropriate. › We extended the scope of our work throughout the audit, deepening our inquiries, increasing sample sizes and applying additional challenge, iteration and scepticism in all areas. › We sought alternative representations and required additional procedures to be performed to support those representations where in our judgement, these were considered to be necessary.

Key observations

From the evidence obtained, we considered the increased risk of management override of control identified to have been reduced to an acceptable level for the reported financial position as at 31 December 2022, and for the financial results of the year then ended.

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.

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

	2022 \$k	2021 \$k
Materiality	375	430
Basis for determining materiality	1.1% of three-year average loss before tax.	1.25% of three-year average loss before tax.
Rationale for the benchmark applied	The three year-year average loss before tax was considered the most suitable benchmark to assess the performance of a non-profitable business. It also provides a more stable measure year on year of performance from a financial and operational perspective for the Group.	

Independent auditor's report continued

to the members of WANdisco plc

Our application of materiality continued

	2022 \$k	2021 \$k
Performance materiality	187.5	280
Basis for determining performance materiality	50% 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, including consideration of the alleged fraud which occurred during the year. We have considered the level of expected errors and management's 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 misstatements and management's attitude to correcting proposed audit adjustments when reaching our conclusion of the level of performance materiality to be applied.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, based on a percentage of between 49% and 65% (2021: 44% and 65%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from \$182k to \$244k (2021: \$189k to \$279.5k). In the audit of each component, we further applied performance materiality levels of 50% (2021: 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 \$7,500 (2021: 21,500). 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 Accounts 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

We have nothing to report in respect of the following matters where 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 proper returns adequate for our audit have not been received from branches not visited by us; or
- › the 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, 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.

Auditor's responsibilities for the audit of the financial statements continued

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 gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, through discussion with management and the Audit Committee and our knowledge of the industry. We focused on significant laws and regulations that could give rise to a material misstatement in the Group financial statements, including, but not limited to, the Companies (Jersey) Law 1991, the AIM Rules, UK adopted international accounting standards and UK and US tax legislation;
- › We considered the risks of potential non-compliance with these laws and regulations in our initial planning and risk assessment work and communicated these risks to the engagement team to consider in planning and executing their work; and
- › Involved tax specialists in the audit to assist in assessing compliance with relevant tax legislation.

We assessed the susceptibility of the financial statements to material misstatements, including fraud. As part of our assessment we developed an understanding of management's internal controls designed to prevent and detect irregularities. Following the identification of the alleged fraud, concerns from our audit work, and the subsequent Investigation by the Investigation Committee, we re-considered our planning and risk assessment to determine whether there were any potential additional fraud risks. We considered the fraud risk areas to be management override of controls and revenue recognition, specifically the overstatement of revenue throughout the year.

Where possible we designed additional audit procedures to address these and communicated these additional risks and procedures to the Audit Committee.

The specific work we have undertaken to address the risk of fraud in the Group financial statements has included:

- › Testing the cut-off of revenue and the existence of revenue transactions recorded in the records of the Group (see the key audit matters section above);
- › Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and manual consolidation entries by agreeing them to supporting documentation;
- › 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 above and in the Revenue Recognition key audit matter;
- › Considering whether there are potential additional liabilities arising as a result of matters identified through the Investigation Report; and
- › Involving our forensic specialists in our audit of the findings of the Investigation and allocating further senior team members to the audit team.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the current year misstatements noted as well as the results of the Investigation, we reassessed our planned audit approach, revising our risk assessment and responses to address the increased risk attached to certain areas of the Group financial statements and revising our performance materiality (see also the key audit matters above).

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

11 July 2023

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 2022

	Note	31 December 2022 \$'000	31 December 2021 \$'000
Revenue	6,7	9,685	7,306
Cost of sales	8	(695)	(659)
Gross profit		8,990	6,647
Operating expenses	8,9	(47,926)	(44,350)
Impairment loss	8	(2,151)	(2,131)
Operating loss	9	(41,087)	(39,834)
Finance income	10	11,423	1,175
Finance costs	10	(110)	(172)
Net finance income	10	11,313	1,003
Loss before tax		(29,774)	(38,831)
Income tax	11	169	1,236
Loss for the year		(29,605)	(37,595)
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		(10,821)	(1,041)
Other comprehensive loss for the year, net of tax		(10,821)	(1,041)
Total comprehensive loss for the year attributable to owners of the parent		(40,426)	(38,636)
Loss per share			
Basic and diluted loss per share	12	(\$0.47)	(\$0.65)

The notes on pages 56 to 83 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

At 31 December 2022

	Note	31 December 2022 \$'000	31 December 2021 \$'000
Assets			
Property, plant and equipment	14	727	2,244
Intangible assets	15	—	5,252
Other non-current assets	16	864	1,201
Non-current assets		1,591	8,697
Trade and other receivables	17	4,900	5,731
Cash and cash equivalents	18	19,108	27,759
Current assets		24,008	33,490
Total assets		25,599	42,187
Equity			
Share capital	19(a)	9,524	8,608
Share premium	19(c)	232,861	213,762
Translation reserve	19(c)	(13,573)	(2,752)
Merger reserve	19(c)	1,247	1,247
Retained earnings		(213,496)	(186,442)
Total equity		16,563	34,423
Liabilities			
Loans and borrowings	20	119	1,230
Deferred income	21	220	334
Deferred tax liabilities	11(d)	3	4
Non-current liabilities		342	1,568
Current tax liabilities		11	29
Loans and borrowings	20	420	586
Trade and other payables	22	6,225	4,156
Deferred income	21	2,038	1,425
Current liabilities		8,694	6,196
Total liabilities		9,036	7,764
Total equity and liabilities		25,599	42,187

The notes on pages 56 to 83 are an integral part of these consolidated financial statements.

The financial statements on pages 52 to 83 were approved by the Board of Directors on 11 July 2023 and signed on its behalf by:

Ken Lever

Interim Non-executive Chair

Karl Monaghan

Independent Non-executive Director

Company registered number: 110497

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Note	Attributable to owners of the Company				
		Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Merger reserve \$'000	Retained earnings \$'000
Balance at 31 December 2020		7,641	172,868	(1,711)	1,247	(150,851)
Total comprehensive loss for the year						
Loss for the year		—	—	—	—	(37,595)
Other comprehensive loss for the year		—	—	(1,041)	—	—
Total comprehensive loss for the year		—	—	(1,041)	—	(37,595)
Transactions with owners of the Company						
Contributions and distributions						
Equity-settled share-based payment	13(d)	—	—	—	—	2,004
Share options exercised		15	21	—	—	—
Proceeds from share placing		952	40,873	—	—	—
Total transactions with owners of the Company		967	40,894	—	—	2,004
Balance at 31 December 2021		8,608	213,762	(2,752)	1,247	(186,442)
Total comprehensive loss for the year						
Loss for the year		—	—	—	—	(29,605)
Other comprehensive loss for the year		—	—	(10,821)	—	—
Total comprehensive loss for the year		—	—	(10,821)	—	(29,605)
Transactions with owners of the Company						
Contributions and distributions						
Equity-settled share-based payment	13(d)	—	—	—	—	2,551
Proceeds from share placing		728	18,627	—	—	—
Share options exercised		188	472	—	—	—
Total transactions with owners of the Company		916	19,099	—	—	2,551
Balance at 31 December 2022		9,524	232,861	(13,573)	1,247	(213,496)

The notes on pages 56 to 83 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Loss for the year		(29,605)	(37,595)
Adjustments for:			
– Depreciation of property, plant and equipment	14	870	1,077
– Amortisation of intangible assets	15	3,903	5,115
– Impairment of right of use asset	14	69	–
– Impairment of intangible assets	15	1,349	–
– Net finance (costs)/income (excluding foreign exchange)		(20)	116
– Income tax	11	(169)	(1,236)
– Unrealised foreign exchange		(10,383)	(992)
– Equity-settled share-based payment	13(d)	2,551	2,004
		(31,435)	(31,511)
Changes in:			
– Trade and other receivables		43	5,728
– Trade and other payables		2,288	(1,280)
– Deferred income		503	(1,994)
Net working capital change		2,834	2,454
Cash used in operating activities		(28,601)	(29,057)
Interest paid		(110)	(170)
Income tax received		1,216	998
Net cash used in operating activities		(27,495)	(28,229)
Cash flows from investing activities			
Interest received	10	48	5
Acquisition of property, plant and equipment	14	(206)	(427)
Development expenditure	15	–	(5,340)
Net cash used in investing activities		(158)	(5,762)
Cash flows from financing activities			
Proceeds from issue of share capital		20,307	42,478
Share issue costs		(292)	(617)
Repayment of bank loan		–	(556)
Payment of lease liabilities	20(c)	(532)	(517)
Net cash from financing activities		19,483	40,788
Net (decrease)/increase in cash and cash equivalents		(8,170)	6,797
Cash and cash equivalents at 1 January		27,759	21,039
Effect of movements in exchange rates on cash held		(481)	(77)
Cash and cash equivalents at 31 December	18	19,108	27,759

The notes on pages 56 to 83 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2022

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 11 July 2023.

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 2022 have been adopted:

- › Amendments to IAS 16 – Property, Plant and Equipment;
- › Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets;
- › Annual Improvements 2018-2020 Cycle; and
- › Reference to the Conceptual Framework (Amendments to IFRS 3).

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.

As at 31 December 2022 the Group had net assets of \$16.6m (31 December 2021: \$34.4m), including cash of \$19.1m (2021: \$27.8m) as set out in the Consolidated statement of financial position, with no debt facility outstanding (2021: no debt facility outstanding). In the year ended 31 December 2022, the Group incurred a loss before tax of \$29.8m (2021: \$38.8m) and net cash outflows before financing of \$27.7m (2021: \$34.0m). During 2022, the performance of the Group improved, with revenue increasing by 33% to \$9.7m (2021: \$7.3m) and operating losses of \$41.1m (2021: \$39.8m).

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. 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. bookings are reduced to a level of \$5m per annum) 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 2022. 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 well as modelling the realisation of the sales pipeline a number of sensitivities have been applied to the forecast in order for the Board to satisfy itself that the Group remains within its current cash facilities. The cash flow model includes the injection of \$30.0m cash which was announced following the year end on 4 July 2023. The cash flow injection requires the Company to seek shareholder approval for the increase in authorised share capital to 300,000,000 shares which is scheduled for 24 July 2023 to enable the shares to be issued and the settlement of the fundraise and admission are expected on 25 July 2023.

As the shareholder approval is outstanding at the date of approval of these financial statements, these events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments should the going concern basis of preparation be inappropriate.

The Directors have a reasonable expectation that the Group can continue to operate within its existing facilities and that the necessary shareholder approval will be obtained and therefore that the Group will be able to meet its commitments and discharge its liabilities in the normal course of business for a period of 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 13 – share-based payment (Note 28(g)(ii)).

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2022 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 13 – share-based payment.
- › Note 15 – impairment test of intangible assets: key assumptions underlying recoverable amounts, including the recoverability of development costs.
- › Note 17 – trade receivables (allowances for estimate credit losses).
- › Note 22 – trade and other payables (US sales tax liability).
- › Note 28(d) – revenue recognition: allocation of value to maintenance and support element of subscription arrangements.

(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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

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	2022 \$'000	2021 \$'000
North America	5,504	5,024
Europe	2,088	1,218
Rest of the world – China	1,894	643
Rest of the world – Other	199	421
	9,685	7,306

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

(b) Major products

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

(c) Major customers

	2022 \$'000 revenue	2022 % age of revenue	2021 \$'000 revenue	2021 % age of revenue
Customer 1	926	10%	266	4%
Customer 2	261	3%	1,572	22%

No other single customers contributed 10% or more to the Group's revenue (2021: 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	2022 \$'000	2021 \$'000
Licences and services transferred at a point in time	7,466	4,666
Maintenance and support services transferred over time	2,219	2,640
	9,685	7,306

7. Revenue continued

(b) Contract balances

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

	2022 \$'000	2021 \$'000
Receivables, which are included in "Other non-current assets – accrued income"	843	1,161
Receivables, which are included in "Trade and other receivables – accrued income"	843	1,059
Contract liabilities, which are included in "Deferred income – non-current"	(220)	(334)
Contract liabilities, which are included in "Deferred income – current"	(2,038)	(1,425)

	2022 \$'000	2021 \$'000
Total contract assets		
At 1 January	2,220	3,604
Excess of revenue recognised over rights to cash being recognised in the year	1,946	1,459
Impairment of contract assets	(732)	(1,951)
Reclassification to contract liabilities	(426)	–
Interest on contract assets	82	51
Transfers in the year from contract assets to trade receivables	(1,404)	(943)
At 31 December	1,686	2,220

	2022 \$'000	2021 \$'000
Total contract liabilities		
At 1 January	1,759	3,753
Amount invoiced in advance of performance and not recognised as revenue during the year	2,350	1,100
Reclassification from contract assets	(426)	–
Amount previously included in contract liabilities that was recognised as revenue during the year	(1,425)	(3,094)
At 31 December	2,258	1,759

The reclassification between contract assets and liabilities in the tables above is an offset of accrued income against deferred income for contracts where there exists both a contract asset and a contract liability.

(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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

8. Operating expenses

(a) Expenses by nature

	Note	2022 \$'000	2021 \$'000
Commissions to sales team		678	581
Other cost of sales		17	78
Cost of sales		695	659
Staff costs		26,136	27,329
Staff related expenses		7,702	7,693
Development costs capitalised	15	—	(5,340)
Amortisation of development costs	15	3,903	5,115
Depreciation of property, plant and equipment	14	870	1,077
Auditor's remuneration	8(b)	1,185	224
Marketing expenditure		2,086	3,066
Premises and IT expenditure		2,725	2,534
Legal and professional costs		2,880	2,388
Other expenses		439	264
Operating expenses		47,926	44,350
Total cost of sales and operating expenses		48,621	45,009
Impairment loss		2,151	2,131
Total items included in arriving at operating loss		50,772	47,140

Included in staff costs above are \$471,000 (2021: \$377,000) relating to payments made to defined contribution plans.

Impairment loss includes an impairment charge on intangible assets of \$1,349,000 (2021: \$nil), right of use assets of \$69,000, trade receivables \$nil (2021: \$180,000) and contract assets of \$733,000 (2021: \$1,951,000).

(b) Auditor's remuneration

	2022 \$'000	2021 \$'000
Audit of these financial statements	1,107	157
Amounts receivable by auditor in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	78	67
	1,185	224

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	2022 \$'000	2021 \$'000
Operating loss		(41,087)	(39,834)
Adjusted for:			
Impairment loss		2,151	2,131
Amortisation and depreciation		4,773	6,192
Equity-settled share-based payment	13(d)	2,551	2,004
Adjusted EBITDA		(31,612)	(29,507)
Development expenditure capitalised	15	—	(5,340)
Adjusted EBITDA including development expenditure		(31,612)	(34,847)

9. Adjusted EBITDA and cash overheads continued**(b) Reconciliation of operating expenses to "Cash overheads"**

	Note	2022 \$'000	2021 \$'000
Operating expenses	8(a)	(47,926)	(44,350)
Adjusted for:			
Amortisation and depreciation		4,773	6,192
Equity-settled share-based payment	13(d)	2,551	2,004
Development expenditure capitalised	15	—	(5,340)
Cash overheads		(40,602)	(41,494)

10. Net finance income

See accounting policy in Note 28(j).

	2022 \$'000	2021 \$'000
Interest income on cash and cash equivalents	48	5
Interest income on non-current assets	82	51
Net foreign exchange gain	11,293	1,119
Finance income	11,423	1,175
Interest payable on bank borrowings	(5)	(3)
Finance charges	—	(7)
Leases (interest portion)	(105)	(160)
Loan amortisation costs	—	(2)
Finance costs	(110)	(172)
Net finance income	11,313	1,003

The net foreign exchange gain (2021: gain) arose predominately on sterling-denominated intercompany balances in a US dollar denominated subsidiary. These balances were retranslated at the closing exchange rate at 31 December 2022, which was 1.20897, an 11% reduction compared to the rate of 1.35104 at 31 December 2021. The gain on intercompany balances in the Consolidated statement of profit or loss is offset by an equivalent exchange loss (2021: loss) 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

	2022 \$'000	2021 \$'000
Current tax credit		
Current year	692	1,305
Changes in estimates related to prior year	(523)	(69)
Income tax	169	1,236

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

11. Income tax continued

(b) Reconciliation of effective tax rate

	2022 %	2022 \$'000	2021 %	2021 \$'000
Loss before tax from continuing operations		29,774		38,831
Tax using the Company's domestic tax rate	21%	6,253	21%	8,155
Effect of tax rates in foreign jurisdictions	(0%)	(44)	(0%)	(84)
Tax effect of:				
Non-deductible income/expenses	2%	506	(0%)	(108)
Tax exempt expenses	(0%)	(13)	(0%)	(14)
R&D tax credits	1%	326	1%	568
Losses not recognised for current or deferred tax	(21%)	(6,336)	(19%)	(7,212)
Changes in estimates related to prior year	(2%)	(523)	(0%)	(69)
	1%	169	3%	1,236

The tax rate applied to the Company is the US tax rate as it is a US tax registrant.

The changes in estimates related to prior year of \$523k (2021: \$69k) includes a (reduction)/increase amount now recognised in respect of research and development tax credits relating to prior year of \$550k (2021: \$32k).

(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 2022 has been calculated based on the rate of 21% (2021: 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:

	2022 \$'000	2021 \$'000
Deferred tax liabilities	(3)	(4)

The Group has unrecognised deferred tax assets of \$34,594,146 (2021: \$33,479,000) in respect of tax losses arising in the Group, for which there is no expiry date. The Group also has an unrecognised deferred tax asset of \$3,414,618 (2021: \$2,041,993) in respect of share-based payments arising in the Group based on the pre-suspended share price as at 31 December 2022.

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:

	2022 \$'000	2021 \$'000
Loss for the year attributable to ordinary shareholders	29,605	37,595

Weighted average number of ordinary shares

	2022 Number of shares '000	2021 Number of shares '000
Issued ordinary shares at 1 January	59,612	52,613
Effect of shares issued in the year	3,850	5,186
Weighted average number of ordinary shares at 31 December	63,462	57,799

12. Loss per share continued

(a) Basic loss per share continued

	2022 \$	2021 \$
Basic loss per share	0.47	0.65

(b) Adjusted loss per share

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

	Note	2022 \$'000	2021 \$'000
Loss for the year attributable to ordinary shareholders		29,605	37,595
Adjusted for:			
Impairment loss		(2,151)	(2,131)
Net foreign exchange gain	10	11,293	1,119
Equity-settled share-based payment	13(d)	(2,551)	(2,004)
Adjusted loss for the year		36,196	34,579
		2022 \$	2021 \$
Adjusted loss per share		0.57	0.60

(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 2022 are as follows:

Year of grant	Range of exercise prices	Vesting schedule	2022		2021	
			Number outstanding	Weighted average remaining contractual life	Number outstanding	Weighted average remaining contractual life
Prior to 2018	£0.10	4,5	107,500	3.9	142,122	4.7
Prior to 2018	£0.23–£4.55	1,2,3,4,5	1,806,580	4.2	2,333,324	5.2
2018	£0.10	5,7,8	1,235	5.8	310,752	6.7
2018	£3.60–£8.34	4	70,831	5.7	70,831	6.7
2019	£0.10	5,7	15,842	6.3	520,742	7.3
2019	£5.10–£5.95	4	48,830	6.4	59,108	7.4
2020	£0.10	5,6,9,10	27,549	7.6	251,156	8.6
2020	£4.70–£5.10	4,5	140,503	7.6	146,365	8.6
2022	£0.10	4,5,6,9	223,501	9.7	—	—
2022	£2.82–£6.46	4,9	3,006,724	9.7	—	—
			5,449,095	7.6	3,834,400	5.4

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

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 25% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
4. Option vests 33% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
5. Option vests in three instalments. 1/3 on first anniversary of vesting commencement date, 1/3 on second anniversary and 1/3 and third anniversary.
6. Option vests 100% on first anniversary of vesting commencement date.
7. Option vests 30% after second anniversary and 70% after third anniversary.
8. Option vests 1/3rd on first anniversary and then quarterly thereafter (8.33% per quarter).
9. Option vests 1/6th of the shares granted every six months.
10. 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 year were as follows (there were no grants made in 2021, so no fair value measurements have been disclosed for 2021):

	2022	2021
Share price at grant date	\$3.4 - \$7.8	N/a
Exercise price	\$0.1 - \$7.8	N/a
Dividend yield	0%	N/a
Risk-free interest rate	1.8% - 4.2%	N/a
Expected volatility	30%	N/a
Expected life (years)	1 - 5.4	N/a
Weighted average fair value of options granted during the year	\$1.0 - \$5.6	N/a

- › 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 2022	Weighted average exercise price 2022 \$	Number of options 2021	Weighted average exercise price 2021 \$
Outstanding at 1 January	3,834,400	3.71	4,271,684	3.47
Forfeited during the year	(344,852)	3.27	(323,599)	1.49
Exercised during the year	(1,544,523)	0.43	(113,685)	0.31
Granted during the year	3,504,070	5.35	—	—
Outstanding at 31 December	5,449,095	5.44	3,834,400	3.71
Exercisable at 31 December	2,269,063	5.20	3,165,769	4.10
Vested at the end of the year	2,269,063	5.20	3,165,769	4.10

13. Share-based payment continued**(c) Reconciliation of outstanding share options** continued

	2022 \$	2021 \$
Exercise price in the range:		
From	0.12	0.14
To	10.14	11.34
	2022 Years	2021 Years
Weighted average contractual life remaining	7.6	5.4

(d) Expense recognised in profit or loss

	2022 \$'000	2021 \$'000
Total equity-settled share-based payment charge	2,551	2,004

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 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
Balance at 1 January 2022	3,226	642	240	2,500	6,608
Additions	—	—	5	201	206
Disposals	—	—	—	(3)	(3)
Effect of movements in exchange rates	(155)	(52)	(7)	(122)	(336)
Balance at 31 December 2022	3,071	590	238	2,576	6,475
Accumulated depreciation					
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)
Balance at 1 January 2022	(1,735)	(401)	(227)	(2,001)	(4,364)
Depreciation	(495)	(83)	(8)	(284)	(870)
Disposals	—	—	—	3	3
Impairment	(69)	—	—	—	(69)
Effect of reassessment of lease term	(631)	—	—	—	(631)
Effect of movements in exchange rates	63	27	5	88	183
Balance at 31 December 2022	(2,867)	(457)	(230)	(2,194)	(5,748)
Carrying amounts					
At 31 December 2021	1,491	241	13	499	2,244
At 31 December 2022	204	133	8	382	727

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

14. Property, plant and equipment continued

(b) Right of use assets

	Property \$'000	Computers \$'000	Total \$'000
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 1 January 2022	1,488	3	1,491
Additions	—	—	—
Depreciation	(492)	(3)	(495)
Impairment	(69)	—	(69)
Effect of modification to lease term	(631)	—	(631)
Effect of movements in exchange rates	(92)	—	(92)
Balance at 31 December 2022	204	—	204

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. The reassessment of the lease term relates to a change in the lease term due to a change in circumstances.

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. The computer equipment lease ended during 2022.

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 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
Balance at 1 January 2022	3,154	63,851	—	67,005
Acquisitions – internally developed	—	—	—	—
Balance at 31 December 2022	3,154	63,851	—	67,005
Accumulated amortisation				
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)
Balance at 1 January 2022	(3,154)	(58,599)	—	(61,753)
Impairment losses	—	(1,349)	—	(1,349)
Amortisation	—	(3,903)	—	(3,903)
Balance at 31 December 2022	(3,154)	(63,851)	—	(67,005)
Carrying amounts				
At 31 December 2021	—	5,252	—	5,252
At 31 December 2022	—	—	—	—

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

The development costs were assessed for impairment in light of the continued losses and underperformance against expectations. An impairment charge was recorded of \$1,349,000 (2021: \$nil). The valuation was performed on a value in use basis and the recoverable amount was \$nil.

(d) Development costs

Development costs are predominantly capitalised staff costs associated with new products and services.

16. Other non-current assets

	2022 \$'000	2021 \$'000
Due in more than a year		
Other receivables	21	40
Accrued income	843	1,161
	864	1,201

17. Trade and other receivables

See accounting policy in Note 28(n).

	2022 \$'000	2021 \$'000
Due within a year		
Trade receivables	1,038	1,182
Other receivables	689	278
Accrued income	843	1,059
Corporation tax	1,371	2,532
Prepayments	959	680
Total trade and other receivables	4,900	5,731

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

	2022 \$'000	2021 \$'000
Bank balances	19,108	27,759

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

19. Equity

See accounting policy in Note 28(o).

(a) Share capital

	2022 Number	2022 \$'000	2021 Number	2021 \$'000
Share capital				
Allotted and fully paid – par value 10 pence	67,014,665	9,524	59,612,280	8,608
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, 1,544,523 ordinary shares were issued at 10 pence nominal value relating to employees exercising share options, leading to \$188k additional share capital. The average exercise price of the share options was \$0.43 per share (with a range of \$0.12 - \$6.28) resulting in additional share premium of \$472k.

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 raising gross proceeds of \$19.7m.

Total transaction costs were \$0.3m.

(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).

	2022 \$'000	2021 \$'000
Non-current liabilities		
Lease liabilities	119	1,230
	119	1,230
Current liabilities		
Current portion of lease liabilities	420	586
	420	586
Total loans and borrowings	539	1,816

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:

Borrowing	Currency	Nominal interest rate	Year of maturity	31 December 2022		31 December 2021	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Lease liabilities	US dollars and sterling	8%	1–2 years	571	539	2,162	1,816
Total interest bearing				571	539	2,162	1,816

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	2022 \$'000	2021 \$'000
Less than one year	483	698
Between one and five years	88	1,007
More than five years	–	457
	571	2,162

Expenses relating to short-term leases recognised in profit or loss were \$9,000 (2021: \$13,000).

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

	Lease liabilities \$'000
Balance at 1 January 2022	1,816
Non-cash movements	–
Effect of modification to lease term	(631)
Interest accrued	105
Effect of movements in exchange rates	(114)
Cash movements	–
Payment of interest	(105)
Payment of lease liabilities	(532)
Total changes from financing cash flows	(532)
Balance at 31 December 2022	539

21. Deferred income

See accounting policy in Note 28(d).

	2022 \$'000	2021 \$'000
Deferred income which falls due:		
Within a year	2,038	1,425
In more than a year	220	334
Total deferred income	2,258	1,759

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

22. Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	893	770
Accrued expenses	5,332	3,386
	6,225	4,156

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

	2022 \$'000	2021 \$'000
Neither past due nor impaired	904	855
Past due but not impaired		
Past due 1–30 days	5	327
Past due 31–90 days	15	—
Past due +90 days	114	—
Total not impaired trade receivables	1,038	1,182

Credit losses of \$nil were applied to trade receivables in the year ended 31 December 2022 (2021: \$180,000). Other than this, there were no other credit losses applied in 2022 or 2021 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 \$733,000 were applied to contract assets in the year ended 31 December 2022 (2021: \$1,951,000). Other than this, there were no other credit losses applied to contract assets in 2022 or 2021 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 \$19.1m at 31 December 2022 (2021: \$27.8m). The cash and cash equivalents are held with banks which are rated P-1 for short-term obligations, based on Moody's ratings.

(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 \$30.0m (which are subject to the approval of the increased authorised share capital by the shareholders), indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances for at least twelve months from the date of signing these financial statements.

23. Financial instruments – fair values and risk management continued

(a) Financial risk management continued

(iii) Liquidity risk continued

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	Contractual cash flows					
	Carrying amount \$'000	Total \$'000	Less than 12 months \$'000	1–2 years \$'000	2–5 years \$'000	>5 years \$'000
At 31 December 2022						
Lease liabilities	539	571	483	88	—	—
Trade and other payables	6,225	6,225	6,225	—	—	—
	6,764	6,796	6,708	88	—	—

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

(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
2022 cash and cash equivalents	12,529	164	229	6,186	19,108
2021 cash and cash equivalents	4,408	66	110	23,175	27,759

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 \$768,000 (2021: \$937,000).

(vi) Interest rate risk

The Group is no longer exposed to interest rate risk following the debt balance repayment in 2021.

(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 53. 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 \$19.7m gross proceeds from an equity raise and \$30.0m following the end of the year (which is subject to the approval of the increased authorised share capital by the shareholders).

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

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
The Consensus Company	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

The Group has a contingent liability at 31 December 2022 relating to a sponsorship agreement whereby an additional \$362,691 was due to be paid under certain conditions that were subject to post year end outcomes (31 December 2021: none). This is a related party transaction, see note 26(b).

26. Related parties

(a) Transactions with key management personnel

Key management personnel compensation comprised the following:

	2022 \$'000	2021 \$'000
Short-term employee benefits	5,744	4,653
Equity-settled share-based payment	1,742	754
	7,486	5,407

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 40 to 42, which form part of these audited financial statements.

(b) Other related party transactions

The David and Jane Richards Family Foundation ("DJRFF")

In January 2021 the Group paid invoices to 3rd party suppliers totalling \$461,451 on behalf of DJRFF for the Laptop for Kids initiative. The DJRFF repaid the Group \$329,832 in April 2021 and \$131,619 in June 2021. At 31 December 2021 there was no outstanding balance. This disclosure was omitted in error from the prior year financial statements.

In January 2022 the Group paid invoices totalling \$49,005 for the Laptop for Kids initiative. The DJRFF repaid the Group \$49,005 in May 2022. At 31 December 2022 there was no outstanding balance

EyUp Skills Limited

During 2022 invoices were paid to EyUp Skills Limited totalling \$19,760. At 31 December 2022 there was no outstanding balance.

Sheffield Wednesday F.C.

During 2022 the Group agreed to pay \$362,691 to sponsor Sheffield Wednesday F.C. for sponsorship of the 23/24 football season, which was on behalf of EyUp Skills Limited. Eyup Skills Limited is a company owned by David Richards jointly with Jane Richards. There is also an additional \$362,691 sponsorship payable which is contingent on certain post year end outcomes.

27. Subsequent events

Subsequent to the year end the Irregularities were identified which was the subject of an Independent Investigation. The background and actions taken are explained in the Chair's statement on pages 4 and 5.

On 15 May 2023 the Board issued an RNS announcement in which it provided a number of data points. Firstly, it was stated that as of the end of April 2023 the Group had available to it \$8.1m of cash. Secondly, it was also stated that the run rate of annualised costs had been reduced from \$41m to circa \$25m. Thirdly, it was noted that the cash reserves of the Group would expire during July 2023. Finally, it was noted that to achieve the lifting of the suspension of the shares the Group would need to raise \$30m (gross) of new finance. A circular to shareholders was subsequently issued to convene a general meeting to provide the authority to the Directors to issue additional ordinary shares to secure the necessary funding.

The general meeting of shareholders was held on 6 June 2023 and provided the required authority to the Directors. On 4 July 2023 the Group announced a new subscription and placing of shares to new and existing shareholders for 47,528,517 new ordinary shares of 10 pence each in the Company at a price of 50 pence raising gross proceeds of \$30.0m. The Company will seek shareholder approval for the increase in share capital to 300,000,000 shares on 24 July 2023 to enable the shares to be issued. The settlement of the fundraise and admission are expected on 25 July 2023.

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 net finance income.

(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.

28. Significant accounting policies continued

(c) Use of estimates and judgements continued

(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:

Areas where estimates and assumptions are used:

Revenue - estimates to establish relative fair values when allocating revenue between different performance obligations. See Note 7.

Share based payments - assessment of fair value of an option grant. See Note 13.

Intangible assets - impairment test assumptions. See Note 15.

Trade receivables - assessment of credit losses on trade receivables . See Note 23 (a) (ii).

Trade and other payables - assessment of the calculation of historic US sales tax liability. See Note 22.

(ii) Judgements

The Group applies judgement in how it applies its accounting policies, which does 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 – capitalising development costs.
- Effect of that alternative accounting judgement – increase for intangible assets' carrying value by the amount capitalised.

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.

28. Significant accounting policies continued

(d) Revenue from contracts with customers

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 for term licence and perpetual licences.

- › 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.

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)	<p>Under IFRS 15, subscription arrangements have been split into two performance obligations which are both considered as distinct:</p> <ul style="list-style-type: none"> › term software licence; and › maintenance and support. <p>The allocation of transaction price between the two performance obligations is based on an adjusted market assessment approach.</p> <p>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.</p> <p>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.</p>
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	<p>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.</p> <p>Amortisation is charged on a basis consistent with the transfer to the customer of the licence or services to which the capitalised costs relate.</p>

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 upfront 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.

28. Significant accounting policies continued

(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.

(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.

28. Significant accounting policies continued

(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.

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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

28. Significant accounting policies continued

(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	<p>Expenditure on research activities is recognised in profit or loss as incurred.</p> <p>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:</p> <ul style="list-style-type: none">› 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. <p>The expenditure capitalised includes direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.</p> <p>Otherwise, development costs are recognised in profit or loss as incurred.</p> <p>Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.</p>

(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.

28. Significant accounting policies continued

(n) Financial instruments continued

(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.

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.

28. Significant accounting policies continued

(n) Financial instruments continued

(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.

(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.

28. Significant accounting policies continued

(p) Impairment continued

(i) Non-derivative financial assets continued

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.

(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.

28. Significant accounting policies continued

(q) Leases continued

(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 comprises 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.

(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.

28. Significant accounting policies continued

(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 2023 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:

- › Amendments to IFRS 17 (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	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
Revenue	17,019	16,155	10,532	7,306	9,685
Revenue growth	(13%)	(5%)	(35%)	(31%)	33%
Deferred revenue	4,318	3,810	3,753	1,759	2,258
Deferred revenue growth	(70%)	(12%)	(1%)	(53%)	28%
Cash	10,757	23,354	21,039	27,759	19,108
Operating loss	(23,237)	(27,179)	(33,907)	(39,834)	(41,087)
Impairment loss	—	—	—	2,131	2,151
Amortisation of intangible assets	6,475	5,701	5,070	5,115	3,903
Depreciation of property, plant and equipment	388	1,101	1,203	1,077	870
EBITDA before exceptional items	(16,374)	(20,377)	(27,634)	(31,511)	(34,163)
Add back equity-settled share-based payment	6,977	8,707	5,403	2,004	2,551
Adjusted EBITDA before exceptional items	(9,397)	(11,670)	(22,231)	(29,507)	(31,612)
Development expenditure capitalised	(4,910)	(5,062)	(5,220)	(5,340)	—
Adjusted EBITDA before exceptional items including development expenditure	(14,307)	(16,732)	(27,451)	(34,847)	(31,612)

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.

Secretary, advisers and share capital information

Secretary

Larry Webster

Offices

UK office

5th Floor - Castleton Suite
32 Eyre Street
Sheffield S1 4QZ

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

Liberum

Ropemaker Place, 25 Ropemaker Street
London EC2Y 9LY

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

HSBC Bank plc

Carmel House
49-63 Fargate
Sheffield S1 2HD

Silicon Valley Bank

3003 Tasman Drive
Santa Clara
CA 95054

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.



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



WANDISCO plc
47 Esplanade
St. Helier
Jersey JE1 0BD