

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

**If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial and Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your holding of existing Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold part of your holding, please consult the stockbroker, banker or agent through whom the sale was made.

The Directors, whose names appear on page 4 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document does not constitute a prospectus for the purposes of the Prospectus Rules or the Companies (Jersey) Law 1991 nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been approved by or filed with the Financial Conduct Authority or the Jersey Financial Services Commission. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for Placing Shares in any jurisdiction. This document must not be distributed within or into Canada, Japan, South Africa, the Republic of Ireland or Australia. The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia or to, for the account or benefit of, any US Person (as defined in Regulation S under the Securities Act ("Regulation S")) or any national resident or citizen of Canada, Japan, South Africa, the Republic of Ireland or Australia or any corporation, partnership or other entity created or organised under the laws thereof.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made or will be made for admission of the Placing Shares to the Official List. Further, neither the UKLA nor the London Stock Exchange has examined or approved the contents of this document. Neither the existing Ordinary Shares nor the Placing Shares are or will be traded on any other recognised investment exchange and no such applications have been or will be made for the existing Ordinary Shares or Placing Shares to be admitted to trading on any such exchange. Investors should read the whole text of this document.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of securities laws of any such jurisdiction. In particular, subject to certain exceptions, this document, and/or the accompanying Form of Proxy and any other offering or public material should not be distributed, forwarded or transmitted in or into the United States or any other jurisdiction where it would be unlawful to do so. Any persons (including custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or any accompanying documents to the United States or any such other jurisdiction should seek appropriate advice before taking any action. The document may only be used by those persons to whom it has been distributed in connection with the Placing described herein and may not, neither directly nor indirectly, be distributed or made available to other persons without the express consent of the Company.

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# WANDISCO PLC

*(a company incorporated in Jersey under the Companies (Jersey) Law 1991 with company number 110497)*

## Proposed Placing of 4,798,859 new Ordinary Shares at 375 pence per share and Notice of General Meeting

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It is expected that, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on or around 18 February 2015.

**Your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this document which, *inter alia*, includes the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.**

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company in connection with the Placing, and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Investec Bank plc or for providing advice in relation to the Proposals in this document or any other matter in relation to the contents of this document.

UBS Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company in connection with the Placing, and will not be responsible to anyone other than the Company for providing the protections afforded to clients of UBS Limited or for providing advice in relation to the Proposals in this document or any other matter in relation to the contents of this document.

**Notice of a General Meeting of the Company to be held at the offices of DLA Piper UK LLP at 3 Noble Street, London, EC2V 7EE on 17 February 2015 at 10.00 a.m. is set out at the end of this document. Shareholders will find the Form of Proxy for use at the General Meeting accompanying this document. To be valid, the Form of Proxy should be completed and returned to the Company's registrars, Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received no later than 10.00 a.m. on 15 February 2015 (or in the case of an adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.**

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Placing and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, Investec Bank plc, UBS Limited or their respective directors.

No representation or warranty, express or implied, is made by Investec Bank plc or UBS Limited as to any of the contents of this document and neither Investec Bank plc nor UBS Limited has authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors, whose names appear on page 4 of this document are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Investec Bank plc or UBS Limited may have under the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder.

A copy of this document is available at the Company's website: [www.wandisco.com](http://www.wandisco.com).

Neither the contents of the Company's website nor any website directly or indirectly linked to the Company's website is incorporated in, or forms part of, this document.

The Placing Shares will, upon Admission, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares are not being made available to the public in conjunction with the Placing and the information concerning the proposed Placing set out in this document is being provided for information purposes only to existing Shareholders.

### **Notice to Overseas Shareholders**

This document does not constitute an offer of, or a solicitation to subscribe for or purchase, any securities in any jurisdiction in which such offer or solicitation is unlawful or to any person to whom it is unlawful to make such offer or solicitation. This document is being sent to Shareholders with registered or mailing addresses in any such jurisdiction only in connection with the General Meeting and, in that context, no part of this document or the accompanying Form of Proxy constitutes, or will constitute or forms part of any offer to sell, or a solicitation of an offer to buy or subscribe for, the Placing Shares.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US person (as defined in Regulation S). The Placing Shares have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered in, into or from the United States or to, for the account or benefit of, US persons (as defined in Regulation S) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act. There will be no public offer of securities in the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is unlawful.

The Placing Shares will not qualify for distribution under any of the relevant securities laws of Canada, Japan, South Africa, the Republic of Ireland or Australia, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in, into or from Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside of the United Kingdom should seek appropriate advice before taking any action.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any Ordinary Shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on, in connection with any contract therefor. This document is not a prospectus for the purposes of compliance with the Prospectus Rules of the Financial Conduct Authority or the Companies (Jersey) Law 1991.

### **Cautionary note regarding forward-looking statements**

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain facts and assumptions, including Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

### **Basis on which information is presented**

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All references in this document to "£", "pence" or "p" are to the lawful currency of the United Kingdom, all references to "US\$" or "\$" are to the lawful currency of the United States.

### **Third party information**

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

### **References to defined terms**

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

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## DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

**Directors:** Paul Walker (*Non-Executive Chairman*)  
David Richards (*Chief Executive Officer*)  
Paul Harrison (*Chief Financial Officer*)  
Jim Campigli (*Chief Product Officer*)  
Ian Duncan (*Non-Executive Director*)

**all of whose business address is:** Electric Works  
Sheffield Digital Campus  
Sheffield  
S1 2BJ

**Company Secretary:** Louise Hall

**Registered Office:** 47 Esplanade  
St. Helier  
Jersey  
JE1 0BD

**Nominated Adviser and  
Joint Broker:** Investec Bank plc  
2 Gresham Street  
London  
EC2V 7QP

**Joint Broker:** UBS Limited  
1 Finsbury Avenue  
London  
EC2M 2AN

**Solicitors to the Company  
as to English law:** DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE

**Solicitors to the Company  
as to Jersey law:** Carey Olsen  
47 Esplanade  
St. Helier  
Jersey  
JE1 0BD

**Solicitors to Investec and UBS:** Travers Smith LLP  
10 Snow Hill  
London  
EC1A 2AL

**Auditors:** KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Registrars:** Neville Registrars Limited  
18 Laurel Lane  
Halesowen  
West Midlands  
B63 3DA

## PLACING STATISTICS

Placing Price	375 pence
Number of Placing Shares being issued pursuant to the Placing	4,798,859
Proceeds of the Placing (before expenses)	\$27.0 million
Proceeds receivable by the Company, net of estimated expenses	\$24.8 million
Issued Share Capital	24,436,910
Enlarged Issued Share Capital	29,235,769
Placing Shares as a percentage of the Enlarged Issued Share Capital	16.4%

## EXPECTED TIMETABLE OF KEY EVENTS

This document and the Form of Proxy posted to Shareholders (by airmail/first class post)	23 January 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 15 February 2015
General Meeting	10.00 a.m. on 17 February 2015
Admission and dealings in Placing Shares expected to commence on AIM	8.00 a.m. on 18 February 2015
Placing Shares in uncertificated form to be credited to CREST accounts (CREST shareholders only)	by 18 February 2015
Definitive certificates for Placing Shares in certificated form to be dispatched (non-CREST shareholders only)	by 25 February 2015

*Each of the times and dates in the above timetable is a reference to the time in London and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement by the Company on a regulatory information service.*

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“2014 AGM”	the annual general meeting of the Company held on 4 June 2014
“Admission”	the admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange
“Articles”	the current articles of association of the Company
“Company” or “WANdisco”	WANdisco plc
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form (as defined in the CREST Regulations)
“CREST Regulations”	the Companies (Uncertificated Securities) (Jersey) Order 1991, as amended
“Directors” or “Board”	the board of directors of the Company
“Enlarged Issued Share Capital”	the enlarged issued ordinary share capital of the Company immediately following Admission
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting accompanying this document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 17 February 2015 (or any adjournment thereof) at which the Resolutions will be proposed, notice of which is set out at the end of this document
“Group”	the Company and its subsidiary undertakings
“Investec”	Investec Bank plc, the Company’s nominated adviser and joint broker
“Issued Share Capital”	the issued ordinary share capital of the Company as at 22 January 2015, being the last practicable date prior to the publication of this document, being 24,436,910 Ordinary Shares
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	means the notice of the General Meeting set out at the end of this document
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom

“Placing”	the conditional placing of Placing Shares, by Investec and UBS, each as an agent for and behalf of the Company, at the Placing Price pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the conditional agreement between the Company, Investec and UBS dated 23 January 2015 in connection with the Placing, further details of which are set out in Part 1 of this document
“Placing Price”	375 pence per Placing Share
“Placing Shares”	the 4,798,859 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
“Proposals”	the proposals set out in this document in respect of the Resolutions and undertaking the Placing
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made pursuant to Part VI of the FSMA
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting at the end of this document
“Shareholders”	holders of Ordinary Shares
“UBS”	UBS Limited, the Company’s joint broker
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the Financial Conduct Authority, acting through the United Kingdom Listing Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
“US” or “United States”	United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction

## PART 1

### LETTER FROM THE CHAIRMAN OF WANDISCO PLC



(a company incorporated in Jersey under the Companies (Jersey) Law 1991 with company number 110497)

*Directors:*

Paul Walker (*Non-Executive Chairman*)  
David Richards (*Chief Executive Officer*)  
Paul Harrison (*Chief Financial Officer*)  
Jim Campigli (*Chief Product Officer*)  
Ian Duncan (*Non-Executive Director*)

*Registered Office:*

47 Esplanade  
St. Helier  
Jersey  
JE1 0BD

23 January 2015

Dear Shareholder,

**Proposed Placing of 4,798,859 new Ordinary Shares at 375 pence per share  
and  
Notice of General Meeting**

#### **1. Introduction**

The Company announced earlier today that it intends to raise \$24.8 million (after expenses) by a Placing of 4,798,859 new Ordinary Shares with existing and new institutional investors at a Placing Price of 375 pence per Placing Share.

The Placing is conditional, *inter alia*, upon the Company obtaining Shareholders' approval to grant the Directors authority to allot the Placing Shares and to disapply pre-emption rights in relation to the issue of the Placing Shares that would otherwise apply to the allotment of the Placing Shares.

**The purpose of this document, *inter alia*, is to provide you with the background to and reasons for the Placing, to explain why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole, and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.**

The Board believes that raising equity finance using the flexibility provided by a non pre-emptive placing is the most appropriate and optimal structure for the Company at this time. This allows both certain existing institutional holders and new institutional investors the opportunity to participate in the Placing and avoids the requirement for a prospectus, which is a costly and time consuming process.

You will find at the end of this document a notice convening a General Meeting to consider and, if thought fit, approve the Resolutions to grant the relevant authorities in connection with the Placing (which authorities will be in substitution for the existing authorities approved at the 2014 AGM). The General Meeting is to be held at the offices of DLA Piper UK LLP on 17 February 2015 at 3 Noble Street, London EC2V 7EE at 10.00 a.m. The formal notice of General Meeting is set out at the end of this document.

#### **2. Background to and reasons for the Placing and use of proceeds**

The Directors believe that WANdisco has continued to demonstrate momentum and growth in the bookings and revenues generated by its broadening product suite. This has occurred at the same time as an acceleration of Big Data market growth which has manifested itself for WANdisco in an increasing shift from customers undergoing proof of concept trials to live installations.

Whilst the Group's results in any financial period remain exposed to fluctuations caused by sales cycles that exist in enterprise technology procurement, the Directors believe that the current sales pipeline provides

significant opportunities for long-term growth. The purpose of the Placing is to raise funds to be used by the Group to support its activities, with a particular focus on maintaining the levels of investment in its product development and expanding its global sales infrastructure to take advantage of the increasing market opportunity.

The Group's sales pipeline has grown significantly over the last six months and now encompasses a considerable number of opportunities, with a number of initial and scale-up deals across a wide number of enterprises. It is not possible to predict when any individual opportunity will convert to invoiced revenue, however good progress has been made to date and particularly in recent months.

The Directors believe that it is important to continue to invest in the sales and marketing capabilities of the Group to take advantage of current and potential growth opportunities and to drive further enterprise adoption of WANdisco's technology. Part of the use of proceeds will be to raise the investment made in WANdisco's global sales infrastructure. In addition, the proceeds will be used to further drive product development and innovation including the launch of WANdisco 'One Hadoop', and the further expansion of the sales function.

The Group has been loss making to date. Whilst the Directors intend to invest in the sales and marketing capabilities and product development of the Group they will continue to actively review the Group's costs and seek to take action to adjust them as necessary.

If the Resolutions are not approved, the Directors may seek alternative sources of capital and/or reduce the Group's investment plans. Whilst the latter would protect the Group's short-term financial position, it is likely to reduce the longer-term prospects of the Group.

### **3. Current trading and outlook**

On 19 January 2015, WANdisco announced its Q4 bookings update, which is repeated below in full:

WANdisco (LSE: WAND), the leading provider of non-stop Big Data, reports fourth quarter sales bookings increasing by 8% compared with the prior year to \$4.7m. Bookings for the year were \$17.4m, up 18% on the prior year.

#### **Highlights**

- Record Big Data bookings
- Five new Big Data customers
- British Gas expands its WANdisco Big Data solution in the largest Big Data deal to date
- Significant growth in sales pipeline

#### **Big Data**

\$2.1m of bookings in the quarter came from our Big Data products (Q4 2013: nil).

Amongst existing Big Data customers, British Gas, after a period of extensive testing, is, as announced on 8 January 2015, scaling up into live production, entering into a new subscription that is our largest-ever Big Data contract, valued at \$750,000.

Five new customers selected our Non-Stop Hadoop product for deployment alongside our partners Cloudera and Hortonworks. Amongst these customers, in the consumer sector, dunnhumby and Epsilon are transforming the capture, interrogation, availability and responsiveness of their customer data. In financial services, two global banks have adopted our technology for analysing buying behaviour, verifying financial transactions and managing risk, including fraud.

These highlighted contracts from new and existing customers have initial values of between \$160,000 and \$750,000, with customers indicating plans to scale up these contracts as they further develop Hadoop operations.

Responding to customer requirements, we have added to the continuous availability features of Non-Stop Hadoop. New features enable data capture from multiple data centres; allocation of data processing to the most cost-effective hardware; and selective replication of data to comply with national regulations. These features controlled through a new administrative user interface, were released during the period as Non-Stop Hadoop 1.9.10.

During the fourth quarter our pipeline of sales opportunities grew significantly and currently includes a broad industry spread, with opportunities in the EMEA and Asia-Pacific regions building up to complement our well-established opportunities in the Americas. A number of successful fourth-quarter production trials are expected to lead to new subscription contracts during the coming months. In addition, for the first quarter of 2015 we have scheduled a number of significant new production trials with potential new customers.

### **Application Lifecycle Management (“ALM”)**

\$2.6 m of bookings in the quarter came from our ALM products, (Q4 2013: \$4.3 million). ALM sales were impacted by the decision to focus certain sales resources on closing those Big Data opportunities that accelerated late in the quarter. The high proportion of bookings from new subscriptions, and high renewal rates, continue to demonstrate the potential of the ALM market.

New customers this quarter included Zurich Insurance and Elektrobit Automotive. More customers are adopting our products to manage the popular Git open source code management environment. We enhanced our Git products during the period with variants for the GitLab and Gerrit collaboration tools.

Based on its operating scale and revenue potential, we intend to advance the ALM business towards profitability in 2015.

### **Current trading**

Since the end of the year, the Group’s pipeline for its Big Data product has continued to expand and the Directors see a continuing acceleration of market adoption and customer appetite to migrate from trial phase to live implementations. The Group’s pipeline has increased in both breadth and depth of opportunities. The challenge for the Group, on which the Directors are confident of delivering, is to convert this record and growing pipeline into recurring revenue generation.

## **4. Details of the Placing**

### **General**

The Company has raised \$24.8 million (after expenses) by way of a conditional, non pre-emptive placing of 4,798,859 new Ordinary Shares at the Placing Price. The Placing Price represents a discount of approximately 3.8 per cent. to the closing mid-market price of 390 pence on 22 January 2015, being the latest practicable date prior to the announcement of the Placing. The Placing Shares will represent approximately 16.4 per cent. of the Enlarged Issued Share Capital following Admission. The Placing Shares will be issued credited as fully paid and will be identical to and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all future distributions, declared, paid or made in respect of the Ordinary Shares following the date of Admission.

### **The Placing Agreement**

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which Investec and UBS have each agreed, in accordance with its terms, to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. In accordance with the terms of the Placing Agreement, the Placing is conditional upon, amongst other things, the passing of the Resolutions, the conditions in the Placing Agreement relating to the Placing being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission and Admission occurring not later than 8.00 a.m. on 18 February 2015 (or such later date as the Company, Investec and UBS may agree, not being later than 8.00 a.m. 4 March 2015).

The Placing Agreement contains certain warranties given by the Company in favour of Investec and UBS in relation to, *inter alia*, the accuracy of information given in this document and the announcement made by the Company in respect of the Placing as well as other matters relating to the Group and its business. The

Placing Agreement is terminable by Investec or UBS in accordance with its terms and in certain circumstances up until the time of Admission, including, *inter alia*, should a warranty contained in the Placing Agreement be untrue, inaccurate or misleading in any respect which either Investec or UBS in its sole and absolute discretion believes is material or a *force majeure* event takes place or there is a material adverse change in the financial position or prospects or business of the Company and its subsidiary undertakings (taken as a whole). The Placing Agreement also contains a customary indemnity from the Company in favour of Investec and UBS pursuant to which the Company agrees to indemnify Investec and UBS against all losses, costs, charges and expenses which Investec or UBS may suffer or incur arising under, out of, or in connection with, amongst other things, the Placing or Admission.

### **Settlement and dealings**

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on or around 18 February 2015.

It is expected that CREST accounts of the Placees who hold their Ordinary Shares in CREST will be credited with their Placing Shares on 18 February 2015. In the case of Placees holding Ordinary Shares in certificated form, it is expected that certificates will be despatched on 25 February 2015. Pending despatch of the share certificates or the crediting of CREST accounts, the Registrar will certify any instruments of transfer against the register.

## **5. General Meeting**

A notice convening a General Meeting, to be held at the office of DLA Piper UK LLP at 3 Noble Street, London EC2V 7EE at 10.00 a.m. on 17 February 2015, is set out at the end of this document. At this meeting an ordinary resolution will be proposed to authorise the Directors under article 2.3 of the Articles to allot up to 14,544,115 Ordinary Shares and a special resolution will be proposed to authorise the Directors under article 2.10 of the Articles, to allot the Placing Shares on a non pre-emptive basis, as set out in the Notice of General Meeting.

These authorities will be in substitution for the existing authorities approved at the 2014 AGM, and (subject to the provisos set out in the Resolutions) will expire on the earlier of the date which is 15 months after the date the Resolutions were passed and the conclusion of the next Annual General Meeting of the Company.

The Directors do not, at present, intend to issue any share capital other than in connection with the Placing and, for the purposes of the share option schemes, the issue of Ordinary Shares to holders of options. However, the Directors may also, from time to time and consistent with past practice, determine that it is in the best interests of the Company to issue share capital as part of future business or company acquisitions.

In order to enable the Directors to allot and issue Ordinary Shares in such circumstances, it is proposed that the authorisation to be given under article 2.3 of the Articles will permit the Directors to allot the Placing Shares plus Ordinary Shares which, if issued, would represent approximately one-third of the issued share capital of the Company following the issue of the Placing Shares.

For the avoidance of doubt, the authorisation under article 2.10 of the Articles to issue up to 4,798,859 Ordinary Shares on a non pre-emptive basis would extend only to the issue of the Placing Shares, therefore any Ordinary Shares other than the Placing Shares which are allotted and/or issued under the authorisation to be given under article 2.3 of the Articles would either have to be offered on a pre-emptive basis in accordance with the Articles or fall within one of the exceptions to the requirement to make a pre-emptive offer set out in article 2.9 of the Articles.

## **6. Action to be taken**

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Whether you are going to attend the meeting or not, please complete the Form of Proxy, following the instructions, and return it to the Company's Registrars, Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, to arrive by 10.00 a.m. on 15 February 2015 at the latest (or in the case of an adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the

holding of the adjourned meeting). Returning the Form of Proxy will not stop you from attending the General Meeting and voting if you wish to do so.

#### **7. Recommendation and irrevocable undertakings**

**The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as those Directors who are also Shareholders have irrevocably undertaken to do in respect of their own beneficial holdings amounting to 4,508,692 Ordinary Shares representing approximately 18.5 per cent. of the existing issued ordinary share capital of the Company.**

In addition to the Directors, certain other Shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of the Ordinary Shares in which they are interested, amounting, in aggregate to 3,776,083 Ordinary Shares, representing 15.5 per cent. of the existing issued ordinary share capital of the Company.

Yours sincerely,

**Paul Walker**

*Chairman*

WANdisco plc

## **PART 2**

### **RISK FACTORS**

In addition to all of the other information set out in this document, the following specific risk factors should be carefully considered by any person in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Company's shares could decline and an investor may lose part or all of their investment.

#### **RISKS RELATING TO THE GROUP AND ITS BUSINESS**

##### **1. Technological risks**

The Company's business is dependent upon technology which could be superseded by superior technology, more competitively priced technology or a shift in working practices which could affect both the potential profitability and saleability of the Company's product offerings.

Staying abreast of technological changes may require substantial investment. The Group's existing software needs to be developed continually in order to meet customer requirements. The technology used in the Group's products is still evolving and is highly complex and may change rapidly. Research and development by other companies may render any or some of the Group's products in development or currently available obsolete.

##### **2. Intellectual property protection**

The Group protects its intellectual property through a variety of methods, including proprietary information and invention agreements and non-disclosure agreements entered into by WANdisco and its employees and contractors, and non-disclosure agreements with its partners and customers, which are entered into through the Group's terms and conditions of software licence agreements. The Group also has one patent granted in the US and a number of trademarks registered in the US. Applications for additional registered protection of the Group's intellectual property have been made and are pending but there is no certainty that they will be granted.

Any failure to protect the Group's intellectual property may result in another party copying or otherwise obtaining and using its proprietary technology without authorisation. There may not be adequate protection for the intellectual property in every country in which the Group sells its products and policing unauthorised use of proprietary information is difficult and expensive. Due to the Group's size and limited cash resources, it has historically taken only limited action to protect its key intellectual property and it may not be able to detect and prevent infringement of its intellectual property. Should a third party successfully demonstrate priority over any of these rights, it could inhibit the Group from selling products in certain territories.

The steps which the Group has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Group's intellectual property could have a negative impact on the Group's business and its operating results. Furthermore, the Group may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others. Litigation relating to the Group's intellectual property, whether instigated by the Group to protect its rights or arising out of alleged infringement of third party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Group's rights.

### 3. Subscription offering and pricing model

The Group does not have an adequate history with its pricing models in respect of Big Data to accurately predict the long-term rate of customer renewals or adoption, or the impact these renewals and adoption will have on its revenues

### 4. Failure to renew subscription agreements

The Group's customers may not renew, or reduce the scope of, their subscriptions for the Group's services and products. Renewal rates may decline or fluctuate as a result of a number of factors, including customers' level of satisfaction with the Group's products and services and their ability to continue their operations and spending levels. If the Group experiences a decline in the renewal rates for customers or they opt for fewer components of the Group's offerings or fewer subscriptions, the Group's revenue and operating results may be adversely impacted.

### 5. Open source software

Many of the Group's products and services are currently designed for use with open source software products. As open source products are developed by a wider community, the Group does not solely control their development, and changes to the structure of the products may significantly impair the effectiveness of the Group's products.

As the core open source software on which the Group's products and services currently depend are licensed for free, the Group's ability to sell its products and services may be curtailed by potential customers not understanding the incremental benefits of the Group's offering, or seeking to rely purely on the open source software available.

The Group's products contain products licensed under free and open source software code ("**FOSS**"). As with any type of software licence, the Group must abide by the terms of the relevant licences. The FOSS products used by the Group are a mix of "permissive" and "copyleft" licences, with the vast majority being permissive. There is an inherent risk for any business that uses FOSS with a "copyleft" effect that it may be obliged to release the source code to its proprietary software. This is sometimes referred to as "contamination". This risk cannot be entirely eliminated, but the Group has implemented a FOSS policy which includes the following provisions to significantly reduce and mitigate the risk of contamination:

- the Group favours the use of permissive (non-copyleft) FOSS licences, which do not pose a contamination risk (specifically, the form of copyleft licence that poses the highest risk (the GPL) is not used by WANdisco);
- if there is any question about how appropriate a FOSS licence is (for example it is unknown permissive or copyleft licence), then it will seek to agree a suitable method for re-licensing with the licensor or it will seek specific legal advice;
- when packaging any FOSS, the terms of licence will always be placed in a licences file or folder contained in the product; and
- the Group will use 'dynamic' rather than 'static' linking to FOSS code wherever this is possible (and the Group confirms that dynamic linking is currently exclusively used in practice), the use of which is generally accepted in the market to reduce the risk of contamination by the FOSS products the Group currently uses.

If the Group does not comply with its FOSS policy then the risk of contamination by FOSS with a copyleft effect is increased. No instances of such non-compliance have been identified by the Group.

Further, if open source software programmers, many of whom are not employed by the Group, do not continue to develop and enhance open source technologies, the Group may be unable to develop new technologies, adequately enhance its existing technologies or meet customer requirements for innovation, quality and price. The Group relies to a significant degree on a number of independent open source software programmers, or Hadoop committers and contributors, to develop and enhance Hadoop and its related technologies. If the Hadoop committers and contributors fail to adequately further develop and enhance open source technologies, or adequate oversight and guidance of the evolution of Hadoop-related technologies is made in the manner appropriate to maximize the market potential of the Group's offerings, then the Group would have to rely on other parties, or would need to expend additional resources, to develop

and enhance its offerings. The Directors cannot predict whether further developments and enhancements to these technologies would be available from reliable alternative sources. In either event, the Group's development expenses could be increased and its technology releases and upgrade schedules could be delayed. Delays in developing, completing or delivering new or enhanced offerings could cause the Group's offerings to be less competitive, impair customer acceptance of its offerings and result in delayed or reduced revenue for its offerings.

## **6. Big Data applications and market**

A large part of the Group's business is centred on the growth of the market for Big Data applications, and an increase in the desire to store and process Big Data. The Directors cannot be sure that the market for Big Data applications will grow as expected and the Group's ability to increase the adoption of its Big Data applications. While the Directors believe that Big Data applications can offer a compelling value proposition to many enterprises, the broad adoption of Big Data application presents challenges to enterprises, including the developing internal expertise and infrastructure to manage the Big Data transition and deliver an appropriate return on investment.

## **7. Big Data applications, customer requirements and market acceptance**

The Group derives a substantial proportion of its revenues and cash flows from supporting Big Data applications. Failure of these offerings to satisfy customer requirements or to achieve increased market acceptance would harm the Group's business, results of operations, financial condition and growth prospects.

The market acceptance of Big Data applications is important to the Group's continued success. Demand for these applications is affected by a number of factors beyond the Group's control, including market acceptance of open source distributed data platforms by referenceable accounts for existing and new use cases. Although the Directors expect the proliferation of unstructured data to lead to an increase in the data storage and processing demands of its customers and the broader market, if the Group were unable to continue to meet its customers' requirements or to capitalise on more widespread market acceptance of Big Data applications then its business, results of operations, financial condition and growth prospects will be harmed.

## **8. Product risks**

The Group's products and the software on which they are based are complex and may contain undetected defects when first introduced and problems may be discovered from time to time in existing, new or enhanced products. Undetected defects could damage the Group's reputation, ultimately leading to an increase in the Group's costs or reduction in its revenues.

## **9. Dependence on key executives and personnel**

The Group's future success is dependent on its senior management and key technical personnel. Whilst much of the Group's proprietary know-how is documented, members of the technical team each contribute valuable skills and know-how to the business and, despite contractual confidentiality agreements in favour of the Company, there can be no guarantee that those individuals will not join the Group's competitors or establish themselves in competition with the Group in the future. Failure to retain the services of any of these people may adversely affect the Group's business and growth prospects. Additionally, the future success of the Group is dependent on the ability to continue to attract, retain, and motivate qualified personnel and failure to do so could materially affect the Group's business.

## **10. Competition risk**

There can be no guarantee that the Group's competitors (including those who licence software which competes with the Group's products) have not already developed and/or will not develop products and services which are competitive to those supplied by the Group or which reduce the appeal of the Group's products from time to time and there can be no assurances that the availability of any such products and services will not adversely affect future demand for the Group's own products and services. The Group's competitors may have or develop greater financial, marketing and technological resources than the Group

enabling them to develop products and services which are competitive to those of the Group and to promote them more successfully than the Group.

### **11. Key partner dependency**

The Group has partnered with a number of software and service providers to enhance its offering. There is a risk that these partnerships may end, which may result in the loss of customers and an adverse effect on the Group's performance or business prospects.

### **12. Key systems dependency**

The Group's dependency upon technology exposes the Group to significant risk in the event that such technology or systems experience any form of damage, interruption or failure. Any malfunctioning of the Group's technology and systems, even for a short period of time, could result in a lack of confidence in the Group's services and a possible loss of existing customers to its competitors, with a consequential material adverse effect on the Group's operations and results.

The Group's systems are vulnerable to damage or interruption from natural disasters, power loss, telecommunication failures, terrorist attacks, computer viruses, computer denial of service attacks and other events. The Group's systems are also subject to break ins, sabotage and international acts of vandalism by internal employees and contractors as well as third parties. Any interruption in the availability of the Group website, support site or telephone systems would create a business interruption and large volume of customer complaints.

### **13. Continued investment and growth management**

The Group needs to continue to invest significant resources in research and development in order to enhance the Group's existing products and services and introduce new high quality products and services. If the Group is unable to ensure that its customers have a high quality experience with the Group's products and services, then they may become dissatisfied and move to competitors' products and services. In addition, if the Group is unable to predict user preferences or industry changes, or if the Group is unable to modify its products and services on a timely basis, the Group may lose customers.

The Group's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its products and services to evolving industry standards and to improve the performance and reliability of the Group's services. Failure to adapt to such changes would harm the Group's business.

In addition, the widespread adoption of other technological changes could require expenditure to modify or adapt the Group's software products. Moreover, the Group believes that its continued success depends on investing in new business strategies or initiatives that complement the Group's strategic direction and product road map. Such endeavours may involve significant risks and uncertainties, including distraction of management's attention away from other business operations and insufficient revenue generation to offset liabilities and expenses undertaken with such strategies and initiatives. Because these endeavours may be inherently risky, no assurance can be given that such endeavours will not materially adversely affect the Group's business, operating results or financial condition.

The Directors also believe that further expansion, either organic or via acquisition, will be required in the future to capitalise on the anticipated increase in demand for the Group's services and products. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

The process of integrating an acquisition into its business may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management that would otherwise be available for the on-going development of its business, which may materially harm the Group's business, financial condition or operating results. There can be no guarantee that the Group will be able to source and execute suitable acquisitions in the future.

The Group's future results depend, in part, on its ability to expand into international markets. The Group's ability to expand internationally involves various risks, including the need to invest significant resources in such expansion, and the possibility that returns on such investments will not be achieved in the near future or at all. If the Group is not successful in expanding its international business, it may incur additional losses and its revenue growth could be harmed.

Expanding the Group's business internationally will also require significant attention from the Group's management team and may require additional management and other resources to take advantage of international market opportunities which will be subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems, commercial infrastructures and technology infrastructure. If the Group is unable to grow its international operations in a timely manner, it may incur additional losses driven by the investment in its international sales infrastructure and revenue growth and path to profitability could be adversely impacted.

#### **14. Security and privacy breaches**

The Group's security and testing measures may not prevent security breaches that could harm the Group's or its customers businesses. For example, a number of the Group's users provide the Group with credit card and other confidential information and authorise the Group to bill their credit card accounts directly for the Group's products and services. Typically, the Group relies on encryption and authentication technology licensed from third parties to enhance the transmission and storage security of confidential information. Advances in computer capabilities, new discoveries in the field of cryptography, inadequate facility security or other developments may result in a compromise or breach of the technology used by the Group to protect customer and proprietary data. Any compromise of the Group's security could harm its reputation or financial condition and, therefore, the business. In addition, a party who is able to circumvent the Group's security measures could, among other effects, misappropriate proprietary information, cause interruptions in the Group's operations or expose customers to computer viruses or other disruptions. Actual or perceived vulnerabilities may lead to claims against the Group. While the Group's customer agreements typically contain provisions that seek to limit the Group's liability, there is no assurance that these provisions will be enforceable and effective under applicable law.

#### **15. Use of net proceeds and potential requirement for further investment**

The use of net proceeds from the Placing set out in this document is based on management's current expectations. There are no restrictions on the Company's use of net proceeds. Investors will not have the opportunity to evaluate the economic, financial or other information on which the Company bases its decisions on how to use the net proceeds. The failure of the Company's management to apply these funds effectively could harm investor confidence and cause the price of the Ordinary Shares to decline.

In addition, any future acquisitions, expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of future expenditure will depend on a number of factors, many of which are outside the Group's control. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned acquisition opportunities, expansion, activity and/or business development. The above could have a material adverse effect on the Group.

#### **16. Revenue recognition from subscriptions**

The Group generally recognises subscription revenue from customers ratably over the term of their subscription agreements, which are typically for 12 to 36 months. As a result, much of the revenue reported in each quarter is deferred revenue from subscription agreements entered into during previous quarters. Consequently, a decline in subscriptions in any one quarter will not necessarily be fully reflected in the revenue in that quarter and will negatively affect the Group's revenue in future quarters. In addition, the Group may be unable to adjust its cost structure to reflect these reduced revenues. Accordingly, the effect of significant

downturns in sales and market acceptance of the Group's services may not be fully reflected in the Group's results of operations until future periods. The Group's subscription model also makes it difficult to rapidly increase revenue through additional sales in any period, as revenue from new customers must be recognised over the applicable subscription term.

#### **17. Limited operating history and current operating results as an indication of future results**

The Group has a limited operating history. As a result, its ability to forecast future results of operations is limited and subject to a number of uncertainties, including its ability to plan for and model future growth. The Group's historical revenue growth has been inconsistent and should not be considered indicative of future performance. Further, in future periods, revenue growth could slow or revenues could decline for a number of reasons, including slowing demand for the Group's subscription offerings and its professional services, increasing competition, a decrease in the growth of its overall market, or its failure, for any reason, to continue to capitalise on growth opportunities.

The Group has also encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If the Directors' assumptions regarding these risks and uncertainties and future revenue growth (each of which are used by the Group to plan its business) are incorrect or change, or if the Group does not address these risks successfully, its operating and financial results could differ materially from the Directors expectations and the business could suffer.

Furthermore, the Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Accordingly, investors should not rely on comparisons with the Company's results to date as an indication of future performance. Factors that may affect the Company's operating results include increased competition, an increased level of expenses, technological change necessitating additional capital expenditure, slower than expected sales and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Company's operating results may fall below the expectations of market analysts or investors. If this occurs, the trading price of the Company's Ordinary Shares may decline significantly.

#### **18. History of losses and ability to become profitable in the future**

Historically, the Group has incurred net losses in each year. These losses and the accumulated deficit are likely to increase because the market for the Group's solution is rapidly evolving and has not yet reached widespread adoption. It is difficult to predict the Group's future results of operations. The Group may not achieve sufficient revenue to attain and maintain profitability. The Group expects its operating expenses to exceed revenues in the short term as it continues to invest in its technological development capabilities and in sales and marketing. Any failure to sustain or increase profitability on a consistent basis could cause the value of the Group's Ordinary Shares to decline.

#### **19. Expand sales to existing customers**

If the Group is unable to expand sales to existing customers, its growth could be slower than the Directors expect and its business and results of operations may be harmed.

The Group's future growth depends in part upon expanding sales to its existing customers as they require its technology to be deployed on a growing server estate. If its existing customers do not purchase additional licences for its technology its revenues may grow more slowly than expected, may not grow at all or may decline. If its efforts to expand sales to its existing customers are not successful, its business and operating results would be harmed.

#### **20. Sales cycle**

The Group's sales cycle is long and unpredictable and its sales efforts require considerable time and expense. The Group's results may fluctuate, in part, because of the nature of its sales efforts, the length and the variability of the sales cycle of its technology offering which depend in part on sales to large support subscription customers and increasing sales to existing customers. The length of this sales cycle, from initial evaluation to payment for the Group's support subscription offerings can vary substantially from customer to customer. It is difficult to predict exactly when, or even if, the Group will make a sale to a potential customer

or if it can increase sales to its existing customers. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those anticipated by the Directors, or have not occurred at all.

The loss or delay of one or more large transactions in a quarter could impact the Group's results for that quarter and any future quarters for which revenue from that transaction is lost or delayed. As a result of these factors, and the uncertainty in the rate of market adoption of the Group's technology, it is difficult for the Directors to forecast the Group's revenues accurately in any quarter. Because a substantial proportion of the Group's expenses are relatively fixed in the short term, its results will suffer if revenue falls below the Directors' expectations in a particular quarter.

## **21. Sales force**

If the Group does not effectively retain its sales force, the Group may be unable to add new customers or increase sales to its existing customers. The Group continues to be substantially dependent on its sales force to obtain new customers and to drive additional use cases among its existing customers. The Directors believe that there is significant competition for sales personnel, including enterprise sales representatives and sales engineers, with the skills and technical knowledge required by the Group. In particular, there is significant demand for sales engineers with Hadoop and Big Data expertise. The Group's ability to achieve significant revenue growth will depend, in a large part, on its success in recruiting, training and retaining sufficient numbers of sales personnel to support its growth. If the Group is unable to retain, hire and train sufficient numbers of effective sales personnel, or its sales personnel are not successful in obtaining new customers or increasing sales to its existing customer base, the Group's financial performance may be adversely impacted.

## **22. The Company is a Foreign Private Issuer**

The Company is currently a Foreign Private Issuer for purposes of US securities laws, as less than 50 per cent. of its voting securities are held directly or indirectly of record by US residents (the "Shareholder Test"). If the Company ceased to qualify as a Foreign Private Issuer (which could occur if more than 50 per cent. of its voting securities were held directly or indirectly of record by US residents), it would become a US domestic issuer for purposes of US securities laws and, subject to certain conditions, may be required to register its shares with the US Securities & Exchange Commission (the "SEC") and become subject to the reporting requirements of the US Securities and Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the Exchange Act registration would subject the Group to reporting requirements that potentially conflict with the requirements applicable to a UK public listed company, including the requirement to prepare annual and period financial statements using US GAAP as opposed to IFRS, the requirement to annual, quarterly and periodic reports in accordance with a different set of regulation (which differ from the UK), different rules on the reporting of shareholder ownership and changes therein, and mandatory rules governing the solicitation of proxies for meetings of shareholders, among other things. This would require the Company to undertake significant additional work, devote significant management time and incur significant additional expenses in order to both initially register its securities with the SEC and continue to comply with the on-going reporting requirements applicable to SEC-registered, reporting issuers under US securities laws. In addition, if the Company becomes a US domestic issuer for purposes of US securities laws, the Company would no longer benefit from certain exemptions from the Sarbanes-Oxley Act of 2002 and future issuances of securities by the Company may be subject additional restrictions upon issuance and resale and may be issued in certificated form. The Company does not control when and which Shareholders buy and sell Shares and accordingly, whether the Company continues to meet the Shareholder Test is outside the Company's control.

## **GENERAL RISKS**

### **1. Economic conditions**

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit.

The markets in which the Group offers its services are directly affected by many national and international factors that are beyond the Group's control.

## **2. Market risks**

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.

## **3. Taxation**

Any change in the Company's or its subsidiaries tax status or in tax legislation could affect the Company's ability to provide returns to shareholders. Statements in this document in relation to tax and concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the specific circumstances of the relevant investor.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

## **4. Investment risk**

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Investors may therefore realise less than, or lose all of, their investment.

Investors should be aware that the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Company, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Company's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Placing Price.

## **5. Illiquidity**

The Group can give no assurance that an active trading market for the Ordinary Shares will develop. If there is no active trading market, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may

drop below the Placing Price. Any investment in the Ordinary Shares should be viewed as a long term investment.

## **6. Litigation risks**

Whilst the Group has taken, and the Company intends the Group to continue to take, such precautions as it regards appropriate to avoid or minimise the likelihood of any legal proceedings or claims, or any resulting financial loss to the Group, the Directors cannot preclude the possibility of litigation being brought against the Group, including in the United States. Any litigation brought in the future involving the Group's products or services, for example, pursuant to end user licence and service agreements that provide indemnification for infringement of third party intellectual property, could have a material adverse effect on the Group's business.

There can be no assurance that claimants in any litigation proceedings will not be able to devote substantially greater financial resources to any litigation proceedings or that the Group will prevail in any such litigation. Any litigation, whether or not determined in the Group's favour or settled by the Group, may be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations.

The Group also faces potential liability for claims of negligence, breach of data protection laws, violation of securities laws and claims based upon the content that the Group distributes online. For example, computer failures may result in the Group publishing and distributing incorrect data. The Group's insurance may not necessarily cover any of the claims that customers or others may bring against the Group or may not be adequate to protect it against all liability that may be imposed. Any such litigation brought in the future could have a material adverse effect on the Group's business, financial condition and operating results.

## **7. Significant shareholders**

Following the Placing, the Directors will, in aggregate, hold approximately 15.4 per cent. of the Enlarged Share Capital and may be able to exert significant influence over the Company in respect of its corporate affairs requiring shareholder approval.

## **8. Risk management**

The Group's policies, procedures and practices used to identify, monitor and control a variety of risks may not be effective. The Group's risk management methods rely on a combination of internally developed technical controls, industry standard practices, observation of historical market behaviour and human supervision. These methods may not adequately prevent future losses, particularly to the extent they relate to extreme market movements, which may be significantly greater than the historical measures indicate.

The Group's risk management procedures and practices are also subject to human error, technological failure and fraud. There can be no assurance that the Group will continue to set risk management parameters accurately, that its testing and quality control practices will be effective in preventing technical software or hardware failure or that its employees will accurately and appropriately apply the Group's risk management procedures. Any failures in this regard could materially adversely affect the Group's financial performance and operations.

## **9. Data privacy**

The Group's operations in the United Kingdom are subject to a number of laws relating to data privacy, including the UK Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003. The requirements of this legislation may affect the Group's ability to collect and use personal data in a way that is of commercial use to the Group, if the Group does not continue to ensure its adherence to appropriate compliance procedures. Furthermore, the legislation may make it hard for the Group to market its business, particularly by e-mail. Breach of data privacy legislation could result in the Group being subjected to claims from its users that it has infringed their privacy rights, and it could face administrative proceedings initiated against it by the UK data protection regulator, the Office of the Information Commissioner ("ICO"). In addition, any enquiries made, or proceedings initiated by individuals or the ICO may lead to negative publicity for the Group, which could materially adversely affect its business.

The Group's operations in the United States are subject to federal and state laws relating to data privacy, including, without limitation, the Controlling the Assault of Non-Solicited Pornography and Marketing (CAN-SPAM) Act of 2003, which establishes requirements for those who send commercial e-mails, spells out penalties for entities that transmit non-compliant commercial e-mail and/or whose products are advertised in non-compliant commercial e-mail and gives consumers the right to opt-out of receiving commercial e-mails; federal and state telemarketing laws including the Telephone Consumer Protection Act, the Telemarketing Sales Rule, the Telemarketing Consumer Fraud and Abuse Prevention Act and the rules and regulations promulgated thereunder and corresponding state laws; and the Electronic Communications Privacy Act, which prevents private entities from disclosing Internet subscriber records and the contents of electronic communications, subject to certain exceptions. In addition, the United States has adopted myriad rules to protect the privacy and security of data, including, without limitation, laws pertaining to the use of third party service providers and laws regarding data breaches.

The requirements of these laws may affect the Group's ability to collect and use personal data for legitimate commercial purposes, if the Group does not continue to ensure its adherence to appropriate compliance procedures, they may affect its operations in the event of a data incident. Furthermore, these laws may make it hard for the Group to market its business, particularly by e-mail. Data breach laws could result in the Group being subjected to claims from its users that it has infringed upon their privacy rights, and it could also face administrative proceedings, fines and penalties from federal and state regulatory authorities. In addition, any inquiries or claims from individuals or proceedings, fines and penalties from federal and state regulatory authorities may lead to negative publicity for the Group, which could materially adversely affect its business.

## **10. Regulation risk**

Regulation of the internet and e-commerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, data encryption, copyright protection, and quality of products and services. The requirement to comply with and the adoption of such new or revised regulations, or new or changed interpretations or enforcement of existing regulations, may have a material adverse effect on the Group's business and on the results of its operations.

## **11. Application of UK and Jersey legislation**

The Company is incorporated under the laws of Jersey. Accordingly, a significant amount of legislation in England and Wales regulating the operations of companies does not apply to the Company. In addition, the laws of Jersey will apply with respect to the Company and these laws may provide for mechanisms and procedures that would not otherwise apply to companies incorporated in England and Wales. The rights of shareholders are governed by Jersey Law and the Articles, which may differ from the typical rights of shareholders in the UK and other jurisdictions.

# WANdisco plc

*(a company incorporated in Jersey under the Companies (Jersey) Law 1991 with company number 110497)*

## NOTICE OF GENERAL MEETING

**Notice is given** that a general meeting ("**General Meeting**" or "**Meeting**") of WANdisco plc (the "**Company**") will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 17 February 2015 at 10.00 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

1. That in substitution for all existing authorities but without prejudice to any allotment, offer or agreement already made pursuant thereto, the directors of the Company ("**Directors**") be and are hereby generally and unconditionally authorised pursuant to Article 2.3 of the Company's Articles of Association ("**Articles**") to exercise all powers of the Company to allot, grant options over or otherwise dispose of relevant securities (as that term is defined in the Articles) in respect of up to an aggregate nominal amount of £1,454,412, provided that (unless previously revoked, varied or renewed) this authority shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

To consider and, if thought fit, to pass the following resolution as a special resolution:

2. That, subject to the passing of resolution 1 and pursuant to Article 2.10 of the Articles, in substitution for all existing authorities pursuant to Article 2.10 of the Articles but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and are hereby generally empowered to allot, grant options over or otherwise dispose of equity securities (within the meaning of the Articles) wholly for cash, pursuant to the general authority described in resolution 1 above, as if pre-emption rights did not apply to any such allotment, such power being limited to the allotment and issue of ordinary shares in the capital of the Company ("**Ordinary Shares**") up to an aggregate nominal amount of £479,886 in connection with the placing of Ordinary Shares by Investec Bank plc and UBS Limited pursuant to a conditional placing agreement between the Company, Investec Bank plc and UBS Limited dated 23 February 2015 (as the same may be amended or replaced from time to time), provided that (unless previously revoked, varied or renewed), such authority shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

By order of the Board

**LOUISE HALL**

23 January 2015

**Registered office:** 47 Esplanade, St. Helier, Jersey JE1 0BD

**Registered in Jersey No. 110497**

## Notes

### **Entitlement to attend and vote**

1. In accordance with Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 10.00 a.m. on 15 February 2015 (or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes in entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

### **Proxies**

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting and on a poll, vote instead of him or her. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A special resolution means a resolution passed by a majority of three-quarters of the holders who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company or at a separate meeting of a class of members of the Company.

3. A proxy may only be appointed in accordance with the procedures set out in Note 4 and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

CREST members who wish to appoint a proxy or proxies or to give an instruction to a proxy (whether previously appointed or otherwise) by utilising the capital and CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted via the CREST system so as to be received by Neville Registrars Limited (whose CREST ID is 7RA11) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Companies (Uncertificated Securities) (Jersey) Order 1999.

A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. You may appoint more than one proxy to attend on the same occasion.

4. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the proxy form, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, no later than 10.00 a.m. on 15 February 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Any amended proxy appointment received after the time specified above will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than three hours prior to the commencement of the General Meeting or adjourned meeting at which the vote is given or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, before the time appointed for taking the poll.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

***Corporate representatives***

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares. A director, the secretary or other person authorised for the purpose by the secretary may require all or any such persons to produce a copy of the resolution of authorisation certified by an officer of the corporation before permitting him to exercise his powers.

***Method of voting***

6. Voting on all resolutions will be decided on a show of hands unless, before or on declaration of the result of, a vote on the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded.

