SYMMETRY INVEST A/S

NEWSLETTER

H2 2020

SYMMETRY INVEST A/S

CVR: 35056467

Purpose of this Newsletter

Every month, Symmetry sends out a portfolio update to the shareholders. In them, we report the last month's return, news regarding our investments, and much more. In addition, we send out write-ups and a yearly investor letter analyzing our biggest positions. This newsletter will not replace our copy of the above-mentioned activities, since they are issued exclusively to Symmetry's shareholders. The free newsletter will therefore to a very limited extent be able to reflect on individual holdings, as this is reserved for our shareholders. Instead, this newsletter will touch upon general trends and developments in the markets and explain how Symmetry navigates them.

The newsletter will from time to time discuss specific stocks in which Symmetry could have a long or short position in, or no position at all, but an interest in.

The newsletter aims to increase awareness of Symmetry for all our stakeholders, including current investors, potential investors, and others who follow the stock market. Symmetry will continuously describe our strategy and make it as easy to understand as possible for readers.

We will, among other things, include quotes from well-known value investors and substantiate claims with graphs and other material that can be used to support our point.

We hope that as many people as possible will find the material useful and easy to read and that it will help sign up new people to the newsletter to follow us.

In the newsletter we mention "us", implying Symmetry, and sometimes "I", implying Andreas Aaen.

Nyhedsbrev

When I hopefully look back in 50 years on the dawn of Symmetry, I am convinced that I will explicitly remember 2020. In the following newsletter, we will go through two main topics. We will express our view of general management interactions, and also review what we call inflection point investing, and provide an example of a stock that might be close to its inflection point.

H2 2020:

Table: Historical return in percentage points

The table shows historical returns and net exposure since the foundation in 2013

%	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	FYTD	Avg. Net Exposure
FY13						8,1			7,9			15,0	**34,1**	N/A
FY14			3,2			10,2			2,8			17,0	**36,8**	N/A
FY15			6,8			23,2			-13,3			5,7	**20,5**	76,0
FY16			1,3			10,6			3,5			3,4	**19,9**	44,3
FY17	6,2	3,2	0,7	4,0	5,1	-2,7	1,1	-2,7	0,6	3,3	-2,1	-0,7	**16,8**	46,5
FY18	1,9	-4,5	-4,4	0,8	-0,8	-5,9	-4,5	-1,8	-0,9	-12,8	1,9	0,3	**-27,7**	75,2
FY19	7,3	6,4	4,5	4,5	-2,4	6,3	0,5	-7,1	5,8	0,3	10,0	2,5	**44,4**	73,3
FY20	2,0	-4,1	-37,2	22,6	14,5	10,1	1,2	9,0	-0,2	1,8	17,1	12,9	**40,4**	74,9

As always, returns and portfolio updates, etc. are sent out to shareholders monthly on the website.

Table: Performance in comparison with MSCI ACWI

Below is our long- and short-term performance compared to MSCI ACWI and Euro Stoxx 600

	2020	Total	IRR
Symmetry	40,4%	353,4%	21,3%
MSCI ACWI	12,3%	89,8%	8,5%
Stoxx 600	-4,0%	38,6%	4,3%

We will publish our yearly investor letter in March/April in which we will provide an in-depth analysis of the year that has passed and our portfolio holdings.

2020 proved to be yet another year when Symmetry comfortably beat the market, and we have now beat the market in 7 out of 8 years since the inception. Our IRR amounts to 21,3 % net (+25% gross), again significantly better than the market. Ending up with such a great year was not expected at the end of March. Even if we recognized that our holdings looked extremely cheap and that we could add to the positions at a low valuation, I still had the feeling that it would take many years before we would recoup the losses incurred. In the end, it took no more than 4 months before we saw new all-time highs for the year.

The numbers are unaudited and may therefore be subject to uncertainty. The numbers come from extracts from Symmetry's custodian banks, etc. and it is our belief that they represent factually correct numbers. Return data and net asset value are audited once a year by the company's auditor at the end of the year.

With that being said I am not overly happy about the year 2020. On the positive side:

- The learning curve has been extremely steep. I feel I have become a much better investor going out of 2020 than coming into the year.
- The idea generation process and risk management process seems to be working much better
- We never panicked doing the March selloff and managed to use the drawdown as an opportunity to add more exposure to our book.
- I have learned even more smart people do know, my network is becoming better each day and I have smoothly hired the first portfolio manager to run Symmetry alongside me.

On the negative side:

- Our initial drawdown in march was too big. We should have done better here and is paid to do better
- Even through we took on more exposure as March went by, we should have been more aggressive. As Warren Buffett famously quoted "when it rains gold, put out the bucket, not the thimble". In March 2020 I used a thimble instead of a bucket, an error I hope not to repeat next time.
- We could have been even more dynamic around opportunities and events. Of course, it's easier to move around 1 mio. DKK than +100 million DKK. But we have opportunities to trim positions and move into more attractive ones that we missed.

Overall, I would give myself a B- for the year. Fortunately for me Henriks contribution definitely falls into the A category leaving Symmetry somewhere in the middle.

Control of FOMO:

These days it seems on social media that the average return for most investors in 2020 was +100 % with bad investors doing 50 % and the real starts doing 300-500 %. Judging on the results on Fintwit we at Symmetry should feel really shitty about our 40 % net and around 50 % gross for the year. Here one has to remember the huge selection bias there is on social media. For every 1 person disclosing how well things are going there is probably 5-10 not showing anything. Also, the next year its probably other people that have good returns than the ones this year. This way people following fintwit will always end up only seeing the top 10 % portfolios each year. And many people run with many different portfolios always showing the best one each year.

So how do I control the FOMO feeling connected with seeing everyone having much better return that ourself?

In our Q1 2019 newsletter I talked about the difference between running a private portfolio and a fund:

Microsoft Word - Q1 2019 Nyhedsbrev (english) (symmetry.dk)

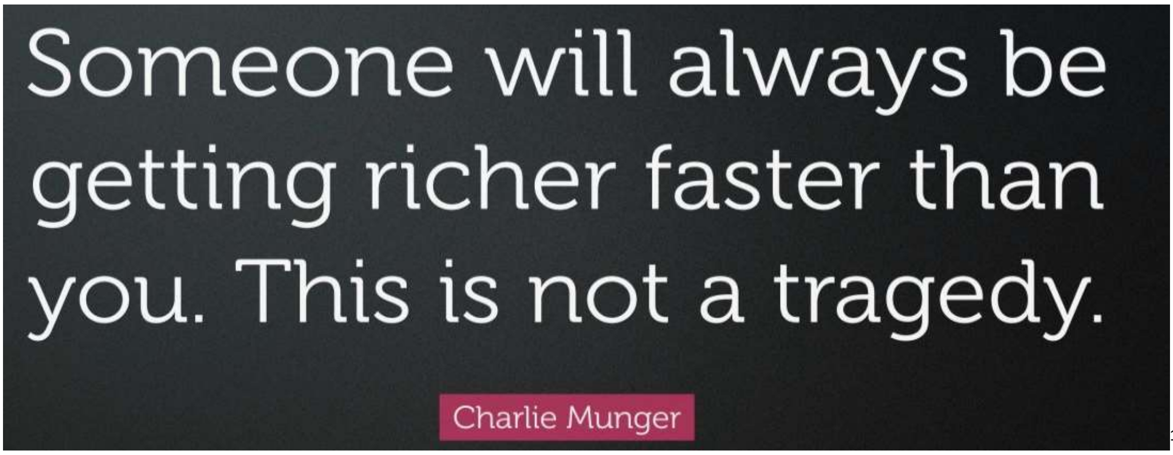
In the newsletter I showed the following table from my personal SAXO bank account prior to opening up Symmetry Invest:

-1,9	39,5	15,0	-4,5	28,6	-4,5	-8,9	-26,0	-17,8	5,8	45,4	5,1	65,4
7,3	10,2	-13,2	1,2	3,2	7,5	-11,9	-0,9	2,4	9,6	35,8	16,6	79,0
70,1	-6,5	25,3	5,6	56,4	-32,7	13,1	-10,6	102,8	18,4	-9,2	-3,4	372,1

I actually have this 3-year CAGR of 172 % per year printed out in the office. For outsiders this could probably look as a way to boost my own ego. But actually, the opposite is the truth. This works as a way for me to control my own FOMO. It reminds me that I was also having totally outsized returns managing only my own small amount of money. And it reminds me what the goal of Symmetry is. We have a goal of compounding investors capital net of fees and expenses at a CAGR of around 15 % per year. So far, our 21,3 % is ahead but we have also had the wind in our back instead of in our face for most of the time.

Just to be clear, this is in no way to disrespect anyone. I know a huge amount of really smart people in the investment business and my Fintwit friendships has been a huge positive contributor to Symmetrys return in 2020 and hopefully going forward. I would never want to be without that community.

As Charlie Munger puts it:



[1]

FOMO have always been one of my biggest weaknesses as an investor. But I can say for sure that it's something I have been working extremely hard on improving over the years. So far, I would say I have done a great job improving but still have plenty to do in the future.

[1] Charlie Munger Quote: "Someone will always be getting richer faster than you. This is not a tragedy." (14 wallpapers) - Quotefancy

CEO Interactions:

Prior to an investment, we find it important to interact with, and assess the management, particularly with CEO's so that we can form a real impression of their personalities and management capabilities. Much of our focus is aimed at understanding how the CEO is thinking about the future and the business model. Do their plans align with ours, do they understand capital allocation and invest long-term, and do they try to build a tangible company culture?

How often should you talk to the CEO, and is it a good idea for the CEO to talk to investors?

Following an investment, the question that arises is: how often should one oversee that investment? Naturally one should monitor the quarterly results, other meaningful KPIs, and the general trends that will affect the company. But how often should one talk to the CEO afterward? Symmetry's approach is that we conduct regular follow-ups through e-mail and meetings in connection with their roadshows and quarterly or half-year reporting. If there are other significant things to discuss, this will be done through e-mail in between these events.

We have heard about another manager that held 2-3 meetings daily with the CEOs of a limited number of companies. This raises the question of whether the manager really trusts the long-term value creation process of those CEO's? I one has to validate the investment thesis this regularly its probably not a good thesis at all.

And even more relevant, will the meetings not take up way too much time for the CEO? Would the manager appreciate it if the CEO also talked to 20-30 other fund managers every single month?

But how much is too much? Some companies have followed the mindset of Warren Buffet, where one holds a single annual meeting where there is an opportunity for questions. Beyond this, only written material is sent out, and they do not talk to the analysts etc. Our view is that this doesn't hold up in the modern world. The companies will need to keep investors and other stakeholders regularly updated on what is happening in the business, among other things to keep the cost of capital down. But concerning the CEO, our opinion is that they should only have to spend a few days in connection to the quarterly and half-year reports with IR work. The rest should be spent on the business.

As a result, our opinion is also that a company needs to have a strong IR department:

IR departments role:

Our view is that one of the biggest mistakes many companies make is to not invest enough in hiring a skilled head of IR. In many cases, the head of IR is often a kind of "communication employee", who is skilled at answering in a politician's way, answering without really answering anything. Skilled investors will quickly get tired of this behavior and instead turn to the CEO for answers and meetings.

This means that CEOs end up having to spend way too much time talking to investors instead of nurturing the business. In cases where companies manage to hire competent and skilled IR employees, they can often exempt the CEO from many tasks, since the IR person can answer the bulk of investors' questions.

The best example of this that I can recall was Rachel Gravesen who was the former head of IR at the Danish firm Genmab, a company that Symmetry (and me personally for some years before Symmety's founding) owned a significant position in. In all that time, I only talked to the CEO Jan Van de Winkel two or three times thanks to Rachel's knowledge of the business. If I had questions of a more technical nature regarding the products that she couldn't answer at once, she always came back later with an answer. This freed up time for Jan to attend more "high-end" IR work, like attending big events.

Another example is a smaller Swedish company where we recently had a 2-hour long conversation with the newly appointed head of IR, who was recently recruited after being an analyst covering the particular company for many years. He had a deep knowledge of the industry and the business, and we have not needed a meeting with the CEO yet because of this (we do not own the stock yet).

We believe that the case could be made for smaller companies, in particular, to invest in a better IR department. It would cost a little bit more, but if it frees up time for the CEO, the money will often be well spent. And just to be clear: we know a lot of really good IR people – so we don't generalize everyone.

Inflection Point Investing:

One of the things we have had a lot of success with is what I call Inflection Point Investing. When we buy a new share and possibly write a report on it, we as investors see the result of our work. But often, a very long period precedes that investment, and it is only a fraction of the stocks that we look at that we end up buying in the end.

Very often, timing is crucial when you want to buy a company. The underlying business must be in a solid position, and the valuation must be attractive at the same time. We often cover many attractive companies that we believe have underlying strong business models and market positions, but where the timing is not right. By following them closely, we are ready to invest when the companies reach their "inflection point", ie. the time when we think their business models will finally break through and show their worth. It could also be situations where big sellers put pressure on the stock, but we can see that the selling is about to end.

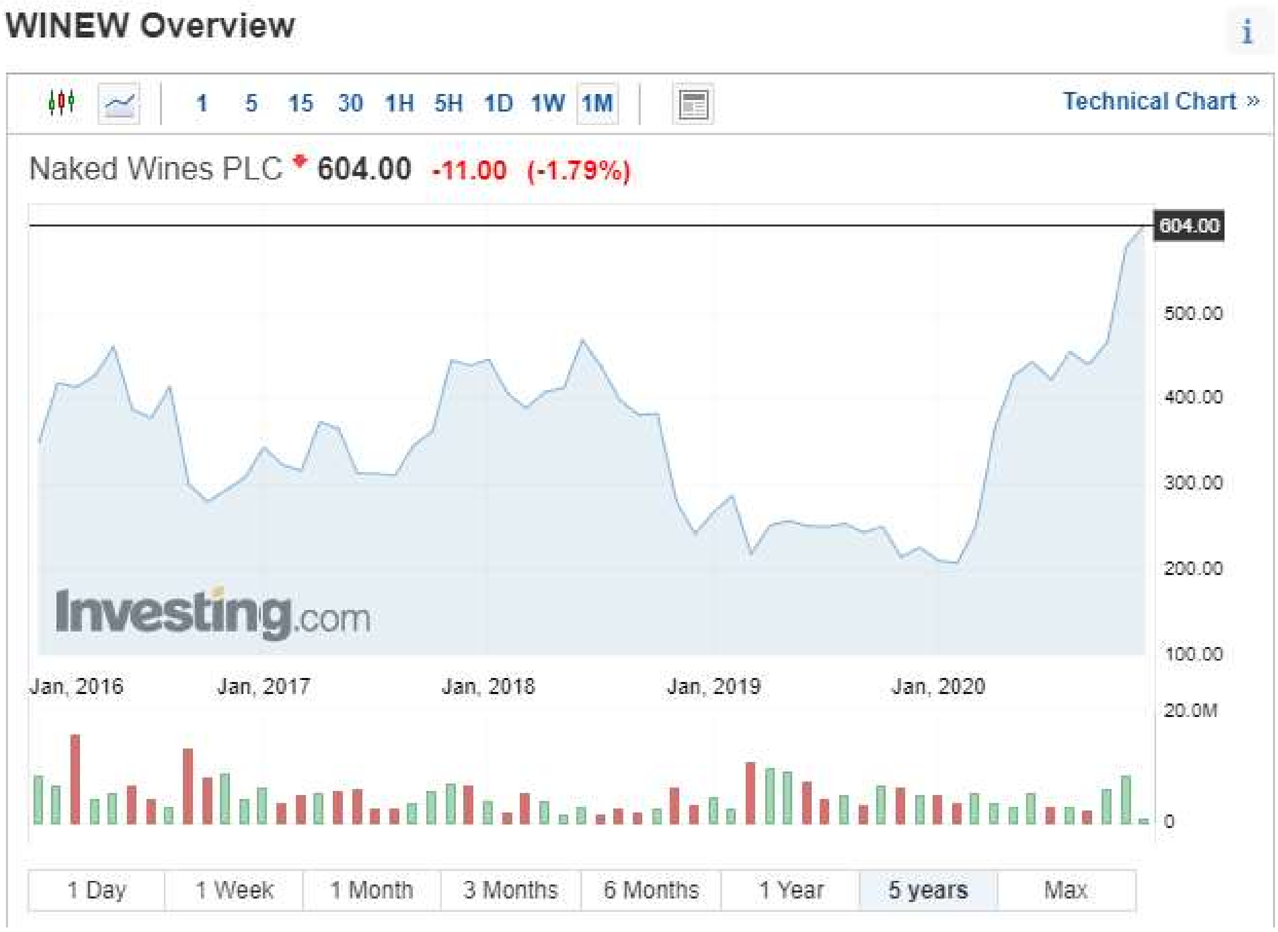
This type of investing is not for everyone. Many investors do not have the time and energy to try and time their investments and simply resort to finding attractive business models and purchase the shares. But in Symmetry our return on investments is very high, and since we almost always have an abundance of good ideas, we will almost always have an alternative place to invest the money. Therefore, we are not interested in entering a position until both the valuation is low, and the business is booming.

A good example of this is GAN:

We have been following GAN for a long time while it was a small AIM-listed stock. The company had gained a strong market position in New Jersey when the state opened up the market for online casinos in 2014, and also exhibited solid growth and a compelling market position in Italy. But at the same time, it was loss-making, had to constantly raise new capital and the growth was not “overwhelming”. We still spent time familiarizing ourselves with the company, as we could see that their market position in the US could become a strength in due time. The first crucial news came in mid-2018 when the PASPA rule was removed, and all states in the US were free to self-regulate sports betting and casino. This presented itself a clear opportunity for GAN, but as they still did not have a sports betting product, we bided our time. When Pennsylvania, in 2019, also allowed sports betting and casino, and we saw how Fanduel/Betfair started to gain a strong market position building on GAN’s platform, we initiated a purchase. At the time the stock was still only increasing slightly, and the financials were still not good (it takes time for leading KPIs to affect the numbers). We continued to buy in light of willingness from more states to open up, and GAN signing on more and more customers. In May 2020, GAN chose to substitute the small AIM exchange for Nasdaq in the US. As reported revenue began to rise +100% YoY and margins followed, the stock reacted strongly. The stock thus ended up rising 1.000% from mid-2018 to mid-2020. Even during 2019, one could still buy the stock for 3-8 USD (the stock was listed in the UK and in pence at the time). Today it is traded for approximately 20 USD.

GAN is therefore a great example of how you can follow a company for a long time, do your analysis, and be ready to buy in when the business model is facing the crucial inflection point.

Naked Wines Plc:



Another good example is Naked Wines, which we have written about earlier. We first learned about Naked Wines at the start of 2017 and chose to spend time analyzing it. From the start, we were intrigued by their online business, but at the time most of the revenue was derived from their physical wine shops in England. With declining revenue and Brexit around the corner, we did not feel fully comfortable with this segment. During 2019, the stock fell to a level where the discount warranted a minor purchase. At the end of 2019, when the company announced the sale of their retail business and was left with Naked Wines and a large pile of cash, we seriously stepped up our due diligence process. Still, we were not completely comfortable with the shareholders of the company. More and more of the revenue came from the US, where the executives were living, but the shareholders were mostly UK based dividend investors. Towards the end of 2019, the inflection point came when 3-4 major US investors, through heavy purchasing cleared out the sellers. We then started to buy aggressively. This also increased the reputation of WINE in the market as a majority of investors now owned the stock because they anticipated promising opportunities for the online business. We followed suit and started to buy the stock, and when COVID hit and the business got another boost we continued to buy over the spring.

The process, therefore, resembles the one applied in GAN very much. We followed WINE for a long time, liked the business model but lacked the crucial “inflection point” at which the purchase should be made.

WANdisco plc:

A stock that could be close to it's "inflection point" at the moment is the British company WANdisco. We have been following the stock for quite some time, but it wasn't until the summer of 2020 when we seriously started to get interested. At that time, we thought there were way too many uncertainties and the valuation weren't attractive enough. At the end of the year, we bought a small position, and at the beginning of 2021, we increased that position given the positive news from the company that still hadn't materialized in a rising share price.

WANdisco has been a controversial stock for many years with super optimistic management that have made promises they've been unable to keep. At the same time, the CEO has had a lavish lifestyle and foundations/charities to spend money on. This led to him selling off shares over time, even after raising funds. In many cases they have had to make profit warnings closely afterward, looking very bad on paper.

Based on our conversations with David and the team, we have no concerns regarding their professionalism and competencies as well as their understanding of the business. Our concern has been centered around if whether their ethics/morals are good enough for us to invest in them.

However, several factors speak in favor of an investment:

1) There is a bit of a "fake it until you make it" vibe about their history. Things have taken much longer than they promised the market, with constant postponements. They have also needed constant funding and have had to spin a story to keep it coming, showcasing a more Silicon Valley mindset than the normal European corporate governance way. But the crucial thing for us has been that we haven't seen examples of the management directly lying or cheating. They have just been too optimistic in many aspects. What is important henceforth is not how much they historically have "faked it" as long as we are convinced that they now can "make it".
2) Several of their strategic changes have been necessary even though they have been tough. The company has had a good growth journey and been profitable in prior instances but believed that their technology could unlock far greater value by a change of focus towards a bigger market, etc.
3) The majority of the postponements/delays have been beyond their control. Also, it looks like Microsoft have tried to squeeze them a little, to facilitate an acquisition.
4) The management expected around 50 new customers via Azure the first 12 months following the launch but delivered 46 within 2 months. In this instance, they have so far delivered more than promised.

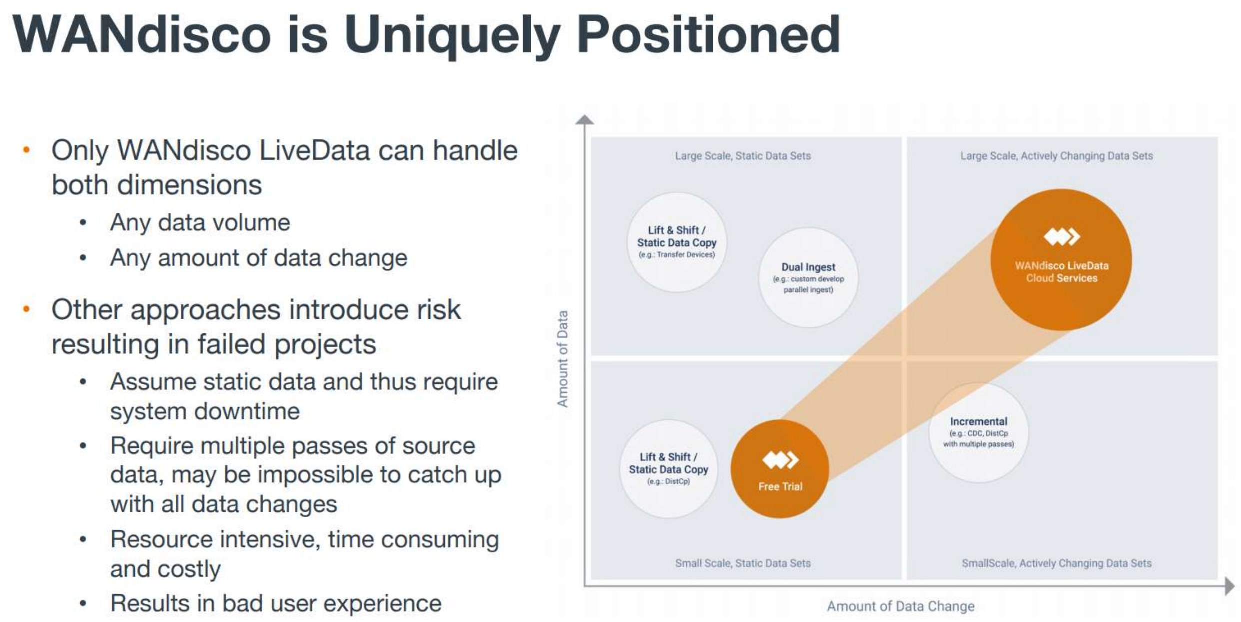
Furthermore, one should also remember that the stock market often views the management in snapshots given the situation they are currently in. Right now, many investors see David as unreliable and one with pipe dreams. One should however remember that if the company reaches its guidance for 2021, people will praise him and explain how excellent it was that he prioritized long-term value creation over short-term revenue – a CEO that dared to make bold decisions. The track record is absolutely an important parameter when you assess the management, but it is also important to remember that the track record often depends on from where and to when you measure.

Everyone knows that I'm not the biggest fan of Elon Musk and Tesla, but one should still have to recognize what Elon Musk has created (which made him the second richest man in the world). Without comparing him with David at all, he also created Tesla by constantly promising things he could not keep and being over-optimistic. He sold a vision as much as a real business. I'm still not 100% sure that Tesla will get there, but at the moment they have been profitable for three quarters in a row and have been able to raise capital at very high valuations. Right now, most people talk of Elon Musk as a visionary that dared to invest in electric cars when no one else did, even though it was unprofitable from the get-go.

So, let's instead look at WANdisco today based on facts.

What is WANdisco?

WANdisco is the leading player in data migration of Hadoop data to the cloud. When companies with large on-premise servers with data want to move to the cloud, they can use WANdisco to migrate that data.



There are several different solutions to migrate static data (i.e., backups that never changes). There are also some solutions that can migrate smaller amounts of data that is actively changing. WANdisco is the only solution that can migrate large amounts of data that is constantly changing.

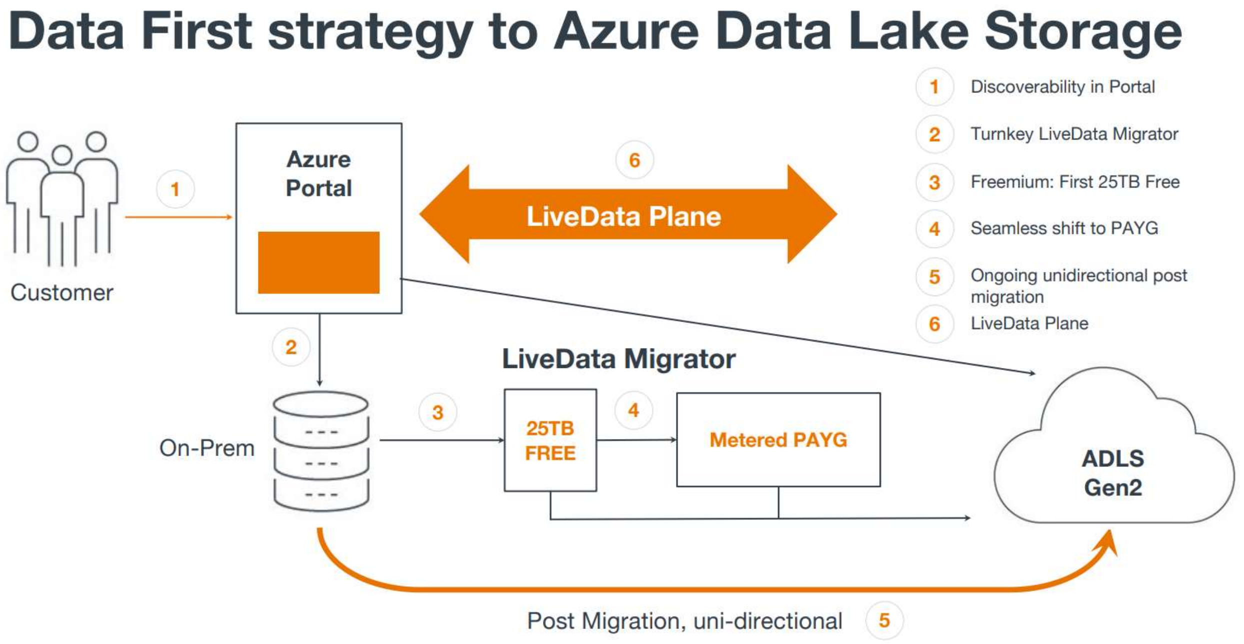
Unless you're dealing with pure archive data, most data lakes in companies are constantly changing. This is because almost all companies' applications, websites, emails, etc. go through their databases.

To get the most out of this data, many companies chose to move from on-prem to the cloud. They will come to Wandisco for help with this shift.

Based on our research, and the conversations we've had with people in the industry, we have verified that other solutions will work, but none that can handle the type of complex situations that WANdisco can.

For example, Google Cloud uses a solution called Dual Ingest. The disadvantage of Dual Ingest is that data is copied to two locations where the data always must be identical. I.e., if there is a delay or problem with one of the units it will take massive amounts of manual work to get it up and running and maintained, during the migration.

Amazon (AWS) used ("used" because they've adopted WANdisco now) a technology called Snowball which bluntly can be described as a big USB-stick (huge trucks) that upload the data and then drives it to an AWS server. The problem here, of course, is that it takes time, is expensive, and will be useless if data changes along the way.



In October, WANdisco launched their two products LiveData Plane and LiveData Migrator as an integrated migration solution directly in Microsoft Azure as a simple white label solution. At the same time, Amazon AWS also uses WANdisco as their recommended solution for data migration. We will review later why we believe it is a game-changer that WANdisco now has the two largest cloud players in the world to recommend WANdisco's solution.

As displayed in the figure above, the migration follows a connection by the customer's on-prem server to the Azure cloud (online). From there, the customer can connect the data migrations from Hadoop to ADSL GEN2. The first 25 TB of data is free, after which they pay by usage depending on the amount of data. When the data is migrated, customers can utilize Livedata Plane for a constant synchronization between cloud and on-prem. WANdisco continuously earns recurring revenue from the amount of data that is kept synchronized as well as from the number of changes that occur that need to be duplicated.

Why would the customer choose this solution? There are several reasons; the need to get their data in the cloud is great, to be able to take advantage of the speed and analytical solutions found there. But at the same time, many companies find it valuable to have a local backup through their on-premise. Many sectors (financial services, medical, etc.) are even required to keep a local backup.

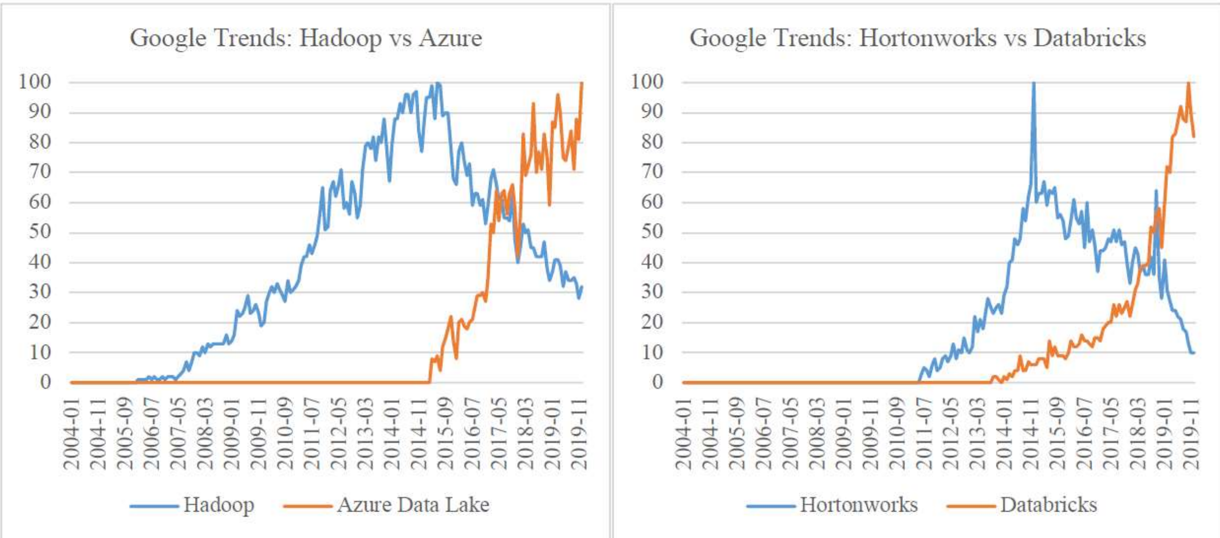
The actual data migration can be done in a few days or weeks via WANdisco, but most applications that a customer has built on his on-premise will need to be rebuilt in the cloud. I.e., the programs and modules (website, etc.) that send data to on-premise often have to be rebuilt in the cloud to work there. It's, therefore, crucial for the company to have a solution that can ensure that the data will be available in both places as long as they have some applications in both places. Depending on the size and complexity of the company, it can take several years to run a complete migration, during which the customer will be dependent on having LiveData Plane connected.

History:

Data is the new gold. It is gradually becoming a common belief that most companies' way of winning customers and creating unique business models is by understanding, acquiring, storing, and using data to their advantage. But this was not always the case.

Before Hadoop, servers were often very poor at storing so-called unstructured data. Most of the data we receive today is unstructured (social media, e-mail, website traffic, etc.). This changed with the invention of Hadoop which is open-source software. Many companies invested heavily in Hadoop databases throughout the ’90s to be able to structure their data better. There were also companies (especially Cloudera & Hortonworks) that made a business of advising/selling Hadoop systems.

This has changed primarily after Amazon launched AWS (and Microsoft and Google etc. followed). From there on cloud solutions took over as the preferred solution from Hadoop.



Source: Google Trends [2]

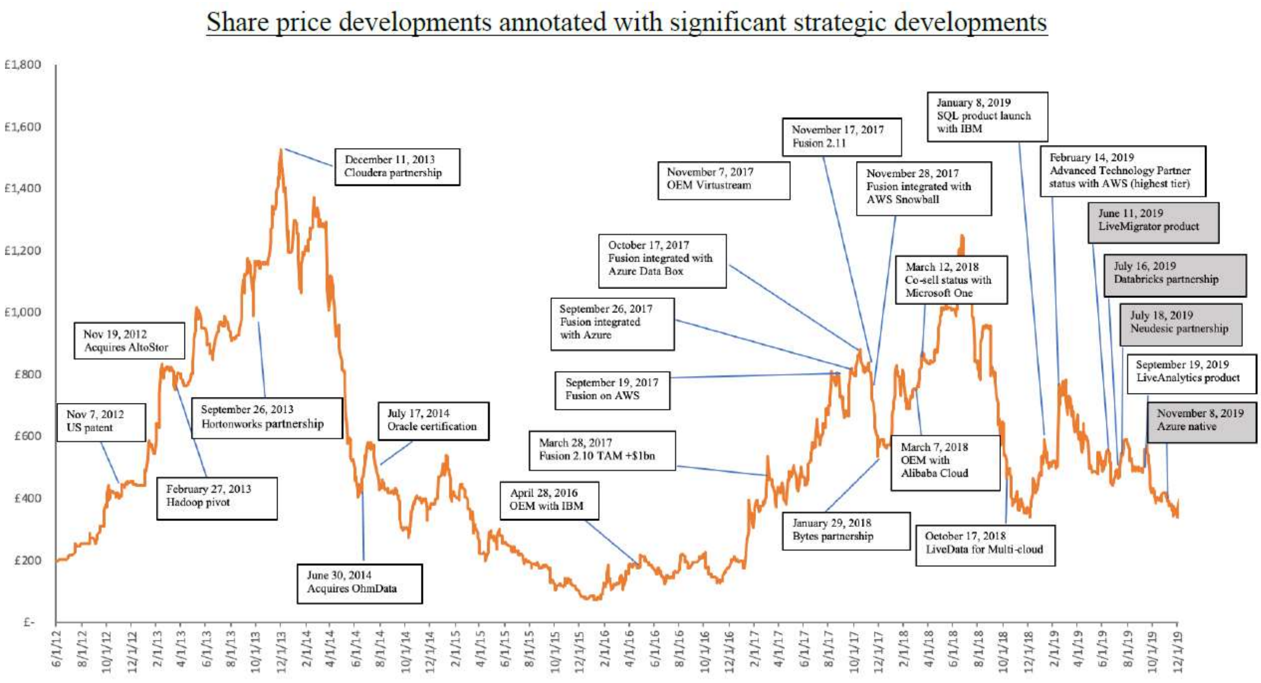
As one can see in the graphs above, the interest in Hadoop began declining in tandem with the increase of interest in Azure. The same picture emerges if you compare Hortonworks and Databricks (analysis of Hadoop and Cloud data, respectively).

WANdisco initially made good money by selling licenses to Hadoop focused businesses, but as management realized that the future was in the Cloud, they were forced to change the strategic direction of WANdisco.

[2] Kindly borrowed from Alphyn Capital Management Q4 2019 letter ACML_2019-Q4_V7 (alphyncap.com)

WANdisco owns a large number of patents protecting a technology they call Distributed Coordinated Engine (DConE), which is a technology developed by Dr. Yetura Aahlad, co-founder of the company. This technology allows you to have many different uniform applications running on different hardware and be synchronized between them. The technology is based on a mathematical algorithm called Paxos, which was initially used via LAN connections (where multiple computers are connected through LAN, allowing one to have consistent data even if another would break down). What differentiates Paxos from other solutions is that the others often necessitate a “master” that controls the other units. The problem with a master is that if it happens to break down, everything will be lost. Whereas with Paxos you always have up-to-date data on all your devices. The advantage of the DConE technology that WANdisco holds patents on is that, unlike LAN connections, it works via WAN connections (Wide Area Networks) and thus can send data over the internet, etc.

As we have mentioned before, the primary reason that possibility exists today is that their history is miserable. As you can see below, it has been a roller coaster ride for many years:



[3]

The reason that we feel the timing is right this time, is that the future lies beyond WANdisco’s control, and instead hinges on AWS and Azure. Stated differently; 2021 will be a “make-it or break-it” year. If the revenue doesn’t pick up in 2021, we doubt it will ever happen. When you make an optionality-bet, it’s crucial to get the timing right. Otherwise, you risk sitting with dead money or burning too many bets on the same dead-end.
By taking up a position in the share now, going into 2021, we believe that we will get an answer on whether it’s a winner or a loser within the next 12-18 months.

[3] kindly borrowed from Alphyn Capital Management Q4 2019 letter [ACML_2019-Q4_V7 (alphyncap.com)]

But how does Microsoft describe the new collaboration themselves?

How Microsoft describes our opportunity

Jurgen Willis, General Manager, Azure Engineering/Azure Storage said today:

- *“**Turnkey** solution for data lake migrations”*
- *“You **begin your data lake migration in minutes** and not weeks or months like you would with other solutions”*
- *“WANdisco LiveData Platform for Azure is our **preferred solution** for Hadoop to Azure migrations”*
- *“Deploy and manage data lake migrations using the same Azure management experience you enjoy today through the Azure Portal”*
- *“LiveData Platform is tightly integrated with Azure and follows the same metered, pay as you go billing model as all other Azure services. LiveData Platform for **Azure consumption will appear on the same monthly Azure bill** and provides a consistent and convenient way to track and monitor your usage”*

WANdisco has marketed the essential details in bold. Namely that you pay through your Azure bill, doesn’t need a separate contract with WANdisco, and that it’s a preferred solution that can be done without any coding in just a few minutes.

Infosys has also spotted an opportunity to join the ride:

("WANdisco" or the "Company")

WANdisco Announces Global Agreement with Infosys

WANdisco (WAND.L), the LiveData company, today announces its global agreement with Infosys, a global leader in next-generation digital services and consulting. Together, WANdisco and Infosys will help enterprises successfully migrate their data lakes to major public clouds including Amazon Web Services, Microsoft Azure and Google Cloud.

The agreement will enable organisations to de-risk and accelerate data lake migration to the cloud. WANdisco's LiveData Migrator, the first new native Microsoft Azure service, will ensure the seamless migration of data lakes to ADLS (Azure Data Lake Storage) and take advantage of cloud economics and machine learning-powered cloud analytics (with services like Azure Databricks). Whilst Infosys will leverage LiveData Migrator to help enterprises transition on-premise data lakes to the cloud and ensure continued business performance.

Infosys' Data Wizard solution augments WANdisco's LiveData Migrator offering by providing rich graphical user interface-driven migration life cycle management. This solution facilitates quick and easy movement of petabytes of data to the cloud. This allows enterprises to tap into the power of artificial intelligence and machine learning; enabling businesses to better analyze data which will ultimately generate faster and deeper business insights at a lower cost compared to on-premises.

WANdisco along with Infosys's Data Cloud Practice will help clients fast track their efforts around proof of concepts, pilots and other mechanisms designed to deliver value quickly and securely.

With more than $12 billion in revenue and 240.000 employees, Infosys is a behemoth in the software space. By entering into a global agreement with them, WANdisco’s offer will be available to their salespeople when they recommend their clients on how to optimize their cloud strategy.

New large clients have already signed up:

After the launch on Azure, we have seen a nice intake of clients, and WANdisco even mentions that they had 46-50 clients signed up pre-launch, from whom they now can start earning revenue.

As part of its launch with Azure, WANdisco also announced that Johnson Controls became a new customer:

Dawit Alemu, Technical Architecture Lead Analytics CoE, Johnson Controls, said:

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

Johnson Controls simply confirms what we have already heard from WANdisco and Microsoft. Namely that the migration to Azure now can take place smoothly and quickly without holdups, that everything can be done via Azure (without the help of WANdisco) and that all payment goes through Azure. The big contract for WANdisco came in November:

$3m initial Azure contract with major US Telecom

- *LiveData Migrator to migrate an initial 13PB Hadoop cluster to Microsoft Azure*
- *Further opportunity to migrate over 30PB of data and to deploy multi-cloud solutions*

WANdisco (WAND.L), the LiveData company, announces a contract worth $3m with one of the world's largest telecommunications companies ("the Customer") to migrate one of its on-premises data lakes to Microsoft Azure as its embarks on its cloud transformation journey. As a key partner of Microsoft, the Customer chose to offset the purchase through its ongoing expenditure commitment to Azure. The majority of the contract value will be recognized in 2020.

The Customer's strategic decision to migrate was driven by the benefits that the elasticity of cloud computing provides, as the Customer's compute usage exhibits large peaks and troughs during the year. Additionally, cloud analytics services will promote faster and better decision making. With these goals in mind, the migration of on-premises data to the cloud is a critical requirement. WANdisco's solution was chosen to mitigate the significant challenges of moving large-scale Hadoop datasets, particularly when the data in question continues to undergo constant changes.

The Customer considered using physical transfer devices, open source tools, and packaged software based on open-source software. WANdisco's LiveData Migrator addressed all the challenges which was demonstrated through a short production pilot where 100TB was moved successfully over a weekend and the data was immediately available in Azure for use by analytics services such as Azure Databricks.

Asides from this initial project, the customer has in excess of 30PB of data that will also be required to move to the cloud over the coming years.

Our take is that the deal is with AT&T, as WANdisco has helped its subsidiary Xandr with data migration earlier. But that is just guesswork on our part.

The important thing is that this is a huge agreement of $3 million, just to start with. Some other important points are:

1) The deal was struck in November, yet WANdisco expects to be able to deliver the majority of the migration in 2020, demonstrating just how fast the technology is.
2) Despite the size of the project, it only represents a small part of the customer's data. There are more than 30PB of data, a potential worth more than $6 million.
3) A possibility for a multi-cloud solution is specifically mentioned, cementing what we pointed out earlier that WANdisco expects that the big customers do not want vendor lock-ins. They want to have data across different cloud vendors.

The startup of AWS:

As mentioned, one of the significant factors for us is that AWS has also started pushing for and signing deals. As both of the two leading cloud players now run WANdisco, there will be fierce competition to win the most customers and migrate data over to their cloud. One should remember that every time that an AWS salesperson signs on a new customer, and generates revenue for WANdisco, there will be significantly more revenue for AWS. There is full alignment.

The first customer to migrate to AWS via WANdisco was GoDaddy:

LiveData migrator launch with Amazon Web Services

Early customer, GoDaddy, using LiveData migrator to transfer 500 TB of data

Businesses can now quickly and efficiently migrate mission critical data at any scale to AWS, within minutes, with zero business disruption and 100% data consistency

WANdisco (WAND.L), the LiveData company, announces the launch of LiveData Migrator, an automated, self-service solution in partnership with Amazon Web Services (AWS). LiveData Migrator enables cloud data migration at any scale by allowing companies of all sizes to easily start migrating Hadoop data from on-premises to AWS within minutes, without the expertise of engineers or other consultants, and even whilst source data sets are under active use.

GoDaddy is an early customer and will utilize LiveData Migrator to migrate 500 TB of HDFS data to Amazon Simple Storage Service (Amazon S3). The Company will operate in a hybrid cloud mode and continue to update Amazon S3 data as changes are made to Hadoop content in the source, so it is immediately available for cloud analytics. The first 70 TB of data was migrated within days with zero on-premise system downtime.

WANdisco has now achieved AWS Migration Competency status with the release of LiveData Migrator and is an Advanced Technology Partner in the AWS Partner Network (APN). WANdisco was one of four APN Partners who collaborated with AWS to define the requirements to cover different use cases, including Hadoop, storage and database data migration, and mainframe data integration.

Migrating large data volumes with traditional approaches, such as transfer devices or distributed copy, requires disrupting the operation of on-premises applications and doesn't cater to data that is modified or created during migration. However, LiveData Migrator works without any production system downtime or business disruption while ensuring the migration is complete and continuous and that any ongoing data changes are replicated to the target cloud environment.

GoDaddy is an interesting case as they didn't have any other options than WANdisco. Everyone who knows GoDaddy knows that they have an enormous amount of data that is constantly and actively changing. As seen above, GoDaddy managed to migrate 70 TB of data in a few days, and without any downtime. It's also important to notice that they henceforth want to operate through a Hybrid Cloud structure, using LiveData Plane for continuous updates in AWS as changes occur in their Hadoop server.

Also note that it's AWS that brought this client to WANdisco, who in turn have had zero expenses related to sales and marketing to win such an important customer. AWS uses WANdisco as their preferred partner as there simply is no one else that can handle the task.

Another contract won via AWS was with a top-three mobile operator:

AWS Contract with Top Three Mobile Operator

WANdisco (WAND.L), the LiveData company, has won a contract worth approximately $450,000 with one of the world's top three largest mobile operators by number of subscribers through the Amazon Web Services (AWS) Commercial Marketplace. This is an initial deal to manage and migrate petabyte scale data across a number of locations.

The deal is WANdisco's largest AWS Commercial Marketplace transaction to date, secured following an extensive evaluation. The Company has been selected to deliver petabyte scale live data migration and synchronization across multiple locations of on-premise Cloudera.

The customer is one of the top three largest mobile operators in the world by number of subscribers. WANdisco has now secured three contracts with top ten mobile operators globally, including two in the top three.

What is worth noting with this deal is:

1) Once again, the contract was won through Amazon Marketplace – without any sales efforts from Wandsico
2) Petabyte live data synchronization is subsequently used between AWS and several on-premise sites which provides recurring revenue for WANdisco.

The latest deal WANdisco has won with AWS is with a large financial institution group in South Africa. Again, large amounts of Hadoop data will be migrated to Amazon S3, and they too chose to keep the data synchronization running in multiple locations to ensure it's always up to date.

New AWS win with large financial services firm

WANdisco (WAND.L), the LiveData company, has won a contract with a South African-based financial services group and one of the largest banks in Africa to migrate and manage data from on-premise to AWS ('the Customer').

Following the agreement, the Customer will license WANdisco's LiveData products to migrate data from its on-premise Hadoop cluster to Amazon Web Services S3 ('S3'). This is the first of a number of planned phases for the Customer to migrate data and maintain an on-going hybrid cloud.

WANdisco's solutions will allow the Customer to migrate data accurately and consistently without any production system downtime or business disruption.

Following the initial migration of the data to S3, the Customer intends to keep the replication path on both zones in sync as updates can occur on either zone. WANdisco's unique capability to keep data consistent across locations means that the updates that occur on the S3 buckets can be made by various AWS native application services and be replicated across to the on-premise cluster.

The Customer selected WANdisco following a proof of concept that was funded by AWS. It was the only solution which offered bi-directional replication out-of-the-box and the consistency engine in LiveData Plane simplifies the process of maintaining data parity between on-premises and the cloud. WANdisco sees potential for further projects with the Customer, once this initial data migration and hybrid cloud project is completed over the next few months.

The Customer is an existing AWS customer and has stated aims of building new service capabilities in the cloud to enable a more agile business and to optimize technology expenditure.

This represents the third contract the Company has secured since launching the LiveData product on AWS in September 2020, highlighting the growing momentum and acknowledgement of its LiveData capabilities.

What's interesting here is that the contracts are channeled directly through AWS, and it isn't WAND's sellers that are out in the market sourcing them. As can be seen above, AWS still provided the customer with funding so that they could do a test project with WANdisco. This clearly demonstrates how AWS and Azure both are incentivized to funnel clients to WANdisco, as they know that moving the data to the cloud will unlock earning possibilities later on for themselves. As both AWS and Azure are pushing this in the market, they will try hard to come out ahead of the other, which will provide a strong uptake to WAND.

Databricks case study:

There are many similarities between WANdisco and Databricks, where the latter is an analytics platform for data analysis in the cloud. They have a valuation of +6 billion USD (2018) and have attracted many great venture capital firms, as well as Microsoft itself, as co-owners. Within a few years of the collaboration with Microsoft their revenue increased more than 6x, and today they are part of a small club of 3-4 companies that are integrated as white-label solutions directly in Azure. WANdisco is also one of them. It's one of the things we think the market underestimates about the new Azure solution. It is not a question of WANdisco selling their product in the Azure Marketplace, rather It is a directly integrated solution into the backbone of the Azure platform. All customer support, invoicing etc. runs through Azure. Some customers will hardly notice that they are buying/using a WANdisco product since it is so integrated with Azure.

After the integration with Azure, it took Databricks less than two years to attract 5000 new customers. It is worth noting that WANdisco will need less than 100 customers to achieve their 2021 goal and guidance.

Databricks has received investments from investors such as Microsoft, Andreesen Horowitz, Tiger Global, etc. Today it's only 3-4 companies that have been able to receive direct system integrations with Azure: Databricks, NetApp, and WANdisco. Let's just say the former two are valued higher than WANdisco.

The latest news is that Databrick is expected to do an IPO in the first half of 2021 with a "significantly higher price than 6 billion USD. [4]

Another example of how fast things are moving in the industry is Snowflake.

- October 11, 2018 = 450 million series F funding round at an $3.1 billion valuation
- February 2020 = 479 million Series G funding round at an $11.9 billion valuation
- September 2020 = IPO at $33 billion valuation
- December 2020 = $100 billion valuation on the stock exchange

We are by no means saying that WANdisco is the new Snowflake. That is not our point. Our point is that this industry currently is red-hot and that WANdisco may attract a lot of attention when/if their growth takes hold.

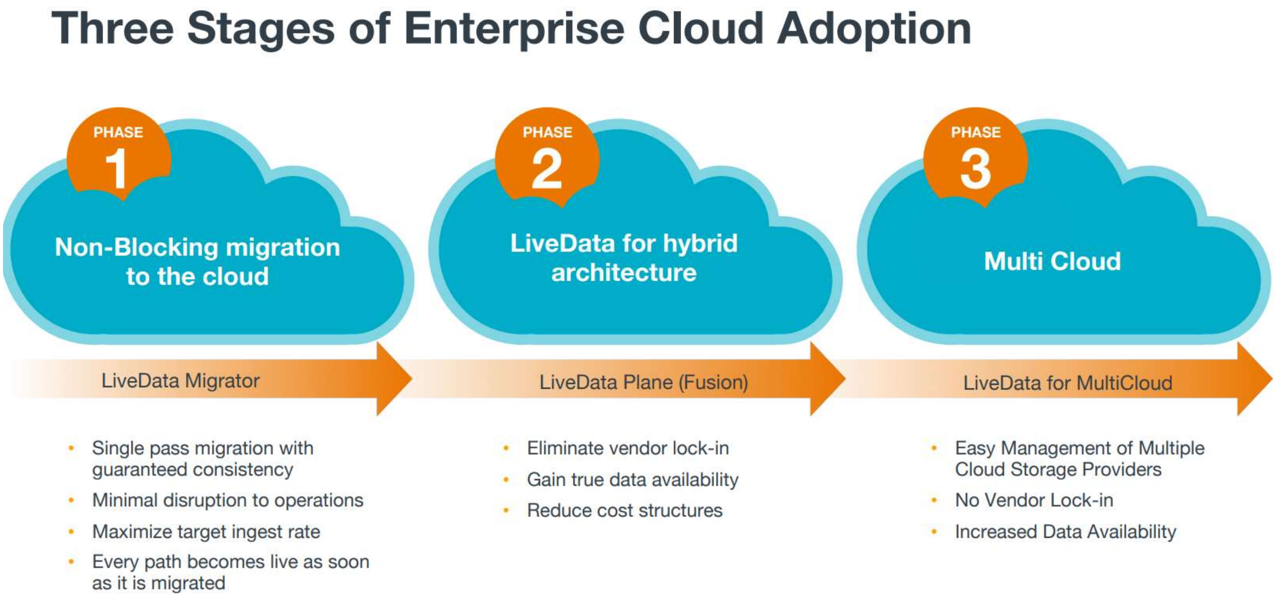
Snowflakes valuation increased by + 30x in just 2 years, and significantly more if you look further back.

At the same time it is our believe that Wandisco will pursue a Nasdaq listing in the later half of 2021 after the revenue and accelerated.

[4] Report: Databricks is plotting the next big software IPO - SiliconANGLE

The Future/TAM

One of the central questions for us is how big the total market (TAM) is. On the one hand, huge amounts of Hadoop data can be moved to the cloud and used for data analysis etc. But on the other hand, it’s still a question of how much of that data that will be migrated. The second question relates to what extent there will be a need for active synchronization and hybrid structures compared to one-off migrations.



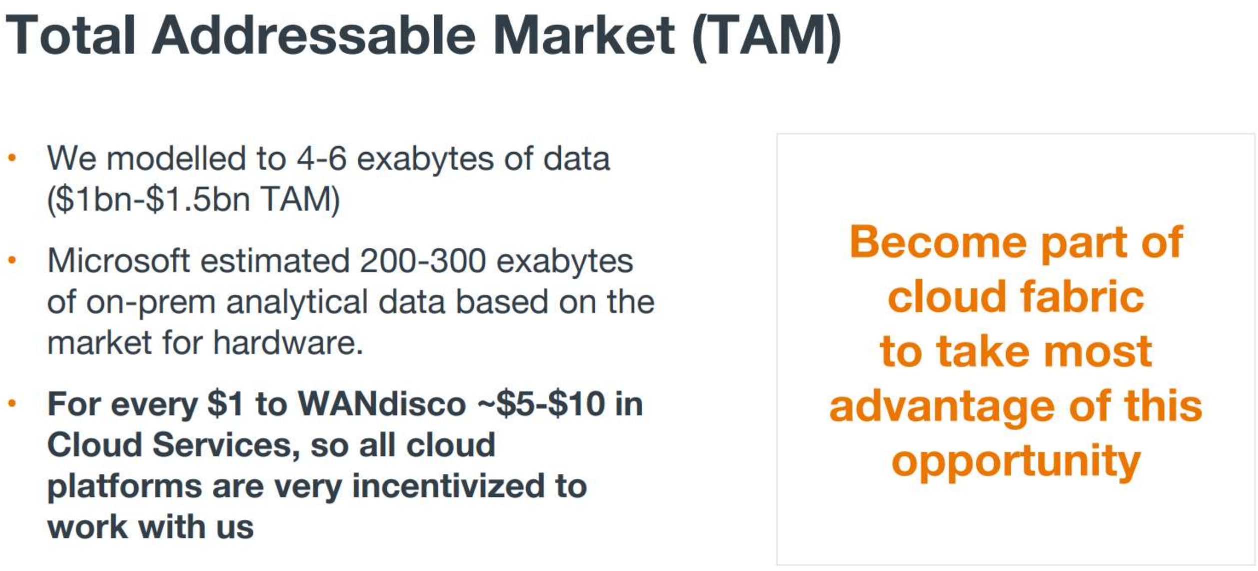
WANdisco has identified three phases in a company’s cloud migration. The first one is the general transfer of data from Hadoop clusters to Cloud databases. This is a so-called one-way migration as the data just needs to be “moved”.

The next phase is a so-called hybrid architecture where firms use both the local servers and cloud-based technologies. This way, the customer can utilize a more flexible cost structure, use their own servers for general backup data while still accessing all the essential data analytics in the cloud together with access to ongoing migration back and forth. WANdisco estimates that approximately 80% of all their customers will end up choosing some kind of hybrid cloud structure after the initial data migration.

The last stage is a so-called multi-cloud structure. WANdisco already notices some larger firms that choose to use multiple cloud providers. It can be both AWS and Azure or others, and WANdisco expects that over time, most companies will use multi-cloud structures. If you become dependent on a single cloud provider, where the entire company's "livelihood" is stored, you will be very exposed. By using several cloud providers, companies will have the opportunity to:

1) To be able to tender the price of cloud computing down by playing the cloud providers against each other
2) Optimize the use of cloud across the various providers
3) Have access to the best analytics tools and applications across all providers.

The problem today is that it is difficult to migrate/synchronize data between the different cloud providers. If a company, for example, has an application with AWS, the data for this must be in AWS. But if you also want to use Databricks via Azure, data must be here. By using WANdisco Fusion technology, data can be easily moved to where it is needed.



When WANdisco first tried to estimate how big their market was, they arrived at approximately 4-6 exabytes of data, which would give them a total market of around $1.5 billion, with their market value currently at about $300 million. When Microsoft estimated the market, they believed that there were around 200-300 exabytes of Hadoop data, or +20x the amount estimated by WANdisco.

Microsoft has a real incentive to push on here. They earn 10 times the revenue for themselves, driving $1 to WAND. This is why they have already incentivized 2.000 salespeople to sell WANdisco. Something that WANdisco does not pay anything for. 99% of their revenue is based on royalty from the use of their product. One should compare this to the fact that all turnover historically from WANdisco has come from their approximately 10 own salespeople and through the IBM partnership. It is not at all comparable to having Azure and AWS marketing it.

Other providers:

The main focus for WANdisco at the moment is their collaboration with Azure and AWS. They do, however, plan to have their technology integrated with all the major cloud companies in the future, and have already sold licenses to migrate data for some of them.

For several years, they have also had a collaboration with IBM which they have just renewed:

WANdisco Accelerates IBM's shift to Hybrid Cloud

- *WANdisco LiveData Migrator to be integrated into IBM's Big Replicate*
- *LiveData Migrator will allow IBM customers to easily migrate on-premise data to hybrid cloud and multi-cloud infrastructures*

WANdisco (WAND.L), the LiveData company, announces that its existing relationship with IBM has been extended to integrate WANdisco's LiveData Migrator, into IBM's Big Replicate solution. LiveData Migrator will allow IBM customers to seamlessly migrate on-premise data to hybrid cloud and multi-cloud infrastructures.

IBM Big Replicate already features WANdisco's patented LiveData Plane technology, which enables data consistency within distributed environments to help clients keep unstructured data accessible, accurate and consistent across multiple Hadoop distributions.

IBM recently announced that it was updating its cloud portfolio with new capabilities to focus on its hybrid cloud business, and is providing its customers with the option to migrate from Cloudera legacy systems. Cloudera Distribution Hadoop (CDH) and Hortonworks Data Platform (HDP) will be retired in the coming year without Cloudera providing a defined migration path.

Big Replicate customers can use WANdisco's LiveData Migrator to quickly and easily migrate to the Cloudera Data Platform and other next-generation cloud or cloud-based data management platforms, such as IBM Cloud, Microsoft Azure, Amazon Web Services or Google Cloud Platform. Through enabling a multi-cloud solution, WANdisco's technology avoids vendor lock-in following cloud migration.

With the integration of LiveData Migrator, Big Replicate users can now start migrating petabyte-scale data within minutes without the need of engineers or other consultants.

WANdisco has been collaborating with IBM for four years on various technologies and is pleased that IBM Big Replicate customers will now have the complete freedom to choose where their data lives within their enterprises IT infrastructure.

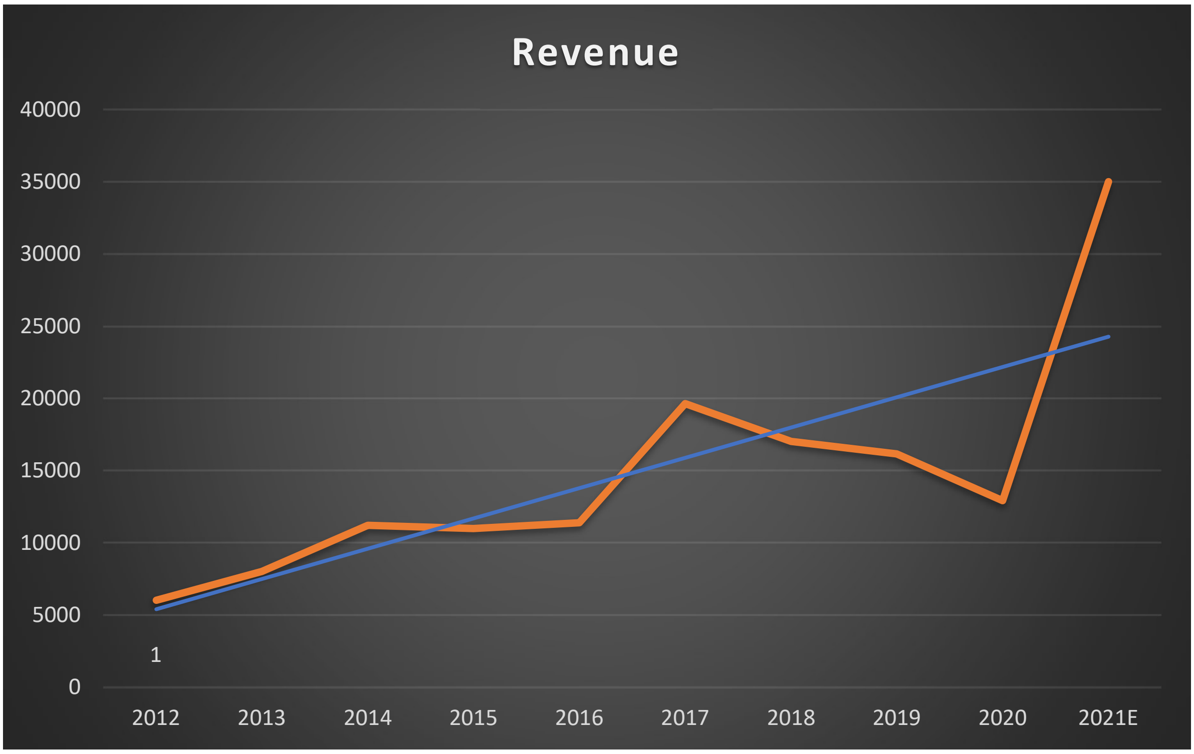
IBM has for many years now lagged behind the other tech giants in the cloud market, which they tried to counter by acquiring Red Hat in 2019. Unlike AWS and Azure, which are pure cloud players, IBM is trying to focus on being the market leader within Hybrid Cloud Solutions.

The interesting thing here is that the only two recurring Hadoop distributors, Cloudera and Hortonworks, will be phased out by IBM. They will thus integrate LiveData Migrator and most likely use this weapon to convert all Hadoop customers over to their Hybrid Cloud platforms.

It is no coincidence that IBM will also be using LiveData Migrator just a few months after both Azure and AWS started marketing it. IBM will not stand on the sidelines as they win the biggest customers.

Financials:

WANdisco has had fluctuating results over the past 5-10 years. Although there has been a nice upward trend, it has not been enough to live up to the expectations of the market, and certainly not to cover the costs incurred. A lot of money has been invested upfront, both in developing LiveData Migrator and LiveData Plane as well as integrating the solution with Azure and expanding the partnership with AWS and IBM, etc.



At the same time, there have been large EBIT deficits each year, which have totaled around $200 million over the last eight years.

There are, however, many reasons why the future might look different:

1) The most important one is that they just recently, in October 2020, released their White Label solution with Azure
2) It wasn't until September 2020 when they started winning contracts through the AWS partnership
3) It's only from Q4 2020 where both AWS and Azure sellers are active in the market and incentivized to sell the product.

The revenue between 2012-2020 is primarily delivered by WANdisco's 8-10 salespeople, plus some smaller reseller agreements. That cannot be compared to having access to the entire salesforce of AWS and Azure. Having had to make deals with a small company like WANdisco has been friction for larger companies, but as they now can run it through their monthly Azure bill things will be easier. This, in and of itself, has pushed revenue from 2020 into 2021 as many companies that wanted to do the migration waited until the Azure launch was ready in Q4 2020.

The Future:

The big question now is what the future holds for WANdisco. Historically, it has been impossible to predict, and management's own track record in forecasting the future is also mediocre (said nicely).

Here's how they describe 2021:

Strategic Outlook

- The Launch of the new Azure Service combined with the launch of LiveData migrator on AWS provides a strong platform for growth
- Q4 FY20 will see the acceleration of customer wins on both Azure and AWS.
  - With metered billing through the Azure platform becoming available soon, a number of customers have chosen to wait for launch which impacts the amount of revenue recognised in 2020 vs. our traditional subscription model.
  - We now expect FY20 revenues to be lower than current market estimates with Q4 being the largest revenue quarter.
- Based on migrating >100PB of data on Azure and >30PB on AWS in 2021, we believe that revenues in 2021 will be at least $35m. If the number of customer wins exceeds our expectation, revenue could be materially higher.

The first thing to note, as we have mentioned, is that they just recently launched on Azure and AWS in Q4. That’s why we are just starting to see their real business potential. The second is that in Q4 some contracts have already been won. For example, one of the deals they landed on Azure has a value of $3 million upfront. That agreement alone almost amounts to the revenue generated in H1 2020, a majority of which will come in Q4. If that customer continues with replication and wants to have more of their data migrated in 2021, it can give a good boost into 2021.

As can be seen above, the management’s expectations for 2021 is a minimum of $35 million. Based on their track record, that number seems to be taken out of thin air, and you should not put too much weight on it.

But still, there are things to assess it against:

1) Looking at the deals WANdisco has published so far in Q4, they come in at $5-10 million in revenue, some of which will be recurring in 2021. This momentum alone seems promising.
2) It’s not until recently AWS, Azure, IBM, etc. started to compete over getting Hadoop data into their respective cloud.
3) The $35 million in revenue (minimum) is based on just 135 PB of data. To make an illustration, one of the customers of Azure had 13 PB of data migrated in Q4, with +30 PB more for future migration. All this from one single client, showcasing the potential out there.

Valuation:

WANdisco is almost impossible to value since the spectrum of outcomes is so wide. But as many smart investors have told me: "It's better to be directionally right than precisely wrong". In other words, if the expectations are high for a positive outcome, and that outcome will deliver a large enough return, then it makes sense to look at the stock.

Most SaaS businesses with high growth rates in attractive industries are traded at high P/S multiples. The best way to illustrate this is to use a Matrix model:

		Revenue				
		15	**35**	**50**	**100**	**250**
Multiple	**3**	45	105	150	300	750
	5	75	175	250	500	1.250
	10	150	350	500	1.000	2.500
	15	225	525	750	1.500	3.750
	25	375	875	1.250	2.500	6.250

Illustrated above is the fair value at different levels of revenue and multiples. It's worth noting that most of the comparable companies are traded at sky-high valuations at +10. Another important factor is that WANdisco's revenue can be compared to royalty sales, with a 99% gross margin, virtually without any sales and marketing costs, and with +90% incremental profit. Snowflake is of course an outlier with +100x P/S multiple.

From there we can convert it into a fair value per share (using the number of shares outstanding), and that looks like this:

		Revenue				
		15	**35**	**50**	**100**	**250**
Multiple	**3**	65	151	215	430	1.076
	5	108	251	359	717	1.793
	10	215	502	717	1.434	3.586
	15	323	753	1.076	2.152	5.379
	25	538	1.255	1.793	3.586	8.965

From there, we can get an overview of the potential is in the stock for different scenarios:

		Revenue				
		15	35	50	100	250
Multiple	3	-86%	-67%	-52%	-4%	139%
	5	-76%	-44%	-20%	59%	298%
	10	-52%	12%	59%	219%	697%
	15	-28%	67%	139%	378%	1095%
	25	20%	179%	298%	697%	1892%

Are we 100% sure that the true outcome will end up in the green columns? NO, in that case, we would have been all in already. Is there a risk that the outcome will end up in the red columns? YES, which is why you do not invest your entire fortune in this stock.

Do we think that it's more likely we end up in the green than in the red? YES, otherwise we wouldn't have bought the stock. There is also the chance that we end up somewhere in between.

We have, however, noted that once SaaS companies start showing sky-high growth rates, they are traded at insanely high multiples. If the management of WAND starts to deliver on the expectations they have for 2021 and 2022, the market will also turn around completely. Instead of looking at WAND with great skepticism, they will look at it as a strong growth case.

But even if we assume a 50/50 chance for ending up in eighter of the outcome extremes, the calculation looks like this:

- 50 % chance to achieve a 500% return within 2-3 years.
- 50 % risk to end up with a -50% return within 2-3 years.

This is a bet we would make any time. By following the case closely through the news flow, we hope to be able to deliver an even better risk/reward for Symmetry's investors.

An essential detail is that we don't expect WAND to be yet another loss-making SaaS company that trades at a high multiple without any prospect of turning a profit. As their revenue is +99% gross margin IP revenue, and they don't have any expenses for sales and marketing, the majority of costs are fixed R&D costs. This means that WANdisco will be able to achieve high 30-50% EBIT margins within 2-3 years as revenue growth picks up.

In these times, we see private investors buy one overvalued EV or SaaS stock after the other. If something even resembles a disrupting or climate-positive business idea, investors seem to flock to stocks that both lack revenue, and the possibility to generate it in the near future.

If you are the type of investor that likes to place your savings in potential moonshots, we suggest that WANdisco is a way better possibility. At least, they are a company with technology verified by both Amazon and Microsoft, and that generates revenue.

Once again, we would like to emphasize that we are not 100% sure that WANdisco will turn out to be a rocket stock, but we think that there is a decent probability. Therefore, we think it's worth taking the bet.

A probable acquisition candidate:

Another important point about WANdisco is that it is a natural acquisition candidate. It's a small company with a unique technology that operates in a huge market, that in addition already has cooperation agreements with giants such as Microsoft, Amazon, IBM, Infosys, etc. Where things can get really interesting is if they will become such an important strategic asset that you cannot afford to lose it to the competition. Right now, both Azure and AWS sellers are in the process of closing as many deals as they possibly can with the WANdisco technology. But what would happen if one of them made a takeover bid? Or what if a third player, like Snowflake, came in and bid on them? Snowflake is growing rapidly with a market value of roughly $100 billion, currently grabbing a large share of the market for new cloud customers. But one way for them to accelerate their growth would be to acquire WANdisco and move large amounts of Hadoop data directly into Snowflake. We have also seen IBM make more acquisitions within the cloud area in recent years. Since they are behind Azure and AWS in the cloud area, in particular, WANdisco could be a shortcut to success. The important thing is that AWS or Azure will in no way let someone else buy WAND. It is therefore my firm belief that if one player bids on WANdisco, there will be a significant bidding war to win this asset.

David Richards has previously shown that he has no sentimental attachment with WANdisco. He is a VC man, a major shareholder, and a director here to optimize shareholder value. For him, money means a lot. If a sale is the most obvious exit, I am convinced that he will try to play his cards right.

	NUMBER OF SHARES	% OF ISSUED ORDINARY SHARE CAPITAL
Invesco Ltd. (Oppenheimer)	5,000,000	10.36%
Davis Capital Partners, LLC	3,609,286	7.48%
T Rowe Price International	3,628,167	7.52%
Lombard Odier Asset Management (Europe) Limited	2,889,968	5.99%
Conifer Capital Management	2,844,177	5.90%
Swedbank Robur Fonder AB	2,700,000	5.60%
Dr Yeturu Aahlad	2,442,504	5.06%
Grant Dollens[1]	2,161,739	4.48%
David Richards	2,119,233	4.39%
Ross Creek Capital Management, LLC	2,025,000	4.20%
UBS Securities	1,572,135	3.26%

As can be seen, WANdisco has managed to attract some institutional investors over time. Whether this is because they think there is great potential in the company, or if they have fallen for David's sales pitch, will be left to your imagination.

A Nasdaq listing:

The last possible catalyst in the stock could be a Nasdaq listing. David have mentioned before that he has a desire to move WAND to Nasdaq as it's the perfect home for a fast-growing cloud company. And we have seen before with GAN that when you change for AIM to Nasdaq good stuff sometimes happens.

But as WAND is still in the process of accelerating the revenue, we think it's more of a H2 2021 or H1 2022 event.

Trading update:

WAND did a trading update on the 6th of January 2021 reconfirming the business progress since October and reiterating their guidance for 2021 of +35 mio. $ in revenue.

6 January 2021

WANdisco plc

("WANdisco" or the "Company")

Trading and business update

- *Expects to report preliminary revenue for FY20 of at least $10.5m*
- *Strong momentum in Q4 through Azure and AWS channels*
- *Expanding new business pipeline supports Board expectations for FY21*

WANdisco (WAND.L), the LiveData company, announces a trading update for the year ended 31 December 2020. Following the successful go-to-market launch of WANdisco's LiveData Platform for Azure and the introduction of metered billing, the Group sees a building pipeline of opportunities that reinforces Board expectations to deliver at least $35m revenue in FY21.

2020 saw significant strategic progress for the Company. The core product has been re-engineered from a traditional enterprise software platform to a cloud-first platform, which can be deployed in minutes without external assistance, enabling data transfer to begin immediately. As a result, the Company has launched the LiveData Platform for Azure, a native service within the Azure portal, and LiveData Migrator on the AWS Cloud. Across the year but predominantly in Q4, WANdisco signed 11 customers requiring data movement to the cloud: 8 for Azure and 3 for AWS. Through leveraging our cloud partners' sales teams, we expect to grow the customer base at a significantly faster rate in 2021 than in previous years.

As announced at the Group's interim results, a number of customers in H1 2020 delayed their LiveData Platform for Azure purchase decision to wait for the availability of metered billing. This led to an impact on revenue recognition with a proportion of FY20 booked revenue expected to fall into FY21. Following the introduction of metered billing in October 2020, the Company expects to report preliminary revenue for FY20 of at least $10.5m. Year-end cash position is approximately $21m with $5m in trade receivables.

Momentum has continued to build in H2 2020, with contracts won through both the Azure and AWS channels including a top three mobile operator, large Africa based financial services firm, and major US telecommunications business. The Group has also expanded relationships with key partners with a global agreement with Infosys announced in September and LiveData Migrator integrated into IBM's Big Replicate solution in December. In the last week of the quarter, the Company signed a c$600k subscription contract with a large US financial services company.

Since the go-to-market launch of WANdisco's Azure LiveData Platform in October there has been expanding pipeline development and customers have migrated in aggregate over 3PB of data. Current pipeline visibility supports the Board's expectation of migrating in excess of 100PB of data to the Azure cloud (with more than 50 customers signed over the year) and greater than 30PB into the AWS cloud in FY21.

David Richards, CEO and Co-founder of WANdisco said:

"In H2 2020 we delivered on our stated strategy and objectives, achieving metered billing and the go-to-market launch of our Azure product, coupled with significant progress with LiveData Migrator for AWS. We have entered FY21 with strong momentum, having continued to grow and convert our pipeline of opportunities with Azure and AWS in Q4, reinforcing our expectation to achieve at least $35m revenue in FY21."

The interesting part here is that we can conclude that Q4 have been a strong quarter. With +7,5 mio. $ in H2 (and we knew Q3 was weak due to postponements) Q4 revenue will come in around 6 mio. $ or around 24 mio. $ annualized. That WAND is already able to accelerate quarterly revenue only a few month after the launch is at least promising.