

16TH December 2024

Cirata plc
('Cirata' or the 'Company')

Contract Win and FY24 Guidance

Cirata secures c. 2m Live Data Migrator contract ("LDM contract") with IBM to support top 3 US bank, representing the largest IBM OEM Big Replicate Implementation to-date

Preference for one-year contract commitments vs. multi-year among certain major customers drives withdrawal of FY24 Bookings guidance

Summary

- Top 3 US bank signs a circa 2m LDM contract for a one-year term
- Represents Cirata's largest LDM contract signed to-date in financial services
- Largest Cirata implementation^[1] to-date through the IBM Big Replicate platform
- Certain major customers' purchasing preference for one-year terms & projected sales movement from Q4 to H1FY25 leads to withdrawal of FY24 bookings guidance
- Q4FY24 trading update expected to be provided in mid-January 2025

Cirata plc (LSE: CRTA) provides the following update on commercial momentum and FY24 Bookings guidance:

Top 3 US bank signs circa 2m LDM contract

The LDM contract announced today is for the sum of approximately 2m for a one-year term and it will commence on December 31, 2024.

Cirata views the LDM contract as the next step in its ability to provide long-term support to this top 3 US Bank as the customer builds out its Data Architecture and implements Cirata's LDM product into one of the most demanding enterprise environments. Key features of the LDM offering include live data movement at scale and without data loss, interoperability across multiple data platforms, and the avoidance of vendor lock-in. Cirata's future road map is closely aligned with this top 3 US bank as it represents the leading edge of data transformation within the enterprise.

The LDM contract also represents the first transaction completed under the terms of the new OEM agreement to integrate Cirata's LDM technology inside IBM's Big Replicate solution, previously announced on 2 October 2024. This will be the largest value contract for LDM since the restructuring of the Company in March FY23, the largest LDM contract to date in financial services and the largest implementation through the IBM Big Replicate platform.

Cirata's LDM technology allows Big Replicate customers to use a multi-cloud solution, leveraging the benefits of Watsonx.data (Artificial Intelligence ("AI")).

FY24 Bookings Guidance

In parallel with the announcement of the LDM contract, Cirata withdraws its FY24 bookings guidance. This is partly due to certain major customers opting for one-year terms rather than multi-year terms and some movement of pipeline opportunities and bookings expectations from Q4FY24 to H1FY25, which has caused a sufficiently wide variation to expected outcomes for bookings in FY24.

Cash overheads run rate is currently c. 5m for Q4, slightly better than expectations. Cash burn for Q4 will be dependent on the closing bookings and cash collection for the quarter once complete. It is anticipated that Q4FY24 cash burn will show sequential improvement relative to Q3FY24 (Q3FY24: c. 3.2m).

Management will update the market on the outcome for Q4FY24 in its regular quarterly trading update, expected in mid-January 2025. Also, supporting communication about this announcement and the progress of the business to date will be made available in the investor relation section of Cirata's website (<https://cirata.com/investors/reports-and-presentations>) in due course.

Stephen Kelly, CEO of Cirata commented:

"Cirata has set itself the challenge of delivering its LDM product to meet the needs of the most demanding enterprise technology environments. The announcement of the LDM contract through IBM Big Replicate proves Cirata is well positioned to meet those needs. We look forward to shaping a long-term relationship with this top 3 US bank as they build out their data architecture in response to the rapidly changing AI and Machine Learning landscape.

The recent renewal of our OEM agreement with IBM set the stage for the closure of this LDM contract, and so the win itself is doubly important. It is not only the largest transaction in the Company's history for LDM within financial services, it is also the largest implementation of LDM for Big Replicate through our highly valued partner IBM.

While today's announcement is a clear signal of our technology's capabilities and our own ability to build commercial trust, it is also a reminder that large contracts can make our business lumpy and that forecasting has indeed proved challenging. In parallel with the announcement of this new contract, Cirata withdraws its FY24 bookings guidance. This is mainly due to the LDM contract and one other contract being of a one-year rather than a multi-year term and the movement of pipeline opportunities and bookings expectations from Q4 FY24 to H1 FY25, which has caused a sufficiently wide variation to expected outcomes for bookings. Our focus continues to be on the long-term potential of our support for this top US bank, our partner IBM and our other customers.

I thank our colleagues for getting us towards the end of the recovery phase of the Company. We inherited a broken business from a peak annualized cost base of 45m per annum to a company exiting FY24 with a cash overhead of circa 20m per annum. Our cash burn in Q1FY23 was an unsustainable 11m per quarter and as we exit Q4, Cirata will be on a path towards cash flow breakeven. That adjustment has involved more than halving the workforce, with all the trauma that entails. However, our colleagues are responding to that challenge by building and hardening a differentiated product and selling successfully into one of the most demanding environments in IT. The Data Integration product performance has improved from -87% decline in Q1FY23 to 180% growth in the last reported quarter, Q3FY24.

Tomorrow we roll up our sleeves and go again as we seek to close out further opportunities in Q4 and move into the Growth phase from FY25".

Key performance indicators to date:

KPI	FY22 Q4	FY23 Q1	Q2	Q3	Q4	FY24 Q1	Q2	Q3
Headcount	177	193	127	109	112	116	107	92
Overhead	11.1m	9.4m	8.2m	7.0m	5.7m	6.2m	5.5m	5.3m
Bookings	2.2m	2.1m	0.7m	1.7m	2.7m	0.7m	1.7m	1.7m
DI Bookings	1.2m	0.2m	0.4m	0.5m	1.5m	0.3m	0.6m	1.4m
DI Growth	-43%	-87%	-69%	0%	25%	50%	50%	180%
Contract Activity	2	2	1	2	2	3	1	8
Cash Burn	10.3	11m	6.3m	7.9m	5.5m	4.9m	4.2m	3.2m

This announcement contains inside information under the UK Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of Cirata plc is Larry Webster, Company Secretary.

For further information, please contact:

Cirata Stephen Kelly, Chief Executive Officer Ricardo Moura, Chief Financial Officer Daniel Hayes, Investor Relations	+1 (925) 380 1728
FTI Consulting Matt Dixon / Kwaku Aning / Usama Ali	+44 (0)20 3727 1137
Stifel (Nomad and Joint Broker) Fred Walsh / Ben Good / Sarah Wong	+44 (0)20 7710 7600
Panmure Liberum (Joint Broker) Max Jones / John More	+44 (0)20 3100 2000

About Cirata

Cirata, accelerates data-driven revenue growth by automating data transfer and integration to modern cloud analytics and AI platforms without downtime or disruption. With Cirata, data leaders can leverage the power of AI and analytics across their entire enterprise data estate to freely choose analytics technologies, avoid vendor, platform, or cloud lock-in while making AI and analytics faster, cheaper, and more flexible. Cirata's portfolio of products and technology solutions make strategic adoption of modern data analytics efficient and automated. For more information about Cirata, visit www.cirata.com

[1] Implementation refers to the number of servers deployed with LDM

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