Investor Teach-In

20TH OCTOBER 2015

London, United Kingdom
Agenda

1. Introducing the team
2. Data Erasure Market Landscape
3. Blancco Unique Proposition
4. Size of Market Opportunity
5. Route to Market
6. Looking Ahead
My Background

Over 20 years experience in enterprise information security software, focused on medium-sized high-growth companies, owned by US software investors

- **Lumension**
  - Enterprise end-point management software
  - Privately owned
  - US based with global footprint
  - Chairman/CEO, 2006-2014
  - Acquired by Clearlake Capital in 2013

- **Cyberguard**
  - Application proxy firewall software
  - Nasdaq: CYBG
  - Chairman/CEO 2001-2006
  - Acquired by Secure Computing Corp for $295 million in 2006

*Other Directorships: Prolexic, eDMZ, K is for Kids Foundation*
Meet Our Leadership Team

- Pat Clawson, Chief Executive Officer
- Annie Wacker, VP | Global Marketing
- Amit Mahajan, Xcaliber Founder
- Mark Lambton, Chief Financial Officer
- Khalid Eilbiary, VP | Customer Experience
- Dan Smith, Director | Global Sales
- Sami Tuupanen, MD | Blancco Finland
- Fredrik Forslund, Director | DC/Cloud Erasure
Since Acquisition by Regenersis in April 2014

• New CEO
• Build out the top team
• Buy out country minorities
• Implement IFRS finance and controls
  
Build a professional caliber organisation

• Relocate HQ to USA
• Unifying Under Blanco Technology Group
• Tabernus acquisition
  
Refocus on the USA – the heartland of Infosec Software

• SafeIT acquisition
• Xcaliber investment
• SSD patent
  
Invest in our future growth and competitive advantage

• Deliver 42% revenue growth
  
Grow through a period of rapid change
Acquisition of Tabernus

**New Technologies**
- Hardware Platforms for Data Centers
  - Easier Licensing
  - Blackberry Erasure Technology

**Engineering Enhancements**
- Enhancing and Optimization of Engineering
- Develop the Strongest Product Portfolio

**Business Enhancements**
- More US centric sales / engineering / customer support organization.
  - Improve business practices.
## FY15 Group P&L

<table>
<thead>
<tr>
<th>£’000</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoiced Sales</td>
<td>15,649</td>
</tr>
<tr>
<td><strong>IFRS revenue adjustment</strong></td>
<td>(635)</td>
</tr>
<tr>
<td>Revenue</td>
<td>15,014</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(458)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>14,556</td>
</tr>
<tr>
<td>Overheads</td>
<td>(9,174)</td>
</tr>
<tr>
<td>Headline Operating Profit</td>
<td>5,382</td>
</tr>
</tbody>
</table>

**Headline Operating Profit Margin**

35.8%

*Invoice sales represent closed deals in the period, prior to deferral of subscription sales where, under IFRS accounting, revenue is spread over the contract term*
FY15 Group Cash Flow

<table>
<thead>
<tr>
<th>£’000</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline Operating Profit</td>
<td>5,382</td>
</tr>
<tr>
<td>Add back depreciation and amortisation</td>
<td>262</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>5,644</strong></td>
</tr>
<tr>
<td>Movement on working capital and other</td>
<td>(275)</td>
</tr>
<tr>
<td>movements</td>
<td></td>
</tr>
<tr>
<td><strong>Headline Operating Cash Flow</strong></td>
<td><strong>5,369</strong></td>
</tr>
<tr>
<td>Interest and tax paid</td>
<td>(781)</td>
</tr>
<tr>
<td>Purchase of PPE and R&amp;D expenditure</td>
<td>(1,643)</td>
</tr>
</tbody>
</table>

**Headline Operating Cash Conversion***

99.8%

*Continued investment in product development through R&D activity

*Headline Operating Cash Flow as a percentage of Headline Operating Profit
Financial performance

Revenue 2008-2015 CAGR 25.8%

Gross Margin
94%

EBITDA Margin
36%

Cash conversion*
99.8%

Note: 2008-2013 revenue adjusted to reflect changes in year ends and varying local accounting standards and data formats. Unaudited management information prior to 2013.

* Operating cash flow excluding taxation, interest payments and receipts, acquisition costs, and exceptional restructuring costs.
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Commercializing a Large Existing Activity

Our “Device End-of-Life” Erasure Opportunity

$2 Billion Market Opportunity

- Ignore
- Delete
- Reformat
- Reset

- Freeware erase
- Degauss
- Destroy

Blancco Certified Data Erasure Today

$22 million
Information Security: An Increasingly Critical Issue

Legal/ Regulatory Change

- EU GDPR and the “Right To Be Forgotten”
- ISO 27001, 27018, 27040
- Federal Information Security Management Act (FISMA)
- Federal Desktop Core Configuration
- Healthcare Information Protection & Accountability Act (HIPAA)
- Payment Card Industry Data Security Standard (PCI DSS)

High Profile Data Breaches

- Anthem
- Ashley Madison
- eBay
- Experian
- Sony
- Carphone Warehouse
- British Airways
Gartner on Data Wiping

“Highly motivated organizations are too often sloppy with unwanted hardware”

“By replacing physical destruction most organizations will be able to reuse or sell surplus equipment”

“Verify that your IT asset disposition (ITAD) vendor is following through on commitments to destroy data”

“News reports and hacker blogs brag about finding unwiped disks on eBay or in the trash heap”

“Implement policies that assign responsibility for all media carrying sensitive or regulated organizational data”

“Equipment is often cannibalized, borrowed or stolen when left in open-access areas”
Khalid Eilbiary
Vice President, Customer Experience

Former CEO of Tabernus.
Acquired by Regenersis, August 2015.
Why is end of life data hygiene a big challenge for enterprises?
Vast range of devices, brands, operating systems, and storage media
Spread out all around the world
With different local erasure standards

- TüV-SüD
- Certification Sécurité de Premier Niveau
- UK Defence INFOSEC
- Norwegian National Security Authority
- German BSI
- USA Department of Defense
- Netherlands Comm’s Security Agency
- Swedish Armed Forces
- The Polish Internal Security Agency
- NATO
- UK Comm’s Electronic Security Group
- Common Criteria (ISO15408)
- Czech NSA
- Japan’s Refurb. IT Equipment Association
- Information Systems Security Association
- National Assoc. for Information Destruction
- UK Asset Disposal & Information Security Alliance
- ADISA
- US National Information Assurance Partnership
How do enterprises destroy data today?
Non-Permanent Data Erasure
Free Data Erasure Tools

42 Free Data Destruction Software Tools (October 2015)

Here are several free data destruction software programs, sometimes called disk wipe software or hard drive eraser software. Last updated Oct., 2015.

Darik's Boot And Nuke - CBL Data Shredder - HDShredder Review - HDDErase
Physical Destruction
Electromagnetic Destruction
General Themes

- Insecure
- Unauditable
- Lack of Unified Process
- Uncontrolled
- Value Destructive
Fredrik Forslund
Director, Data Center & Cloud Erasure

Founder of SafeIT.

Acquired by Regenersis, September 2014.
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Blanco Client Proposition

- Permanent
- Auditable
- Centrally Managed
- Non-destructive
- Live Environment & End of Life
Global Reach

NORTH AMERICA
Offices in USA, Canada and Mexico

LATIN AMERICA
Entering Latin America with an office in Brazil in 2015

EUROPE
10 sales and support locations

ASIA
Five key locations including a development center in Pune, India

MENA
Expanding into MENA with an office in Dubai in 2015

AUSTRALIA/NZ
Based in Auckland supporting the region
Local Certifications

- TüV-SüD
- Certification Sécurité de Premier Niveau
- UK Defence INFOSEC
- Norwegian National Security Authority
- USA Department of Defense
- German BSI
- Netherlands Comm’s Security Agency
- Swedish Armed Forces
- NATO
- UK Comm’s Electronic Security Group
- Common Criteria (ISO15408)
- The Polish Internal Security Agency
- Czech NSA
- Japan’s Refurb. IT Equipment Association
- NAID National Assoc. for Information Destruction
- US National Information Assurance Partnership
- Information Systems Security Association
- Blancoc
- Extreme Protocol
- Kroll OnTrack
Blanco Management Console
Central Control & Visibility + Audit Trail

- Smartphones & Tablets
- Flash Media Storage Devices
- Files & Folders
- PCs & Laptops
- Server- & Storage Environments
- LUNs & Virtual Volumes
Live Environment Erasure:
A Shift from Device Lifecycle Management to Data Lifecycle Management

“...the provider to keep that data secure, and when it is deleted, the provider should ensure (or be able to prove) that it is permanently destroyed.”
Annie Wacker
Vice President, Global Marketing

Formerly with Gannett (NASDAQ: GCI)
And Lumension.
What do our target clients think?
Within the data erasure category, clients want above all to have an audit trail.

When selecting a data erasure solution…

67% of IT Executives state that a Digitally Signed, Tamper-Proof Audit Trail would 100% Affect Their Purchasing Decision.

Source: Launched Survey to random population within SurveyMoney. Responses received from 242 IT Managers/Directors and 256 IT Executives across 12 Countries, 17 Industries and equally dispersed from Company sizes of <50 Employees to 10,000+ Employees.
We can get better at competing for IT Executive share of mind

When prioritising alternative IT security investments…

Ease of execution is the top ranked criterion

Followed by

Addressing an existing problem

And

Ability to report on the effectiveness of the product/solution

Source: Launched Survey to random population within SurveyMoney. Responses received from 242 IT Managers/Directors and 256 IT Executives across 12 Countries, 17 Industries and equally dispersed from Company sizes of <50 Employees to 10,000+ Employees.
Case Study: Cloud Magna

The Customer

Provides hybrid cloud infrastructure for public and private sector organizations, such as corporations, academic institutions, SMEs and government agencies.

The Challenge

Cloud Magna is the largest IT provider for the federal government in Mexico. Progressive government policies have increased pressure on companies to prove that data is erased permanently. Cloud Magna had used Symantec products, but it became clear that these could not guarantee certified erasure or a 100% tamper-proof audit trail.

The Solution

• Blancco Management Console monitors, tracks and reports on erasures regularly
• Cloud Magna’s customers can now see and prove that all devices are truly erased

80% Annual revenue safeguarded
3 MILLION Federal government employees
$3.8 MILLION Saved in data breach costs
Case Study: Samsung Japan Corporation

The Customer
A division of Samsung Electronics, specializing in semiconductor components, including memory, system LSI, TFT-LCD, and organic EL products, based in Japan.

The Challenge
Samsung Japan needed a solution to prevent the leakage of confidential data, such as technical information and customer details from the internal SSDs of the smartphones, tablets and PCs used by staff. Its existing solution required disassembling the devices to record serial numbers for auditing purposes, a time and resource consuming task.

The Solution
- Blancco Management Console monitors, tracks and reports on erasures regularly
- Samsung Japan can now see and prove that all devices are truly erased in a fraction of the time

- 70% Faster than previous erasure method
- 84% Less man hours than previous erasure method
- 3 Working Days Gained per employee per year
# Case Study: eBay Korea

## The Customer

| eBay Korea buys second-hand smart devices from Gmarket, South Korea’s largest shopping mall website, also run by eBay Korea, with the support of second-hand IT device dealer Kumkang Systems. |

## The Challenge

With the Korean second-hand device market experiencing explosive growth, eBay Korea began remarketing used devices. One of their greatest concerns was the risk of data leakages from the used devices and ensuring each and every one had been securely erased.

## The Solution

- Blanco Mobile Solution can erase up to 50 devices simultaneously, without disturbing or damaging the operating system.
- Certified erasure report provides a 100% tamper-proof audit trail

<table>
<thead>
<tr>
<th>900 MM Euros</th>
<th>INCREASED TRUST</th>
<th>PRICELESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of the second-hand smart device market in Korea</td>
<td>Among citizens</td>
<td>Mitigated risk of high-value data leaks</td>
</tr>
</tbody>
</table>
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End-of-Life Erasure

End of life enterprise devices (including BYOD), globally (billions)

Target Addressable Market: $2 billion +

*Assumption of $1/Erasure on Device
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A sales driven organisation

Headcount (excluding Xcaliber & Tabernus)

<table>
<thead>
<tr>
<th></th>
<th>End FY14</th>
<th></th>
<th>End FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>72</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Admin</td>
<td>22</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td>29</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 123
Total: 144
A high volume sales business

Average Invoiced Sales Per Client (rolling 12 month trend)
(Clients >€10,000 p.a – 300 clients, 85% of Sales in FY15)

€61,000 at Q1 FY16
Routes to Market

IT Asset Disposition
Partners deploying BTG technology to serve enterprise clients

Service Providers
Expanding list of global service providers reselling BTG technology

Enterprise
Leading global enterprises, as well as government, directly deploying BTG technology

Example clients
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Management Priorities for FY16

1. **Maintain Blancco CAGR**
   Focus on execution in sales, marketing, and client experience

2. **Grow the USA**
   Hire and train enterprise sales professionals to target key verticals.

3. **Drive New Technologies Sales Globally**
   Extend our Mobile and Live Environment products out across our global footprint

4. **Invest in Xcaliber Diagnostics**
   Further strengthens our traditional USPs for ITADs and Service Partners – and opens up new markets

5. **Leverage Marketing, Sales Management and Ecommerce**
   Increase our lead flow and conversion rates – and move small accounts to e-fulfilment
## Growing our products of the future

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEE Products</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Mobile Erasure</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>2%</td>
<td>15%</td>
</tr>
<tr>
<td>IT Erasure</td>
<td>77%</td>
<td>56%</td>
</tr>
</tbody>
</table>

100% 100%

*Share of Volume, Management Plan (pre-contingency)*
## Competition

We are not alone, but we are different

<table>
<thead>
<tr>
<th></th>
<th>PC/Laptop/Server</th>
<th>Appliance</th>
<th>Mobile</th>
<th>Cloud/Virtual</th>
<th>SSD</th>
<th>Central Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kroll Ontrack</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>White Canyon</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>EPS</td>
<td>X</td>
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<td>ultratec</td>
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<td>X</td>
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<tr>
<td>Destruct Data</td>
<td>X</td>
<td>X</td>
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<td>ITRenew</td>
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<td>X</td>
<td>X</td>
<td>X</td>
</tr>
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</table>

Level of Data Erasure Complexity
Investing into Our Future Leadership

- Live Environment Erasure
- Device Diagnostics
- Patented Technology
- Technology partnerships
- Indirect channel development
- Leveraging our scale advantage
Conclusions

**Disruptive Information Security Play**
- Replacing existing sub-par processes

**$2bn addressable market**
- With larger future potential

**Global leadership position**
- With scope to entrench our lead

**Strong growth track record**
- Driven by recurring revenue and increasing ARPU

**Exceptional cash generation**
- Driven by strong profit margins and upfront cash collection

**Strong global team**
- Led by experienced – and motivated – software veterans