

June 3, 2019

Blanco

Capital Markets Event

Blanco Leadership Team

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Matt Jones
Chief Executive Officer



Adam Moloney
Chief Financial Officer



Alan Bentley
President Global Sales



Russ Ernst
Executive Vice President,
Products and Technology



Anders Klemmer
Vice President,
Business Development



Sarah Smith
Director of HR

- Strategic Overview
- Blanco: Mobile and the Market Opportunity
- Blanco: Enterprise and the Market Opportunity
- Blanco: ITAD and the Market Opportunity
- Financial Overview
- Summary & Outlook

- ✓ **Developed a 3-year strategic plan focusing on key markets in which Blanco can be a market leader**
 - Long-term strategy built on company strengths
- ✓ **Strengthen executive and operational management team**
 - Right breadth of skills to drive growth and value
 - Added new leadership – CFO, Business Development, HR
 - Strong executive leadership in sales and product/engineering
- ✓ **Investments have been made over the past 12 months to position for growth**
 - Focus on technical innovation to strengthen product portfolio, especially in mobile area
 - Expand distribution capabilities for the enterprise market
- ✓ **Business delivered solid trading performance while important change was being implemented**

✓ **Become the market-leading company for erasure and diagnostic software**

- Focus on three markets – Mobile, Enterprise, ITAD
- Further product innovation
- Strategic partnership

✓ **Industry leading position in the ITAD market**

- Focus on growth in Mobile and Enterprise whilst preserving position in ITAD market

✓ **Long-term strategy based on Blanco's strengths**

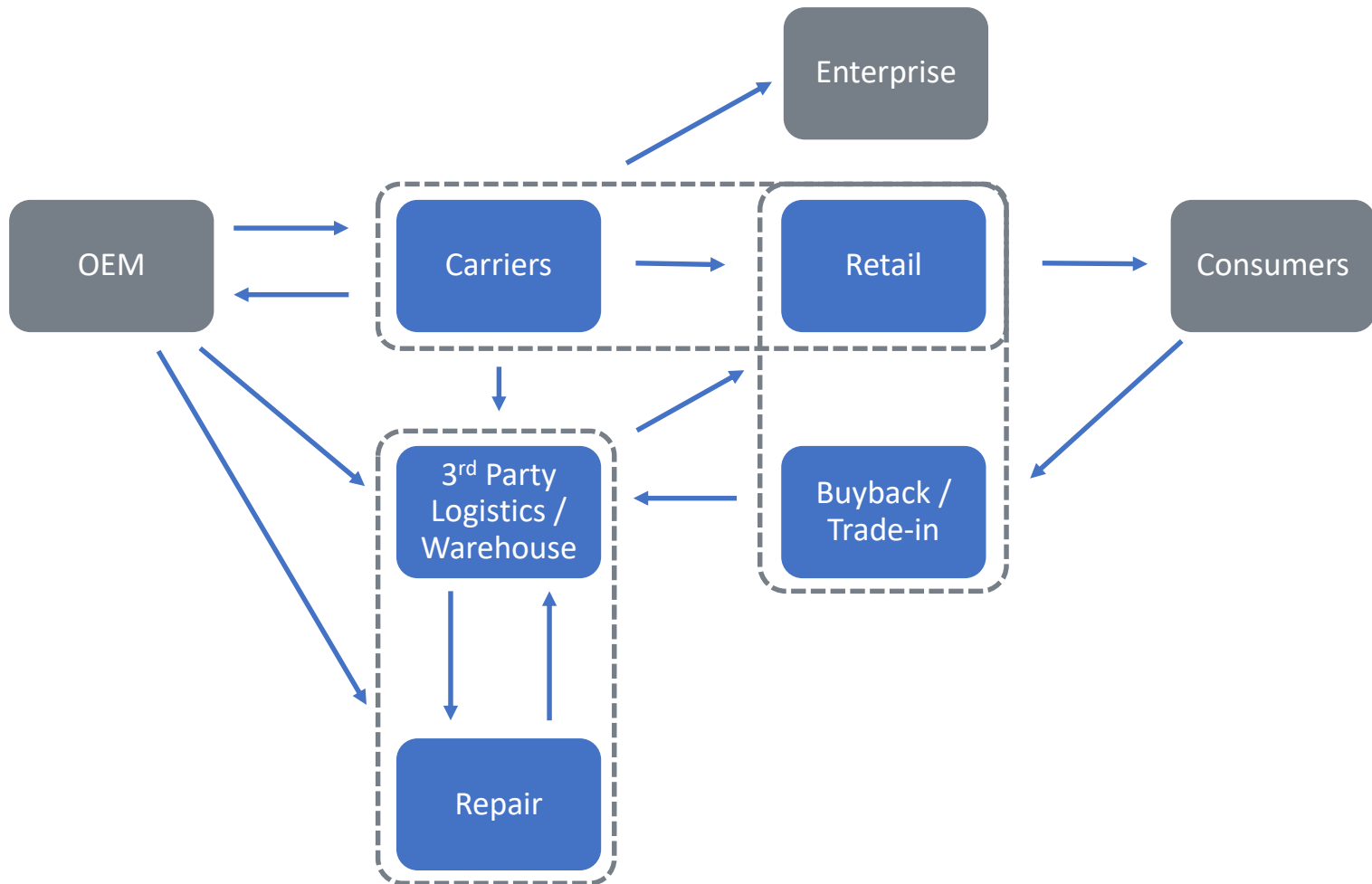
- The broadest set of technologies to serve the customer base
- 1400+ satisfied customers that include the largest Enterprise, Carriers and ITADs
- Worldwide footprint to sell and service our target markets
- Initial relationships with leading technology companies

✓ **Focus will deliver growth**

- The 3 market segments all have immediate needs to buy Blanco's products today
- Favourable trends from regulation, security risks and technology change
- Inherent synergies between the market segments
- Leadership in these markets position Blanco to be a leader in future opportunities

3 Major Subsegments in Mobile Ecosystem

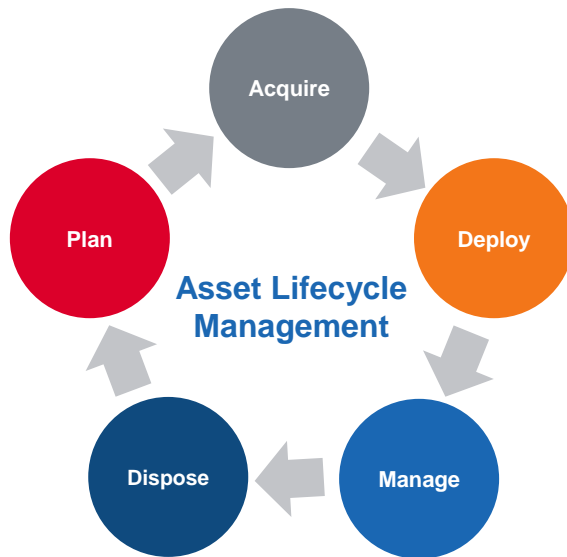
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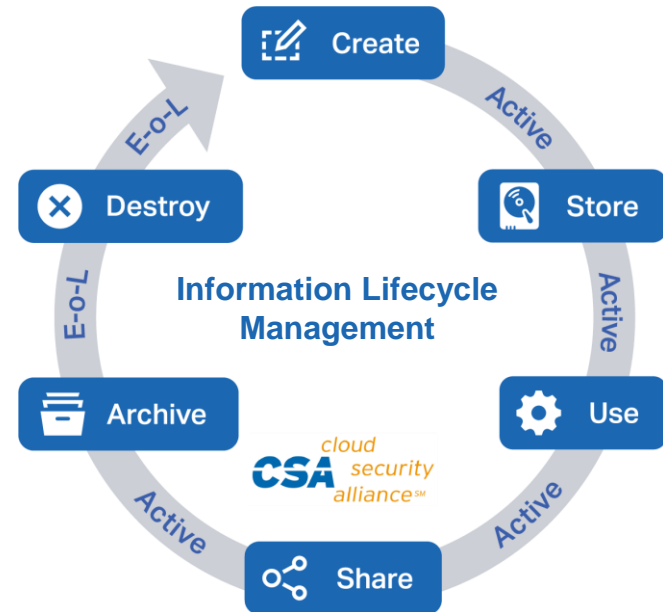
How the Markets Buy the Product Today:

Asset Lifecycle vs. Information Lifecycle Approach

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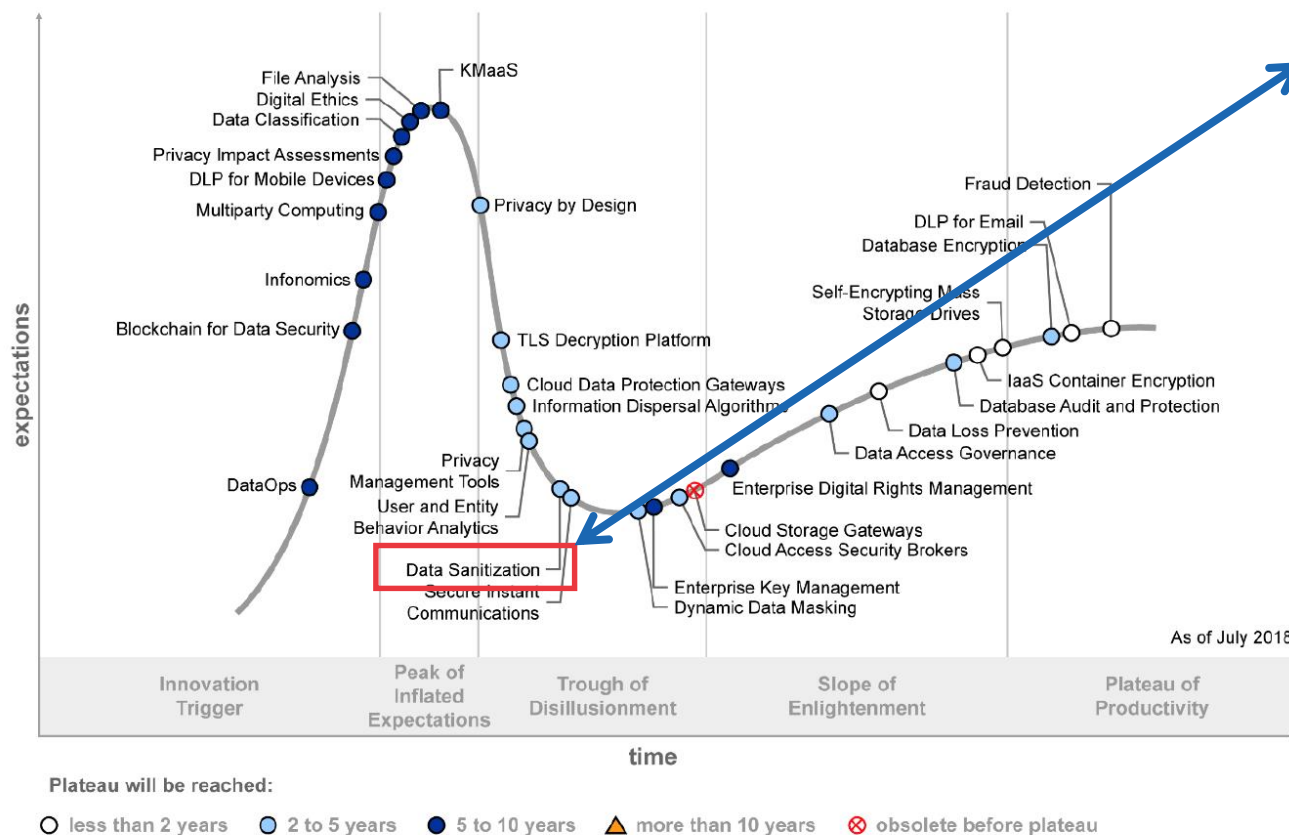
IT Asset Disposition / Mobile



Enterprise

Gartner Hype Cycle for Security: Data Sanitisation

Figure 1. Hype Cycle for Data Security, 2018



‘Data Sanitisation’ will hit mainstream adoption between 2018 – 2021.

Source: Gartner (July 2018)

Blanco: Mobile and the Market Opportunity

✓ **Market Dynamics**

- Large market, high growth
- Diverse set of small competitors
- Buyers driven by improved efficiencies, increased customer satisfaction, analytics to understand health of the phone (longer-term)
- Potential for consolidation over time

✓ **Strategic Focus**

- Create a leadership position in the Mobile Asset Lifecycle space by providing a broad range of software based processing solutions that reach across the 3 major market segments
- Blancco can build a chain of custody/history for each device (e.g. a health record of each device) removing the friction within the Mobile Asset Lifecycle

✓ **Development Focus**

- Organic development will be focused on core strengths
 - Erasure, Workflow, Development of APIs framework, partner integration
- Other development includes consumer facing app and cosmetic grading
- Mobile lifecycle analytics

Secondary Device Market: A Seismic Opportunity

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Lucrative

Secondary mobile
device market by 2022*

\$57Bn

Growth

Device collection by
2022**

140M
Devices

2017

290M
Devices

HUGE Value

Average return for every
used device traded in*

\$155
(£122)

Present

\$173
(£136)

* IDC ** Counterpoint Research

58%

Consumers have never traded in a device.*

64%

Consumers would trade in a device if greater assurances were made around responsible data security.*

59%

Consumers called for stronger regulation to prevent breaches of their personal information.*

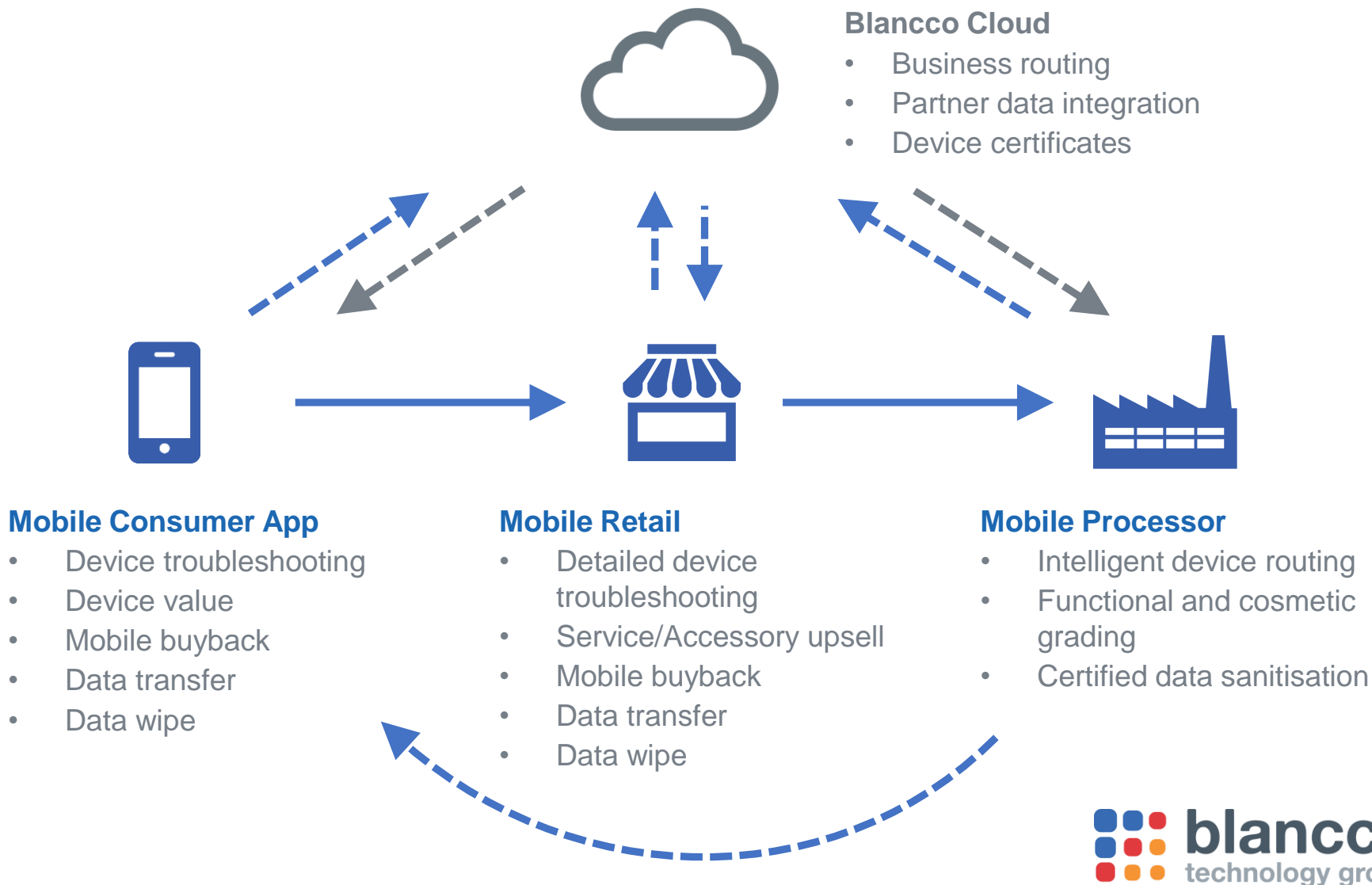


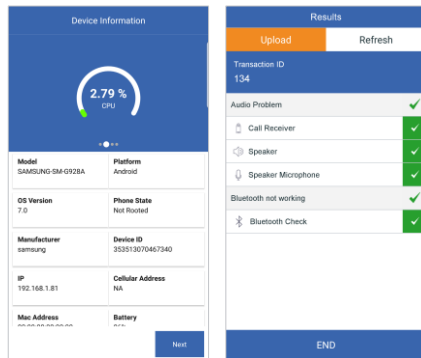
✓ **Mobile device remarketing is anchored in Consumer Trust**

- Consumers must have high trust that their old device data will not fall into the wrong hands

✓ **Consumers need to understand the value of their unused devices**

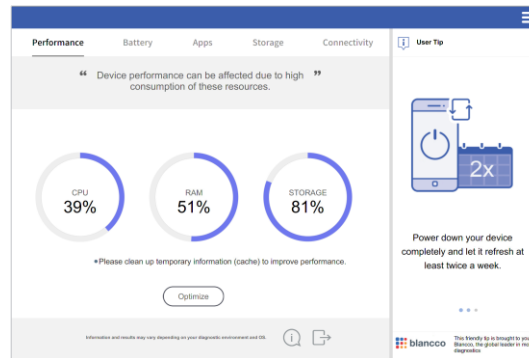
- Value decreases over time, so devices must be processed quickly to retain as much residual value as possible
- Value is determined by type of device and condition of the device, so devices must be identified quickly and assessed thoroughly





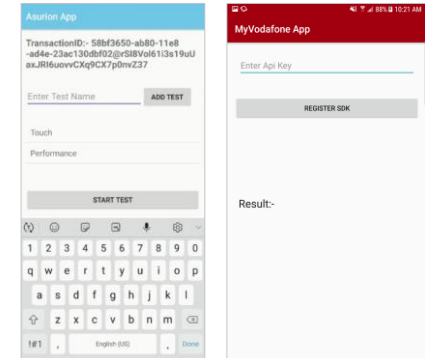
Mobile App

Mobile app-based diagnostics solution for customer self-service and remote support



Retail Kiosk

Hardware based diagnostics solution deployed in a retail store



Mobile SDK

Mobile SDK to embed diagnostics into client apps



Mobile Workflow

Patent-Pending

- Systems and methods for providing workflows for performance of mobile processing
- Includes but not limited to Mobile Erasure and Diagnostics
- Significant importance to the Mobile Asset Processing Ecosystem



Mobile Device Erasure

Patent-Pending

- Permanent erasure of all data from smartphones and tablets
- iOS, Android, Windows and BlackBerry operating systems
- Iterative erasure and verification process to remove previously stored content
- Mitigates against poorly implemented factory reset methods



Android Battery Wear

Patent-Pending

- Determine battery wear based on log data collected on the device
- Wear level is the percentage of the Actual Capacity lost from the original Design Capacity
- Log data includes charge intervals, charge times and durations fed into a proprietary algorithm



Crypto-Erase Verification

Patent-Pending

- Designed to build on popularity of “factory-reset” in mobile devices or firmware based erasure has executed properly
- Validates successful execution of embedded OEM sanitisation or cryptographic data lock procedures
- Intended for use with emerging technologies

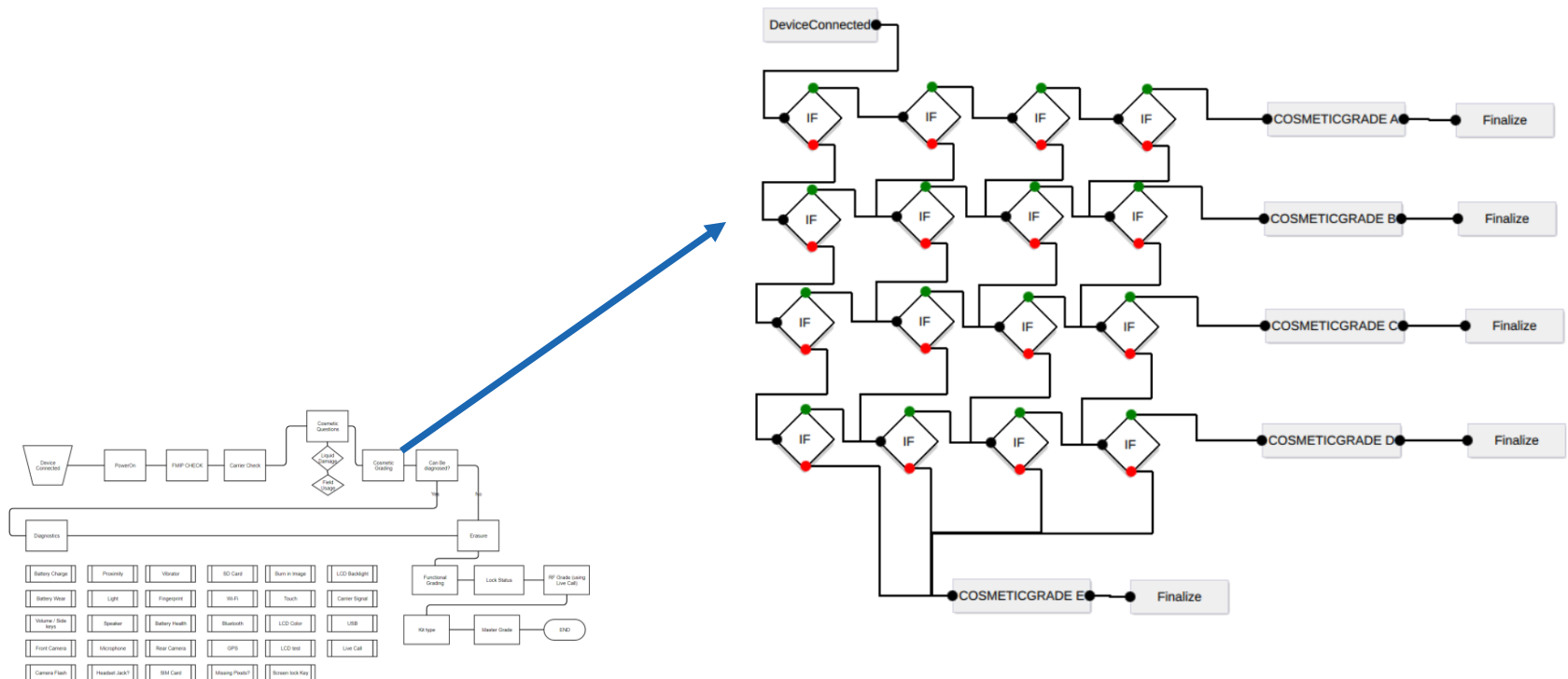


Intelligent Diagnostics

Patent-Pending

- Use built-in device components to assist in automating functional tests
- Actuators, loudspeaker, vibration motor, microphone, etc.
- For example, to test the speaker use the built-in microphone to measure the speaker output

In the example of the Wireless Device Grading Scales and Criteria published by CTIA in December, we have mapped a Workflow for the cosmetic grading process. This is just one of the boxes from the architecture shown on the previous slide.





Mobile Workflows

- 3-year deal with leading device insurance firm
- Improved efficiency for data erasure process was required in their warehouse environments
- Company purchased Blancco Mobile Eraser for 3 sites across the globe



Carrier / 3PL



Goal

Acquisition / Account Mgmt.



Current
Sales Model

Direct



Future
Sales Model

Direct

Retail



Goal

Customer Acquisition



Current
Sales Model

Direct



Future
Sales Model

Direct

Blanco: Enterprise and the Market Opportunity

✓ **Market Dynamics**

- Very large market, high growth
- Little software competition
- Customer awareness has held demand back, though market dynamics are quickly changing customer interest
- Buyers driven by compliance, security and privacy

✓ **Strategic Focus**

- Blancco will provide data sanitisation software that integrates within the Enterprise ecosystem of products that manage data throughout the Information Lifecycle
- Blancco will build on its early leadership position by initially focusing on the Data Centre market
 - A market where the product/market fit is high and initial use cases are well defined
 - Provides a springboard into the larger enterprise market

✓ **Development Focus**

- Organic growth arising from further development of Cloud-based offerings
- Robust APIs architecture to support OEM and integration into broader enterprise applications
- Data Erasure analytics

Data stored in Data Centres
to grow 4.6x



2021 – 1.3 ZB



2016 – 286 EB

Data stored on devices will be
4x higher than data stored in
data centres



2021 – 5.9 ZB

- ✓ Two in five global organisations waste more than \$100,000 a year storing useless IT hardware that could pose a security or compliance risk.
- ✓ 54% of these companies have been cited at least once in the past 2 years by a regulatory/governing body for failure to comply with state, federal or international data protection laws such as GDPR.



✓ **Data management in the Enterprise is centered around Compliance**

- Security teams create compliance requirements, Operations teams enforce the requirements
- Recent data protection regulations are requiring updates to compliance requirements

✓ **Compliance is monitored through Enterprise IT management systems**

- Blancco's data erasure solutions provide Enterprise IT teams an easy way to standardise and automate their data sanitisation policies across the entire data lifecycle
- With every erasure, you'll receive a tamper-proof, digitally-signed certificate to prove compliance with data privacy regulations, internal policies and customer requirements

When to perform data erasure in the enterprise

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Customer Demand

The Right to be Forgotten allows EU citizens to request removal of their data from your system.

Employee Onboarding & Departures

Protect against data breaches at transition points in your hardware's chain of custody and use.

Equipment End-of-Life

When a server, storage, device or other IT asset is ready to be reused, resold or discarded – any data must be erased.



Cloud Exit

When you are exiting a cloud service or a managed services provider is handling your data, data erasure policies must still be enforced to keep control over the data.

Data Migration

When data is moved from one location to another, from an old server to a new one, or virtual machine to another – the original data location must be erased.

Disaster Recovery Exercises

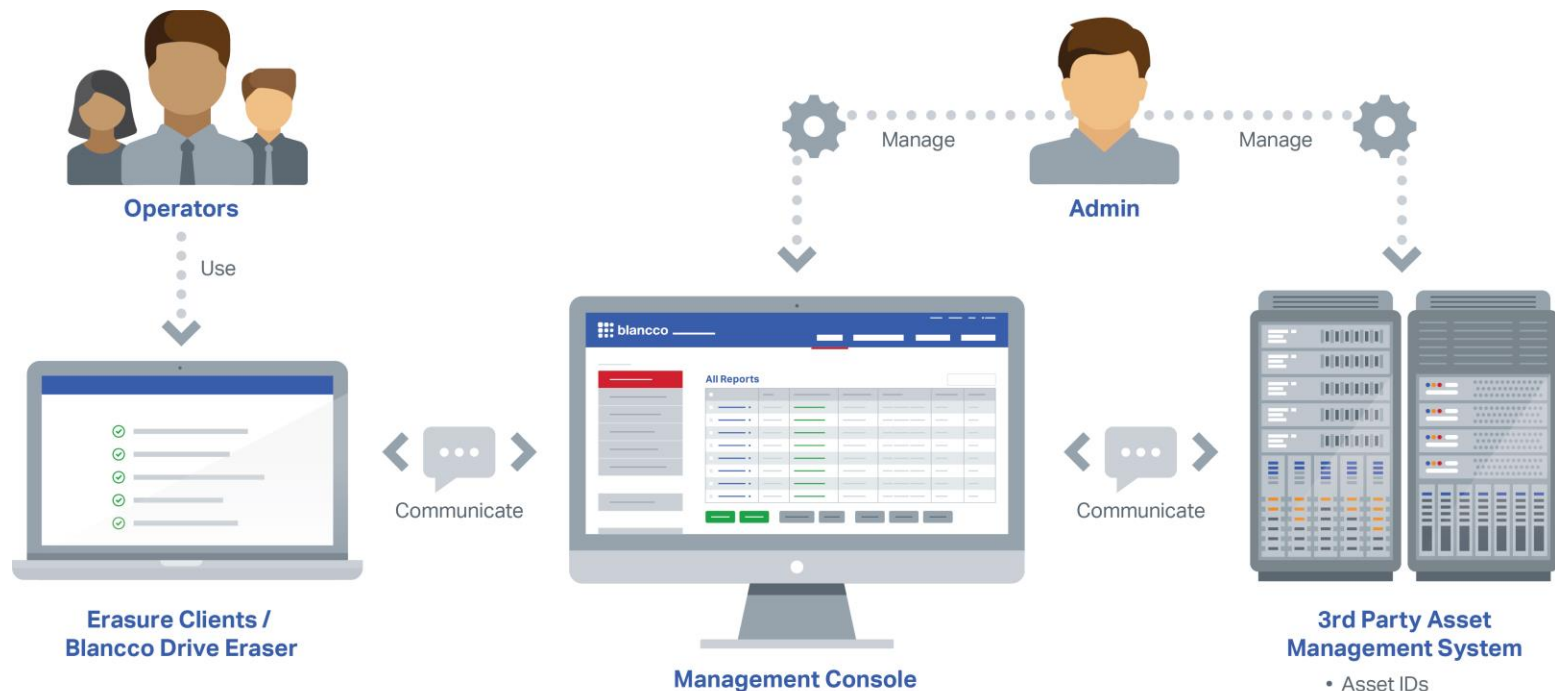
Following the successful restoration of production systems, any data left on the recovery disks should be erased.

Data End-of-Life

When data is no longer needed on any storage device, policies can enforce the erasure of virtual machines, files and folders with automated routines within your existing systems.

Server decommissioning example:

- 4,000 servers decommissioned overnight
- Each server had 6x1TB SATA HDD. **Total 24,000 drives**
- Erasure time was 5-8 hours. **Total time from start (boot up) to finish (report collection): 10 hours**
- Erasure method was NIST 800-88 Clear



Two-Way Communication



Erasure Process for NVMe in High-Speed Fabric

Patent-Pending

- Extension of the granted Blancco proprietary SSD erasure approach
- Targets functionality used in Data Centre and Enterprise environments
- Target large mass storage arrays comprised of NVMe devices



User Guidance Based on Erasure Reports

Patent-Pending

- Guide user on best erasure method based on accumulated data of previous erasures on that drive model
- iOS, Android, Windows and BlackBerry operating systems
- Iterative erasure and verification process to remove previously stored content
- Mitigates against poorly implemented factory reset methods



Data Erasure Agent

Patent-Pending

- Remotely deploys Blancco's industry leading data erasure technology
- Unique ability to remotely erase data from different media types in a consistent way across any geography at any time.
- Reduce costs, drive operational efficiencies and improve their overall security posturing

- Data centre deal with listed biotechnology company through Ingram Micro distributor
- A new corporate security policy required all assets with a hard drive that have failed or reached end of life require data erasure
- Company bought hardware appliance in 4 main data centres around the globe and a software solution for their remote sites



Enterprise



Goal

Customer Acquisition



Current
Sales Model

Direct and Channel



Future
Sales Model

Channel

Data Centre



Goal

Customer Acquisition



Current
Sales Model

Direct and Channel



Future
Sales Model

Channel

Blanco: ITAD and the Market Opportunity

✓ **Market Dynamics**

- Small market, slower growth
- Consolidation continues by the largest ITAD companies
- Blancco is the dominate supplier to the market
- Buyers driven by improved efficiencies

✓ **Strategic Focus**

- Maintain our industry leading position in the ITAD market while limiting investment from a product and sales & marketing perspective
- Leverage strong relationships with major ITADs to expand our business into the Enterprise market

✓ **Development Focus**

- Product innovation will be driven by the Data Centre and Enterprise markets

For more than 20 years, Blanco has enabled ITADs to securely and efficiently process a wide range of IT assets, including servers, loose drives, PCs and laptops, mobile devices and removable media.

In addition, with Blanco data erasure solutions, ITADs can create a full audit trail with tamper-proof, digitally-signed certificates to prove compliance with external regulations and adhere to customer requirements.

Hardware Report



Hardware Details

Manufacturer: FUJITSU
 Chassis Type: Notebook
 Model: LIFEBOOK E751
 Serial: DSCD061519
 UUID: BAE00203-C51F-E111-8B14-B09928D15744
 Processor: GenuineIntel, Intel(R) Core(TM) i5-2430M CPU @ 2.40GHz, Cores: 2, Stepping: 7, External Clock: 100 MHz, Voltage: 1.2 V
 Memory Bank: 802C, 4096MB, 1333MHz, Synchronous, SODIMM, Serial: FD6B1D40
 Memory Bank: Kingston, 4096MB, 1333MHz, Synchronous, SODIMM, Serial: 6B0EFC87
 Total Memory: 8192MB, Free Memory Banks: 0
 Graphics Card: Intel Corporation (0x0086), 2nd Generation Core Processor Family Integrated Graphics Controller (0x116), 256MB
 Sound Card: Intel Corporation (0x0086), 6 Series/C200 Series Chipset Family High Definition Audio Controller (0x1c20)
 Storage Controller: Intel Corporation (0x0086), 6 Series/C200 Series Chipset Family 6 port Mobile SATA AHCI Controller (0x1c03)
 Disk: 1 SanDisk, SD8TN8U512G2000, Firmware: X4161100, Serial: 172714423375, 512GB / 1000215216 sector(s), USB/SSD, Sector Size: 512, Accessible Region: 512GB / 1000215216 sector(s), HPA: Unidentifiable, DCO: Doesn't exist, Health Status: N/A

Self-monitoring Attributes

ID	Attribute Name	Flag	Value	Worst	Threshold	Type	Updated	Raw Value
0x05	Reallocated Sector Count	0x0032	100	100		Old age	Always	0
0x09	Power On Hours	0x0032	100	100		Old age	Always	238
0x0C	Power Cycle Count	0x0032	100	100		Old age	Always	15517
0xA5	Unknown_Attribute	0x0032	100	100		Old age	Always	70452070
0xA6	Unknown_Attribute	0x0032	100	100		Old age	Always	8
0xA7	Unknown_Attribute	0x0032	100	100		Old age	Always	42
0xA8	Unknown_Attribute	0x0032	100	100		Old age	Always	17
0xA9	Unknown_Attribute	0x0032	100	100		Old age	Always	401
0xAA	Unknown_Attribute	0x0032	100	100		Old age	Always	0
0xAB	Unknown_Attribute	0x0032	100	100		Old age	Always	0
0xAC	Unknown_Attribute	0x0032	100	100		Old age	Always	0
0xAD	Unknown_Attribute	0x0032	100	100		Old age	Always	16
0xAE	Unknown_Attribute	0x0032	100	100		Old age	Always	15502
0xB8	End-to-End Error	0x0032	100	100		Old age	Always	0
0xB8	Reported Uncorrect	0x0032	100	100		Old age	Always	0
0xB9	Command Timeout	0x0032	100	100		Old age	Always	44
0xC2	Temperature Celsius	0x0022	87	83		Old age	Always	1638433
0xC7	UDMA CRC Error Count	0x0032	100	100		Old age	Always	0
0xE5	Head Amplitude	0x0032	100	100		Old age	Always	35390000
0xE8	Available Reservd Space	0x0033	100	100	4	Pre-fail	Always	100
0xE9	Media Wearout Indicator	0x0032	100	100		Old age	Always	8175
0xEA	Unknown_Attribute	0x0032	100	100		Old age	Always	8383
0xF1	Total LBAs Written	0x0030	253	253		Old age	Offline	8130
0xF2	Total LBAs Read	0x0030	253	253		Old age	Offline	2294
0xF4	Unknown_Attribute	0x0032	0	100		Old age	Always	0

Disk: 2

TOSHIBA, MQ04UBF100, Firmware: JU002U, Serial: Z79ATK7GT, 1000GB / 1953525168 sector(s), USB, Sector Size: 512, Accessible Region: 1000GB / 1953525168 sector(s), HPA: Unidentifiable, DCO: Doesn't exist, Health Status: N/A

Self-monitoring Attributes

ID	Attribute Name	Flag	Value	Worst	Threshold	Type	Updated	Raw Value
0x01	Raw Read Error Rate	0x000B	100	100	50	Pre-fail	Always	0
0x02	Throughput Performance	0x0005	100	100	50	Pre-fail	Offline	0
0x03	Spin Up Time	0x0027	100	100	1	Pre-fail	Always	3075
0x04	Start/Stop Count	0x0032	100	100	0	Old age	Always	177
0x05	Reallocated Sector Count	0x0033	100	100	50	Pre-fail	Always	0
0x07	Seek Error Rate	0x000B	100	100	50	Pre-fail	Always	0
0x08	Seek Time Performance	0x0005	100	100	50	Pre-fail	Offline	0
0x09	Power On Hours	0x0032	100	100	0	Old age	Always	310
0x0A	Spinup Retry Count	0x0033	103	100	30	Pre-fail	Always	0
0x0C	Power Cycle Count	0x0032	100	100	0	Old age	Always	108
0x0F	G-Sense Error Rate	0x0032	100	100	0	Old age	Always	20
0x00	Power-Off Retract Count	0x0032	100	100	0	Old age	Always	35
0x01	Load/Unload Cycle Count	0x0032	100	100	0	Old age	Always	373
0x02	Temperature Celsius	0x0022	100	100	0	Old age	Always	1441816
0x04	Reallocated Event Count	0x0032	100	100	0	Old age	Always	0
0x05	Current Pending Sector Count	0x0032	100	100	0	Old age	Always	0
0x06	Offline Uncorrectable	0x0030	100	100	0	Old age	Offline	0
0x07	UDMA CRC Error Count	0x0032	100	100	0	Old age	Always	0

Hardware Diagnostics and SMART Attributes



And help you prove compliance with auditors.

According to the Cloud Security Alliance, it falls to “...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.”

We have the certifications, approvals and recommendations to prove our solutions meet highest standards

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Global Certifications



NYCE



Netherlands National
Comms. Security Agency



National Cyber
Security Centre



Federal Service for Technical
and Export Control



Japan's Refurb. IT
Equipment
Association*



BSI - Federal Office
for Information Security



Certified for Common Criteria
(ISO15408)



Swedish Armed
Forces



Central Information
Systems Security Division

ABW

The Polish Internal
Security Agency

* update in progress

** UPDATE: The DipCog group has been disbanded and will be re-branded as DyCips. Once this new authority is up and running we will be able to move our existing certifications across and obtain new certifications on our new products. Our DipCog accreditation is still valid at this time, and Blancco continues to monitor this situation.

Global Approvals and Recommendations



Asset Disposal &
Information Security Alliance

NSM

Norwegian National
Security Authority



Defence INFOSEC
Product Co-Operation
Group of the UK**



TÜV Saarland



Finnish Communications
Regulatory Authority



NATO*

Third-Party Endorsements

Ontrack*

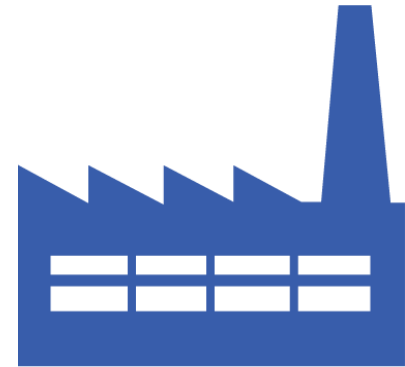
Ontrack

The only software company that diagnoses and erases a wide array of IT assets from a single solution

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- Major U.S.-based ITAD purchasing licenses for on-site erasure at it's enterprise customer locations
- 3-year contract with attractive margins
- Signed new Partner Service agreement for “Erasure-as-a-Service” product



ITAD



Goal

Retention / Account Mgmt.



**Current
Sales Model**

Direct



**Future
Sales Model**

Direct

✓ Sales

- Additional Channel Heads to drive correct implementation and maintenance
- Global Sales Engineering to ensure consistency and professional engagements with large Enterprise solutions
- Continued investment in Training

✓ Marketing

- Increased marketing spend on lead generation, focusing on Enterprise and Mobile markets
- Create and release more market studies on data centre and second-hand mobile phone markets
- Substantially increased marketing support for channel partners (MDF funds)

Financial Overview

£'m	H1 FY19	H1 FY18 restated	Growth	FY18 restated
Revenue	14.6	12.3	+19%	26.9
Gross profit	13.7	11.8	+16%	25.8
Admin Expenses	(13.1)	(13.3)		(26.6)
Operating Profit / (Loss)	0.6	(1.5)		(0.8)
Exceptional and Acquisition (income) / costs	(0.7)	1.2		1.4
Amort. of acquired intangibles	1.3	1.3		2.6
Share based payments	0.4	(0.4)		(0.3)
Adjusted administrative expenses	(12.1)	(11.2)	+7%	(22.9)
Adjusted Operating Profit	1.6	0.6		2.9
<i>Depreciation</i>	<i>0.1</i>	<i>0.1</i>		<i>0.2</i>
<i>Amort of non acquired intangibles</i>	<i>1.3</i>	<i>1.1</i>		<i>2.3</i>
Adjusted EBITDA	3.0	1.8	+71%	5.5
<i>Adjusted Operating Profit margin</i>	<i>11.3%</i>	<i>4.5%</i>		<i>10.8%</i>
<i>Adjusted EBITDA margin</i>	<i>20.7%</i>	<i>14.4%</i>		<i>20.2%</i>

- Revenue growth of 19% with similar growth in constant currency terms
- Administrative expenses increased in the year due to investment in marketing and R&D
- Significant AOP and AEBITDA growth driven from strong revenue performance in the period
- Investments made in H1 will be fully costed in H2 and FY2020

Revenue	H1 FY19 £'m	H1 FY18 restated £'m	Growth %	% of Revenue
Enterprise & Data Centre	4.7	3.6	30%	32%
Mobile	5.0	4.6	10%	34%
ITAD	4.9	4.1	20%	34%
Group Total	14.6	12.3	19%	

Revenue	H1 FY19 £'m	H1 FY18 restated £'m	Growth %	% of Revenue
North America	5.3	4.4	23%	37%
Europe	5.6	4.6	22%	38%
Asia and ROW	3.7	3.3	10%	25%
Group Total	14.6	12.3	19%	

- Strong performance in all regions, in particular North America
- 48% growth in channel revenue year on year, now representing approximately half of Enterprise & Data Centre revenues
- Approximately 75% of revenue comes from existing customers
- No customer represents more than 10% of the whole

Summary

- ✓ Developed and implemented a 3-year strategic plan to drive growth
- ✓ Long-term strategy built on company strengths
- ✓ Strong executive and operational management team to execute strategy
- ✓ Investments have been made over the past 12 months to position for further growth
- ✓ Business delivered solid trading performance from a growth and profitability perspective