

Positive momentum
with data security
and sustainability
supporting continued
growth

**Final results for the year ended
30 June 2020**



FY 2020 Highlights

COVID-19 Impact

Market Drivers

Sustainability

Customer Use Cases Highlighting Progress in FY 2020

Financial Review of FY 2020 Results

Summary & Outlook

Agenda

Financial

- i** Revenue growth of 9% to £33.4m (FY19: £30.5m)
- i** Adjusted Operating Profit increased by 14% to £4.0m (FY19: £3.5m)
- i** Adjusted EBITDA increased by 17% to £8.1m (FY19: £7.0m)
- i** Net cash increased from £0.1m to £6.7m

Operational

- i** Acquired Inhance entity ("Blanco Ireland") now fully integrated
- i** Achieved Advanced Technology Partner status with Amazon Web Services ("AWS") and launched services on AWS marketplace
- i** Launched key strategic partnerships with Deloitte India and Aon
- i** Continued innovation with nine new patents filed relating to the mobile offering
- i** Awarded London Stock Exchange Green Economy mark

FY 2020 Highlights

Short Term View

- i** Enterprise sales cycles lengthened, budgets held up. Channel business was most affected
- i** Largest ITADs seeing short term increase in business as demand for hardware increased to support shift in WFH
- i** Mobile market was affected as retailers were closed, fewer phones moving through the ecosystem

Medium/Long Term Trends

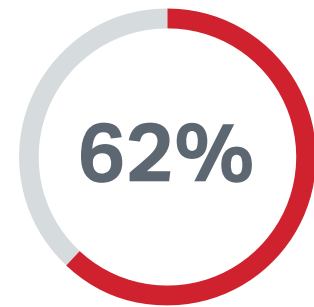
- i** Enterprise will see increased demand for Erasure services: WFH driving new security and compliance needs, more aggressive Data Life Cycle Management, ESG movement is accelerating
- i** Mobile growth gradually returning with introduction of 5G adoption, Iphone 12 introduction, IOT and other mobile devices become more mainstream
- i** ITAD should remain a healthy, medium growth market as demand for IT assets grows, ESG push from the top, consolidation in the industry continues

Limited exposure to hardest hits sectors. Retail represents 2.9% of expected recurring revenue in FY 2021, Travel is 0.1%.

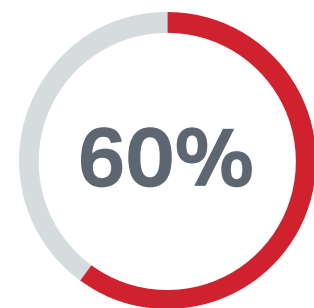
Effect of COVID-19 on Blanco

Market Drivers

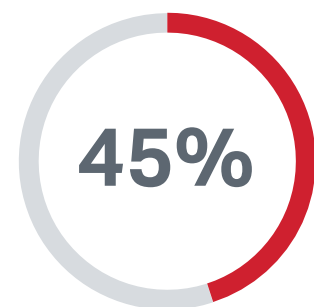




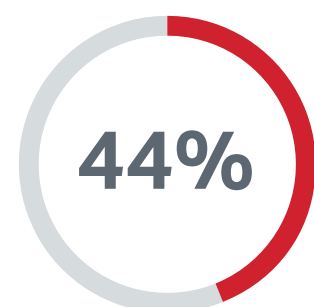
Consider emerging data privacy regulations as a medium/high priority



Rate data disposition requests as a medium/high priority



Do not have a team to handle data disposition requests



Have undertaken efforts specifically aimed at data disposition

Why data disposition?

The need for effective data disposition is evidenced by the EY and IAPP 2019 Annual Privacy Governance Report, which indicates that 300+ of EY clients focused on understanding data and its location and recognize data disposition as a data security challenge.

Consumer drivers:

- i** Increased awareness regarding misuse of personal information and general distrust due to data breaches.
- i** The right to access data and request its deletion.

Regulatory drivers:

- i** Rise in data privacy regulations, e.g., the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), increase the burden on organizations to manage and understand data.

Business drivers:

- i** Realization of the risk of sensitive data being stored beyond business useful life and the potential data breach implications.

Use case drivers:

- i** Organizations' unique needs for driving business through the consumption of data and data analytics.

Drivers behind
the changing
data disposition
landscape

Gartner



Growing concerns about data privacy and security, leakage, regulatory compliance, and the ever-expanding capacity of storage media and volume of edge computing and IoT devices are making **robust data sanitization a core C-level requirement for all IT organizations."**

Source: Gartner report on Hype Cycle for Endpoint Security, July 2020

“Data lifecycle management technology innovations represent an existential threat to organisations that don’t embrace them, but also an unparalleled opportunity for those that do”

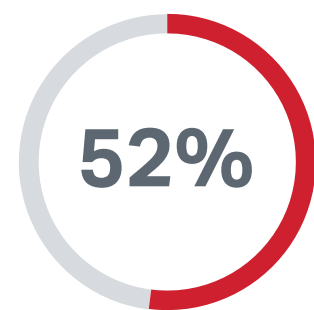
Gartner 2020 Planning Guide of Data Management



Companies must ingrain Data Lifecycle Management into all parts of their business

Sustainability

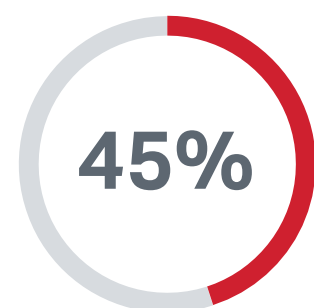




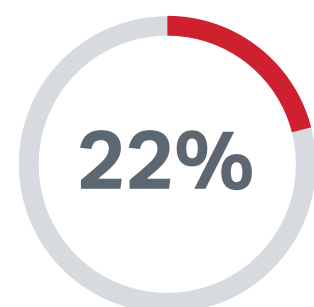
Believe it's more secure vs other methods.



Believe it's easier & quicker vs other methods.



Believe it's cheaper vs other methods.



Don't have different SSD & HDD
processes for physical destruction.

Source: Blanco commissioned report on Poor Sustainability Practices, April 2020

Physical Destruction Misconceptions

	Physical Destruction	Blanco Data Erasure Software
Achieves Data Sanitization	✓	✓
Certificate of Erasure for Every Asset, Proving Compliance with 25+ Global Standards	✗	✓
Supports CSR Initiatives	✗	✓
Secure Chain of Custody	✗	✓
Patented Technology, Providing 100% Sanitization of SSDs	✗	✓
Erase Data in Live Environments with No Downtime	✗	✓
Cost-Effective Method	✗	✓
API Integration with Existing Enterprise Systems	✗	✓
Assets Can be Reused, Resold or Donated	✗	✓

Physical Erasure vs. Physical Destruction

Environmental impact

Blanco's solutions help businesses by supporting them to transition towards more sustainable circular business models and away from less environmentally friendly methods of data and device destruction.

Blanco's work reduces environmental harm by avoiding the necessity of landfill waste and drives the circular economy by enabling reuse of devices, thereby lessening the demand for more products.

Based on information gathered from customers, an estimated 75.9m kilograms of electronic equipment was securely sanitised and during the year, with a pre-use carbon footprint of 5.6bn kilograms.

Governance impact

Blanco data erasure solutions have been tested, certified, approved and recommended by 15+ governing bodies and leading organizations around the world, supporting its c.1,800 customers meet increasing governance and data security standards

Our positive impact as a business



ESG Dashboard

We are committed to our people

- Established Global Employee Forum
- Conducted Employee Survey – 77% engagement score
- Quick response to COVID-19 and deployment of business continuity plans
- Ongoing welfare programme across the business

28% of our workforce is female



Our environmental footprint

- SECR data to come

ESG Reporting

- Blanco will be publishing a Sustainable Accounting Standards Board referenced ESG report in October 2020

Responsible business

Customer Use Cases highlighting progress in FY 2020



Customer Need:

- i** Large consulting and advisory company needed the capabilities to erase data off a variety of devices and storage types and to be able to track the activity from a single source

Blanco Solution:

- i** Blanco provided a complete enterprise suite of products—Drive Eraser, File Eraser, LUN Eraser, Virtual Machine Eraser and provide all the reports through our Management Console

Blanco progress in FY 2020:

- i** Blanco signed a 3 year contract for Asian division of the advisory firm
- i** Marketing programs have been created to identify opportunities to expand our footprint of products in all large customers

Enterprise Customer Use Cases

Customer Need:

- i** Enterprise budgets are getting squeezed with COVID-19, even as risks from compliance and security are increasing

Blanco Solution:

- i** Expand our distribution networks to include partners that have access to broader budget with the customer

Blanco progress in FY 2020:

- i** Signed new distribution agreements with Amazon Web Services and Deloitte (India)



Enterprise Customer Use Cases

Customer Need:

- i** A healthcare company had hundreds of old end-of-life assets that were sitting around and needed to be decommissioned. The company also has a strong corporate push to be carbon neutral.

Blanco Solution:

- i** The healthcare organization assessed Blanco offerings through Bayside Solutions, a Blanco Managed Service Provider that leveraged our Blanco Erasure-as-a-Service ("EaaS").

Blanco progress in FY 2020:

- i** Blanco worked with Bayside Solutions and the CO2Neutral program, a practical, cost saving option for organisations to receive financial value for their End-of-First-Life ("EOFL") technology while generating carbon credits
- i** The solution was provided at zero cost to the healthcare company and produced 157 verified carbon credits



Enterprise Customer Use Cases

Customer Need:

- i** Carriers and their Mobile Logistic partners need to quickly and effectively process millions of phones that are returned every year

Blanco Solution:

- i** Blanco Mobile Device Eraser and Intelligent Business routing is the most efficient solution in the market

Blanco progress in FY 2020:

- i** New multi-year contract with Nordics' leading online marketplace for refurbished iPhones
- i** New contract with Australia largest Mobile Carrier
- i** New contract with Asian mobile device financing company

Mobile Customer Use Cases

Customer Need:

- i** Insurance companies can not easily judge the condition of the device before insuring it, leading to excess claims

Blanco Solution:

- i** Blanco allows an app based approach to remotely diagnosis device before they are issued. Our solution can be built into existing onboarding solutions the industry is using

Blanco progress in FY 2020:

- i** Aon identified Blanco as the industry leader in on-board device diagnostics technology - building Blanco into insurance programmes across Europe & Asia



Mobile Customer Use Cases

Customer Need:

- i** ITADs are driven by efficiency of their operations and finding new sources of revenue

Blancco Solution:

- i** Intelligent Business Routing allows ITADs to increase operational efficiencies
- i** Eraser as a Service ("EaaS") allows ITADs to their customers provide both onsite and remotely

Blancco progress in FY 2020:

- i** Signed significant multi-year contracts with largest ITADs globally

North America



EMEA



APAC



ITAD Customer Use Case

Financial Highlights FY 2020



Income Statement



£'m	FY20	FY19 (Restated)	Growth
Revenue	33.4	30.5	+9%
Cost of goods sold	(1.8)	(1.5)	
Gross profit	31.6	29.0	+9%
Admin Expenses	(31.6)	(28.9)	
Operating Profit	0.0	0.1	
Exceptional and Acquisition costs	(0.3)	(0.1)	
Amort. of acquired intangibles	2.9	2.6	
Share based payments	1.4	0.9	
Adjusted administrative expenses	(27.6)	(25.5)	+8%
Adjusted Operating Profit	4.0	3.5	+14%
Depreciation	1.1	0.9	
Amort of non acquired intangibles	3.0	2.6	
Adjusted EBITDA	8.1	7.0	+17%
Adjusted Operating Profit margin	12.1%	11.6%	
Adjusted EBITDA margin	24.3%	22.8%	

- Revenue growth of 7% at constant currency, 3% organic and constant currency
- Adjusted EBITDA margin increased to 24.3% from 22.8% in FY 2019
- COVID-19 impact slowed growth moderately in H2 2020
- Headcount increased from 272 to 312 including 19 from Blanco Ireland

Balance Sheet



£'m	FY20	FY19 (Restated)
Non current assets		
	76.9	71.7
Current assets / (liabilities)		
Inventory	0.1	0.1
Debtors	7.3	7.4
Trade & other payables	(8.8)	(9.9)
Contingent consideration	(0.3)	(0.3)
Provisions	(0.2)	(0.8)
Tax asset / (liability)	0.3	(0.2)
	(1.6)	(3.7)
Net cash		
	6.7	0.1
Non current liabilities		
Provisions	(0.1)	(0.3)
Deferred tax	(3.5)	(3.6)
Other non-current liabilities	(1.0)	(2.0)
	(4.6)	(5.9)
Net assets	77.4	62.2

- Increase in Goodwill due to acquisition of Blanco Ireland
- Balance sheet has been strengthened due to the share placing in July 2019 which raised £6.0m net of Blanco Ireland acquisition
- Trade payables reduction following payment of expenses relating to the acquisition in prior year
- RCF paid down in the year (£6.5m), the Group now has no external borrowings
- Reduced debtor balance despite increase in revenue
- Balance sheet grossed up following IFRS16 adoption - £1.4m addition within PPE and other payables

Cashflow



£'m	FY20	FY19 (Restated)
Adjusted Operating Profit	4.0	3.5
Depreciation on Property, Plant and Equipment	1.1	0.9
Amortisation of intangible assets	3.0	2.6
Adjusted EBITDA	8.1	7.0
Decrease/(increase) in receivables	0.4	(0.3)
(Decrease) in payables, accruals and provisions	(2.4)	2.3
Acquisition costs	0.3	(0.5)
Exceptional income / Restructuring costs	0.9	0.6
Adjusted Operating Cash Flow (AOCF)	7.3	9.1
AOCF as % of Adjusted EBITDA	90%	131%

- Net cash of £6.7m vs opening net cash of £0.1m
- Adjusted operating cashflow of £7.3m, representing cash conversion of 90%
- AOCF return to normalised level following exceptional cash generation in FY 2019

Revenue by Segment & Geographical



Revenue	FY20 £'m	FY19 £'m	Growth %	CC Growth %
Enterprise & Data Centre	11.7	10.3	13%	11%
ITAD	10.9	10.2	7%	6%
Mobile	10.8	10.0	8%	5%
Group total	33.4	30.5	9%	7%

Revenue	FY20 £'m	FY19 £'m	Growth %	CC Growth %
Americas	10.1	10.7	(6%)	(9%)
Europe	12.5	11.4	9%	10%
Asia and ROW	10.8	8.4	28%	24%
Group total	33.4	30.5	9%	7%

- Enterprise market continues to see good momentum with growth of 13% in the year.
- Mobile growth includes £1.2m of revenue from newly acquired Blanco Ireland subsidiary. This has been partly offset by the change in contractual terms with a mobile retailer in the year.
- ITAD growth of 7% is in line with the growth expectations in the market
- Growth has been particularly strong in APAC, with North America impacted by the mobile retailer contract detailed above. Excluding this contract, growth in North America would have been 9%.

Summary & Outlook



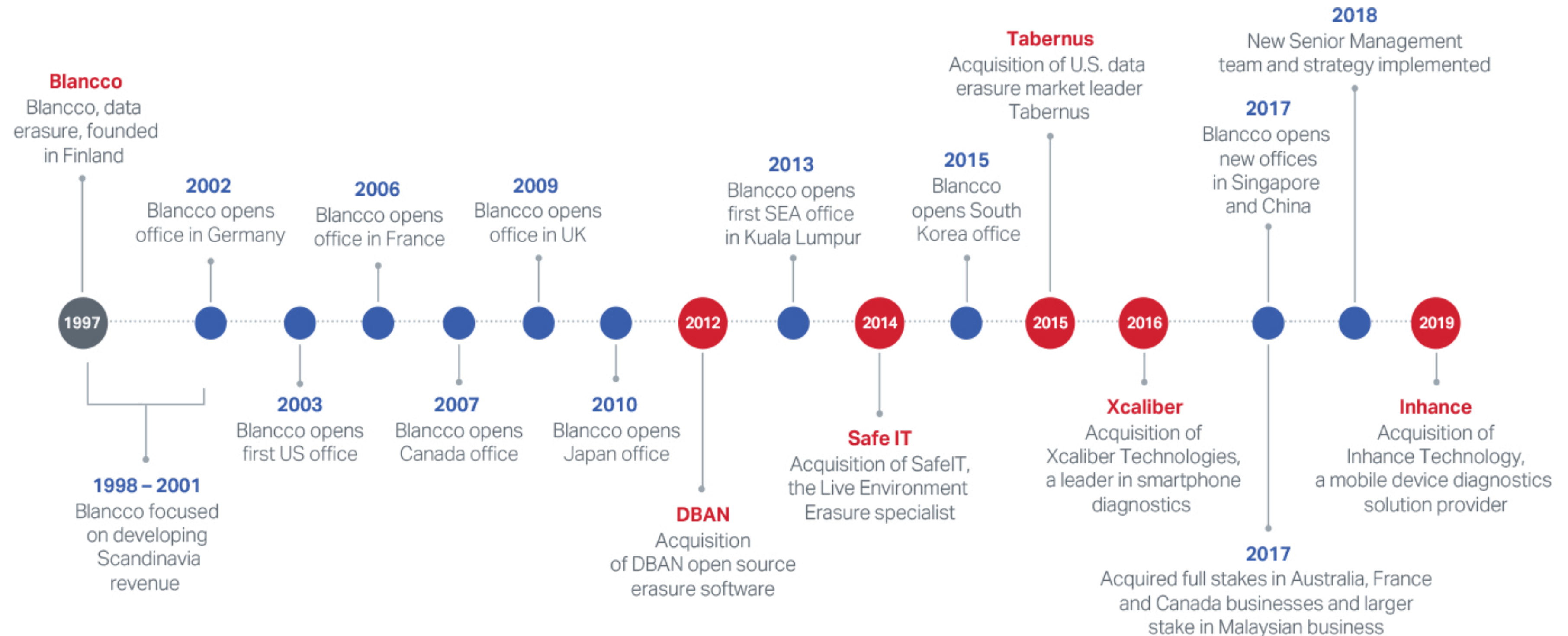
- ✓ Grew revenue and profit in very uncertain market
- ✓ Filed nine new patents
- ✓ Successful integrated Inhance into Blanco
- ✓ Strengthened balance sheet
- ✓ Migrated seamlessly to WFH environment and have now opened up the majority of offices
- ✓ Expanded relationships with key global players in distribution network to extend our reach into the Enterprise segment
- ✓ Modest COVID-19 disruption expected to continue through H1 FY 2021
- ✓ Confidence that regulatory and sustainability drivers will enable sustained medium term growth

Summary & Outlook

Appendices



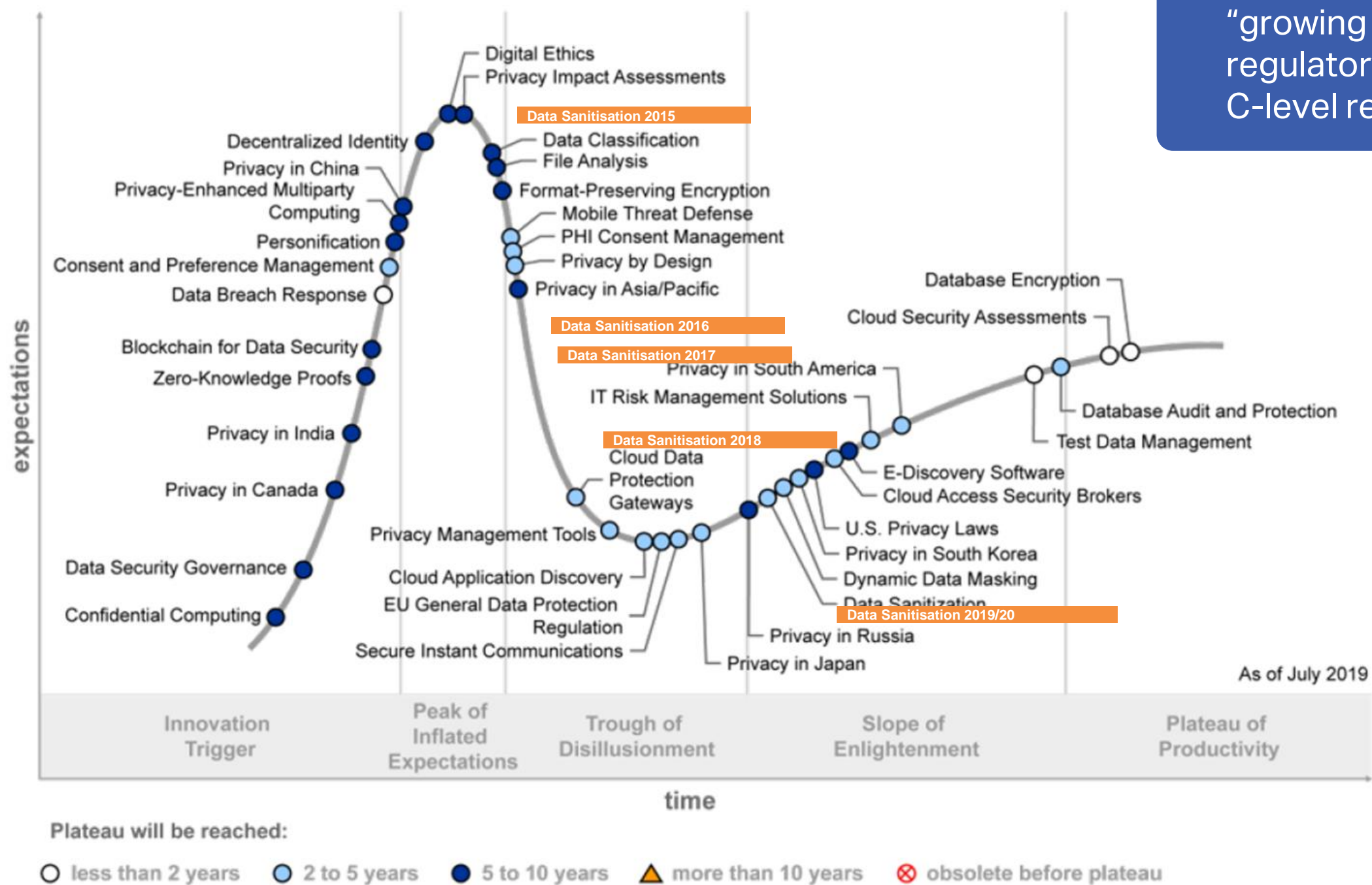
Company Timeline: A Track Record of Innovation and Growth



Gartner Hype Cycles for Data Security, Endpoint Security and Privacy



Hype Cycle for Privacy, 2019



“growing concerns about data privacy and security, leakage, regulatory compliance, ... are making robust data sanitisation a core C-level requirement for all IT organisations”

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



Global Certifications



NYCE



Netherlands National
Comms.Security Agency



National Cyber Security Centre



Federal Service for
Technical and Export
Control



The Polish Internal Security
Agency



BSI - Federal Office for
Information Security*



Certified for Common Criteria
(ISO15408)



Swedish Armed Forces



Central Information
Systems Security
Division

** update in progress*

Global Approvals and Recommendations



Asset Disposal &
Information Security
Alliance



Norwegian National
Security Authority



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



TÜV Saarland



Finnish
Communications
Regulatory Authority



NATO*

Third-Party Endorsements



And Supported Standards



We go above and beyond to achieve compliance

We meet the highest standards for secure data erasure in accordance with privacy and security regulations across the globe. Blanco Data Eraser solutions support 25+ erasure standards, including:

- ✓ Air Force System Security Instruction 5020
- ✓ Aperiodic Random Overwrite
- ✓ Australian Government Information Security Manual (AGISM)
- ✓ Blanco SSD Erasure
- ✓ Bruce Schneier's Algorithm
- ✓ BSI-GS
- ✓ BSI-GSE
- ✓ CESS CPA – Higher Level
- ✓ DoD 5220.22 M
- ✓ DoD 5220.22 MECE
- ✓ NIST 800-88 Clear
- ✓ NIST 800-88 Purge
- ✓ Firmware Based Erasure
- ✓ Extended Firmware Based Erasure
- ✓ HMG Infosec Standard 5, Higher Standard
- ✓ HMG Infosec Standard 5, Lower Standard
- ✓ National Computer Security Center (NCSC-TG-025)
- ✓ Navy Staff Office Publications (NAVSO P-5239-26)
- ✓ NSA 130-1
- ✓ OPNAVINST 5239.1A
- ✓ Peter Gutmann's Algorithm
- ✓ U.S. Army AR380-19
- ✓ Royal Canadian Mounted Police RCMP TSSIT OPS-II
- ✓ BSI-2011-VS
- ✓ Cryptographic Erasure
- ✓ TCG Cryptographic Erasure
- ✓ Random Byte Overwrite (3x)





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-Erasure 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

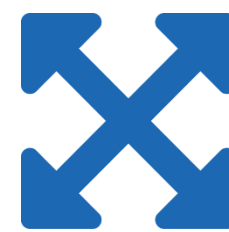
- Use built-in device components to assist in automating functional tests
- Actuators, loudspeaker, vibration motor, microphone, etc.
- For example, to test the speaker use the built-in microphone to measure the speaker output



Erasure Process for NVMe in High-Speed Fabric

Patent-Pending

- Extension of the granted Blanco 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 Blanco'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

What we do: The leading software company that diagnoses and erases a wide array of IT assets from a single solution.



Blanco Drive Eraser

Enables on-site automatic over the network erasure of desktops at end of life or redeployment. High speed, efficient erasure of complex HDD, SSD and NVMe drives

Blanco Mobile Solutions

Diagnose and erase smartphones and tablets within mobile processing facilities, retail stores or call centers

Blanco Removable Media Eraser

Erasure of removable flash media devices stored within smartphones, tablets, network routers and cameras through a dedicated plug and play Windows application.



Blanco Management Console

Centralized Data erasure reporting across your entire IT asset portfolio – Managed On-Premise or in the Cloud

Blanco Virtual Machine Eraser

Securely erase selected Virtual Machines at end of life with full audit trail

Blanco File Eraser

Erasure of files and folders on active PCs and servers

Blanco LUN Eraser

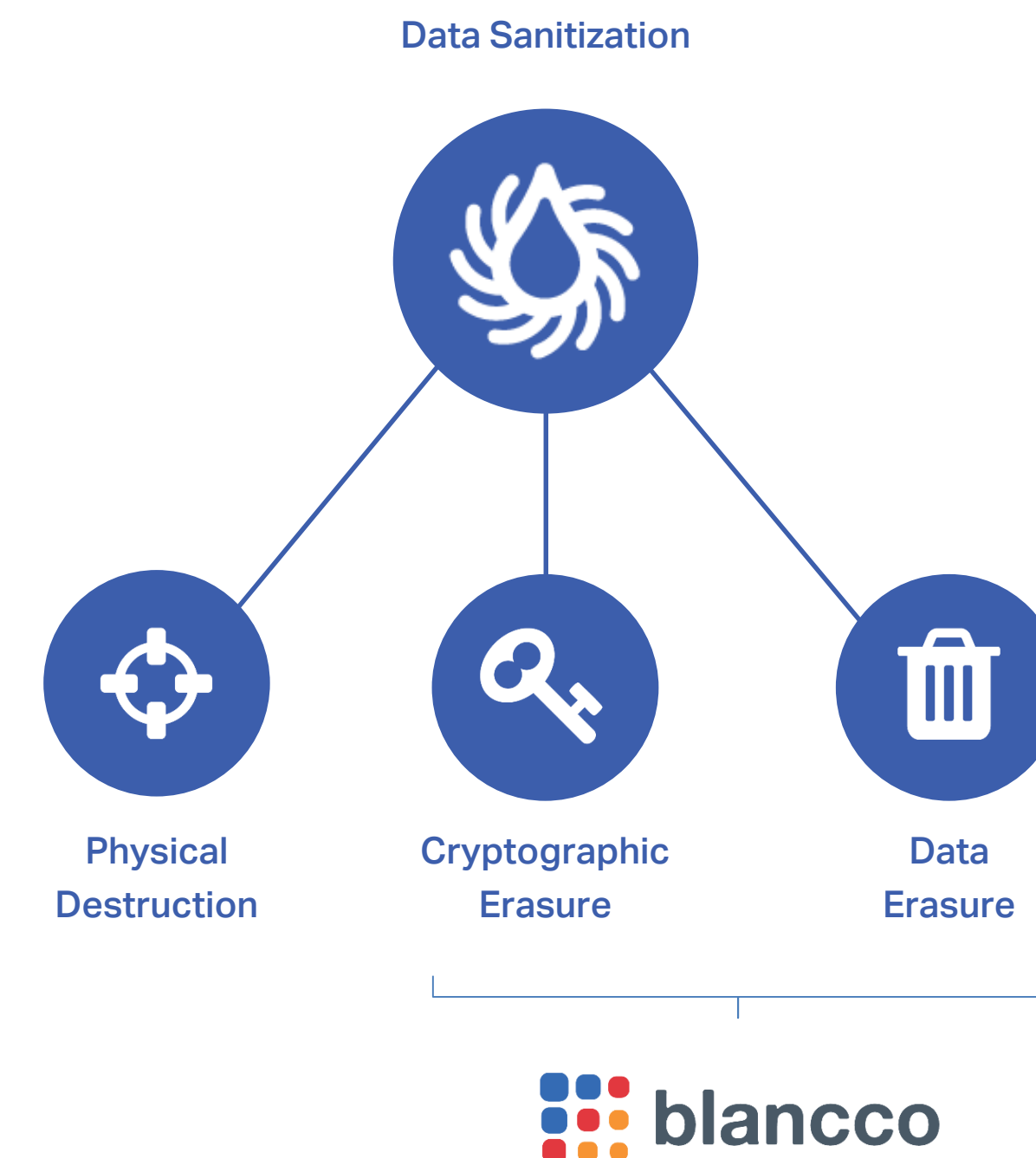
Secure erasure of LUNs in an active storage environment, connected to both physical and virtual machines

Quick Reminder: What is Data Sanitization?

Data sanitization is the **consistently** applied, disciplined **process** of reliably and completely **removing all data** from a read/write medium so that it can no longer be read or recovered.



What Methods Achieve It?



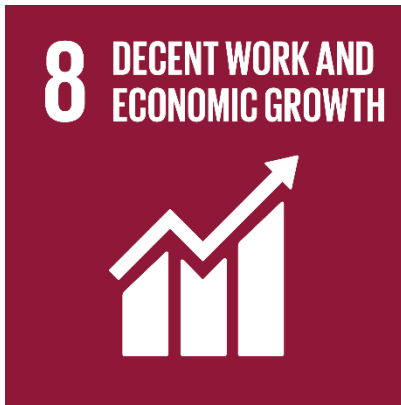
How do Blancco support the circular economy & CSR Initiatives?



- ✓ Reduce pollution and resource consumption by leveraging reuse instead of recycling
- ✓ Support charities by donating sanitized assets for reuse
- ✓ Keep assets out of landfill through reuse and responsible recycling
- ✓ Self-generate carbon credits by responsibly reselling hardware
- ✓ Generate funds for charitable donations through resale
- ✓ Support the circular economy by creating supply of refurbished technology for secondary markets

Approach to ESG

The UN SDGs continue to inform our approach and ESG risk management approach.



Relevance to Blanco

Blanco help businesses transition to a more sustainable circular business model and away from nonenvironmentally-friendly methods of destruction.

Blanco invest in new product developments and integrations while focusing on technical innovation.

Blanco's products encourage re-using hardware and promotes responsible consumption.

Blanco invests in R&D and purchases Intellectual Property.

Blanco partners with tertiary education institutes to support innovation in our business.

Blanco's solutions help businesses by supporting them to transition towards more sustainable circular business models and away from less environmentally friendly methods of data and device destruction.

Responsible business