



Reduce Risk.
Increase Efficiency.
Be Sustainable.™

Data Security & Sustainability Driving Double Digit Growth

Interim results for the six months
ended 31 December 2022



1. H1 FY23 Highlights
2. Company Overview
3. Enterprise Market Focus
4. Market Growth Drivers
5. Financial Review
6. Summary and Outlook

Agenda



H1 FY23 Highlights

- ① Revenue grew by **22%** (CC: 16%) to **£24.0m** (H1 FY22: £19.7m)
- ① Gross margin increased slightly to **98%** (H1 FY22: 97%)
- ① Adjusted Operating Profit grew by **30%** to **£5.2m** (H1 FY22: £4.0m)
- ① Adjusted EBITDA grew by **24%** to **£8.0m** (H1 FY22: £6.4m)
- ① Net cash at 31 December 2022 of **£7.9m** (30/6/22: £6.2m)
- ① Acquisition of WipeDrive Inc in June 2022 now fully integrated
- ① MSCI "AA" rating obtained
- ① New partnerships announced with Ebay and Tata Consultancy Services



United Nations
Global Compact

The leading software company that securely and sustainably erases data from a wide array of IT assets.

Blanco Drive Eraser

High speed, efficient erasure of complex SSD and NVMe drives, including self-encrypting drives in both clients and servers and storage



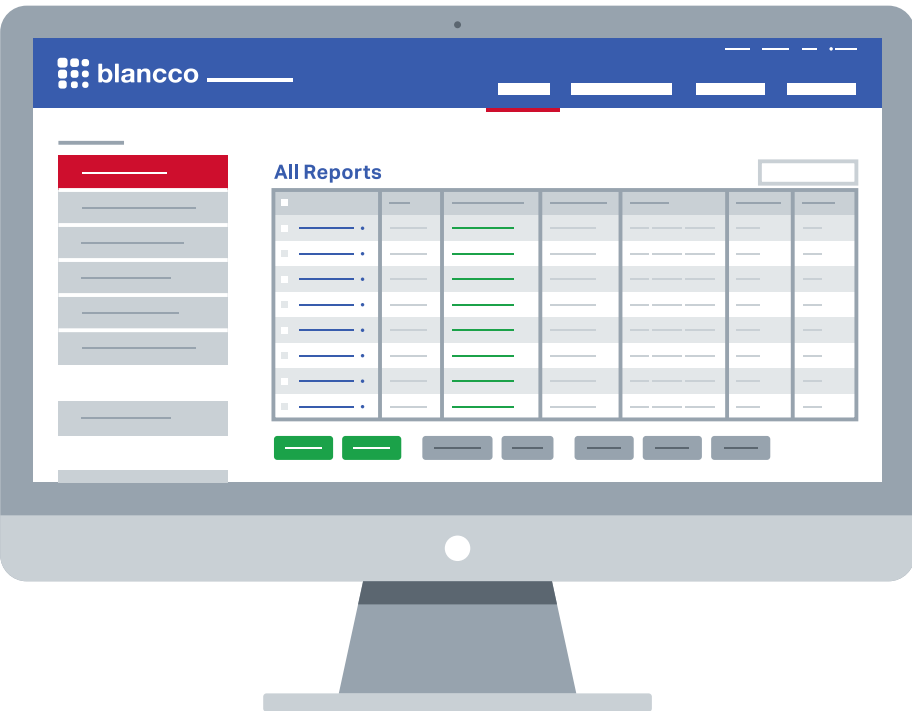
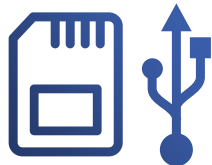
Blanco Mobile Solutions

Diagnose smartphones and tablets within mobile processing facilities, retail stores, or at-home via an app; workflows available for every step of the mobile lifecycle



Blanco Removable Media Eraser

Erasure of removable flash media devices stored within smartphones, tablets, network routers and cameras



Blanco Management Console

Centralized data erasure reporting across your entire IT asset portfolio – managed on-premise or in the cloud



Blanco Virtual Machine Eraser

Erasure of files and folders on active PCs, laptops and servers



Blanco File Eraser

Erase complicated server and storage environments



Blanco Logical Unit Number (LUN) Eraser

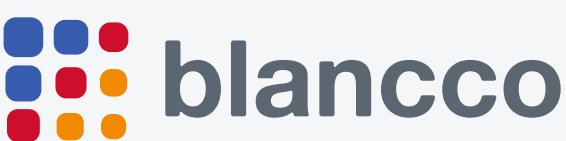
Secure erasure of LUNs in an active storage environment, connected to both physical and virtual machines



Why Blancco?

- ✓ **20+** years of market leading experience
- ✓ Innovative R&D team with **40+ patents** filed or granted
- ✓ Auditable and tamper proof certificates of erasure
- ✓ Global reach and support with a presence in **17 countries**
- ✓ Certified erasure and diagnostics for the widest storage media coverage, including SSD, Non-Volatile Memory Express (NVMe), Mobile and Data Center servers
- ✓ Various methods to target devices for processing, including offline, online, hybrid and remote wipe from the Cloud
- ✓ A growing list of blue chip partner network including ServiceNow, AWS, Accenture, Deloitte & TCS
- ✓ Over **2,500** customers

Strategic Focus for FY23-24



Reduce Risk.
Increase Efficiency.
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Strengthen our position as **Software Solution of Choice** in every market Blanco operates in



Enterprise

Blanco's largest and fastest growing market opportunity



ITAD

Blanco is the defacto vendor of choice for the largest ITADs in the world



Mobile

Blanco has the most efficient software offering for large mobile processors

Key initiatives to support strategic vision



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Planned for FY23

- ① Accelerated push of our “channel first” strategy in the enterprise market
- ① Reallocation of Go-to-Market, product and engineering headcount into the enterprise and ITAD markets
- ① Implementation of a formal account development program to drive additional sales from our large existing customer base
- ① Expand product capabilities to integrate in key technology and channel partners
- ① Continue driving sustainability initiative both internally and through our customers

Progress in FY23 to date

- ① Revenue from channel partners grew by 30% in H1. Revamped channel program will be introduced in H2
- ① New hiring was focused on the Enterprise & ITAD markets. Some Mobile resources reallocated to Enterprise and ITAD
- ① Completed account development review with actions to implement in H2. Incentive programs being introduced to key partners
- ① Development milestones achieved in the period, including further integration with ServiceNow and Ebay
- ① Achieved MSCI “AA” rating and continue to market sustainability benefits of solution

Enterprise Focus:

Customer Use Cases and Channel Expansion



Enterprise Data Centre Erasure

Data Sanitization Use Cases

- ✓ High Volume Remote Data Centre Erasure
- ✓ Data Center Decommissioning
- ✓ Data Center Migration

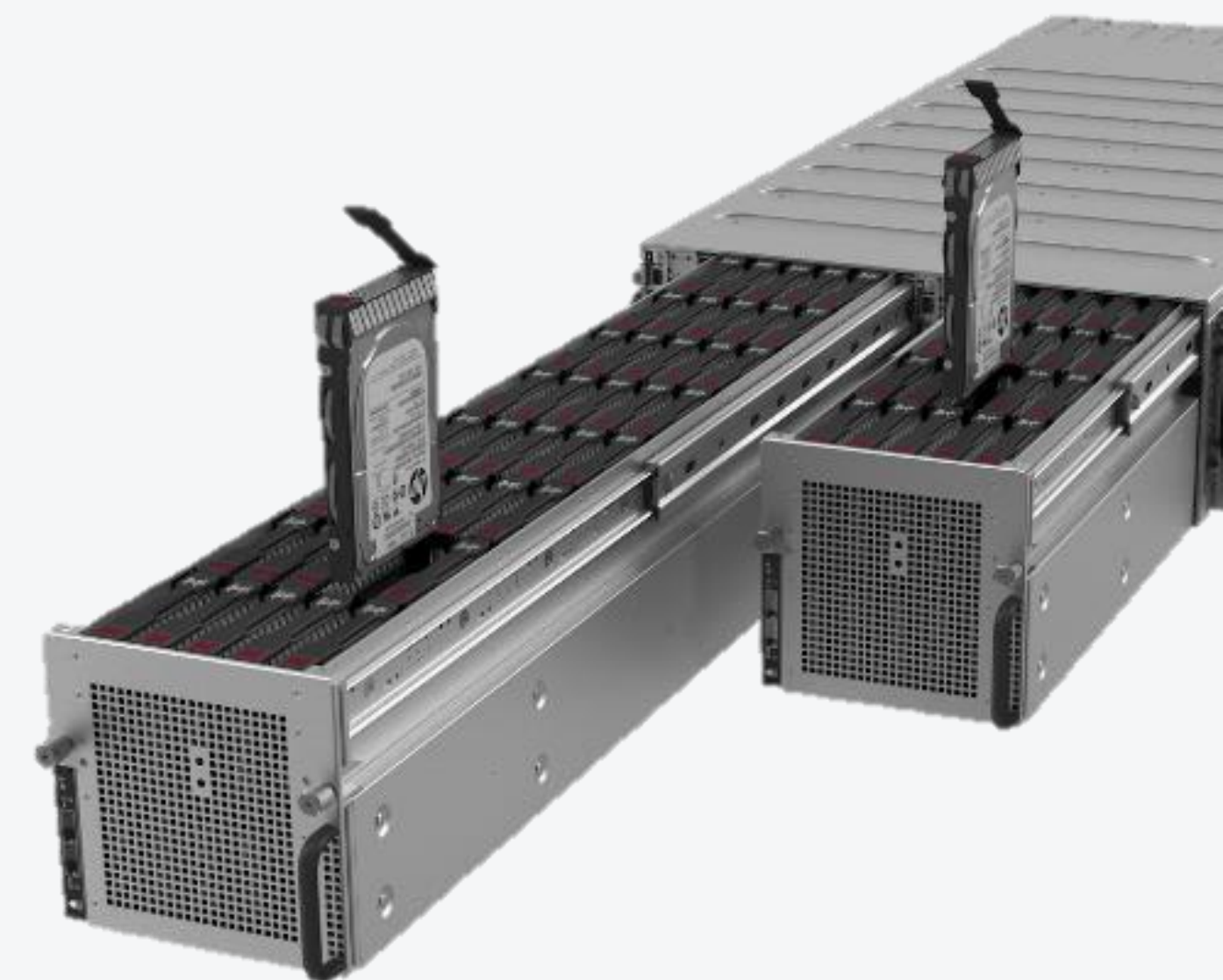
Solutions Available

- ✓ Blancco Drive Eraser
- ✓ Blancco LUN
- ✓ Intelligent Business Routing for automatically processing drives
- ✓ Blancco Management Console
- ✓ Blancco Professional Services

Enterprise

Erasure scalability considerations

- ✓ Data Centre asset pool determined by hard drives erased, not by asset type (Server or PC)
 - Typical Data Centre server contains up to 80 hard drives
 - 1 Systems Administrator can manage 6,000 simultaneous server erasures
- ✓ Data Centre erasures initiated and monitored completely remotely
 - User interface to manage at scale, with sorting and filtering options based on erasure status, failure status, region, site, etc.
 - Streamline product communication to avoid network congestion
- ✓ Data Centre deployments contain proprietary server configurations
 - Proprietary device drivers to access drives within the server
 - More recent drive types, more expensive drives than typically seen at ITAD





Amazon Global Fulfilment Centre (FC) Summary

Amazon – “Our mission is to be Earth's most customer-centric company. Our actions, goals, projects, programs, and inventions begin and end with the customer top of mind.”



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Amazon Fulfilment Centres (FC's) are charged with fulfilling customer orders. Amazon warehouses not only store products but also serve as distribution centres where associates pick, pack, and ship orders quickly and efficiently.

Amazon operates more than **175 fulfilment centres worldwide**, with more than 150 million square feet of space, making it a leader in the warehouse industry.

Relationship with Blanco began in 2015 with a UK FC. Solution is used on devices returned to Amazon.

Prior to Blanco, devices would be sent to a third party for diagnostics and erasure before they could be resold or repurposed. This used to take up to 8 weeks. Approx 80% were found to have no fault.

Blanco software is used on:

- ✓ Removable media (USB, hard drives)
- ✓ Laptop / desktops
- ✓ Mobiles, tablets or wearables
- ✓ Gaming consoles

Blanco now work with 30 of the 175 FCs and have an agreement for all FCs in North America and Europe



TCS is a multinational information technology and consulting company with \$28B in revenue and 600K employees in over 55 countries

- ✓ Partnership involves TCS selling Blanco software to their customer base
- ✓ Solutions will be focused on data privacy and sustainability consulting services
- ✓ Target markets are initially financial services and health care in US, Europe and India
- ✓ Blanco has funded a full time TCS employee to represent Blanco in the partnership



Blanco has recently announced a partnership with eBay focused on our Mobile and ITAD segments

- ✓ The Blanco solution will categorize or grade the condition of the devices for sale on the Ebay platform using the approved Ebay grading system
- ✓ The integration will give buyers confidence on the condition of the equipment they buy on Ebay and simpler and quicker diagnostics and eraser services



Growth Drivers

Governance Growth Drivers

Developments since EU GDPR introduced in 2018

- ① Gartner forecast that by year-end 2023, **75%** of the world's population will have its personal data covered under modern privacy regulations.
- ① Through 2024, privacy-driven spending on data protection and compliance technology will break through to more than **\$15 billion worldwide.**
- ① US Data Regulation Developments
 - ✓ California Privacy Rights Act (CPRA) effective Jan 2023
 - ✓ States including Colorado, Utah, Connecticut and Virginia introducing similar regulation
 - ✓ Cybersecurity Maturity Model Certification (CMMC)

FT BIG READ. TECHNOLOGY

Companies like Amazon and Microsoft routinely destroy millions of used hard drives in the name of data security – but industry insiders say they are ignoring a better, greener and cheaper option.
By Alexandra Heal and Anna Gross

‘We shred everything’



Mick Payne remembers the moment the madness of the way we dispose of our data was brought home to him.

The chief operating officer of Techbayer, an IT asset disposal company in Harrogate, was standing in a large windowless room of a data centre in London surrounded by thousands of used hard drives owned by a credit card company. Knowing he could wipe the drives and sell them on, he offered a six figure sum for all the devices.

The answer was no. Instead, a lorry would be driven up to the site and the data-storing devices would be dropped inside by authorised security personnel. Then industrial machines would shred them into tiny fragments.

“I walked out and thought, ‘This is absolutely crazy,’” says Payne. “They couldn’t allow the disks to leave the building – despite the fact we could wipe them on site then sell to a new customer who could make use of them for years to come... It was a complete waste.”

Payne had experienced first-hand the ubiquitous industry practice of shredding data-storing devices.

Every day when you fire off emails, update a Google document or take a photo, the data generated is not stored in a “cloud” as the metaphor suggests, instead it is stored across several of the world’s estimated 70m servers, each

“We could wipe them on-site, then sell to a new customer who could use them for years to come. It’s a complete waste.”

use a steel box the size of a kitchen sink, made up of all sorts of precious metals, critical minerals and plastics.

The servers contain several data-storing devices, each roughly the size of a VCR tape. They sit inside the world’s 23,000 data centres, some of which span floorspace equivalent to dozens of Olympic-sized swimming pools. When companies decide they need to upgrade their equipment, which usually happens every three to five years, data-storing devices are routinely destroyed in a process like the one Payne described.

Companies such as Amazon and Microsoft, as well as banks, police services and government departments, shred millions of data-storing devices each year, the Financial Times has learnt through interviews with more than 30 people who work in and around the decommissioning industry and via dozens of freedom of information requests.

This is despite a growing chorus of

15-fold More much global internet traffic grew in 2020-21 resulting in 15-fold increase in data centre storage capacity

70mn Servers in use around the world. Combined, these weigh as much as 70 Eiffel Towers

20mn Low end of estimated number of hard drives that are decommissioned each year in the US alone

30,000

knowledge of Microsoft’s data disposal operations says the company shreds everything at its 300-plus Azure data centres. Microsoft says: “We currently shred all [data-bearing devices] to ensure customer data privacy is maintained fully.”

The UK’s Department for Education, Department for Work and Pensions, Police Scotland and Police Service Northern Ireland told the FT that they shred all decommissioned data-storing devices. Northern Ireland’s force says it has shredded 50,000 pieces of equipment including servers and hard drives over the past two years.

Some government departments say they follow National Cyber Security Centre guidelines, which recommend hard drives should be physically destroyed. However, HM Revenue & Customs and the Department for Business, Energy and Industrial Strategy say they do not mandate shredding and

consultancy Gartner, the question of what companies do with millions of tonnes of electrical equipment has become more important than ever.

Critical materials

It is difficult to say exactly how many hard drives are decommissioned globally each year, but one study by the US National Science Foundation Laboratory estimates it is at least 20mn in America alone. Although most data centre companies discard their storage devices after a few years, they could last for years – or even decades – longer, according to several industry experts.

The research suggests more than 90 per cent are destroyed when equipment is routinely decommissioned, even though most are still functioning. The European Commission estimates that about half face the same fate in the EU.

“There are so worried about disposal of data that they’re insisting on the hard

tainability and circularity at London South Bank University.

While various projects are being piloted to try to recover some of the materials lost in shredding, tearing up a drive after a few years of use still violates the first rule of sustainable consumption: reuse is always better than recycling.

“Even if you recover all the materials when you recycle a product, all the energy and money you have put into using those materials to manufacture the product’s components... is lost,” says Walther. In a study this year, he found reusing a hard drive avoids four times as many carbon dioxide emissions as slicing it up and feeding the pieces

Mick Payne, main left, is the chief operating officer of Techbayer, an IT asset disposal company. He describes the inclination to destroy data-storing devices as “absolutely crazy”; a shredder at work, below and below left

Several decommissioning experts say that, while some customers have already converted to erasing and reusing their data-storing devices, others simply need to be educated about the efficacy and reliability of wiping software to help them move past the ingrained belief that physical destruction is necessary.

Gartner’s Simon Mingay says many data centre operators would love to increase the quantity of goods that are

Financial Times published an article on 6th October 2022 titled “Why Big Tech shreds millions of storage devices it could reuse”

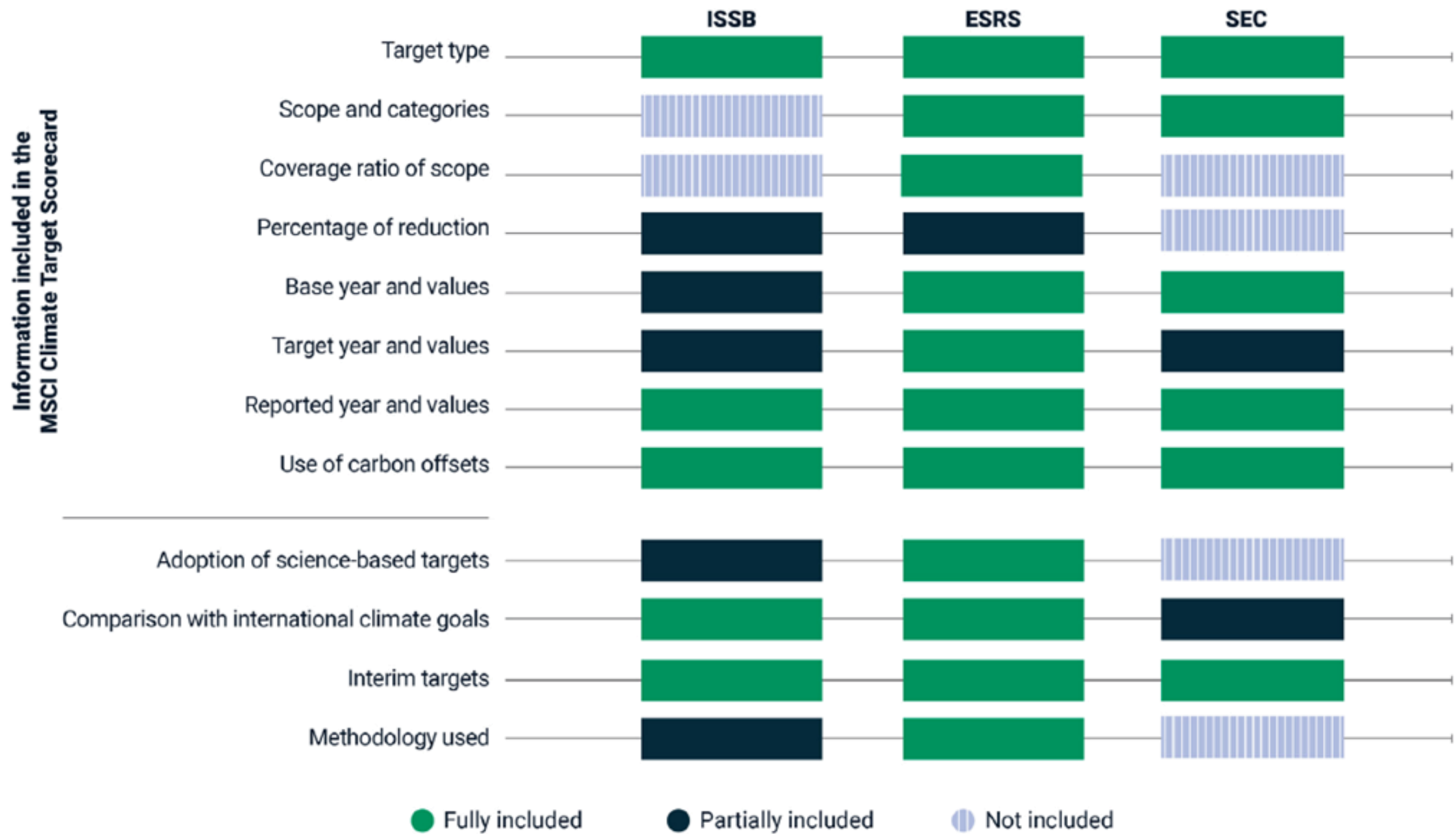
- ① 23,000 data centres in the world with an estimated 70 million servers each containing several data storing devices
- ① Articles quotes Microsoft, AWS and UK government departments as examples of organisations who shred all data storing devices
- ① Quotes 90% of data storage devices are destroyed when decommissioned even if fully functional
- ① FT asked “several industry insiders and experts if they were aware of any case where data had leaked after verified wiping software, such as Blanco’s, had been used, and none were”.
- ① Video explainer: <https://www.ft.com/video/1dff98ba-b73e-40b1-83db-96c9c6bbd209>.

Incoming Sustainability Regulation



Research Insights
MSCI ESG Research LLC

Gaps in alignment between the proposed 'big three' disclosure frameworks on climate targets



- ① International Sustainability Standards Board (**ISSB**)
- ① European Sustainability Reporting Standards (**ESRS**)
- ① United States Stock Exchange Commission (**SEC**)
- ① Intended to ensure data presented by companies on sustainability is accurate and consistent

Data as of November 2022. Source: MSCI ESG Research

H1 FY23 Financial Review

Income Statement



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| £'m | H1 FY23 | H1 FY22 | Growth | FY22 |
|-----------------------------------|-------------|-------------|------------|-------------|
| Revenue | 24.0 | 19.7 | 22% | 39.8 |
| Cost of goods sold | (0.5) | (0.6) | | (1.3) |
| Gross profit | 23.5 | 19.1 | 23% | 38.5 |
| Admin Expenses | (20.8) | (17.2) | | (36.6) |
| Operating Profit | 2.7 | 1.9 | 42% | 1.9 |
| Acquisition expenses | | - | | 0.5 |
| Amort. of acquired intangibles | 1.7 | 1.4 | | 2.7 |
| Share based payments | 0.7 | 0.7 | | 1.3 |
| Adjusted Operating Profit | 5.1 | 4.0 | 30% | 6.5 |
| Depreciation | 0.6 | 0.6 | | 1.1 |
| Amort of non acquired intangibles | 2.2 | 1.8 | | 3.9 |
| Adjusted EBITDA | 8.0 | 6.4 | 24% | 11.5 |
| Adjusted Operating Profit margin | 21% | 20% | | 16% |
| Adjusted EBITDA margin | 33% | 33% | | 29% |

Balance Sheet

| £'m | H1 FY23 | FY22 |
|---------------------------------------|-------------|--------------|
| Non current assets | | |
| | 79.0 | 79.0 |
| Current assets / (liabilities) | | |
| Inventory | 0.2 | 0.2 |
| Debtors | 11.0 | 9.0 |
| Trade & other payables | (8.7) | (9.4) |
| Deferred consideration | (1.2) | (1.3) |
| Tax asset | 0.1 | 0.4 |
| | 1.4 | (1.1) |
| Net cash | | |
| | 7.9 | 6.2 |
| Non current liabilities | | |
| Deferred tax | (4.0) | (3.9) |
| Other non-current liabilities | (1.7) | (2.3) |
| | (5.7) | (6.2) |
| Net assets | 82.5 | 77.7 |

- ✓ Cash up £1.7m from year end
- ✓ Deferred consideration balance of £1.2m in relation to WipeDrive acquisition
- ✓ Strong end to year led to increased debtor balance of £11.0m (30/6/22: £9.0m)
- ✓ Big cash receipts in Q3 to boost cash further

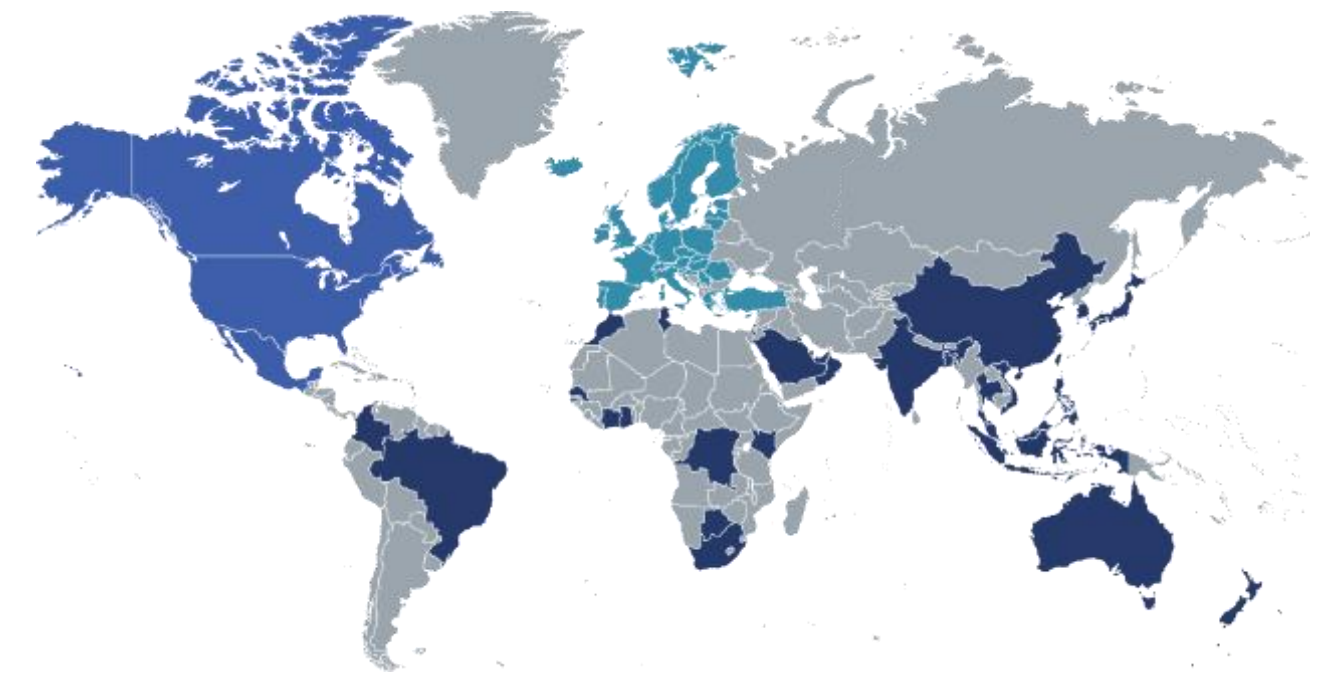
Revenue By Market

| Revenue | H1 FY23 £'m | H1 FY22 £'m | Growth % | CC Growth % |
|--------------------|----------------|----------------|-------------|----------------|
| Enterprise | 9.4 | 7.1 | 33% | 24% |
| ITAD | 9.0 | 6.9 | 30% | 25% |
| Mobile | 5.6 | 5.7 | (1%) | (3%) |
| Group total | 24.0 | 19.7 | 22% | 16% |

- ✓ Channel revenue increased by 30% to £5.2m (H1 FY22: £4.0m)
- ✓ Channel representing 56% (H1 FY22: 57%) of Enterprise revenue. Reduced due to WipeDrive revenue being entirely direct

Revenue By Geography

| Revenue | H1 FY23 £'m | H1 FY22 £'m | Growth % | CC Growth % |
|--------------------|----------------|----------------|-------------|----------------|
| Americas | 8.0 | 5.8 | 39% | 22% |
| Europe | 8.7 | 7.7 | 12% | 10% |
| Asia and ROW | 7.3 | 6.2 | 19% | 19% |
| Group total | 24.0 | 19.7 | 22% | 16% |



Summary



Summary And Outlook

- ✓ Strong growth in Enterprise and ITAD seen in period
- ✓ Sales & Pipeline remain strong into FY23
- ✓ Continued growth from price increases to flow through
- ✓ New Sales management continue to drive high performance
- ✓ Further revenue, profit and cash generation anticipated in H2
- ✓ New partnerships with TCS and Ebay to become established
- ✓ Continue to allocated development and sales resources onto highest growth opportunities
- ✓ Confident of continued growth notwithstanding ongoing macro-economic factors

Appendix

Globally Certified, Approved & Recommended



Reduce Risk.
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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 erasure solutions support 25+ erasure standards, including:

- ✓ Air Force System Security Instruction 5020
 - ✓ Aperiodic Random Overwrite
 - ✓ Australian Government Information Security Manual (AGISM)
 - ✓ Blancco SSD Erasure
 - ✓ Bruce Schneier’s Algorithm
 - ✓ BSI-2011-VS
 - ✓ BSI-GS
 - ✓ BSI-GSE
 - ✓ CESG CPA – Higher Level
 - ✓ DoD 5220.22 M
 - ✓ DoD 5220.22 M ECE
 - ✓ NIST 800-88 Clear
 - ✓ NIST 800-88 Purge
 - ✓ Firmware Based Erasure
- ✓ Extended Firmware Based Erasure
 - ✓ HMG Infosec Standard 5, Lower Standard
 - ✓ Infosec Standard 5, Higher 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
 - ✓ Cryptographic Erasure
 - ✓ TCG Cryptographic Erasure
 - ✓ Random Byte Overwrite (3x)

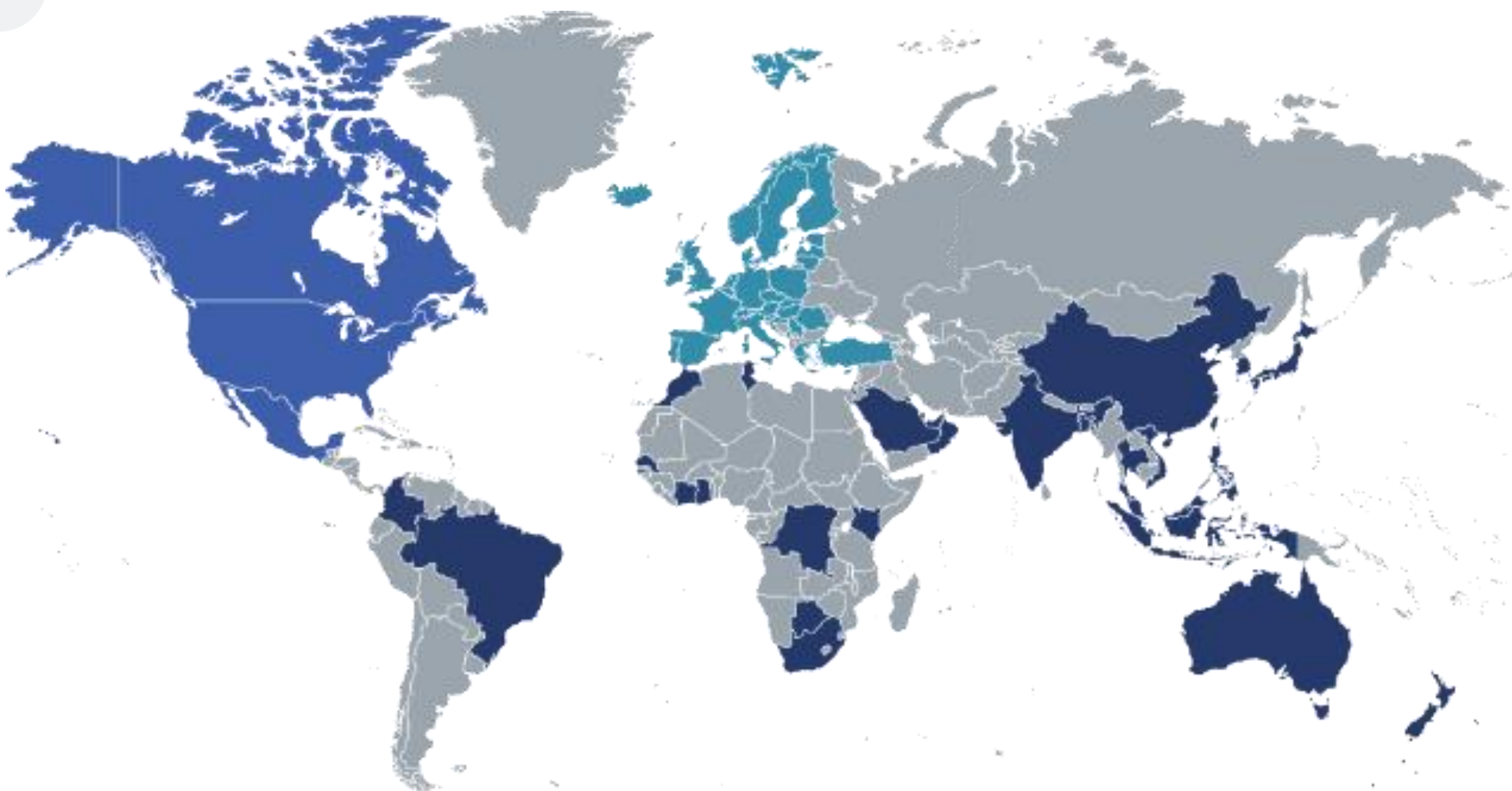
Company & Product Certifications



Company Overview



Reduce Risk.
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NORTH AMERICA

Canada
Mexico
United States

EUROPE

| | | |
|----------------|---------------|----------------|
| Austria | Hungary | Norway |
| Belgium | Iceland | Poland |
| Croatia | Ireland | Romania |
| Cyprus | Italy | Serbia |
| Czech Republic | Latvia | Slovakia |
| Denmark | Liechtenstein | Slovenia |
| Estonia | Lithuania | Spain |
| Finland | Luxembourg | Sweden |
| France | Monaco | Switzerland |
| Germany | Montenegro | Turkey |
| Greece | Netherlands | United Kingdom |

ASIA AND REST OF THE WORLD

| | | |
|------------|-------------|----------------------|
| Australia | Israel | Qatar |
| Bangladesh | Indonesia | Saudi Arabia |
| Botswana | Ivory Coast | Senegal |
| Brazil | Japan | Singapore |
| Brunei | Kenya | South Africa |
| China | Kuwait | South Korea |
| Colombia | Malaysia | Taiwan |
| DR Congo | Mauritius | Thailand |
| Ghana | Morocco | Tunisia |
| Guadeloupe | New Zealand | United Arab Emirates |
| Hong Kong | Oman | Vietnam |
| India | Philippines | |

- ✓ 13+ security approvals
- ✓ Over 2500 customers
- ✓ 25+ erasure standards
- ✓ 40+ patents granted or filed
- ✓ 52.8m devices erased in FY22

MSCI
ESG RATINGS



United Nations
Global Compact



Thank you.