At a Glance 06
Investment Case 08
COVID-19 Impact and Response 09
Chair’s Statement 10
Marketplace 12
Business Model 16
Strategy and Progress 20
Strategy in Action 22
Key Performance Indicators 26
Chief Executive’s Report 30
Chief Financial Officer’s Report 34
Principal Risks and Uncertainties 36
ESG Report 42
Our Markets

Enterprise
Public and private sector enterprises must guard against data vulnerabilities, comply with numerous data protection regulations, efficiently use resources and incorporate eco-friendly practices – all within a complex portfolio of IT assets.

Our certified data erasure software performs at scale, eradicating data within active networks and across IT assets, from fleets of devices to multi-location data centres or cloud storage.

Mobile
Blancco offers solutions for each touchpoint along the mobile lifecycle, serving OEMs, carriers, retailers, insurance providers, refurbishers and resellers:
- Automated diagnostics accurately determine device condition, support trade-ins and insurance transactions and reduce returns.
- Intelligent, tailorable workflows accelerate processes for high-volume erasure, grading and market valuation before device resale.
- Innovative app expands sales and upgrade opportunities outside bricks-and-mortar environments, improving customer experience.

ITAD
IT Asset Disposition (ITAD) Providers
Blancco provides certified erasure at scale for recyclable data storage assets, increasing the number of used drives and devices preserved for resale.

With 20+ years of partnering with ITADs, Blancco provides IT recycling and remarketing organisations worldwide with labour-saving solutions. These accelerate end-of-life IT asset erasures, grading processes, device valuations and time to market – minimising costs and maximising returns.
Revenue Percentage by Division:

- 31% Enterprise
- 39% Mobile
- 30% ITAD

Who Uses Our Products:

- Multi National Enterprises
- Governments
- OEMs
- Mobile Carriers and Processors
- IT Asset Disposition Companies
- Service Integrators
- Insurance Providers
- Charitable Organisations

Where We Operate:

North America
- Canada
- Mexico
- United States

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

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

1. Unique Solutions
   - Data erasure solutions meet 22 standards, along with 14 global certificates, approvals and recommendations
   - Constantly developing and improving our solutions by developing new IP through R&D and collaborative partnerships
   ➔ Read more about our business model on pages 16 and 17

2. Strong Financials
   - Solid cash position
   - Balance sheet provides stability and opportunity for investment
   - Significant revenue and profit growth year-on-year
   ➔ Read more about our financial performance on pages 34 and 35

3. Growing Markets
   - Need for data erasure and data sanitisation solutions is growing, due to growth in data and greater focus of business models on digital processes
   - Growing use of mobiles and second-hand mobile market, requiring data erasure and sanitisation solutions
   ➔ Read more about our marketplace on pages 12 to 14

4. Targeted Growth Strategy
   - Strategy is focused on markets that have a growing need for Blancco’s solutions
   - Strategy ensures Blancco will have leading positions in these markets
   ➔ Read more about our strategy on pages 20 to 25

5. Brand and Reputation
   - Blancco’s solutions are seen as the standard in our industry
   ➔ Read more about our certifications on page 14

6. A Sustainable Business Model
   - Blancco’s solutions enable the reuse and recycling of IT assets while protecting sensitive data. The assets would otherwise be destroyed and sent to landfill
   - Blancco has been awarded the LSE Green Economy Award in recognition of data sanitisation being an environmentally friendly method of managing data, as opposed to the physical destruction of assets
   ➔ Read more in our ESG report on pages 42 to 49

7. Geographical Reach
   Blancco is truly a global operation with offices in 15 countries and revenue being generated in over 70. This enables growth to continue through periods of economic pressure, as seen in the ongoing pandemic period, where the impact is varied in different regions at different times
   ➔ Read more about where we operate on page 07
COVID-19 Impact and Response

While the COVID-19 pandemic has brought a number of unwelcome challenges, we are proud of how Blancco and our employees have coped with these challenges and how the business has continued to grow revenue and profit through the period. In this section, we focus on the two stakeholder groups that received the greatest focus, how they adapted to the challenges and the opportunities that are arising as we emerge from the pandemic.

Employees

Blancco took the decision in early 2020 to close all of the Group’s offices when it became clear how serious the threat of the COVID-19 pandemic had become.

With over 300 employees based in 15 countries, Blancco does not have a central head office and many of our employees have worked from home for a long period before 2020. As a result, the switch to a completely remote workforce was relatively smooth. Our IT systems were in place to enable remote working and our employees are familiar with using technology solutions to communicate with colleagues who may be based in other countries.

We set up a number of regular meetings to make sure that all employees were maintaining contact with each other and were up to date with developments in their own country as well as developments around the world.

Our sales and marketing teams in particular have had to adapt to new ways of working without being able to travel, which has made it impossible to meet customers and prospects in person. The marketing team have increasingly used technology to hold events for lead generation while the sales team have also been reliant on tools such as Microsoft Teams for communicating with customers. It is to their credit that the Company has continued to grow strongly through FY21.

At the date of writing, vaccination programmes are being rolled out at varying speeds around the world, and we expect to reopen offices once populations are largely vaccinated and it’s clear that a return to an office is safe for our teams.

We also recognise that many of our team members have appreciated the flexibility that has been afforded from being able to work remotely and we intend to maintain a good level of flexibility for employees where we can.

Customers

The early months of the pandemic in the first half of 2020 were challenging in terms of being able to secure new customers, while IT teams at our customers were focused on enabling employees to work remotely, which, in many cases, meant they were purchasing new items of equipment and not disposing of older ones. However, our high levels of repeat business meant that we maintained revenue levels through those difficult times.

As we emerge from the pandemic, a number of opportunities are arising for Blancco and our customers:

Remote working – It is likely that many companies will allow employees to continue to work remotely for some part of their working week. This presents challenges for IT teams when assets need to be returned. For example, if an employee leaves or is due a replacement laptop, the old laptop will need to be returned to IT and may need to be couriered if the employee is not office based. Blancco’s ability to remotely erase that asset allows it to be couriered without any sensitive data being resident on the device and therefore at risk.

Environmental concerns – Initiatives to protect the planet have gained significant momentum through the pandemic period, with companies under increasing pressure to improve their environmental impact. However, the vast majority of IT assets redistribute to those children. Our intention is to continue to support this project beyond the pandemic in order to assist in closing the digital divide.

Social initiatives – During the pandemic, a digital divide was apparent where some children from under-privileged backgrounds did not have the equipment to be able to attend school lessons over the internet. Blancco has been proud to support the “Laptops for Kids” initiative by donating licences to erase data from donated computer equipment before it is redistributed to those children. Our intention is to continue to support this project beyond the pandemic in order to assist in closing the digital divide.

Obsolete desktop PCs – It is our belief that the pandemic and the shift to remote working has accelerated the demise of the desktop PC. Millions of desktop computers will have sat idle on empty desks over the past 18 months but will have sensitive data stored on them. Once there is a full return to offices, this equipment will need to be disposed of and using Blancco’s software will mean that that equipment can be returned to the circular economy.

Read more about our solutions on pages 20 and 21
Read more about financial performance on pages 34 and 35
Read more about our governance on pages 58 to 61
Chair’s Statement

In my experience, the strongest companies are those which maintain an agile approach and adjust their operating models through times of difficulty and find ways to prosper. Blancco has coped exceptionally well with the challenges of the past 18 months and I am delighted to report on a year of strong revenue, cash generation and profit growth, despite the challenging conditions brought by the pandemic.”

Summary
In my statement in last year’s annual report, I spoke of the challenges we had faced as a business during the early stages of the COVID-19 pandemic but also referred to being encouraged by the medium-term trends that we were seeing. The year has progressed as I expected with a resilient performance in the first half of the year while the world coped with the early stages of the pandemic, followed by very strong growth in the second half of the year as economies began to reopen.

We are among many companies who have taken this time to reflect on how we can operate with an even greater social conscience as we continue to grow. This review has covered the following key areas:

Environmental Impact
Blancco’s primary environmental impact is in the use of its software to permanently and certifiably erase all data from IT assets, enabling them to be reused rather than destroyed. As detailed in our sustainability report on pages 42 to 49, 54.5 million devices were erased using our software this year but we believe that several multiples of this were destroyed and sent to landfill. We will continue to promote our solution and innovate to prompt a shift to a more sustainable method of managing IT assets. We are proud of the Green Economy mark we received from the London Stock Exchange in 2019, and will continue to review how we can further enhance our environmental credentials.
In our sustainability report, we are also reporting on our own carbon footprint for the first time. The 2020 measurement shows a much reduced footprint in comparison to 2019 but this is primarily due to travel restrictions and office closures. We are reviewing the necessity and methods of travel as we hopefully return to a less restricted world over the next 12 months. The use of technology has shown that fewer meetings need to be held in person, which should reduce the amount of travel required. As an example, a greater proportion of Blanco Board meetings will be held using video conferencing going forwards, as the Directors are based in both the UK and US, and this will reduce some of the need for travel. Similar initiatives will be introduced throughout the business.

Diversity & Inclusion
In this year’s sustainability report, we also report on the racial and gender diversity of our workforce. Whilst we have a very diverse workforce, based in 15 countries, there are areas we can improve upon. We have introduced mandatory Diversity and Inclusion (D&I) training for all employees and have created an employee forum to canvass opinion on how we can make further improvements and embed D&I thinking into our corporate culture.

Social Initiatives
We were pleased to offer our support to the “Laptop for Kids” campaign during the pandemic. Before computer equipment donated by businesses could be redistributed to underprivileged children, all data had to be securely erased. Blanco was approached to donate licences for the campaign and, as a consequence, we have helped thousands of children to access vital computer equipment so that they could learn remotely. This digital divide will be an issue long after the pandemic period and we will continue to support projects such as this.

Outlook
We have now had three very strong years of revenue, profit and cash generation growth since we refreshed the management team in 2018. The key tailwinds for further growth remain the data protection regulation in place around the world, along with the pressures on companies to improve their environmental impact. We are still at the very early stages of data sanitisation being adopted as a mainstream technology and I am confident that we have the team in place to innovate and deliver further periods of growth for Blanco.

I would also like to take this opportunity to thank the Blanco management team and employees across the globe who have guided the Company through this extraordinary period experienced. The team has worked with great resolve and spirit to cope with the challenges they have faced over the past year and it is to their credit that the Company has performed so well.

Rob Woodward
Chair
Marketplace

Resilient Growth in the Marketplace

Personal, sensitive, and confidential data remain the focus of both regulators and cyberthreats. The transition to remote work and other marketplace changes highlighted Blancco’s unique role in not just protecting this data, but optimising tools and systems for IT asset management, processing, and resale.

Trend One: ESG

Context
• Electronic waste management is a constant challenge, with the Global E-waste Statistics Partnership reporting 53 million metric tonnes of e-waste produced in 2019
• Mindful of excess waste, resource scarcity, and pollution effects, consumers and investors continue to drive sustainable business practices with their wallets
• While environmentally beneficial, ever-compact data storage and smaller devices make extracting some components and natural elements more time consuming and less profitable

Opportunities
• The advent of 5G and COVID-related IT purchases are increasing amounts of stored data, the number of devices being used and the number of functional devices poised to enter the secondary economy
• With data protection intersecting with demands for greener options, secure data erasure offers an appealing contrast to security-motivated asset destruction

Our response
• In FY21, Blanco launched highly automated solutions to expedite device processing, valuation, and redeployment; this facilitated faster, more secure, and more profitable opportunities for enterprise, ITAD, and mobile
• Blanco has increased the variety of assets that can be securely and efficiently erased, including adding network device erasure capabilities that surpass traditional manual processes in both speed and security

Trend Two: Move to remote working

Context
• Pandemic-sparked migration from office to home workspaces upended traditional ways of keeping data secure
• Skyrocketing demand for computing devices – PCs, laptops, tablets – bumped against supply shortages
• Tech support went remote, affecting employee hiring and separations, maintenance and repairs, and other device end-of-life triggers

Opportunities
• Rapid change left enterprises unprepared for the security risks of supporting a wide range of assets “out in the wild” beyond physical and administrative oversight
• The IT purchasing surge boosted the sale of preowned devices and elevated awareness of the second-hand market and the IT circular economy
• Secure, data-free transport of IT assets became increasingly important as businesses experienced employee transitions and device maintenance needs

Our response
• Blanco highlighted the value of remote data erasure from any location, available to both enterprises and ITADs, within live, non-office environments and across end-of-life assets
• New device purchases predict a future uptick in device disposal; with increased automation capabilities across all markets, we’re well positioned to equip clients to meet that influx
• Blanco was also privileged to participate in the “Laptops For Kids” initiative, facilitating secure device reuse by erasing donated assets for homebound students
Trend Three: Cyber attack evolution

Context
- Cybercriminals matched the digital transformation to home working by increasing phishing attempts and ransomware attacks
- “Zero trust” became a buzz phrase, fuelled by the SolarWinds breach that still affects US Government and private sector organisations; the attack highlighted criminal stealth, supply chain vulnerabilities, and the need for more aggressive approaches to data protection

Opportunities
- Defensive data lifecycle management requires an aggressive stance on shrinking the amount of unnecessary data an organisation holds – even while data usage rapidly expands
- Both cyber attacks and privacy regulations raise the urgency for putting effective data erasure measures in place – both to remove unneeded data that could be accessed during a breach and to comply with regulatory requirements

Our response
- Blancco continued promoting automatic, remote erasure, based on enterprise policy, as part of effective data lifecycle management
- Strategic partnerships with AWS and ServiceNow put remote data centre, asset, and file erasure at enterprise fingertips
- By easing erasure across a broad set of scenarios, Blancco set up enterprises for seamless cloud migrations, well-documented regulatory compliance, and nearly effortless reduction in no-longer-needed, breach-vulnerable, sensitive data

Trend Four: Mobile super cycle

Context
- Turbulent times initially dented mobile phone sales and restricted in-store visits, yet new-to-market 5G phones have renewed consumers’ appetites for upgrades
- Many mobile phone owners plan to trade in their current phones to offset the cost
- An upgrade “super cycle”, characterised by elevated sales, is expected to fuel the secondary device market within developing regions using LTE networks

Opportunities
- Social distancing reinforced online consumer activity, laying the groundwork for on-device transactions, online trade-ins, and enhanced “anytime, anywhere” customer service
- As the global economy recovers and consumers return to confident buying habits, mobile OEMs, retailers, processors, and value-add service providers are all striving to achieve increased efficiencies and market reach

Our response
- Consumer hesitancy to trade in devices online may be offset by unprecedented erasure and processing visibility available through the Blancco Mobile Solutions app
- Blancco’s in-app diagnostics reduce fraudulent insurance sign ups and claims, as well as unnecessary repair transactions; this expands market opportunities and improves customer service
- Improved automation and integration capabilities increase efficiency and reduce operations costs throughout the mobile device lifecycle
## Global Certifications

<table>
<thead>
<tr>
<th>Global Certifications</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEXICO</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>UK</td>
<td>RUSSIA</td>
</tr>
<tr>
<td>NYCE</td>
<td></td>
</tr>
<tr>
<td>BSI – Federal Office for Information Security (Germany)</td>
<td></td>
</tr>
<tr>
<td>Certified for Common Criteria (ISO 15408) (Various)</td>
<td></td>
</tr>
<tr>
<td>Swedish Armed Forces (Sweden)</td>
<td></td>
</tr>
<tr>
<td>ABW</td>
<td></td>
</tr>
<tr>
<td>Central Information Systems Security Division (France)</td>
<td></td>
</tr>
<tr>
<td>The Polish Internal Security Agency (Poland)</td>
<td></td>
</tr>
<tr>
<td>Global Approvals and Recommendations</td>
<td></td>
</tr>
<tr>
<td>NSM</td>
<td></td>
</tr>
<tr>
<td>The Norwegian National Security Authority* (Norway)</td>
<td></td>
</tr>
<tr>
<td>The Defence INFOSEC Product Co-Operation Group of the UK (UK)</td>
<td></td>
</tr>
<tr>
<td>TÜV Saarland (Germany)</td>
<td></td>
</tr>
<tr>
<td>Third-Party Endorsements</td>
<td></td>
</tr>
<tr>
<td>Ontrack</td>
<td></td>
</tr>
<tr>
<td>ONTRACK</td>
<td></td>
</tr>
<tr>
<td>VARIOUS</td>
<td></td>
</tr>
</tbody>
</table>

* Certification update in progress.
Our key activities:

1. Focused on research, development and thought leadership
2. Utilising our thought leadership, we develop our solutions and products
3. We market and sell these products and solutions
4. We build and maintain relationships with our partners and customers
5. We utilise the revenue from our solutions to reinvest back into our thought leadership

Our key resources:

- **EXPERTISE**: Over 20 years’ experience of providing data erasure software solutions
- **INTELLECTUAL PROPERTY**: 38 patents granted or filed
- **LOCATIONS**: Global reach with offices in 15 countries
- **ACCREDITATIONS**: Software tested, certified, and approved by 14 governing bodies around the world
- **TESTING CAPABILITIES**: Mobile diagnostics solution includes over 50 automated tests to find errors on all Android and iOS mobile devices
- **PEOPLE**: Experienced team of 300+ employees worldwide
Our competitive advantages:

**BREADTH OF COVERAGE**
Approach data erasure as an integral part of the information lifecycle management process, helping enterprises of all sizes meet their security and compliance needs.

**CUSTOMER BASE**
A growing and loyal global customer base.

**SIGNIFICANT BARRIERS TO ENTRY**
Growing patent portfolio and regional certifications widens the gap.

**INVESTING IN INNOVATION**
38 patents now either granted or filed.

**CERTIFICATIONS**
Blancco data erasure solutions have been tested, certified, approved, and recommended by 14 governing bodies and leading organisations around the world.

**EXPERIENCE**
Over 20 years of providing leading data erasure solutions.

**QUALITY**
ISO 9001 and ISO 27001 certified development centres.

Value created for our stakeholders:

**EMPLOYEES**
The opportunity to work for a growing, market-leading, experienced business with global operations.

**END USERS**
The knowledge that their data has been completely erased, the “right to be forgotten” (Article 17, GDPR).

**CUSTOMERS**
Our 2,000+ customers gain secure, auditable solutions, innovative products, and peace of mind that enable them to meet their regulatory requirements.

**INVESTORS**
Opportunity to create significant value from a growth business.
With the advent of 5G connectivity and widespread telework habits, consumers are expected to increase demand for new mobile devices. Related trade-ins will fuel the secondary device market, creating a once-a-decade “super cycle”.

At the same time, suppliers along the device lifecycle need to reach new markets, reduce labour costs, increase customer care, and deliver more precise and convenient outcomes. This creates fertile soil for automation, transparency, and remote service delivery along each step of the mobile device journey: new device purchase, value-added purchasing, ongoing customer service, end-of-life data erasure, and used device processing. In this final stage, multiple options exist, including preparing used devices for redeployment or resale – and restarting the mobile device journey.

Blancco simplifies buy-back/trade-in (BBTI) programmes that incentivise in-store and online device purchases. Automated workflows speedily assess device condition and trade-in value and wirelessly transfer content from old device to new – in-store or remotely. Precise assessments and lock-removal solutions also reduce rejections by warehouses and OEMs, increasing BBTI reimbursement.

Most consumers turn down insurance at first. Yet Blancco’s mobile app provides a low-risk, high-reward way to reach the uninsured remotely with post-sale enrolment opportunities and on-the-spot device assessments – that’s whether a device is two days old or on its second life. And, when it comes to insurance payouts, Blancco’s efficient and accurate on-device identification and assessment tools help clients significantly reduce the risk of fraudulent claims.

With both new and used smartphone sales predicted to continue growing globally (Gartner, IDC), Blancco is well positioned to serve mobile OEMs, carriers, retailers, insurance providers, refurbishers, and resellers. Our innovative mobile solutions are built on more than 25 patented or patent-pending ideas, providing unparalleled data protection, end-to-end processing, and sales efficiencies, and new ways to lower costs and reach untapped markets.
Post-sale customer care is easier when intuitive, on-device diagnostics tools auto-validate device condition against both OEM specifications and repair/return/exchange policies. With objective assessments, immediate support can often reduce unnecessary returns for retailers and manufacturers. Qualified returns can be easily initiated from the user’s device or via a browser.

Blancco safely and completely erases user data from devices before return or trade-in, protecting consumers and businesses from having data breached after devices leave their care. Erasure is certified and documented by device ID specifications, then noted as part of the history of that particular device.

When mobile processors take in a significant volume of used devices (e.g. from trade-ins or returns), operational efficiency is crucial. Blancco solutions automate erasure, diagnostics, and grading. This cuts labour costs, expedites processing, and results in faster, more objective decisions on component harvesting, recycling, or redeployment into the circular economy.
Strategy and Progress

Blancco has a worldwide footprint to sell to and service its target markets and all three markets have an immediate need to buy Blancco’s products due to various trends, including regulation, environmental, security risks and technology change. This expansion will be generated through direct sales and increasingly indirect channels via our international partners.

A financial summary of our three end-user markets is provided in our KPIs.

**MISSION**
To deliver the highest quality technology and efficient data management processes by leveraging our global expertise in data and asset lifecycle solutions

**VISION**
To enable companies to responsibly manage their data by erasing concerns for organisations worldwide

**Enterprise/Data Centre:**

**Key objectives**
- Increase revenues through the development of indirect sales channels, comprising both OEM and channel partners
- Broaden channel partner base with the introduction of new blue-chip partners such as AWS, ServiceNow, Deloitte
- Continue to develop intellectual property to provide a best-in-class solution for customers

**Performance**
- Revenue increased by 21% to £14.1 million (2020: £11.7 million)
- Channel sales increased by 27% to £6.5 million (2020: £5.1 million)
- ISV Accelerate partner status obtained with Amazon Web Services
- Integration of Blancco Secure Data Erasure with ServiceNow has begun generating revenue
- New partnerships with Infosys and a global hardware manufacturer have begun generating revenue

**Commentary**
- The Group will continue with the existing strategy over the coming years to enable organisations to cope with the increasing regulatory burden being placed upon them
- Increased remote working from the COVID-19 pandemic has increased the quantity of hardware in circulation, which should lead to more devices requiring to be sanitised by organisations
- The post-pandemic return to offices is likely to lead to increased disposal of computer equipment that has been sitting idle for many months
- Stakeholder pressures on organisations to improve their position on sustainability should lead to data erasure becoming a preferred alternative to the physical destruction of assets
STRATEGIC REPORT

Mobile:

Key objectives
• Create a leadership position in the mobile asset lifecycle space by providing a broad range of software-based processing solutions that reach across the three markets sectors of Carrier, Retailer and Third-Party Logistics
• Add resource to the R&D division to accelerate product development
• Continue to work with partners such as AON to push mobile insurance technology into retailers

Performance
• Revenue of £10.9 million (2020: £10.8 million)
• Revenue growth distorted by the expiry of a major contract with a retailer in December 2019 that contributed £1.4 million of revenue in FY20

Commentary
• The new generation of 5G mobile handsets has led to a super cycle of trading in old handsets
• The increased cost of new handsets is pushing consumers to be more inclined to trade in old units
• The value of used handsets has increased significantly over the course of the year

ITAD (IT Asset Disposition):

Key objectives
• Retain market-leading position in ITAD market
• Gain increasing market share in a moderately growing market

Performance
• Revenue increased by 6% to £11.5 million (2020: £10.9 million)

Commentary
• The COVID-19 pandemic has created difficulty for ITAD customers in accessing their customer premises to manage IT assets. There is anticipated to be pent up demand once pandemic restrictions are lifted and employees return to offices
• Increased remote working, resulting from the COVID-19 pandemic, has increased the quantity of hardware in circulation, which should lead to more devices requiring to be sanitised by organisations
• Stakeholder pressures on organisations to improve their position on sustainability should lead to data erasure becoming a preferred alternative to the physical destruction of assets
BFSI Organisation Ensures Data Protection by Erasing Laptops and LUNs Remotely

This whitelisted Australian case study addresses the COVID-19 work-from-home vs. security conundrum for a highly regulated industry. In essence, Blancco made it possible for a top Australian superannuation fund to sanitise home-office staff devices for repair or at end of life. Blancco also allowed the fund to sanitise active logical unit numbers at its remote data centre while leaving its operating system intact.
In the new work-from-home reality, a top Australian superannuation fund sanitises employee PCs and laptops from a distance with easy-to-use data erasure software. It also permanently destroys targeted, end-of-life data in a data centre hundreds of miles away. And it does both without incurring travel and labour costs.

Using Blancco data erasure solutions, the super fund:
• Erases data from employee laptops and desktops before devices leave home offices
• Erases end-of-life data in active storage in a telecom service provider’s data centre
• Automates data erasure processes to maximise efficiency
• Proves compliance with data privacy and security regulations with a tamper-proof audit

Challenge

Like employees all over the world, the vast majority of the super fund’s workers shifted to widely dispersed home offices in the first half of 2020. When devices needed to be replaced, repaired or returned, however, health concerns prevented workers from bringing their computers to an IT office (or having IT come to them) for secure erasure. Likewise, shipping these machines with intact data on them violated good security practice: devices in transit were vulnerable to loss, tampering or theft.

The super fund also operates a private cloud that houses about 800 TB of storage, with the physical infrastructure located at a data centre ten hours away from the IT team’s headquarters. Yet when data was no longer required for business use, targeted data destruction was needed to comply with data minimisation rules and for data security.

Particularly in a time of pandemic lockdowns, the super fund needed remote erasure for both circumstances.

Solution

To protect the confidential information of its investors and follow government regulations, a super fund must provide a high level of data security throughout the data lifecycle, including at data end of life. Blancco solutions provide industry-leading assurance of complete and permanent data erasure in support of that requirement. They also provide the means to perform secure remote erasure, removing the need for physical access to the devices that house the data.

With thousands of employee laptops and desktops no longer located at central locations, the super fund’s IT team set about implementing a remote erasure process. Using Blancco Preinstall, they created an executable file containing the erasure software. After pushing the executable out to the client using Microsoft Endpoint Configuration Manager, automated processes carried out the erasure.

Blancco Drive Eraser is Common Criteria Certified by the Australasian Certification Authority. Common Criteria is an internationally recognised standard (ISO 15408) for evaluating information and communications technology security products. This certification gave IT decision makers at the super fund additional peace of mind about choosing Blancco solutions.

To erase data from cloud storage, the team adopted Blancco LUN Eraser. Installing the solution in a virtual machine enabled the team to easily deploy the erasure software over the network and execute it on its 800 TB of storage volumes located at the data centre. The solution sanitises data from active logical unit numbers (LUNs) while leaving the operating system intact, avoiding downtime.

In both cases, the super fund easily deployed Blancco solutions with minimal engineering effort. These solutions also overcame all limitations of distance, giving the fund’s IT staff efficient control over data erasure processes. And they provided data security and compliance teams with digitally signed certificates of completed erasure, all stored in a central location.

Results

Employee laptops and desktops are erased right in their home offices so they can be shipped back to a central location with no sensitive data on board, whether at device end of life or because of requirements for break-fix and repair. IT now also has a way to erase individual LUNs from live cloud storage located hundreds of miles away, without downtime. For both client machines and cloud storage, these remote approaches reinforce data security and regulatory compliance – with a tamper-proof audit trail – while avoiding the health risks of staff travel and while building operational efficiencies. The result? Peace of mind for management, as well as assurance for hundreds of thousands of stakeholders that protecting sensitive data is a high priority for one of Australia’s largest super funds.
The Green SIDE of Blancco: Four Important Ways we Support Sustainable Technology Use

Today’s technology supports business efficiencies, advances in every industry, multitudes of educational advantages and daily personal conveniences.
Yet creating new assets to sustain and secure our IT-driven society places a significant burden on natural resources. When new devices become old, device disposal compounds the environmental impact while raising questions about end-of-life data protection.

We are proud to offer solutions that reinforce the immense data security and efficiency requirements of our customers while minimising harm to the environment and people’s wellbeing.

Here are four ways we support sustainable technology use:

- Secure Device Reuse
- IT Asset Circularity
- Diminished ROT (redundant, obsolete or trivial) data
- E-waste Reduction

**Secure Device Reuse**

*We protect businesses while extending the life of functional technology*

With cybercrime a constant threat, many organisations physically destroy decommissioned IT hardware for security purposes. But this type of disposal often takes perfectly usable devices out of circulation, sending millions of tonnes of material to landfill. Often, improper physical destruction practices leave data accessible, putting organisations at risk.

By completely and permanently erasing data from functional devices, we extend their usable life while ensuring data cannot be accessed. This allows safe and secure device redeployment and reuse.

**IT Asset Circularity**

*We slow the need for new device creation*

Our solutions support a booming secondary device market, fostering a more circular use of IT. We give organisations confidence to donate IT assets, equip ITADs to recapture more equipment for resale, and enable consumers to trade in smartphones and tablets when upgrading. That makes more devices available for reuse, meaning fewer assets must be created from scratch.

**Diminished ROT**

*We lessen data storage needs and related emissions*

Much stored data is redundant, obsolete, or trivial (ROT). Even more is “dark”. This surplus data increases breach liability and raises operational and cooling system needs to securely store it. Eradicating data at scale from decommissioned assets or from within live environments reduces business costs and the energy used to store no-longer-needed data.

**E-waste Reduction**

*We minimise landfill-bound electronics – and their detrimental impact on developing regions*

Despite international regulations, tonnes of technological trash are shipped to developing countries each year, leading to component harvesting that harms both people and the surrounding landscape. The more we help organisations adopt sustainable, circular business models, the greater the dent we make in dangerous end-of-life disposal practices.

**Where We Go from Here**

Based on customer usage data, Blancco securely sanitised an estimated 68.2 million kilograms of electronic equipment, with a preuse carbon footprint of 5.6 billion kilograms, in FY21.

Blancco was also one of the first to receive the London Stock Exchange’s new Green Economy mark, a recognition given to companies that generate between 50 and 100% of annual revenues from products and services that contribute to the green economy.

Since January 2016, we’ve been engaged in SustainabilitySMART, which is part of Horizon 2020, an EU programme promoting sustainable growth through investments in a range of initiatives.

Yet we understand that our job isn’t complete. New data storage technologies and data needs will continue to expand, particularly as the internet of things (IoT) and artificial intelligence (AI) grow in adoption. For our part, we will continue to advance our green “SIDE” across an ever-growing number of devices, empowering organisations to reinforce their security posture, ensure compliance with data privacy requirements, and improve environmental stewardship.

For more details please see our website.
Key Performance Indicators

The Group has a range of performance indicators, both financial and non-financial, to monitor and manage the business and ultimately to improve performance. The Group’s key performance indicators (KPIs) are outlined below.

1. **Revenue** (£’millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (£’millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>£36.5m</td>
</tr>
<tr>
<td>2020</td>
<td>£33.4m</td>
</tr>
<tr>
<td>2019</td>
<td>£30.5m</td>
</tr>
<tr>
<td>2018</td>
<td>£26.9m</td>
</tr>
</tbody>
</table>

**Definition**
Revenue comprises amounts contracted and delivered to customers in accordance with the accounting rules prescribed by IFRS15.

**Why we measure it**
Revenue is a key indicator in how the business is growing and revenue is the primary source of cash generation for the Group.

**Commentary**
Revenue has grown 9% in the year and 11% on a compound basis over the past three years, reflecting a growing customer base and high retention rate of key customers.

2. **Geography** (Regional proportion of revenue)

<table>
<thead>
<tr>
<th>Region</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Asia and ROW</td>
<td>33%</td>
<td>32%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>North America</td>
<td>30%</td>
<td>31%</td>
<td>35%</td>
<td>35%</td>
</tr>
</tbody>
</table>

**Definition**
The proportion of revenues generated in each of our regions.

**Why we measure it**
It is important for the Group to maintain high levels of diversification across the world, allowing us to benefit from any opportunities in a particular region, for example through new legislation, and also derisking the business from any economic downturn in one region.

**Commentary**
The Group has maintained strong revenue generation in all regions over the last four years, with each region generating year-on-year growth over this time period.

3. **Market Type** (Proportion of revenue)

<table>
<thead>
<tr>
<th>Market Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Centre/Enterprise</td>
<td>39%</td>
<td>35%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>ITAD</td>
<td>31%</td>
<td>33%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>Mobile</td>
<td>30%</td>
<td>32%</td>
<td>33%</td>
<td>36%</td>
</tr>
</tbody>
</table>

**Definition**
The proportion of revenues generated in each of our regions.

**Why we measure it**
It is important for the Group to monitor how both the customer base and technological market is evolving over time to ensure appropriate direction of product development and management focus.

**Commentary**
Each customer market continues to grow year on year, with the fastest growth in recent years observed in enterprise and data centre, as organisations continue to both generate data and raise their awareness of the importance of data management.
Adjusted Operating Profit
(£'millions)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£5.3m</td>
<td>£4.0m</td>
<td>£3.5m</td>
<td>£2.9m</td>
</tr>
</tbody>
</table>

Definition
Operating profit stated before acquisition costs, exceptional income, share-based payment charges and amortisation of acquired intangibles.

Why we measure it
This is the key profitability metric for the Group and shows the underlying performance of the Group adjusted for any non-cash charges or any items that are exceptional in nature.

Commentary
The Group has demonstrated strong profitability in FY21 as revenue continues to grow, and due to some cost management in the early stages of the pandemic. Over the past three years, adjusted operating profit has increased 81%, or 22% annually on a compound basis.

Operating Profit/(Loss)
(£'millions)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£1.8m</td>
<td>(£0.0m)</td>
<td>£0.1m</td>
<td>(£0.8m)</td>
</tr>
</tbody>
</table>

Definition
Operating profit/(loss) shows the total returns from core operations, stated before finance costs, taxation and any profit from discontinued operations.

Why we measure it
This shows the overall profitability of the Group after all operational costs and income is accounted for.

Commentary
Increased revenues in the year and cost controls (with no significant change in exceptional items) have translated down to a significant increase in profitability.

End of Year Headcount

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>155</td>
<td>143</td>
<td>124</td>
<td>112</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>119</td>
<td>120</td>
<td>104</td>
<td>88</td>
</tr>
<tr>
<td>Admin</td>
<td>51</td>
<td>49</td>
<td>44</td>
<td>43</td>
</tr>
</tbody>
</table>

Definition
The number of employees engaged in each area of the business.

Why we measure it
The Group’s long-term strategy is centred around ensuring the appropriate level of resource committed to product, to ensure a high level of ongoing development, and sales to ensure we are able to execute effectively on customer opportunities.

Commentary
The Group has maintained a core product team, which grew in 2019 following the acquisition of Inhance. The sales team has continued to grow year after year to promote growth across all of our operating locations and to support a ramp in sales in many emerging countries for Blancco.
## Key Performance Indicators continued

### Assets Securely Erased (millions)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptops</td>
<td>9.5m</td>
<td>8.7m</td>
</tr>
<tr>
<td>Desktops</td>
<td>3.2m</td>
<td>3.1m</td>
</tr>
<tr>
<td>Servers</td>
<td>0.8m</td>
<td>0.7m</td>
</tr>
<tr>
<td>Smartphones</td>
<td>35.6m</td>
<td>20.1m</td>
</tr>
<tr>
<td>Tablets</td>
<td>2.1m</td>
<td>0.5m</td>
</tr>
</tbody>
</table>

**Definition**
The estimated number of assets erased per year, using Blancco data erasure products.

**Why we measure it**
This metric allows us to track and observe how the market is shifting between different types of media. We also use this to track the positive environmental impact of our products, allowing us to estimate the amount of hardware saved from landfill.

**Commentary**
There has been a significant increase in the volume of mobiles and tablets undergoing erasure by Blancco products.

### Estimated Landfill Waste Prevented (kilograms)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loose Drivers</td>
<td>3.3m</td>
<td>3.1m</td>
</tr>
<tr>
<td>Smartphones</td>
<td>68.2m</td>
<td>60.7m</td>
</tr>
<tr>
<td>Tablets</td>
<td>36.2m</td>
<td>54.5m</td>
</tr>
</tbody>
</table>

**Definition**
The estimated weight of hardware that is saved from landfill each year as a result of using our software, as these assets are able to be repurposed each year rather than being scrapped.

**Why we measure it**
This metric allows us to track the environmental impact of our product.

**Commentary**
We continue to see a significant saving in kilogram terms of diverting assets from landfill, with a small drop in the year resulting from a shift in erasures from larger devices to smaller smartphones and tablets.
Number of Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Enterprise</th>
<th>Mobile</th>
<th>ITAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2,038</td>
<td>218</td>
<td>561</td>
</tr>
<tr>
<td>2020</td>
<td>1,427</td>
<td>196</td>
<td>483</td>
</tr>
<tr>
<td>2019</td>
<td>1,429</td>
<td>145</td>
<td>446</td>
</tr>
</tbody>
</table>

**Definition**
Number of active customers in each of our markets.

**Why we measure it**
The Group tracks customer engagement, renewals and spend volumes year on year to maintain focus on high customer service and to ensure we are retaining key customers year after year. The Group aims to increase its customer base year on year as we raise awareness to the market of the benefits of data erasures.

**Commentary**
The number of customers continues to grow at a compound rate of 18% (over the last two years) as we expand our market presence.

Employee Location

<table>
<thead>
<tr>
<th>Region</th>
<th>Europe</th>
<th>APAC</th>
<th>North America</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>49%</td>
<td>37%</td>
<td>14%</td>
</tr>
<tr>
<td>2020</td>
<td>49%</td>
<td>37%</td>
<td>15%</td>
</tr>
<tr>
<td>2019</td>
<td>44%</td>
<td>40%</td>
<td>16%</td>
</tr>
<tr>
<td>2018</td>
<td>45%</td>
<td>41%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Definition**
Geographical location of our staff, split proportionally by region.

**Why we measure it**
The Group must have a diverse workforce to support its customers and key stakeholders, and also help to drive forward the business in response to changing market conditions.

**Commentary**
The Group has maintained a consistent workforce year after year, with the only significant change coming from the acquisition of Inhance and its workforce in 2019.
Chief Executive’s Report

Since I joined the Company in March 2018, appointed a first-class management team and implemented a strategic focus, we have consistently delivered strong annual growth in revenue, profit, and cash generation despite some challenging macro-economic conditions.”

Business Overview

We are pleased to report on a period of strong growth in revenue, profit and cash generation, particularly in the second half of the year, as sales cycles returned to pre-COVID levels, and we started to see the impact of the return of employees to offices accelerate corporate decision making. The key growth drivers in the business remain unchanged:

- **Sustainability** – The United Nation’s Global E-Waste Statistics Partnership estimates that 53 million tonnes of electronics waste (e-waste) was produced in 2019. In the financial year ending 30 June 2021, we estimate that Blancco erased data from 54.5 million (2020: 36.2 million) data storing devices. The total weight of these devices is estimated to be 68 million kilograms (2020: 61 million kilograms) and the estimated carbon emissions consumed in manufacturing these devices is 5.6 billion kilograms (2020: 4.6 billion kilograms). Whilst these numbers are significant, we still believe that the vast majority of data storing devices are destroyed at the end of life and placed in landfill where harmful chemicals can be released. Growing governmental and societal pressures on companies to conduct business in a much more environmentally friendly manner is expected to lead to greater numbers of IT assets entering the circular economy. We have aligned our business model to the United Nations Sustainable Development Goals (UN SDGs) to increase investor access to this data.

- **Governance** – The most recent Gartner report on Data Privacy (13 July 2021) has been prepared with the expectation that 75% of the world’s population will have its personal data protected by modern privacy regulations by the end of 2023, up from 25% today. The disposition of assets storing data can only be managed through the destruction of those assets through shredding and landfill or through the use of strictly regulatory compliant data sanitisation software. Whilst there was already a growing focus on data sanitisation to fulfil corporate compliance requirements, the majority of assets are still destroyed, but that will be impacted by the shift to a more remote workforce in the aftermath of the pandemic. Organising the mass destruction of assets is easier when the assets are all kept within an office environment but much more
difficult when the assets are spread to various locations while employees work at home. It will be important that any data stored on these assets is completely erased before they are returned to IT departments.

With limited competition in the markets that it addresses and a strong list of competitive advantages, including a growing portfolio of 38 patents, we are confident that Blancco is well placed for near-term and sustainable growth.

**Enterprise**

Enterprise continues to be our strongest growth market with revenue in the year growing by 21% to £14.1 million (2020: £11.7 million). Growth was 24% when adjusted for currency movements. Enterprise customers are typically very large companies with IT departments who will take direct responsibility for the IT assets in their organisation, particularly the disposal of those assets, rather than outsource that responsibility to a third party, typically an IT Asset Disposition (ITAD) company. These companies will usually be the companies that are storing the most data and, therefore, see data security as a high priority risk item. These companies will also often be those who will be increasingly aware of their ESG responsibilities. Governance and Sustainability are the key drivers for growth of Blancco’s revenue in this market.

The combination of a sector-leading technology, and the quality of our services and team, has led to large (£100k+) customer retention rates of 98.4% across the Group, giving us high levels of revenue visibility.

With customers in this market being among the largest companies in the world, it is increasingly important that Blancco continues to develop strong channel partner relationships. During the period, revenue in Enterprise from channel partners grew by 27% to £6.5 million (2020: £5.1 million). Over the course of the year, we have given considerable focus to expanding our network of channel partners that we work with.

In May 2021, we were pleased to announce our integration with ServiceNow to provide innovative and secure data sanitisation capabilities directly from the Now Platform. Despite the short period of time that the relationship has been established, we are pleased to report that it is already driving revenue. Many organisations rely heavily on ServiceNow when managing their IT assets and our integration with that platform makes a transition to using Blancco very smooth. We were also delighted to recently secure ISV Accelerate status for our partnership with AWS. There are currently approximately only 200 ISV Accelerate partners who receive co-sell support and benefits to gain access to the AWS customer base. In addition, we have also secured partnerships with Infosys, Lenovo and a global technology company who have all begun generating revenue in the period. We are starting to see good traction from these larger channel partners and look forward to them making a more meaningful contribution in the short term.

Revenue has increased in Enterprise from £8.6 million in FY18 to £14.1 million in FY21, a compound annual growth rate of 18%. With the pent-up demand of many assets that have been sat redundant in offices for 18 months during the pandemic helping the growth drivers of Governance and Sustainability that we have already discussed, we are confident that Enterprise will remain the strongest growth area in the Group.

**Data sanitisation for a remote or hybrid workforce**

Data security concerns have become more elevated in recent periods, with companies trying to secure data stored on devices held by employees outside the office environment as the world has transitioned to an increasingly remote workforce – a trend that is widely expected to be here to stay. Gartner’s recently published report on Data Privacy stated that “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 make robust, consistent and pervasive data sanitisation a core C-level requirement for all IT organisations...to minimise chain-of-custody security risks (such as loss in transit to the ITAD vendor’s facility), many ITAD managers (especially in the financial and healthcare sectors) require that some form of data sanitisation be performed on-site.”

The capability for Blancco’s software to erase data remotely becomes increasingly important when employees are spending increasing amounts of time outside of the office environment. Whereas before an employee could leave the IT team to take a device from their desk if they were having a device upgraded, or perhaps leaving the company, employees will now often have a device collected by a courier and will want to ensure that no sensitive data is stored on the device before it is handed to a third party.
Chief Executive’s Report continued

Higher financial penalties for data breaches
Along with growing levels of data privacy regulations, we are also seeing a steep increase in the size of penalties for companies that fail to comply with these regulations. In July 2021, a global technology behemoth was fined a record €746 million for breaching GDPR regulations.

A sustainable solution for data management
The biggest competition to Blancco’s software is the physical destruction of assets and this remains by far the most common way that IT assets are dealt with at the end of life. It is clear that the destruction of these assets is an unsustainable practice that releases many harmful chemicals into the earth. However, this is also an almost impossible process to manage when employees are working increasingly from home, because previously companies organising the destruction would do so by collection from company offices.

Mobile
Blancco’s mobile solutions offer consumers and businesses the ability to sanitise or run diagnostics on handsets. Over the course of the year, we have seen a significant increase in the number of mobile phones that have been erased using Blancco software, from 20.1 million devices in FY20 to 35.6 million in FY21. This is a reflection of the continuing growth in global sales for used mobile phones. In January 2021, IDC released a report projecting that sales of used smartphones would increase from 225.4 million in 2020 to 351.6 million in 2024, a compound growth rate of 11.7%. Blancco has invested heavily in developing a high-quality solution for customers that allows those customers to process large numbers of handsets in the most efficient manner. Whilst there is some direct competition in this market, it tends to be from smaller companies that cannot make similar technology investments. During the pandemic period, large mobile phone suppliers have been reluctant to review their technology partners, but we believe there will be opportunities to increase market share as trading conditions return to normal.

Over the year, we have seen consumers become more willing to trade in used handsets to offset the cost of the latest generation of smartphones. Previously, the value of a used handset was modest, which, along with security concerns about the data stored on the device, prompted consumers to retain the handset in the event they needed an emergency handset. However, the higher values now attributable to such handsets together with sophisticated insurance programmes that enable consumers to obtain refurbished replacement phones swiftly, has encouraged consumers to exploit the value to be obtained from their old device.

Whilst the number of handsets being erased by Blancco software has increased significantly, revenue grew only marginally to £10.9 million (2020: £10.8 million), 4% growth when adjusted for movements in foreign currency. As reported in results statements previously, underlying growth has been distorted by a contract with a mobile handset and airtime retailer that made the decision to run mobile handset diagnostics at a logistics centre from 1 January 2020 rather than in its own store network. This customer represented £1.4 million of revenue in the first half of the FY20 financial year and, whilst the customer continues to work with Blancco, it generates a significantly reduced amount of revenue from the new contractual terms. Excluding the impact of this one customer, revenue growth in mobile would have been 15%. This contract was only for diagnostic solutions and therefore hasn’t impacted on the number of handsets erased in each year. This contract will no longer be reported in future comparative periods. No remaining customer represents more than 6% of Group revenue. Mobile revenue has grown from £9.7 million in FY18 to £10.9 million in FY21, representing compound annual growth of 4%.

IT Asset Disposition (ITAD)
As reported in our half year results, the ITAD market has been the most impacted by the pandemic, with our ITAD clients often unable to access their customers’ premises to manage their IT assets. However, we have seen a strong rebound in the second half of the year as trading conditions gradually return to normal. Revenue for the full year grew by 6% to £11.5 million (2020: £10.9 million). However, the growth in the second half of the financial year was 19% compared to the same period of the previous year.

As global economies continue to reopen, our ITAD clients are starting to see the release of pent-up demand from their customers who have been unable to effectively manage their IT inventories over the past 18 months. Our ITAD customers tend to service companies that do not have the IT resources to manage their own inventory but which are under the same obligations to protect sensitive data that we see among our Enterprise customers. Whilst these smaller companies may not currently be under the same pressure from their stakeholders to protect the environment that we see for large companies, these pressures are rapidly filtering down to companies of all sizes.

Blancco has a large market share among ITAD customers, which may mean that growth will be slower than that seen in Enterprise. However, revenue has grown from £8.6 million in FY18 to £11.5 million in FY21, representing compound annual growth of 10%.
Summary and Outlook

We are delighted with the progress reported in these results. Our interim results reported in February 2021 showed that the pandemic had slowed revenue growth and therefore revenue in the first half of the year was very similar to the prior year. However, the second half of the year has seen a return to strong growth with revenue increasing by 19% in that six-month period.

We enter the new financial year with confidence and with a strong pipeline of new business opportunities. The growth will primarily continue to be driven by Enterprise with the structural tailwinds of Governance and Sustainability pushing the business forward. The new channel relationships announced over the past couple of years are expected to gain traction over the course of the next 12 months and contribute significantly to revenue growth.

Blancco is ideally placed to increase sales momentum in the coming years given our high-quality service offering, sector leading reputation and broad geographic reach. As some costs return to our business as travel restrictions ease, operating margins are likely to revert closer to pre-COVID level in FY22, before continuing an upward trajectory in subsequent years.

Since I joined the Company in March 2018, appointed a first-class management team and implemented a strategic focus, we have consistently delivered strong annual growth in revenue, profit, and cash generation despite some challenging macro-economic conditions. As we look ahead, we believe that a combination of sector-leading technology and service delivery, a growing global reputation and network of blue-chip channel partners, combined with the sustainability and governance pressures on organisations will continue to drive Blancco’s growth.

Matt Jones
Chief Executive Officer
As anticipated, the Company experienced very strong growth in the second half of the year despite the challenging ongoing conditions of the pandemic and a strengthening in sterling.”

Revenue
Revenue grew in the full year by 9% to £36.5 million (2020: £33.4 million), or by 12% at constant exchange rates (CER). Revenue growth in the second half of the year was 19%.

Growth in North America was particularly strong in the second half of the year, with normal trading conditions returning gradually over the period. In the second half of the year alone, revenue grew by 49%, taking revenue growth in the region for the full year to 11%. Sterling strengthened significantly against the dollar, with constant currency revenue growth in North America of 18%.

Revenue growth in Asia continued to be strong, with revenue increasing by 10% to £11.9 million (2020: £10.8 million) and growing by 14% at CER. The European region continues to be the area that has been most impacted by the pandemic over the whole year, but we did still see growth of 7%, with revenue increasing to £13.4 million (2020: £12.5 million). The currency movements in Europe weren’t as impactful, with revenue growing by 6% at CER.

<table>
<thead>
<tr>
<th>(£’millions)</th>
<th>Year ended 30 June 2021</th>
<th>Year ended 30 June 2020</th>
<th>Growth rate</th>
<th>CER growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>36.5</td>
<td>33.4</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Revenue by geography</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>11.2</td>
<td>10.1</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Europe</td>
<td>13.4</td>
<td>12.5</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Asia and ROW</td>
<td>11.9</td>
<td>10.8</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Revenue by market type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td>14.1</td>
<td>11.7</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>ITAD</td>
<td>11.5</td>
<td>10.9</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Mobile</td>
<td>10.9</td>
<td>10.8</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Profitability Measures
The financial year began in July 2020 as the world came to grips with the early stages of the pandemic, which led to some caution regarding cost decisions. While we did not need to take any cost reduction actions, we did freeze recruitment and pay increases over the first half of the financial year. In addition, our cost base naturally reduced due to the inability for travel to take place. We had good visibility through the first half of the year that revenue was continuing to grow, which enabled us to return to increasing headcount and implementing pay increases. However, travel and entertainment costs remained depressed throughout the entire year. All of this meant that profit margins increased through the course of the year with operating profit increasing from a small loss in 2020 to a £1.8 million profit, with both periods benefitting from some non-cash exceptional income. Adjusted operating margins increased to 15% (2020: 12%). The adjusted operating profit (as defined in note 1.17) increased in line with operating profit, and by 33% to £5.3 million (2020: £4.0 million).

As we enter the new financial year, we are continuing to recruit for high-quality employees to join our research and development, and sales and marketing teams, which will naturally lead to an increase in cost base as will a full 12-month impact of team members who joined during FY21. Whilst phasing is difficult to predict, we do expect travel and entertainment costs to increase as pandemic restrictions ease.

Balance Sheet
Cash generation in the year was very positive with the Group ending the year with net cash of £10.1 million (2020: £6.7 million), largely a result of strong cash generated from operations of £10.4 million (2020: £6.5 million). Adjusted operating cash flow (as defined in note 1.17) for the year was £10.8 million (2020: £7.3 million), representing 106% (2020: 90%) of adjusted EBITDA. Although revenue has increased in the period by 9%, the trade and other receivables balance at the end of the year was £6.2 million (2020: £7.3 million). Similarly, the current liabilities balance has reduced from £9.6 million to £8.1 million over the year.

Accruals and provisions relating to prior acquisitions have reduced significantly through the year from £1.1 million to £0.1 million, with the credit of that release primarily coming through in the exceptional income and discontinued operations lines of the income statement.

Currency movements on assets held outside of the UK have led to a significant reduction in the value of intangible fixed assets, which have reduced from £74.7 million to £67.6 million.

Earnings per share have increased to 2.29p (2020: 1.6p).

Adam Moloney
Chief Financial Officer

<table>
<thead>
<tr>
<th>Year ended 30 June</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>Acquisition costs</td>
<td>1,774</td>
</tr>
<tr>
<td>Exceptional income</td>
<td>(31)</td>
</tr>
<tr>
<td>Amortisation of acquired intangible assets</td>
<td>(837)</td>
</tr>
<tr>
<td>Share-based payments charge</td>
<td>2,859</td>
</tr>
<tr>
<td>5,286</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended 30 June</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Acquisition costs</td>
<td>575</td>
</tr>
<tr>
<td>Exceptional income</td>
<td>(875)</td>
</tr>
<tr>
<td>Amortisation of acquired intangible assets</td>
<td>2,921</td>
</tr>
<tr>
<td>Share-based payments charge</td>
<td>1,447</td>
</tr>
<tr>
<td>4,037</td>
<td></td>
</tr>
</tbody>
</table>

Adjust EBITDA for the period grew by 26% to £10.2 million (2020: £8.1 million), giving an adjusted EBITDA margin of 28% (2020: 24%).
Principal Risks and Uncertainties

The Board is responsible for determining the nature and extent of the risks it is willing to take in delivering Blancco’s strategic objectives, and manages these risks through the Blancco Risk Management Framework.

The strategic risk appetite for the business is reviewed annually by the Board. The Audit Committee is asked to assess whether risks are within the Group’s risk appetite.

Key leadership employees and functional managers have been, and will continue to be, involved in the risk identification process, and with support from the Risk and Opportunities Committee, risks are identified and recorded, along with the causes and consequences. The Committee is balanced with representatives from all operating locations and functions in order to provide a comprehensive aggregation of the Group’s risks.

In identifying exposure, consideration is given to both external factors, arising from the environment and sector in which we operate, and internal factors, arising from the nature of our business, our controls and processes, and our decision making and other processes.

During the year, a third party, Protiviti, was engaged to conduct an independent review and assessment of the coverage of risks captured in the Group’s business-wide risk register, to confirm key risks are being identified and to make recommendations to address any gaps. The output from this review, in addition to refining the processes of the Risk and Opportunities Committee, is incorporated into the Group’s principal risks listed below.

Each risk is evaluated based on its likelihood of occurrence and severity of impact and positioned on a risk ranking matrix, along with proposed mitigating factors. Following the assessment and recording of risks, appropriate responses are proposed based on its positioning within the Group’s risk appetite; i.e. whether to tolerate, treat, or terminate the risk to the Group.

Appropriate actions are agreed; for example, to mitigate, transfer (through insurance), or eliminate (by ceasing) the risk. The objective will be to continually challenge the efficiency and effectiveness of controls.

**Principal Risks**

It is recognised that the Group’s strategic objectives can only be achieved if risks are taken seriously and managed effectively. The risks below are those considered key to delivering our strategy and are specific to the nature of our business, although there are other more generic risks that may exist and that may impact the Group’s performance.
<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Potential Impact</th>
<th>Mitigation</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID-19 pandemic</td>
<td>A resurgence of the pandemic or the emergence of vaccine resistant variants could result in further regional or global lockdowns that could adversely impact trading and result in a slower rate of revenue growth and impact profitability and cash flows. There remains the risk that our customers experience cash flow issues due to the pandemic, which may, in turn, increase our bad debt risk or put pressure on our working capital cycle.</td>
<td>Management has set out a financial plan for the forthcoming financial year that it considers to appropriately reflect the growth prospects. The Group is geographically spread mitigating the impact of any future regional specific lockdowns and we continue to monitor the sales pipeline. Additionally, we continue to maintain communication with our customers and monitor our debtor profile closely. The percentage of debtors more than 30 days overdue is 4% (2020: 9%).</td>
<td>↓</td>
</tr>
<tr>
<td>Employee capabilities and engagement</td>
<td>Staff engagement is essential to the successful delivery of service to customers, and longer term, the overall business strategy. A workforce that is not engaged or motivated can hinder the growth of the business. Having the appropriate capabilities at all levels, by continuing to attract and retain key individuals within the business, is key to our strategic growth. Additionally, a number of our staff have specialist skills, for example in software engineering. A shortage of these skilled staff (resulting from either employee turnover, or failure to attract staff) would result in the business not possessing the level of technical expertise required to execute on its strategic objectives, in particular the ongoing development of the product. A lack of diversity and inclusion within the workforce risks limiting creativity and ideas that would have an impact on operations and decision making. This may result in suboptimal strategy and product development.</td>
<td>Considerable effort has been devoted to communicating the business strategy so employees are clear on our business objectives and their role in the strategy. We highlight key capability gaps and work to recruit appropriately and efficiently to fill such gaps. Alongside this, we perform periodic reviews of employee remuneration to ensure this is set at a competitive level, including our key individuals to ensure we retain these staff members. We have undertaken an exercise to identify who are the key individuals in the organisation and have also commenced a succession planning exercise for key roles, so that we are able to promote internally as well as sourcing talent externally. We continue to monitor the diversity of our employees and review recruitment practices to encourage diversity and inclusion. We have engaged in diversity and inclusion training for our staff to promote the benefits of working as a diverse and inclusive organisation.</td>
<td>➞</td>
</tr>
</tbody>
</table>

Key:  ➞ Increased  ➠ Decreased  → Unchanged
## Principal Risks and Uncertainties continued

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Potential Impact</th>
<th>Mitigation</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technological risk</strong></td>
<td>The software sector is fast moving with regular changes in technological advancements and offerings. This may impact the future compatibility of our products, or new solutions could even render our products obsolete. The product integrity of the Blancco offering is important in the markets we operate within. A failure of the product could result in reputational damage or regulatory pressure. As our offerings are used within customers’ IT systems, there is a risk of malicious or erroneous code being embedded into their IT environment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>We continue to invest significantly in our research and development to ensure that our product remains best in class. In addition, our solutions are certified, approved, and recommended by 14 governing bodies and leading organisations globally. Continuing to innovate and improve R&amp;D processes with internal expertise, market benchmarking and consultation, and continual tracking of technological direction. We closely manage our key accounts and interact with our largest stakeholders in order to keep abreast of market developments and ensure that our product development roadmap remains market focused and our solutions address customer requirements. We are ISO 9001 certified, which provides the accreditation that we offer products that meet stringent regulatory requirements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞</td>
<td>The risk is unchanged. This is an inherently high risk given the markets that we operate in and importance of technological developments in our products, and mitigations cannot fully remove the risk. We continue to mitigate through detailed strategic planning of our R&amp;D that includes our patent processes, control environment and product roadmaps.</td>
<td>➞</td>
</tr>
<tr>
<td><strong>Market and economic risks</strong></td>
<td>The business faces further challenge in price competition for less highly developed products, which can result in price erosion or customer loss. There is a risk that the Group will not be able to execute on channel partnerships, and therefore not be able to take advantage of highly scalable revenue opportunities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Obtaining new patents, certifications and technological offerings, alongside the existing diversity and strength of the product set gives us a strong position in the market to maintain prices and position ourselves ahead of competitors. We continue to generate new, high-quality channel partnerships with established partners such as Amazon Web Services and Service Now. We have a dedicated business development team that is focused on the implementation and execution of these partnerships and identifying future partnerships.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞</td>
<td>The risk is unchanged. Mitigations reduce the risk, but this risk is inherent in the market and cannot be fully removed. The expanding portfolio of products, services, offerings, and geographies ensures the risk is well diversified. Any partnership entered into has the potential to underperform; however, the Group is encouraged by the early stages of these high-quality partnerships with global leaders.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Potential Impact</th>
<th>Mitigation</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal systems and cyber risk</strong></td>
<td>Our internal systems are integral to our service offerings, our process efficiencies, and our development abilities. The flexibility and reliability of the systems is critical to the ongoing growth of the Group. A potential data breach resulting in loss of data or compromising the product would create significant market discontent and could expose the Company to regulatory investigation or fines.</td>
<td>We have implemented policies and procedures to manage our operations efficiently and safely and to maintain our systems as evidenced by obtaining ISO 9001/27001 accreditation. During the year, we achieved the ISO accreditation in our Ireland office, following a period of integration subsequent to the Inhance acquisition. We are continuing to highlight the potential risks internally and raise the profile of internal security. System enhancement teams work on the continual improvement and integration of key systems, including enhanced security, business continuity and back-up facilities. The integrity of our systems is maintained through regular back up testing and robust disaster recovery planning.</td>
<td>The risk is reduced following attainment of ISO accreditation in Ireland. We continue to monitor the quality of our internal systems and the robustness of our procedures.</td>
</tr>
<tr>
<td><strong>Operational efficiency risks</strong></td>
<td>Operational efficiency is vital to the profitability of the Group and to customer service. The risk arises both at an internal level, where inefficient operating processes can adversely affect the profitability of the Group; and at a customer level, where ineffective products or poor client service could lead to termination of the relationship.</td>
<td>The Group continues to focus on standardising operating procedures across all locations, which drives consistency in client service. System enhancement teams work on the continual improvement and integration of key systems, which supports further automation and standardisation of processes. The Group maintains a collaborative relationship with customers and tracks customer satisfaction in order to identify any product or service delivery risks.</td>
<td>The risk is unchanged. The Group continues to invest in product and its service teams, however, acknowledges the changing market dynamics means this is an iterative process.</td>
</tr>
<tr>
<td>Risk Area</td>
<td>Potential Impact</td>
<td>Mitigation</td>
<td>Trend</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Compliance risks</td>
<td>The Group operates in various jurisdictions globally; therefore, is exposed to varying legislation and compliance requirements, as well as compliance with tax regulations and transfer pricing.</td>
<td>The Group monitors global compliance and obtains local advice and guidance when required. Blanccco continues to be mindful of the implications the increasing levels of Data Protection legislation in place globally, and a Data Protection policy is in place across the Group. This is agreed to by all the Group’s employees and is also covered within the conduct of business policy for the Group. Compliance with Data Protection and GDPR remains a key focus, with ongoing all-employee training sessions to ensure compliance with the Group’s Data Privacy Policy and Information Security Policy. The Group maintains internal processes to ensure appropriate guidelines are followed – especially with regard to data protection and anti-bribery and corruption. The Group periodically reviews the terms of its tax arrangements to ensure these remain compliant with local law and regulations and that the Group is compliant with arm’s length pricing principles.</td>
<td>➞ The risk is unchanged. The Group continues to monitor its compliance across locations and deems the compliance risk to be at a suitably low level.</td>
</tr>
<tr>
<td>Foreign exchange rate volatility</td>
<td>The geographic spread of the Group means that financial results are affected by movements in foreign exchange rates, with only a small percentage of the Group’s revenue being generated in Sterling. The risk presented by currency fluctuations may affect business forecasting and create volatility in the results and cash holdings.</td>
<td>The Group monitors foreign exchange exposure regularly and, when a transational exposure is not covered through a natural hedge, consideration will be given in entering into a hedge arrangement.</td>
<td>➞ The risk is unchanged. Foreign exchange rate movements are uncertain and the timing of profits in overseas territories is uncertain; therefore, the Board feels there is no economic and risk-free way to hedge against this, other than the natural hedging that is currently undertaken.</td>
</tr>
</tbody>
</table>

Due to the geographic spread of our operations, the Group has been, and expects to continue to be, relatively well protected from any adverse impacts of Brexit. The Group’s UK-based sales represent a relatively small proportion of its overall revenues and are almost all generated wholly within the UK rather than arising from cross-border contractual arrangements. Trade with EU customers and suppliers is generally carried out from one of our EU locations. Accordingly, the Board continues to consider that Brexit is not a significant risk that may materially impact the performance of the Group in the future.

Matt Jones
Chief Executive Officer
27 September 2021

Key:
- Increased
- Decreased
- Unchanged
Dear Stakeholder,

As a business, we acknowledge that our most significant sustainable output is our suite of products – a fact that is acknowledged by the London Stock Exchange with the accreditation of its Green Economy mark, awarded to us in 2019. Our data erasure solutions facilitate the reuse and extended life of hardware, supporting a drive towards a circular economy and circumventing the unnecessary and potentially harmful physical destruction and landfill of devices. In this way, we also promote information security and help our customers meet their own ESG objectives.

This year, across the business, we have continued to enhance our focus and management of key material issues as a leadership team. My focus was to lead on diversity and inclusion initiatives because it is a matter that means a lot to me. As a Company, we want to ensure that we have an inclusive and supportive culture that provides equality of opportunity, and we recognise that a diversity of people and thought promotes the continued growth of our business. While we appreciate that we still have a way to go in achieving diverse representation at all levels of the Company, we are proud to have seen an increase in the number of women working at Blancco. As we continue to adjust our recruitment practices to ensure we are seeing the broadest pool of candidates, we hope to see increased representation of all people, and in time, through the strengthening of our training programmes and succession planning enabling promotion from within the business, we will see these individuals becoming the next generation of leaders at Blancco.

The continued success of our business relies on us meeting our customers’ needs. As such, despite the pandemic, we strived to strengthen the ties we have with our customers, working with partners and listening to the feedback from our customers to understand how our products are being used. The almost ten-point increase in our Net Promoter Score (NPS) on the previous year, as well as the significant increase in the number of respondents, speaks to the time and effort we have invested both in innovating our products to improve customer experience, and in maintaining our customer relationships through this difficult period where in-person contact has often not been feasible.

As a business with a relatively small carbon footprint, we acknowledge that we are limited in the ways we can reduce this footprint. Nevertheless, we wanted to see the full picture of our environmental impact and engaged a consultancy to conduct a carbon audit of the business for the first time to establish our Scope 1, 2, and 3 emissions. Travel is undeniably our greatest area of energy use; while there was a reduction in Scope 3 emissions during the past year due to COVID-19, we expect business travel to increase as restrictions ease and our customers want to host in person meetings. While FY21 cannot serve as a baseline for our performance, it is imperative that we develop a travel policy that recognises where business travel is essential, whilst also factoring in our ability to connect remotely and reduce unnecessary journeys.

The support and insight of our stakeholders bolsters the long-term growth of our business. Throughout the year, we have continued to connect with our stakeholders in a myriad of ways, holding virtual town halls with employees, receiving customer surveys, engaging with charitable organisations, and supporting industry bodies. The following report discloses the actions we have taken this year to promote the interests of those stakeholders, while our 2021 ESG Report will provide greater detail on our ESG management.

Matt Jones
Chief Executive Officer
27 September 2021
Our Focus

United Nations Sustainable Development Goals (SDGs)

In 2015, the UN launched 17 SDGs with the objective to tackle some of the world's greatest challenges and create a sustainable and harmonious future for all. The SDGs cover a range of topics including ensuring good health and wellbeing, achieving gender equality, and promoting full and productive employment. We have reported our progress against the four SDGs that we have a significant positive impact upon and have identified the underlying targets that our business supports. As a Company, we will continue to promote decent work, innovation, and responsible consumption, and strive to reduce the inequality in the workplace and beyond.

Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD is chaired by Michael Bloomberg and championed by former Governor of the Bank of England, Mark Carney, and is an initiative that seeks to develop consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. We have begun the process of alignment with the TCFDs, by reporting our climate-related impact in accordance with the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. We are committed to transparent and honest disclosure and aim to strengthen our TCFD reporting as we move forward.

Sustainability Accounting Standards Board (SASB)

SASB provides industry-specific standards that enable companies to disclose their financially material ESG information for investors. For the second year running, we incorporated the accounting metrics of the SASB standard for Software & IT Services companies into our ESG Report.

Employees

Employee engagement

At the beginning of the pandemic, we implemented new communications channels to ensure that, despite not being able to see each other in person, we were maintaining effective and consistent engagement across the workforce. While some of our offices have reopened and we are moving towards a hybrid working culture, these channels of communication are firmly established. Country calls led by the HR department are conducted on a fortnightly basis and our All-Hands Call, which includes the global workforce, allows employees see all the Executive team members on camera and to ask any questions.

“At Blancco, we have created a culture that is open and honest and in which senior leadership are easily approachable. We are very proud that, in the past year, we have really built upon this culture and, in communicating more than ever before, have become an integral part of our employees’ lives such that we improved our employee engagement and saw scores rise in every category for our annual survey.” Sarah Smith, HR Director.

To ensure that we are best placed to attract and retain employees, especially as we move towards a post-pandemic world, we continue to conduct regular benchmarking and we review and update our benefits annually. We have updated the prizes for our Awards Programmes, which allow employees to be recognised for their hard work. We also introduced our SAYE scheme to our seven largest locations (Germany, Finland, Ireland, India, US, Japan and UK) this year, which has had a fantastic subscription rate amongst the workforce, with 47% of eligible employees signing up.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit of measure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement</td>
<td>Percentage (%)</td>
<td>80% (September 2019: 77%)</td>
</tr>
</tbody>
</table>

Mental health and wellbeing

As we switched to remote working last year and are transitioning to a hybrid working environment, supporting our employees’ mental health has never been more important. Throughout the year, we rolled out a number of initiatives globally to promote mindfulness and monitor employee wellbeing. To ensure our leadership were best positioned to support employees during the past year, we rolled out a training programme for managers focused on their teams’ wellbeing, in particular what they needed to be looking out for and how to approach colleagues if they seem to be struggling. We promoted our Employee Assistance Programme (EAP), which has a 24-hour confidential hotline for employees to call and receive the appropriate support or coaching. Where individuals have been open about their mental health issues this year, we have been proactive in following up with check in calls and we have maintained close contact with those struggling significantly.

Diversity and inclusion

We are an equal opportunities employer, and we are committed to maintaining open and supportive working environments for all our employees around the world. This commitment starts at the Board level, with D&I initiatives being led and championed by our CEO. In the past year, we have promoted a number of new initiatives to nurture a diverse workforce and an inclusive culture: mandatory D&I training for all managers; a review of all our internal documentation from a D& perspective to address the language used in the software space and replaced any offensive terminology; a data collection exercise to assess and benchmark our performance on D&I; and a review of all job descriptions from an unconscious bias perspective. We will continue to work hard to promote diversity and equitability throughout our business and ensure that all individuals feel supported and included.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit of measure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</td>
<td>Percentage (%)</td>
<td>(1) 20% Female; 80% Male; 95% White; 5% Asian; (2) 21% Female; 79% Male; 49.5% White; 50% Asian; 0.5% Caribbean; (3) 42% Female; 58% Male; 64% White; 32% Asian; 2% Black; 1% African; 1% Hispanic.</td>
</tr>
</tbody>
</table>
Training and development

We recognise the importance of providing training and development opportunities to our employees, to both enable our colleagues to expand and develop their skillsets, and to ensure that we are nurturing talented individuals and future leaders. In addition to our pre-existing nine box exercises, we have increased our proficiency in succession planning, rolling out a programme of management development, and identified key roles that would not be easily filled in R&D and assigned junior colleagues to work with those individuals. We introduced “Blancco Learning”, an online training platform that gives employees access to a wide variety of courses and continue to conduct annual performance assessments to give employees feedback and identify their goals for the coming year. We also work with universities to make sure we are finding talented and passionate individuals to join our business. Despite the restrictions of the pandemic, we have given talks about our industry, offered internships to students, and recruited graduates for our product development and support team in India.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit of measure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of internships offered</td>
<td>Number</td>
<td>4 (FY20: 5)</td>
</tr>
<tr>
<td>Number of permanent employees from internships</td>
<td>Number</td>
<td>2 (FY20: 2)</td>
</tr>
<tr>
<td>Number of talks at universities and higher educational colleges</td>
<td>Number</td>
<td>2 (FY20: 3)</td>
</tr>
</tbody>
</table>

**CASE STUDY**

**Blancco Learning**

This year, we introduced the Global Learning Management System, “Blancco Learning”, a global database of training courses available for our employees across the world to access. There are over 300 courses available in 34 categories, ranging from broader corporate topics such as D&I and coaching training, to tailored courses supporting specific job functions such as cybersecurity and data analysis. The platform has seen a lot of traffic and we are able to track participation and set mandatory modules for essential training. By opting for an online training platform, we are awarded green points each time an employee completes a module, as they have not travelled to do an in-person course. The platform allows us to report on a series of potential benefits and cost savings; following the launch to managers in January and to all employees in April, we have already seen US$10.65K in training savings, 92 hours less in commuting, -1.49MgCO₂ in environmental impact, and 92 better-skilled workers.
Customers
Supporting our customers
Our technology not only safely supports the circular economy and negates the need for physical destruction, but it also enables our customers to meet their own sustainability objectives. Our erasure software ensures that our customers’ data is secure and enables compliance with information security standards such as the GDPR. It also allows customers to redistribute or donate securely wiped devices and avoid sending hardware to landfill, supporting social and environmental goals.

Some of our products, such as within our diagnostics offering, have enabled us to support large insurance providers with fraudulent claims. For example, the development of machine learning technology that detects cracked glass on devices allows validation of the state of a device for an after-sale insurance policy. For retailers, when a consumer has a problem with a device and wants to return it, our diagnostics can be utilised to assess whether there is in fact an issue with the device, instead of the device being taken to a warehouse and going through the system for there to be no fault found. This not only produces an operational saving for our customers, but also avoids environmental impact of transportation.

We are also developing an ESG dashboard, which will use our cloud data on the number and types of devices erased, as well as calculations based on the number of licences sold, to enable customers to track their own data erasure metrics. This brand new functionality will support customers with their sustainability reporting by demonstrating the environmental impact they are offsetting by using Blancco products.

Customer satisfaction and feedback
As a Company, we strive to meet our customers’ evolving needs and deliver the highest quality service. As such, we make collecting and responding to customer feedback a priority. We measure customer satisfaction in two ways: the Net Promoter Score (NPS) and the Win Loss Survey. Feedback from customers is distributed around the business allowing the appropriate teams to identify the areas for improvement and respond effectively. We gather customer feedback and insights through our Customer Advisory Board, engagements with our strategic partners, and the feedback and requests made to the sales teams by customers. There are, therefore, multiple touchpoints for our customers to inform us of their changing requirements and we greatly value this feedback as it helps determine the areas of focus for R&D.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit of measure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer NPS score</td>
<td>Score</td>
<td>57.5 (FY20: 48)*</td>
</tr>
</tbody>
</table>

* The industry average NPS for technology companies is 35. Source: www.surveymonkey.co.uk/curiosity/what-is-a-good-net-promoter-score/

CASE STUDY
Customer Advisory Board
A key feedback channel is our Customer Advisory Board, which meets twice a year and is comprised of key customers from each market in which the business operates. The first meeting is an in-person event (though this was held online in FY21 due to the pandemic) in which we discuss in detail their use of our products, the use cases in each market, and the innovation they want to see. From this, we take a long list of action points away, then meet as a wider team internally on a monthly basis to ensure that these points are being addressed by the relevant departments within the business. Six months later, we hold an online update with the Customer Advisory Board, during which we explain what actions we have taken and what are the next actions we will execute. Continuing to innovate drives product and service enhancements and, in turn, supports our market-leading position globally. Furthermore, the addition of new and complementary products mean we can support our clients with more of their digital demands.

“The Customer Advisory Board are an invaluable source for customer insights. During the meetings, we get a broad view of product use and the market dynamics, enabling us to assess where improvements can be made and the new markets we could enter.”

Alan Bentley, President of Global Sales

Industry Bodies
We act as a driving force in our industry for innovation and best practice, working within the technical communities helping to establish certain standards that are used in evaluating devices. As well as supporting a number of organisations around the world, we also founded the International Data Sanitization Consortium (IDSC), with the mission to “eliminate the ambiguity around data sanitisation terms, standards and guidelines to ensure organisations are adhering to, and receive, best practices in data sanitisation”. We continue to share our expertise on data security and erasure through white papers and webinars. Our President of Global Sales has been invited by the World Trade Organisation to speak on “The use of data protection technology in an ICT circular economy” at the 25th Anniversary of the Information Technology Agreement in September 2021.
Communities
Our products not only enable us to support the circular economy, but also to support initiatives that distribute devices to underprivileged families and promote equality of access to technology. We also want to have a broader positive impact on the communities we operate in. At Christmas, we ran campaigns to raise money for four charities, Trussell Trust in the UK, 2nd Harvest in the US, Society of St Vincent de Paul in Ireland, and SOS Children’s Village in Finland. These charities support children and their families by providing food and presents, and we matched all donations raised by our employees in each location for this campaign.

Regulators
Compliance and integrity
We ensure that all employees are kept up to date with the Company’s governance policies. New employees are required to read Blancco’s policies, including Code of Conduct Policy, Anti-bribery and Corruption Policy and Whistleblowing Policy, and feed back any questions, then sign to demonstrate that they have read and understood. This gives us the confidence that our new joiners understand the ethics and values of how the business works.

Ongoing training is carried out to cover any policy changes; these sessions act as a refresher for employees, while also providing the opportunity for people to voice any questions they may have. At Blancco, we value the transparent culture we have created, and want our staff to be reassured that, should they be faced with an ethical dilemma, they can approach us with any questions they may have.

There is a whistleblowing hotline that is monitored by a third-party specialist call handler, compliant with the Private Security Industry Act requirements for interviewing callers. They provide a confidential and independent global service for staff to report concerns, which are escalated immediately to the CFO and Audit Committee for appropriate action.

Data and information security
Our solutions have been tested, certified, approved, and recommended by 14 governing bodies and leading organisations around the world, making us the industry standard in data erasure and mobile lifecycle solutions. For more information about our accreditations, please visit our website.

We place the highest importance on respecting and protecting the privacy and confidentiality of the information that our customers share with us. Our Privacy Policy Statement is reviewed annually and publicly available on our website.

We have a layered Defence-in-Depth approach following ISO 27001 standards, using various technologies aimed to protect our IT infrastructure and data, including asset patching, MDM, firewall protection, proxy control, network monitoring, server/system access rights, user awareness training and built-in alerting mechanisms.

We provide mandatory recorded training to all employees, including contractors. This is provided when an individual joins Blancco and their completion of the training is monitored. Furthermore, company-wide trainings are conducted on a regular basis, including confidentiality, data privacy, and information security. As the most common form of attack is phishing emails, we wanted to raise employee awareness; we introduced a banner on every email that comes from an external organisation, which has resulted in a considerable drop in employees clicking through on suspicious emails.

CASE STUDY
“Laptops for Kids”
This year, we partnered with WANdisco on their campaign “Laptops for Kids”. According to the Children’s Commissioner, 9% of families are without a laptop, tablet or desktop at home. The issues this causes have been exacerbated by the pandemic, where many children have not had access to a device at home to receive online schooling. The “Laptops for Kids” campaign aims to deliver devices to schools in need across the North of England and has sourced 14,000 devices to date.

In order to safely donate devices, businesses want to ensure that their devices have been securely wiped of all data. Through donations of free drive eraser licences, we have already enabled the campaign to securely erase 1,400 donated used digital devices, with this number continuing to rise daily. As part of the collaboration, Blancco and WANdisco have facilitated training on how to use the erasure software to sanitise the donated devices. This practice has been carried over to the WANdisco Data Academy at Sheffield College, where students have been taught how to carry out the erasure process themselves. The students now spend one day per week supporting the project, providing them with valuable work experience, relevant to their studies and ultimately fosters a culture of improved cyber hygiene.

We recognise the value of having access to a device at home for young people, and are proud to support this campaign, to ensure that young people have access to educational resources no matter their socio-economic status. Our CFO, Adam Moloney, has joined the Laptops for Kids National Taskforce, which is now working to roll out the scheme across the entire country following its success in the North of England. To find out more about the campaign, visit www.ltfk.co.uk/.
Environmental Impact

Governance
As an office-based business with over 320 employees globally, our environmental impact is minimal. Nevertheless, we remain committed to limiting our direct environmental footprint. The Board has oversight of climate-related risks and opportunities, and as ESG is an integral part of the Chief Financial Officer’s Report, environmental matters are discussed at Board meetings. Additionally, this year we engaged a consultancy to conduct a carbon audit of the Company and enable us to understand our environmental impact and where improvements can be made.

Strategy
Reducing our footprint
We recognise that travel is our largest carbon hotspot and moving forwards we are addressing how our travel policy could be evolved to reduce that impact. The pandemic provided us with the opportunity to reduce our travel emissions and also showed us that we can operate with less travel. Thus far we have identified two of our annual Board meetings that can be held virtually, and additional Board meetings that will be hybrid to avoid transatlantic flights. We accept that travel will remain a part of our business, as we are a global Group with customers and employees around the world, but we are considering how the travel we do can be less impactful, including educating our employees about the impact of different airlines, assessing where different modes of transport could be taken, and providing greater flexibility around the price.

Our office footprint is not significant as we have a small headcount and we seek to rent office spaces that provide facilities to meet our operational needs, principally hiring offices contained within larger buildings with communal areas. However, we continue to pursue emissions reduction initiatives; we have now closed one office in the UK, we encourage sustainable resource use across our employee base, and we are considering green energy suppliers for our offices.

Our positive impact
Our products directly support the circular economy, as by securely erasing data from hardware we extend the lifetime of devices, thereby enabling reuse or reselling of devices. The typical refresh rate of certain devices is approximately three years; data sanitisation can double the lifetime of a product. Consequently, we can reduce both the demand for, and the carbon emissions produced by the manufacture of new devices, as research suggests that the environmental impact of most consumer electronics is greatest during the manufacturing and distribution process. By securely erasing data, we also avoid the need for less environmentally friendly methods of data and device destruction and for those devices to be sent to landfill.

By providing our solutions, we enable businesses to minimise their carbon emissions and keep their hardware in circulation. We continue to work with our customers to assess how we can develop our products and increase the efficiency of their operations, thereby increasing the number of securely erased devices.

Based on information gathered from customers, an estimated 682.2 million kilograms of electronic equipment was securely sanitised during the year, with a preuse carbon footprint of 5.6 billion kilograms (FY20: 60.7 million kilograms of electronic equipment, with a preuse carbon footprint of 4.6 billion kilograms).

Risk management
The Board is responsible for determining the nature and extent of the risks it is willing to take in delivering Blancco’s strategic objectives and manages these risks through the Blancco Risk Management Framework. The strategic risk appetite for the business is reviewed annually by the Board. The Audit Committee is asked to assess whether risks are within the Company’s risk appetite. During the year, the Audit Committee engaged a third party to review the way that risk is managed at Blancco. The well-received exercise yielded several recommendations that have been implemented to further enhance the way that risk is managed. Additional detail on Blancco’s approach to risk management and principal risks can be found on pages 36 to 40.

Metrics and targets
We attribute the reduction in our Scope 1, 2, and 3 emissions to our offices closing and the limitation on travel during the pandemic. Certain small satellite offices were closed permanently, in agreement with employees moving to remote working practices, which also contributed to a reduction in our emissions. As a Group, while we are beginning to capture our carbon footprint, we are not yet in position to authoritatively set a target as, due to the pandemic and 2020 data being an anomaly, we cannot yet establish a baseline.

Energy

<table>
<thead>
<tr>
<th>Year*</th>
<th>Electricity usage (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>23,622.88</td>
</tr>
<tr>
<td>2020</td>
<td>19,918.73</td>
</tr>
</tbody>
</table>

Emissions

<table>
<thead>
<tr>
<th>Year*</th>
<th>Scope 1 &amp; 2 (tCO₂e)</th>
<th>Scope 3 (tCO₂e)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>152.95</td>
<td>949.20</td>
<td>1,102.15</td>
</tr>
<tr>
<td>2020</td>
<td>104.05</td>
<td>148.46</td>
<td>252.51</td>
</tr>
</tbody>
</table>

* The data here represents the calendar years of 2019 and 2020, not the financial years.

** The Scope 3 data covers business travel only.

Our 12-month CO₂ emissions (Scopes 1, 2 and 3) for 2020 decreased by 77%, compared with 2019. Scope 1 and 2 emissions reduced by 32%, or by 1.5 tonnes of CO₂ per £1 million revenue. In total, we emitted 7.6 tonnes of CO₂e per £1 million of revenue in 2020, compared with 33.1 tonnes in 2019. Electricity usage reduced 16%.

Methodologies
We classify GHG emissions into three ‘scopes’. Scope 1 emissions are direct emissions from sources that are owned or controlled by Blancco, including the combustion of fuel and operation of facilities. Scope 2 emissions are indirect emissions from the purchase of electricity, heat, steam and cooling purchased for own use. Scope 3 emissions are all indirect...
emissions (not included in Scope 2) that occur in the value chain. All footprint calculations comply with the standard set by the World Resource Institute: GHG Protocol for Corporate Accounting. All Scope 1 and 2 emissions factors derive from the International Energy Agency (IEA). Scope 3 business travel has been calculated based on route, aircraft/train/ferry/car hire, make and manufacture of transport and travel class, and have applied the appropriate methodologies and data published by the European Environment Agency (EEA), the UK Department for Environment, Food and Rural Affairs (DEFRA) and the International Civil Aviation Authority (ICAO). Business accommodation data is calculated using the International Tourism Partnership Methodology, based on duration and location.

### SDG 8: Decent work and economic growth

| 8.3 | Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services |
| 8.4 | Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead |

At Blancco, we invest in our people. We provide training opportunities for skills development, including specific management training for both junior and more experienced individuals, and a global online training platform available to all our employees. In this way, we ensure that we are nurturing our talented employees and enabling promotion from within the Group.

**Quote from SDG Champion**

"Greater awareness of the alternatives to physical destruction of equipment, the importance of data security, and growing environmental concerns, drive the use of our products. We continue to promote our sustainable solutions, develop and implement new process efficiencies, and invest in the people that enable Blancco’s success."

Adam Moloney, Chief Financial Officer
SDG 8 Champion

### SDG 9: Industry, innovation and infrastructure

| 9.5 | Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people and public and private research and development spending |

We continue to invest in R&D, growing our product management team as well as our product offering. In the last year, we have implemented improvements to reduce time spent handling and processing devices, and to maintain the stability of the application, enabling our customers to increase their operational efficiency. We work in partnership with universities to give talks about our industry, offer internship placements to students, and hire graduates in our India office to work on product development and support.

**Quote from SDG Champion**

"Research and development investment, both in new products and our team, continues to be a key priority for Blancco, and this product development is driven by the engagement we have with our customers and the attraction and retention of talented individuals."

Russ Ernst, EVP Products and Technology
SDG 9 Champion
10: Reduce inequality within and among countries

We are committed to reducing inequality and fostering a diverse and inclusive culture to ensure that all our employees feel heard and supported. We have rolled out a number of initiatives in the past year to ensure that our internal processes reflected this commitment.

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

In the past year, we have undergone a thorough review of our internal documentation on software to ensure that the language used is inclusive. We have conducted mandatory unconscious bias training for our managers and are currently working to eliminate any bias in our recruitment processes. Furthermore, our support of the “Laptops for Kids” campaign in the UK addresses the lack of access to devices for some families, providing devices to children to continue their schooling online during lockdown.

Quote from SDG Champion
“"Our people are core to the success of Blancco and, as such, we are passionate about supporting every individual. I am very proud that our D&I initiatives have been championed throughout our organisation, from the CEO to our employees themselves. These initiatives are not standalone projects, but part of a long-term strategy to progress equitability and inclusion at Blancco.”
Sarah Smith, Human Resources Director
SDG 10 Champion

12: Responsible consumption and production

Our data erasure products enable the extension of the useful life of devices, supporting the circular economy and avoiding the unnecessary physical destruction and landfill of hardware.

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

By securely erasing hardware, our products extend the useful life of devices, supporting the circular economy of reuse of repurposing, and minimising the need to manufacture new devices.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

We continue to promote the sustainable benefits of our products to our customers and are proud to be able to support other businesses to reduce their environmental impact with our solutions.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Our solutions enable businesses to avoid the physical destruction of devices, a process with can lead to harmful toxins, such as mercury, to pollute the environment and impact humans, flora and fauna. By securely erasing hardware, our products extend the useful life of devices, supporting the circular economy of reuse of repurposing, and minimising the need to manufacture new devices.

Quote from SDG Champion
“As the industry standard in data erasure, responsible consumption is woven into the fabric of Blancco. We are proud to hold the London Stock Exchange (LSE) Green Economy mark and continue to promote the sustainable benefits of our solutions in reducing unnecessary e-waste and endorsing the circular economy.”
Matt Jones, Chief Executive Officer
SDG 12 Champion