

ABSOLUTE SOFTWARE **Earnings Presentation**

Q1 Fiscal 2022

(Quarter Ended September 30, 2021)

November 9, 2021

Disclaimers

This presentation contains certain forward-looking statements and forward-looking information, as defined under applicable securities laws, including, without limitation, the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”) which relate to future events or Absolute’s future business, operations, and financial performance and condition. Forward-looking statements normally contain words like “will”, “intend”, “anticipate”, “could”, “should”, “may”, “might”, “expect”, “estimate”, “forecast”, “plan”, “potential”, “project”, “assume”, “contemplate”, “believe”, “shall”, “scheduled”, and similar terms and, within this presentation, include the fiscal 2022 outlook/guidance and any statements (express or implied) respecting: Absolute’s future plans, strategies, and objectives, including plans, strategies, and objectives arising out of the NetMotion acquisition; projected revenues, expenses, margins, and profitability; anticipated strategic, operational, and financial benefits of the NetMotion acquisition; future trends, opportunities, challenges, and growth in Absolute’s industry; the impacts of the COVID-19 pandemic on Absolute’s business, operations, prospects, and financial results; Absolute’s ability to grow revenue by selling to new customers and increasing subscriptions with existing customers; Absolute’s ability to renew customers’ subscriptions; Absolute’s ability to maintain and enhance its competitive advantages within its industry and in certain markets; Absolute’s ability to remain compatible with existing and new operating systems; the maintenance and development of Absolute’s PC OEM and other partner networks; existing and new product functionality and suitability; Absolute’s product and research and development strategies and plans; increases to brand awareness and market penetration; foreign operations and growth; and other aspects of Absolute’s operations or operating results. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and allowing investors and others to get a better understanding of our anticipated financial position, results of operations, and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance, actions, or developments and are based on expectations, assumptions, and other factors that management currently believes are relevant, reasonable, and appropriate in the circumstances, including, without limitation: assumptions regarding Absolute’s business, products, financial position, and industry; assumptions regarding the NetMotion acquisition; assumptions regarding Absolute’s ability to successfully manage the impacts of capital markets, economic, and political volatility on its business, operations, and financial results; and those assumptions referred to in Absolute’s most recent Management’s Discussion and Analysis (the “MD&A”) which is available at www.absolute.com, under Absolute’s SEDAR profile at www.sedar.com, and on EDGAR at www.sec.gov. Although management believes that the forward-looking statements herein are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Absolute’s business, as more particularly referred to in the MD&A. Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation: risks related to the integration of NetMotion and that the anticipated strategic, operational, and financial benefits of the NetMotion acquisition may not materialize; and unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. Many of these factors are beyond the control of Absolute. All forward-looking statements included in this presentation are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this presentation are made as at the date hereof and Absolute undertakes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

Absolute’s fiscal year ends on June 30 of each year. All dollar figures herein are stated in U.S. dollars unless otherwise indicated.

Management uses certain non-standard measures under International Financial Reporting Standards (“IFRS”) that it believes are meaningful in the assessment of Absolute’s performance. Management believes that analyzing operating results exclusive of the significant non-cash items noted above provides a useful measure of Absolute’s performance. As the majority of our customer contracts are sold under prepaid multi-year term licenses, there is a significant lag between the timing of the invoice and the associated revenue recognition. As a result, we focus on the aggregate annual recurring revenue (“ARR”) of our subscriptions under contract and generating revenue as an indicator of our future recurring revenues. “Total ARR” measures the amount of annual recurring revenue we will receive from our commercial customers under contract at a point in time, and therefore is an indicator of our future revenue streams. The term “Net Dollar Retention” measures the percentage increase or decrease in Total ARR at the end of a year for customers that comprised Total ARR at the beginning of the year. The term “Adjusted EBITDA” refers to earnings before deducting interest income or expense, income taxes, amortization of intangible assets and property and equipment, foreign exchange gains or losses, share-based compensation, reorganization charges, and post-retirement benefits. Please refer to the appendix to this presentation for a reconciliation of Adjusted EBITDA to IFRS net income after taxes. Please also refer to the section entitled “Non-IFRS Measures and Key Metrics” of Absolute’s latest MD&A. ARR, Total ARR, Net Dollar Retention, and Adjusted EBITDA are key operating metrics that do not have standardized meanings prescribed by IFRS and may not necessarily be comparable to similar measures provided by other companies.

This presentation includes certain as-if combined performance measures, such as ARR and adjusted revenue growth, which reflect the performance of NetMotion. Because Absolute may not calculate such historical measures in the same way as NetMotion, we have applied certain assumptions to such combined measures, and the future results of the combined company may not be a comparable result. The as-if combined financial data in this presentation has not been audited or reviewed by any independent auditor and remains subject to change. Additionally, the combined financial data in this presentation has not been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission, including Regulation S-X, or applicable laws in the United States. Further, NetMotion’s results have been prepared according to US GAAP and Absolute’s results are prepared according to IFRS. As a result, the combined financial data herein reflects certain assumptions that may affect the comparability of such data to NetMotion’s standalone financial statements. As such, the combined financial data is used for illustrative purposes only, and is not a forecast, and may not reflect the actual results of the combined company. Forward looking estimates and statements are subject to any potential closing adjustments for the transaction and do not include any adjustments for US GAAP to IFRS or for any purchase accounting adjustments associated with the transaction.

Information contained in this presentation concerning the industry and the markets in which Absolute operates, including Absolute’s perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), Absolute’s internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from Absolute’s internal research, and are based on assumptions made by Absolute based on such data and its knowledge of its industry and markets, which management believes to be reasonable. Absolute’s internal research has not been verified by any independent source and Absolute has not independently verified any third-party information. While Absolute believes the market opportunity and market share information included in this presentation is generally reliable, such information is inherently imprecise.

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Absolute Software | A Leader in Self-Healing Zero Trust Solutions



~16k customers across 50 countries

~13m active endpoints

Embedded in 500m+ endpoints

9 offices across 4 countries

>700 employees

>160 global patents

Dual-Listed:



Total ARR



NOTE: Total ARR is a key metric. Please refer to the "Use of non-IFRS measures and key metrics" section of Absolute's latest MD&A for further discussion of this key metric.

(1) Year over year growth for ARR metric for Q1 F22 is calculated on an as-if combined basis compared to Q1 F21. Q1 F2021 ARR on an as-if combined basis combines the historical ARR of Absolute Software and NetMotion at September 30, 2020, as if the acquisition of NetMotion occurred on July 1, 2020.

Selected Financial Results | Q1 Fiscal 2022

METRIC	Q1 F2022 (Quarter Ended September 30, 2021)
ADJUSTED REVENUE⁽¹⁾	\$49m
<i>Adjusted Revenue YoY Growth %⁽²⁾</i>	+15%
ADJ EBITDA⁽¹⁾	\$13m
Margin %	26%

1) Adjusted revenue and Adjusted EBITDA are non-IFRS measures. Please refer to the "Non-IFRS Measures and Key Metrics" section of Absolute's latest MD&A for further discussion and other non-IFRS measures.

2) Adjusted revenue growth rate is based on an as-if combined basis without factoring in acquisition related adjustments which includes the combined revenue of Absolute Software and NetMotion for Q1 F2021. Revenue attributable to Absolute Software is reported under IFRS and revenue attributable to NetMotion is reported under US GAAP. The amount does not include US GAAP to IFRS adjustments, which are deemed immaterial.

NetMotion Acquisition Overview

Strategic Rationale

- **Natural Evolution of Endpoint Resilience for the Hybrid Work Era**, creating a more compelling and complete offering for evolving customer needs
- **Unique Zero Trust Offering Enabling the SASE Evolution**, creating a compelling position in high growth markets
- **Total Device Coverage for the Multi-device World**, delivering critical new capabilities and sales channels
- **Enhanced Visibility to the Remote Work Experience**, significantly amplifying data intelligence on highly relevant aspects of the hybrid worker

Transaction Consideration

- **\$341.7 million in cash**
- \$275m term loan + \$66.7m in Absolute cash

Financial Benefits

- **Adds Business Scale** grows business to ~\$188m ARR and revenue platform⁽¹⁾
- **Gain New Growth Markets** synergistic product fit for high-growth market
- **Drives Revenue Diversity** compelling diversification of revenue and product portfolio
- **Enhances Profitability** accretive to adj EBITDA margin and cash generation
- **Supports Rule of 40** of 20/20 revenue growth / adj EBITDA margin target

Closing Date

- July 1, 2021

Q1 Fiscal 2022 | Selected Financial Highlights

Increased Momentum for Endpoint Resilience Continues Driving Growth

- Reported Adjusted Revenue of **\$49.0** million, representing a **+15%** compared to Q1 F2021 revenue on an as-if combined basis without factoring in acquisition related adjustments⁽¹⁾.

Annual Recurring Revenue (ARR) ⁽²⁾

- Reported Total ARR of **\$187.4** million, representing **+17.1%** increase compared to an as-if combined basis for Q1 F2021⁽³⁾.
- Enterprise & Government ARR represented **76.8%** of total ARR and grew by **+16.9%** compared to an as-if combined basis for Q1 F2021⁽³⁾.
- Education ARR represented **23.2%** of total ARR and grew by **+17.8%** compared to an as-if combined basis for Q1 F2021⁽³⁾.
- Net Dollar Retention of **109%** vs **105%** in the prior year.

Balancing Growth & Profitability

- Adjusted EBITDA⁽²⁾ of **\$12.8** million, or **26.1%** margin, compared to **\$8.1** million or **28.6%** margin in Q1 F2021.
- Cash used for operating activities was **\$0.6** million, of which \$8.7 million was used to pay acquisition and integration costs, compared to cash generated of **\$14.7** million in Q1 F2021.
- Absolute paid a quarterly dividend of **CAD\$0.08** per common share during Q1 F2022.

NOTE:

(1) Q1 F2022 revenue on an as-if combined basis includes the combined revenue of Absolute Software and NetMotion for the three months ended September 30, 2021. Revenue attributable to Absolute is reported under IFRS and revenue attributable to NetMotion is reported under US GAAP. The amount does not include US GAAP to IFRS adjustments, which are deemed immaterial.

(2) ARR, Total ARR, Net Dollar Retention, and Adjusted EBITDA are non-IFRS measures and key metrics. Please refer to the "Use of non-IFRS measures and key metrics" section of Absolute's latest MD&A for further discussion and other non-IFRS measures, and the appendix to this presentation for a reconciliation of Adjusted EBITDA to IFRS net income after taxes.

(3) Q1 F2021 ARR on an as-if combined basis combines the historical ARR of Absolute and NetMotion at September 30, 2020, as if the acquisition of NetMotion occurred on July 1, 2020.

Q1 Fiscal 2022 | Business Highlights

Business, Channel & Organizational Developments

- Completed the acquisition of 100% of NetMotion Software, Inc., a leading provider of connectivity and security solutions.
- Seasoned technology and cyber risk management executive Andre Mintz joined Absolute's Board of Directors.
- Announced strategic leadership changes to help drive the company's next phase of innovation and growth following our acquisition of NetMotion – including the appointment of John Herrema as EVP of Product and Strategy, and the promotion of Joel Windels to Chief Marketing Officer.
- Added 18 new reseller partners to our global partner program - reaching 1,700 total active partners.
- AT&T named NetMotion by Absolute as one of four solutions helping to power FirstNet®, the only nationwide network built with and for America's first responders - enabling a seamless user experience by providing resilient connectivity both inside and outside coverage areas.
- Lenovo named Absolute as a strategic security partner in the launch of their global 'Everything-as-a-Service' strategy.
- Appointed Cloud Distribution, a Nuvias Group Company, as UK distributor for NetMotion by Absolute product line as part of a strategic shift to a two-tier channel model – enabling us to increase end user reach and recruit new cybersecurity partners.

Product & Service Milestones

- Announced key findings from our third annual Absolute Endpoint Risk Report: Education Edition, which revealed the significant management and security challenges faced by K-12 education IT teams with the rise in digital learning and the widespread adoption of 1:1 device programs.
- Introduced the Absolute DataExplorer™ tool, enabling organizations to capture critical data points from their endpoint environment and align Absolute's expansive, on-demand endpoint telemetry with their evolving business requirements.
- Extended the power of Absolute's Application Persistence™ capabilities to more mission-critical applications including BeyondTrust™, VMware® Horizon Client, McAfee® Drive Encryption, and SmartDeploy®.
- Delivered enhanced geolocation capabilities, enabling organizations to strengthen device and data protections in today's work and learn-from-anywhere environments and balance the need for increased security with end user privacy.
- G2, the world's leading business solutions review website, recognized NetMotion by Absolute product line as a Leader in the Fall 2021 Grid® Report for Zero Trust Networking.

Q1 Fiscal 2022 | Business Highlights

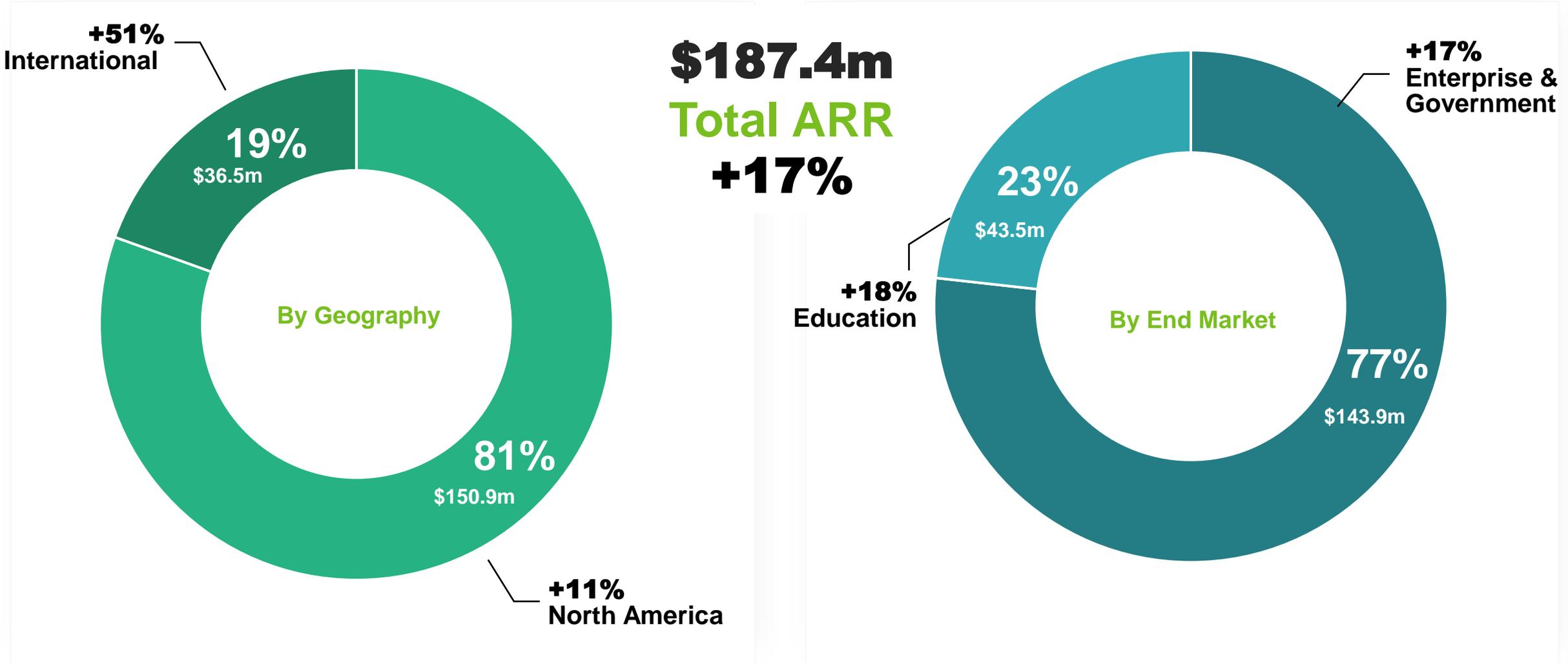
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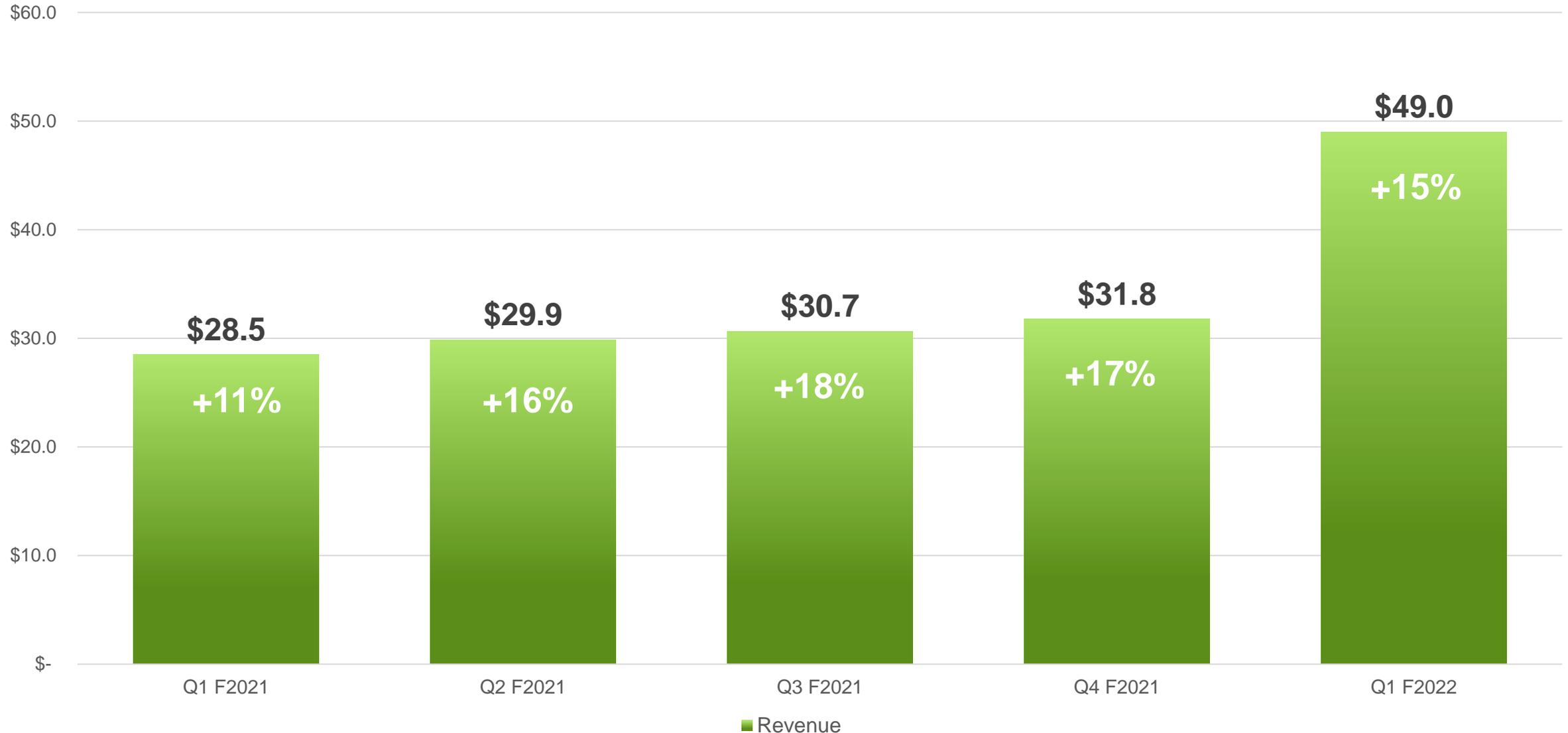
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- Extended Absolute's Application Persistence™ capabilities to more mission-critical applications including BeyondTrust™, VMware® Horizon Client, McAfee® Drive Encryption, and SmartDeploy®. This fiscal year, to date, we have added more than a dozen new applications and updates to our Application Persistence catalog, including Microsoft® Endpoint Manager (Intune) and Defender for Endpoint, Zscaler, and Palo Alto® Cortex™ XDR.
- Delivered enhanced geolocation capabilities, enabling organizations to strengthen device and data protections in today's work and learn-from-anywhere environments and balance the need for increased security with end user privacy.
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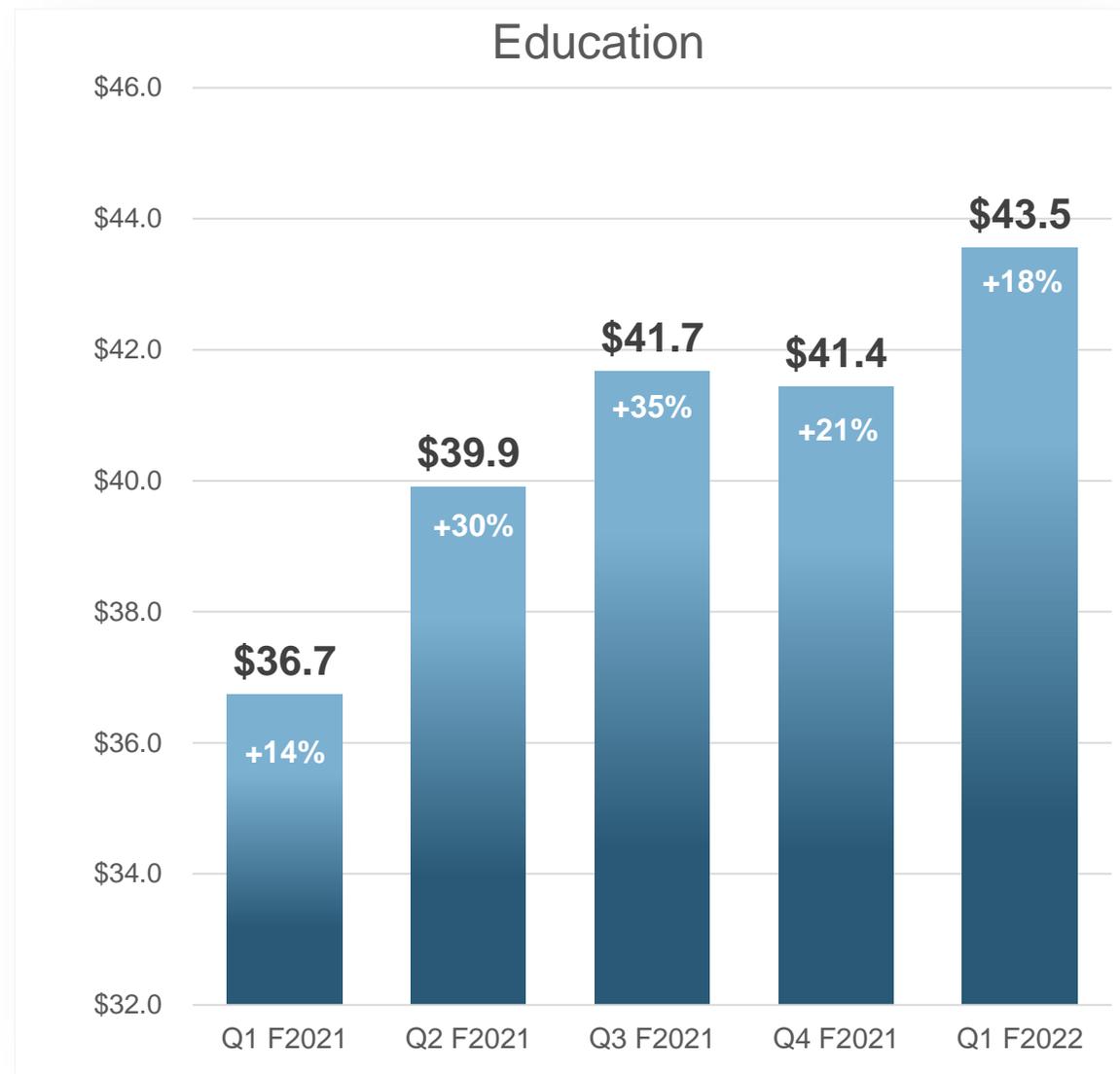
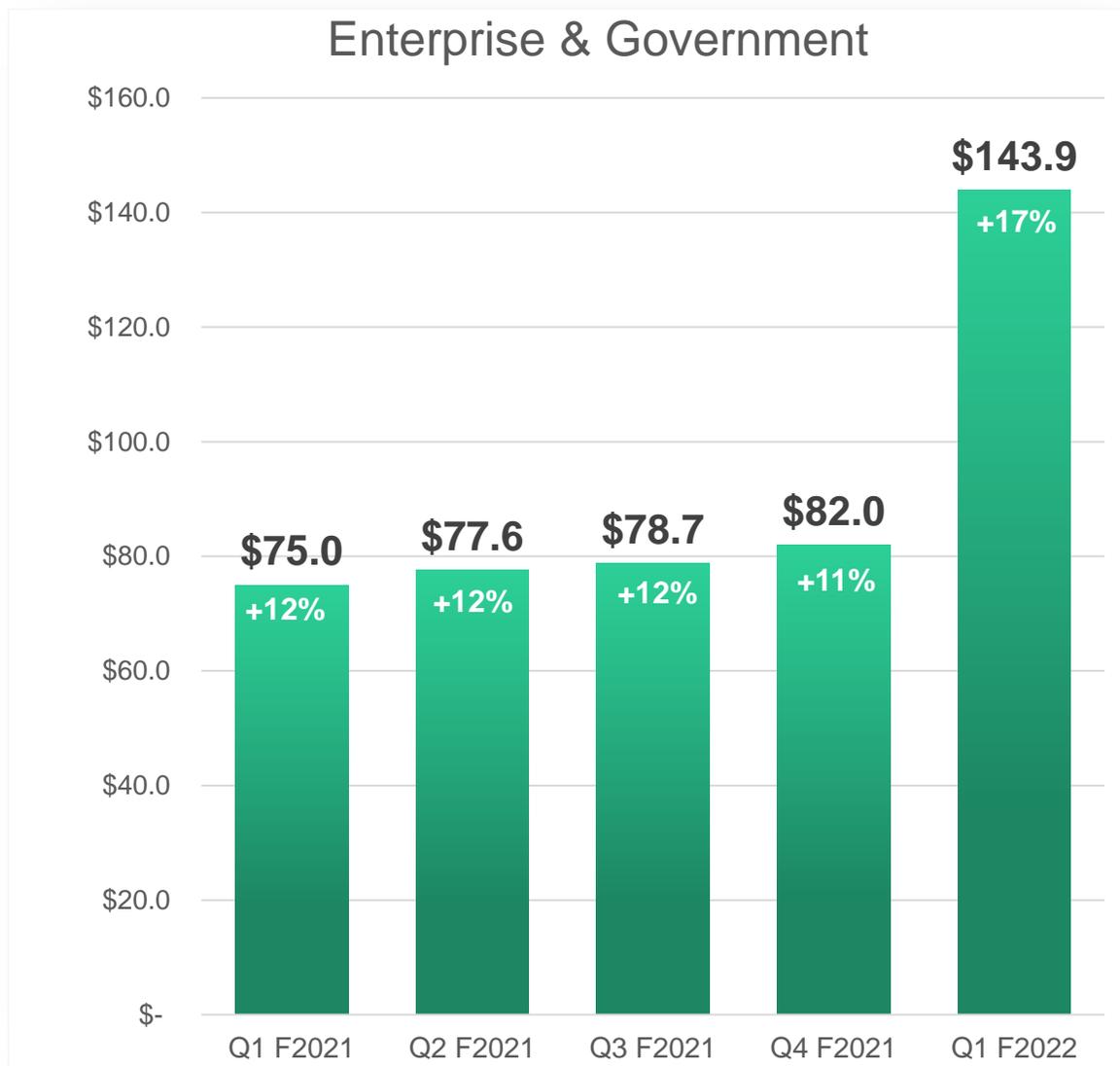
ARR | Strong Double-Digit Growth



Adjusted Revenue | Strong Year-over-Year Growth⁽¹⁾

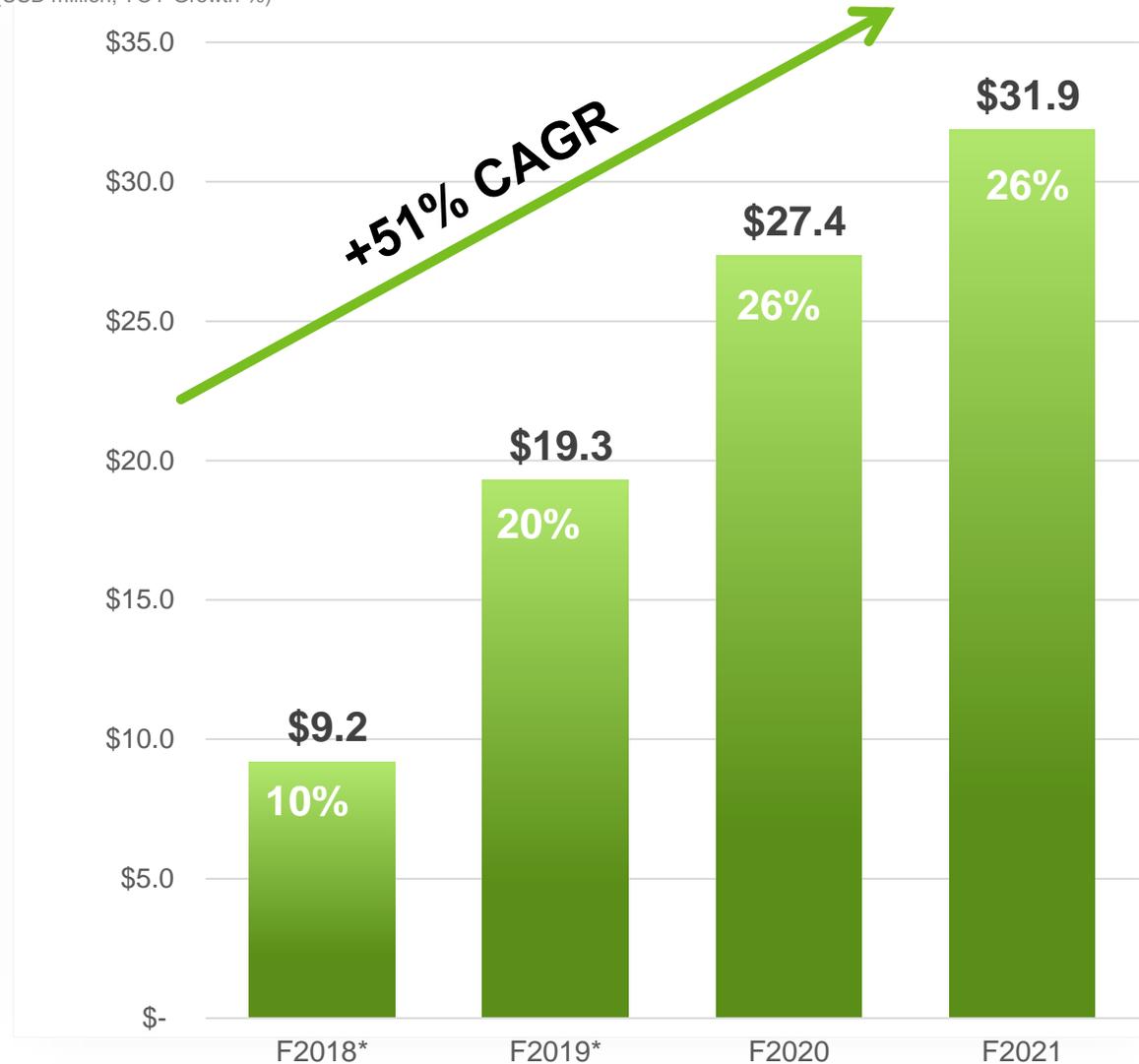


Total ARR | Continuing Growth & Expansion

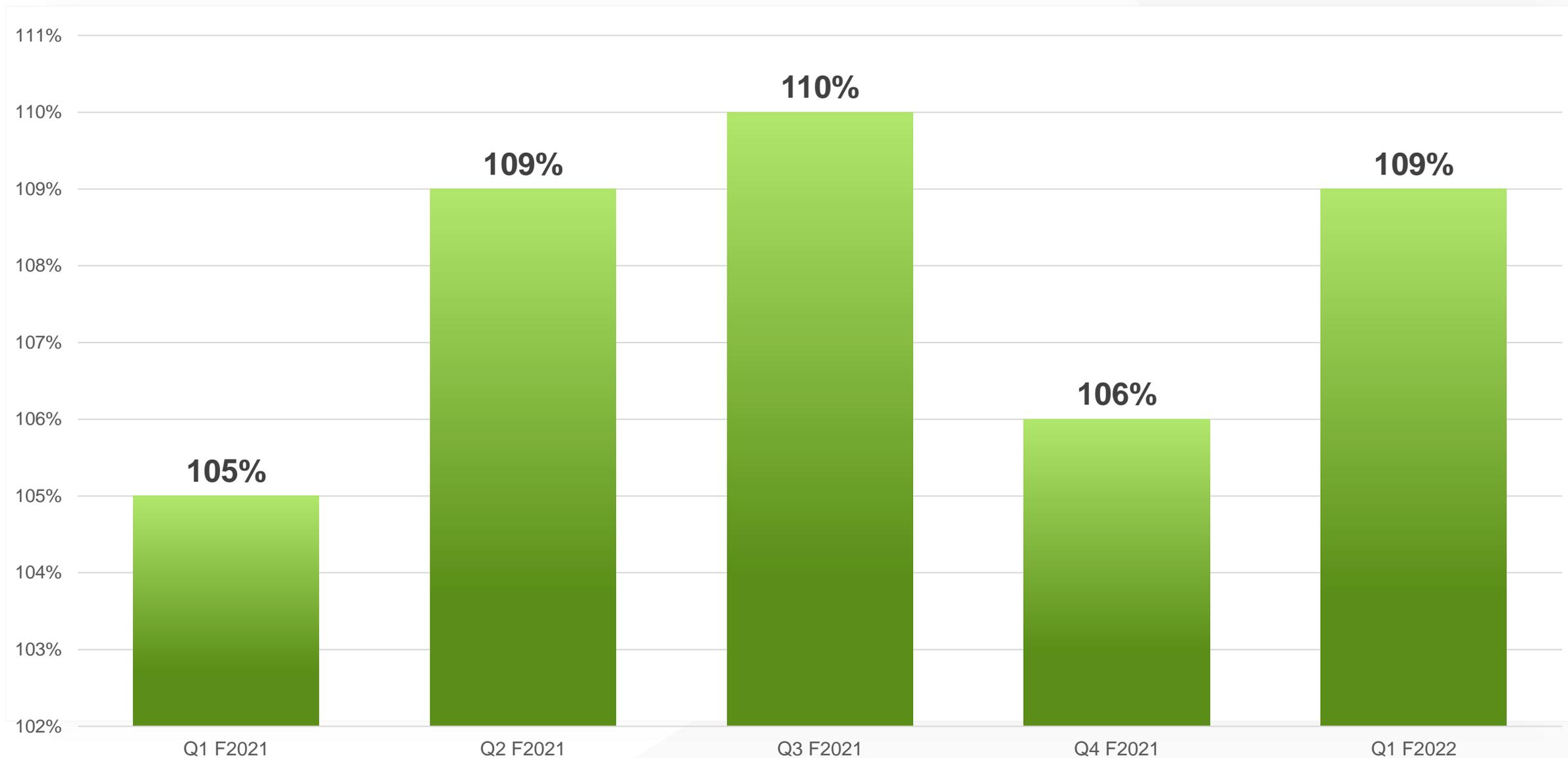


Adjusted EBITDA | Compelling Mix of Growth & Profitability

(USD million; YOY Growth %)



Net Dollar Retention | Improved Customer Economics



Number of Active Endpoints | Securing Endpoints Globally



Guidance Update | Full-Year Fiscal 2022 (Year Ending June 30, 2022)

<i>Updated Guidance Provided on November 9, 2021⁽¹⁾</i>	Previous F2022 Guidance <i>(issued on August 10, 2021)</i>	UPDATED F2022 GUIDANCE
Adjusted Revenue⁽²⁾	\$203-207m	\$204.5 – 207.5m
<i>Adj Revenue YoY Growth %⁽³⁾</i>	+11-13%	~12 – 13½%
Adjusted EBITDA Margin %⁽²⁾	18-20%	19 – 21%

1) The Company does not provide a reconciliation of forward-looking non-IFRS financial measures to the most directly comparable IFRS financial measure because it is unable to predict certain items contained in the IFRS measures without unreasonable efforts.

2) Adjusted revenue and adjusted EBITDA are non-IFRS measures. Please refer to the "Non-IFRS Measures and Key Metrics" section of Absolute's latest MD&A for further discussion and other non-IFRS measures.

3) Adjusted revenue growth rate guidance for F2022 is based on an as-if combined basis without factoring in acquisition related adjustments which includes the combined revenue of Absolute and NetMotion for F2021. Revenue attributable to Absolute is reported under IFRS and revenue attributable to NetMotion is reported under US GAAP. The amount does not include US GAAP to IFRS adjustments, which are deemed immaterial.

Absolute Software | Why We Win



• *Large Addressable & High Growth Market*

\$113B⁽¹⁾ market opportunity with well-identified drivers and strong business momentum, increasingly distributed workforce; direct access to attractive Zero Trust and SASE markets



• *Proven Leadership Team*



• *Product Offering Built for Work from Anywhere Era*

Portfolio accelerates customers' shift to work-from-anywhere through the industry's first self-healing Zero Trust platform, ensuring maximum security and uncompromised productivity



• *Strong Partner Ecosystem*

Broad network of key OEM manufacturers, carriers and resellers; growing ecosystem of resilient third-party applications



• *Attractive Financial Profile Rooted in Profitability*

Predictable SaaS revenue model, strong historical profitability, with scaled ARR and revenue platform, net revenue retention and cash generation



• *Multiple Platforms for Growth*

Channel & global expansion, cross-selling of scaled software platform, pipeline of new products; led by an experienced team with a proven ability to deliver on innovation

Thank You.

For more information:

✉ IR@absolute.com

Appendix

Adjusted EBITDA | Reconciliation to Net Income

	Q4 F2020	Q1 F2021	Q2 F2021	Q3 F2021	Q4 F2021	Q1 F2022
USD in 000s						
Net Income (loss)	\$ 2,215	\$ 2,602	\$ 1,903	\$ 2,233	\$ (3,006)	\$ (7,568)
Income tax expense (recovery)	1,207	1,294	736	719	(2,124)	(2,417)
Interest expense, net ⁽¹⁾	92	117	139	171	154	5,145
Foreign exchange loss (gain)	18	186	300	102	103	(14)
Share-based compensation	3,137	2,593	2,554	2,806	2,406	3,296
Depreciation and amortization ⁽²⁾	1,336	1,356	1,418	1,464	1,467	6,422
Fair value adjustments relating to acquired deferred revenue	-	-	-	-	-	5,265
Fair value adjustments relating to acquired deferred commission	-	-	-	-	-	(730)
Non-recurring Items ⁽³⁾	-	-	1,000	197	8,977	3,402
Adj. EBITDA	\$ 8,005	\$ 8,148	\$ 8,049	\$ 7,693	\$ 7,977	\$ 12,801

(1) Net interest expense includes interest expense on long-term debt of \$5 million recognized in Q1 F2022.

(2) Depreciation and amortization includes depreciation of property and equipment, amortization of acquired intangible assets, and amortization of right-of-use assets.

(3) Non-recurring items in Q1 F2022 include \$3.4 million of acquisition and integration expenses. Non-recurring items in F2021 includes \$9.1 million of professional fees and other costs relating to the acquisition of NetMotion and \$1.0 million relating to accrued legal settlement costs.

Appendix

Adjusted Revenue | Reconciliation to Revenue

	Q1 F2022
USD in 000s	
Revenue	\$ 43,749
Fair value adjustments relating to acquired deferred revenue	5,265
Adj. Revenue	\$ 49,014