

ABSOLUTE SOFTWARE Earnings Presentation

Q3 Fiscal 2023

(Quarter Ended March 31, 2023)

May 15, 2023

/ABSOLUTE®

We Make **Security** Work.

Safe Harbor / Financial Info.

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”, or the negative of those words and similar terms and, within this presentation, include the fiscal 2023 outlook/guidance and any statements (express or implied) respecting: Absolute’s future plans, strategies, and objectives, projected revenues, expenses, margins, and profitability; 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 PC and other device operating systems; the maintenance and development of Absolute’s PC OEM and other partner networks; Absolute’s APaaS initiative; 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 to allow investors and others to get a better understanding of Absolute’s 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 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 under the heading “Risks and Uncertainties”. Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, 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 net income before interest income or expense, income taxes, depreciation and amortization, foreign exchange gains or losses, share-based compensation expense, fair value adjustments relating to acquired deferred revenue, fair value adjustments relating to acquired deferred commission expense, restructuring or reorganization charges and post-retirement benefits, acquisition and integration costs, litigation costs, impairment losses, and non-recurring items. 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.

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 at a Glance | Q3 F2023 Highlights

+13%
YoY

**Total Annual
Recurring
Revenue (ARR)**

+15%
YoY

**Enterprise/
Government ARR**

26%

Adj. EBITDA Margin

105%

**Net Dollar
Retention**

>14M

**Total Active
Endpoints**

Selected Financial Results | Q3 Fiscal 2023

METRIC	Q3 F2023 (Quarter Ended March 31, 2023)
ADJUSTED REVENUE⁽¹⁾	\$59.2m
<i>Adjusted Revenue y/y Growth %</i>	+8.6%
ADJ EBITDA⁽¹⁾	\$15.3m
<i>Margin %⁽²⁾</i>	25.8%

Q3 Fiscal 2023 | Selected Financial Highlights

Increased Momentum for Endpoint Resilience™ Continues Driving Growth

- Adjusted Revenue of **\$59.2** million for Q3, representing **+9%** y/y growth

Annual Recurring Revenue (ARR)

- Total ARR of **\$229.5** million, representing **+13%** growth y/y
- Enterprise & Government ARR represented **79%** of total ARR and grew by **+15%** y/y
- Education ARR represented **21%** of total ARR and grew by **+5%** y/y
- Net Dollar Retention of **105%** vs. **107%** in the prior year

Balanced Growth & Profitability

- Adjusted EBITDA of **\$15.3** million, or **26%** margin, compared to **\$13.8** million or **25%** margin in Q3 F2022
- Cash from operating activities in Q3 was **\$14.3** million, compared to **\$17.0** million in Q3 F2022
- Paid a dividend of **CAD\$0.08** per common share during Q3 F2023

Q3 Fiscal 2023 | Business Highlights

Q3 F2023 Business Highlights

- Continued expanding our Application Resilience™ ecosystem of more than 80 mission-critical applications, adding eClinicalWorks, Forescout® SecureConnector, HCL BigFix, IMTLazarus, Pixart® MDM, Plurilock™ CloudCodes, UNOWHY™, and XM Cyber HaXM
- Announced Federal Risk and Authorization Management Program (FedRAMP) Ready designation for Absolute Secure Endpoint
- Exited Q3 with more than 14 million active endpoints, a 4% increase year-over-year
- Extended our ASUS OEM relationship to enable them as a global distribution partner

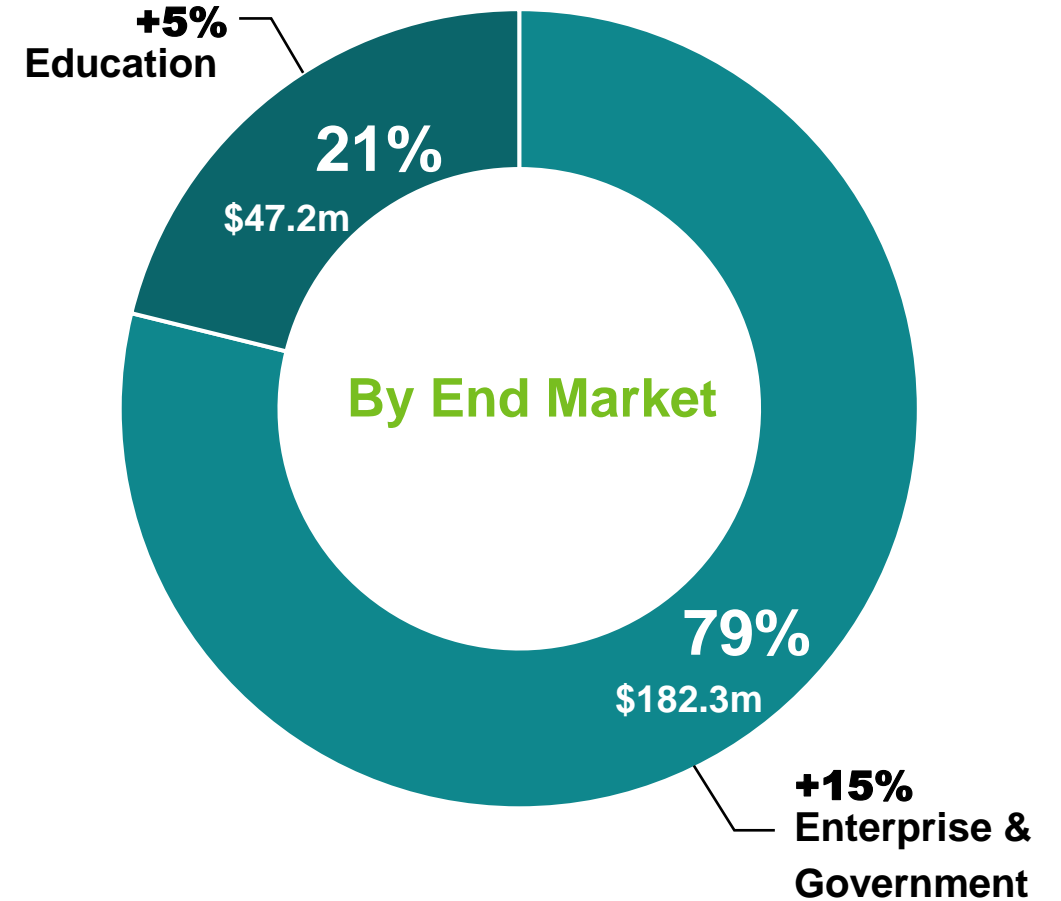
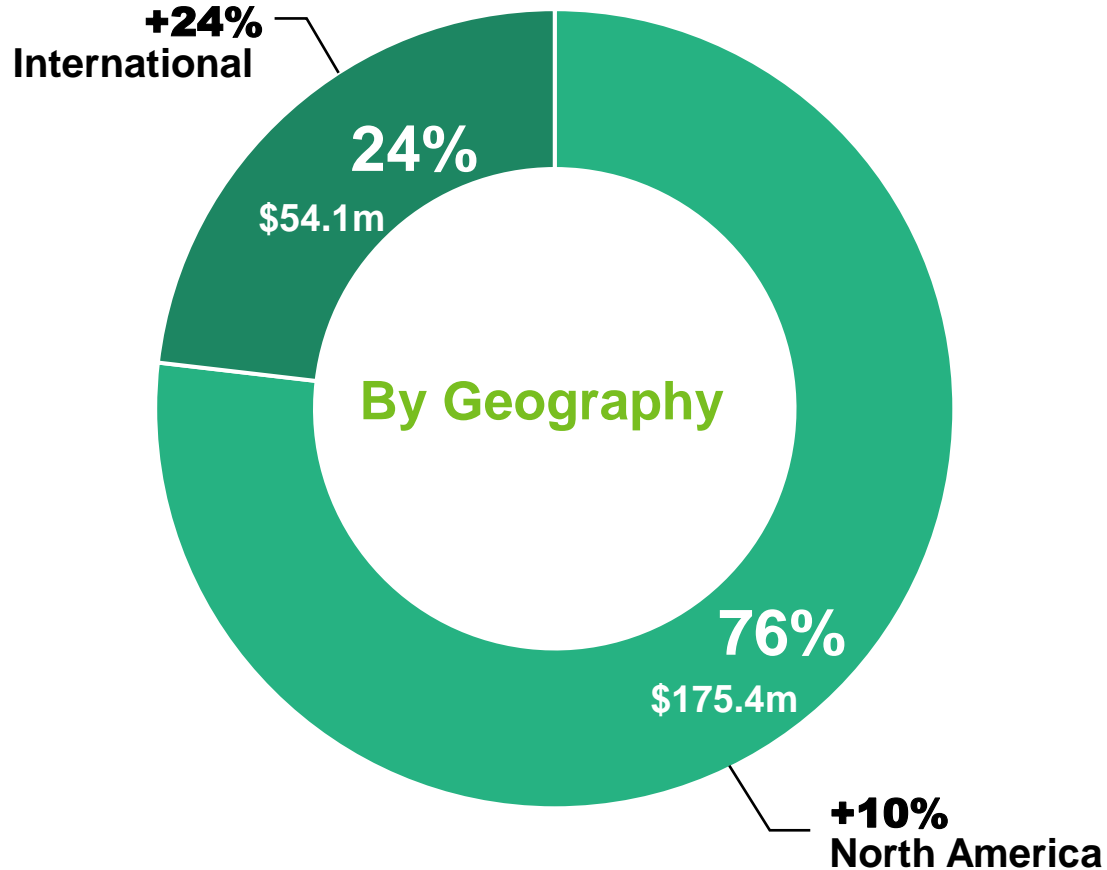
Q3 F2023 Industry Awareness

- Recognized in the Forrester Endpoint Security Landscape Report
- Featured in the Forrester TechTide Report for End-User Computing, in the newly established category of “firmware-embedded persistence”
- Highlighted in the Forrester Best Practices Report for Securely Offboarding Employees
- Named a gold winner in the 2023 Cybersecurity Excellence Awards for Absolute Ransomware Response
- Named a Leader for the thirteenth consecutive quarter in the G2 Spring 2023 Grid® Report for Endpoint Management and for the third consecutive quarter in the G2 Grid® Report for Zero Trust Networking

Annual Recurring Revenue | Enterprise & Government Led Growth

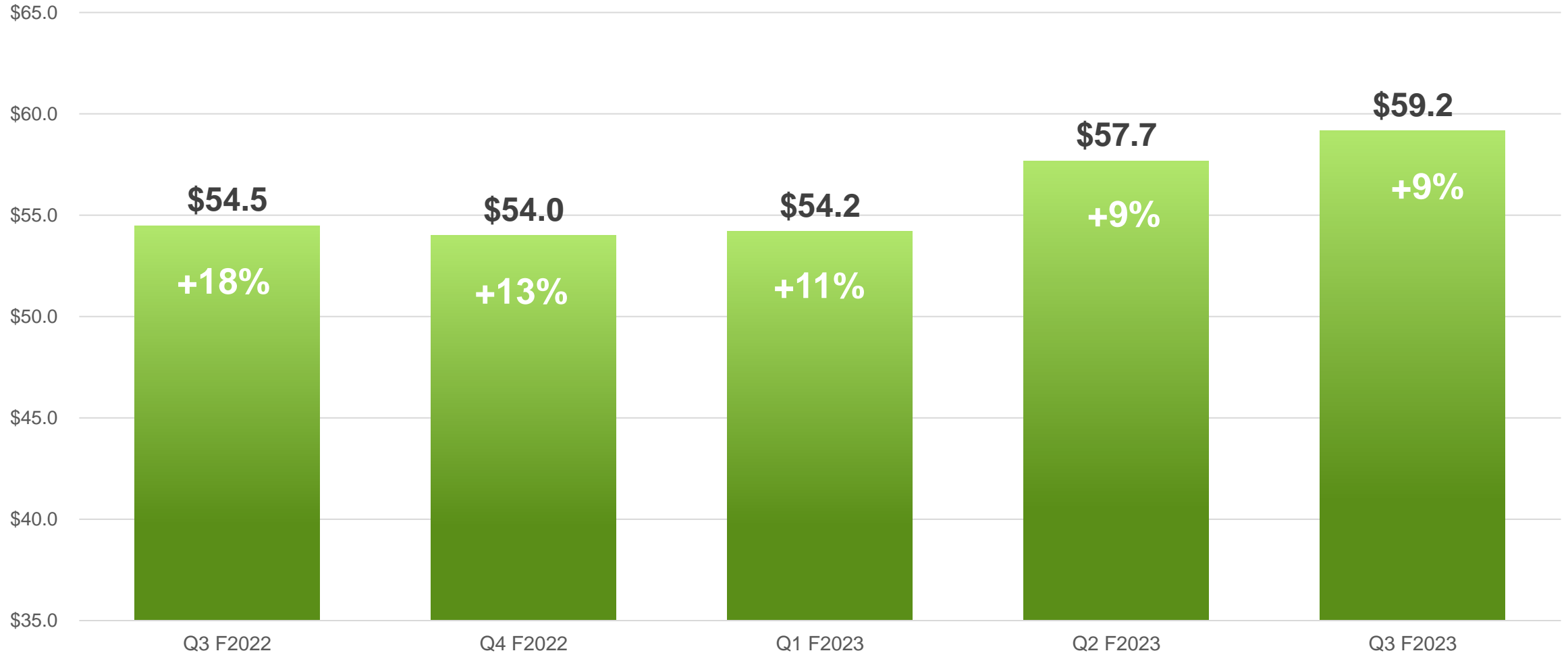
Total ARR \$229.5m

+13% y/y growth



Adjusted Revenue | Steady Growth Against Macro Challenges

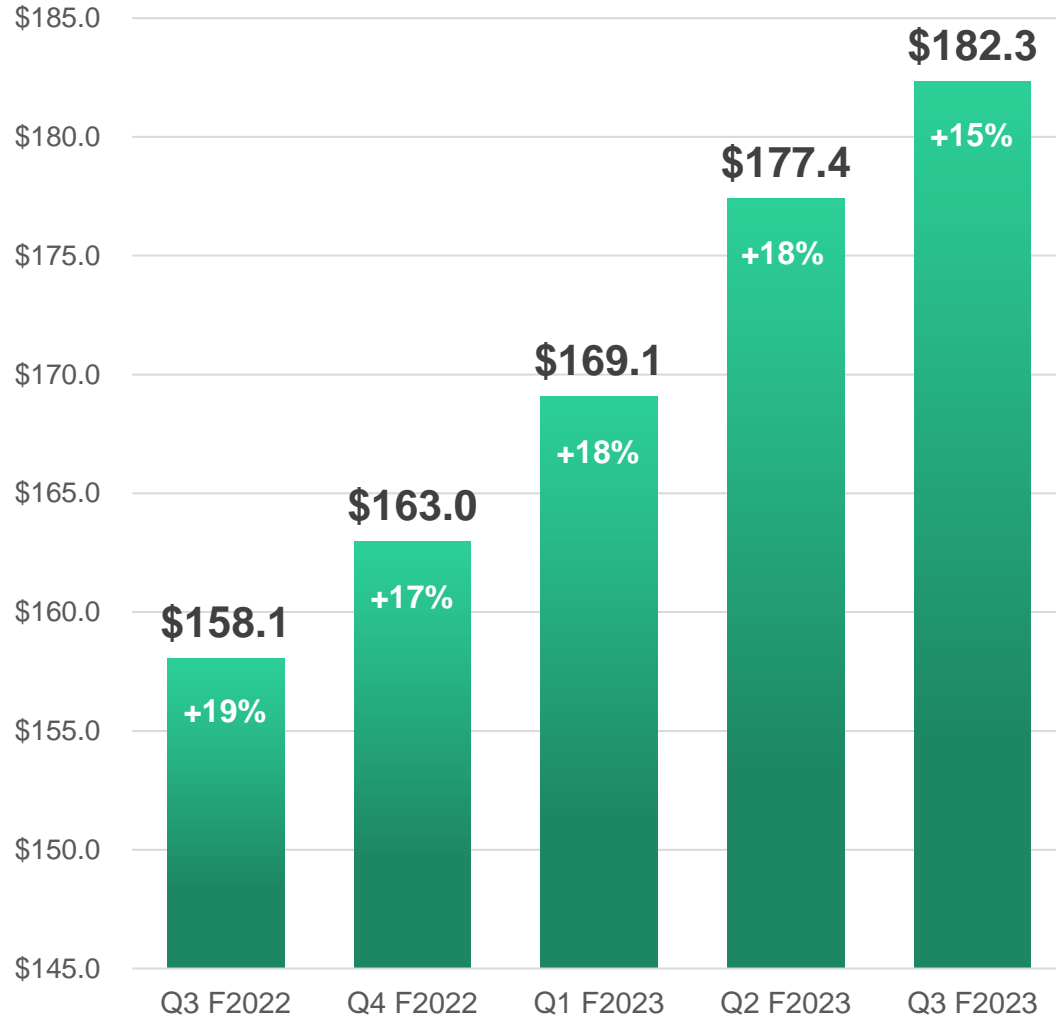
(USD million; YOY Growth %)



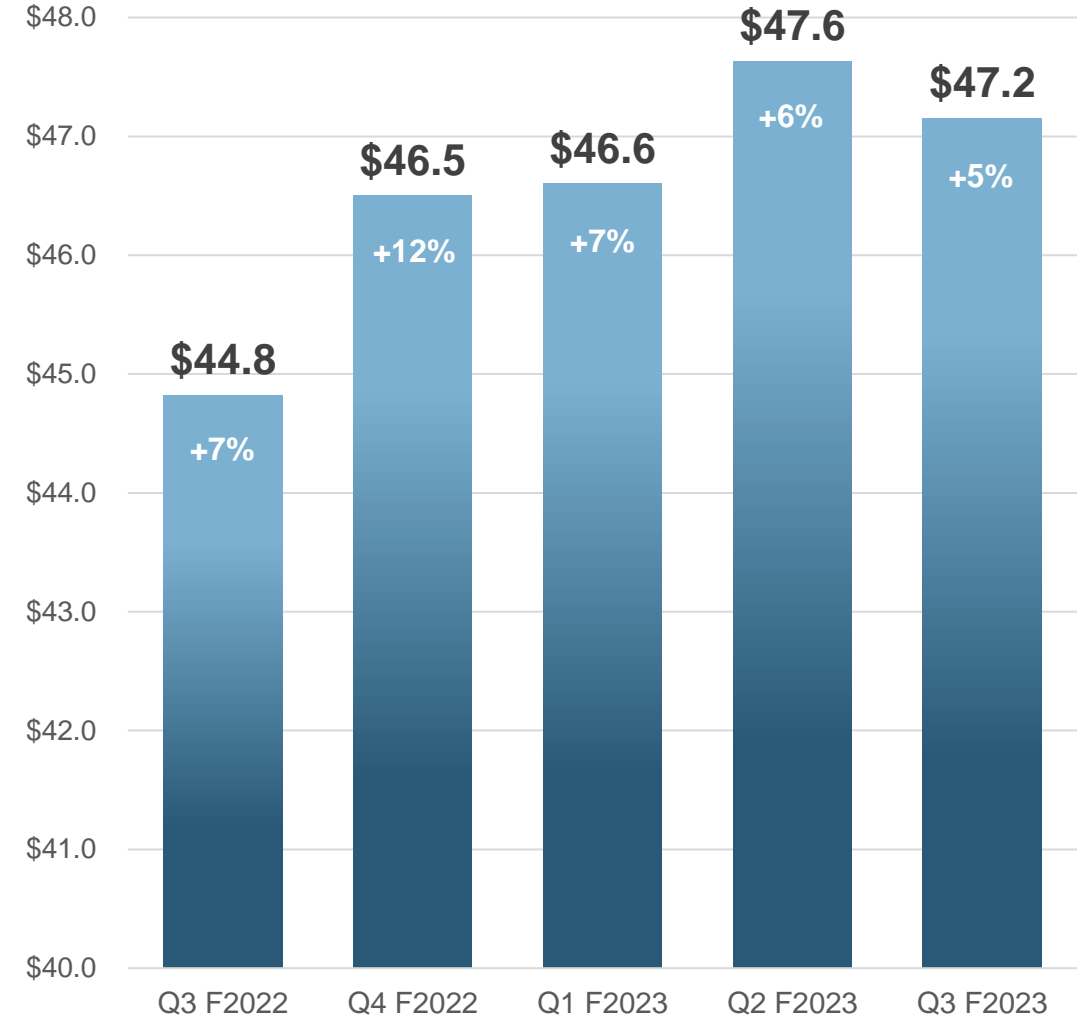
Total ARR | Continuing Growth & Expansion

(USD million; YOY Growth %)

Enterprise & Government

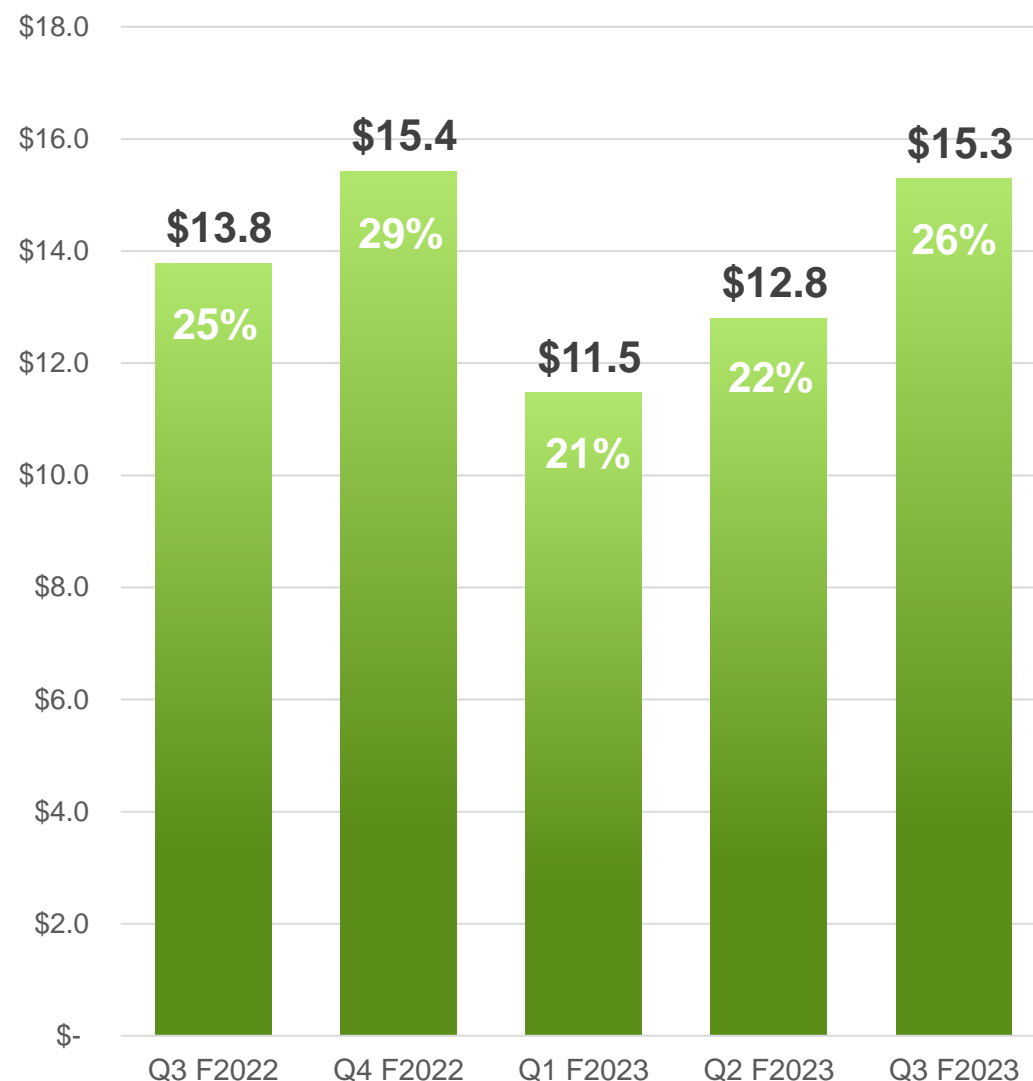
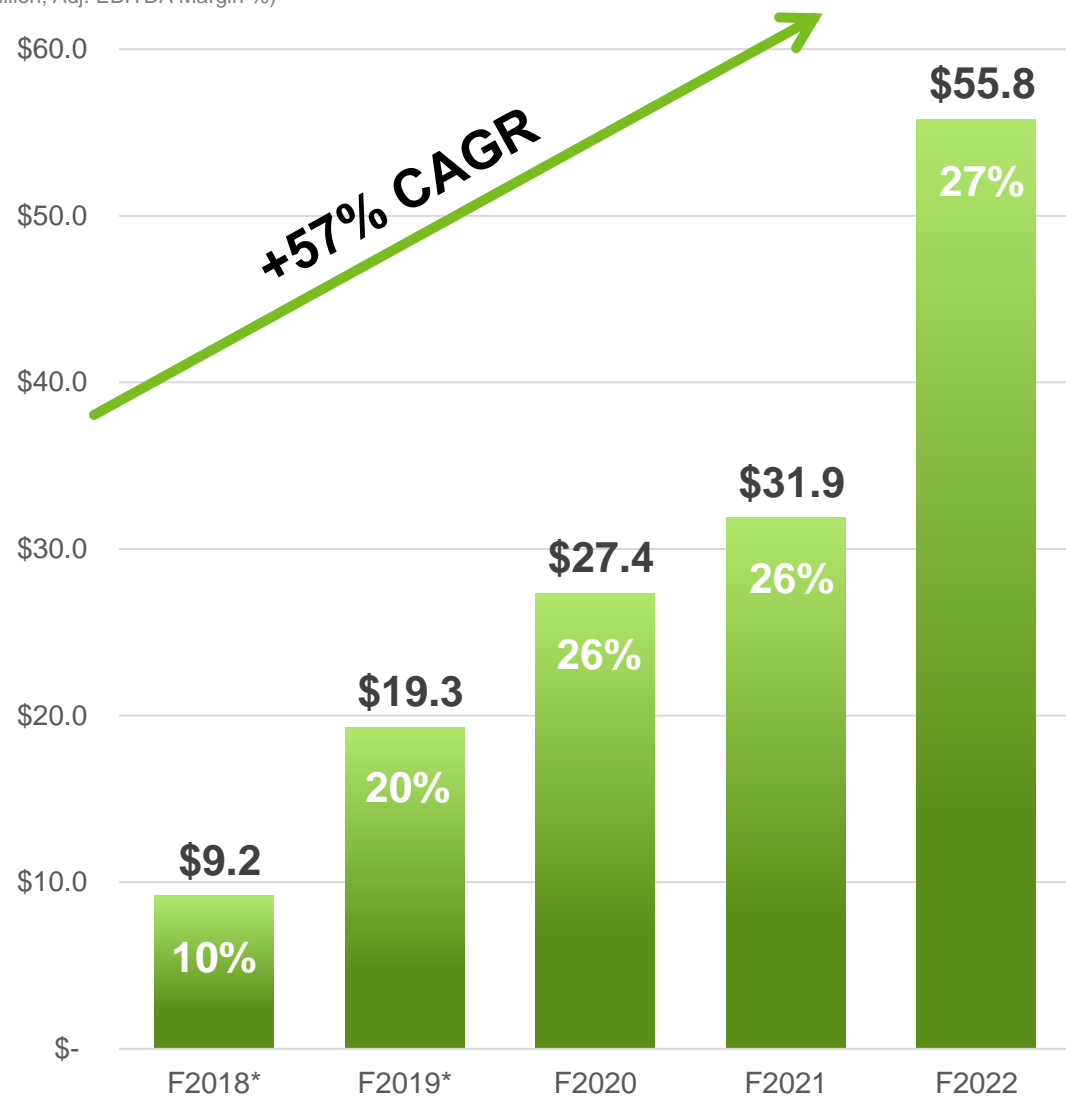


Education

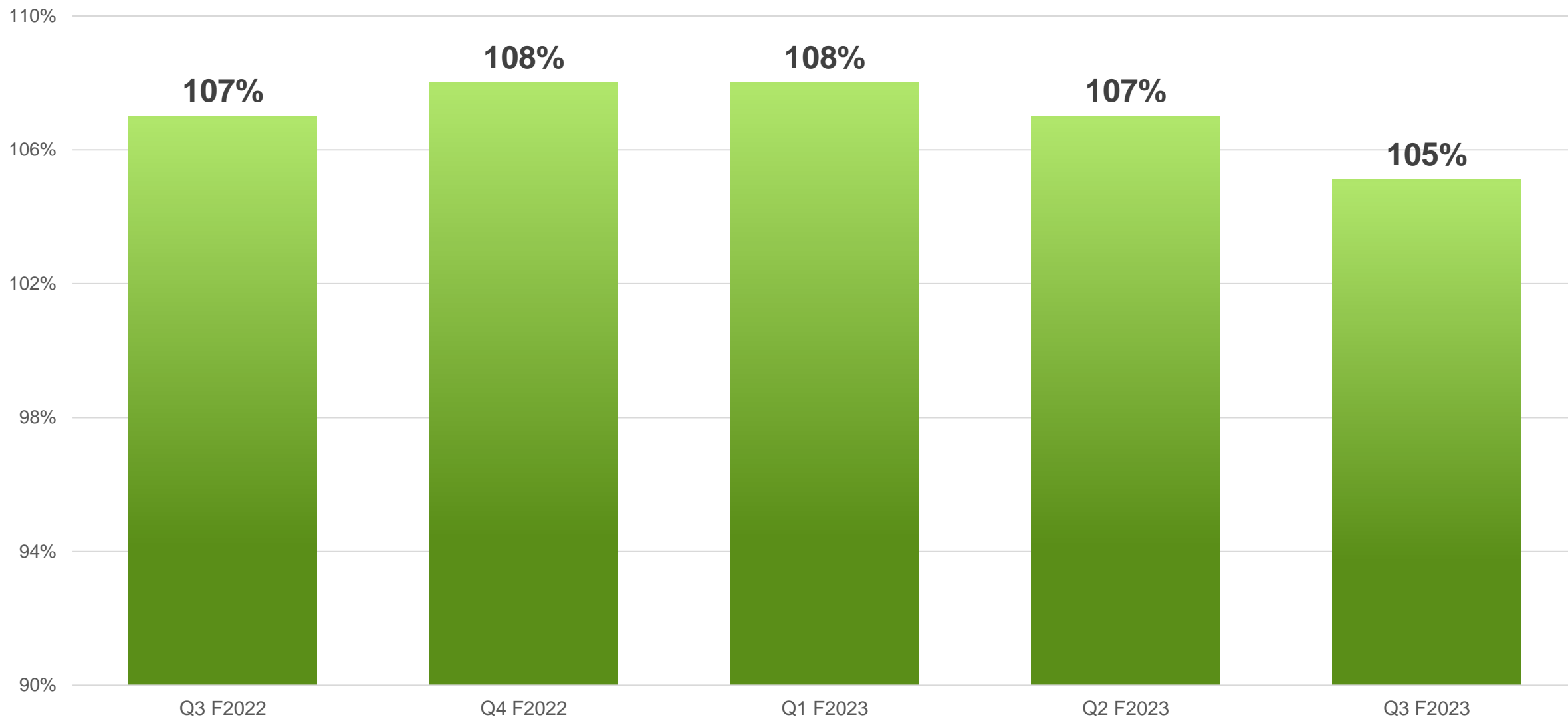


Adjusted EBITDA | Compelling Mix of Growth & Profitability

(USD million; Adj. EBITDA Margin %)

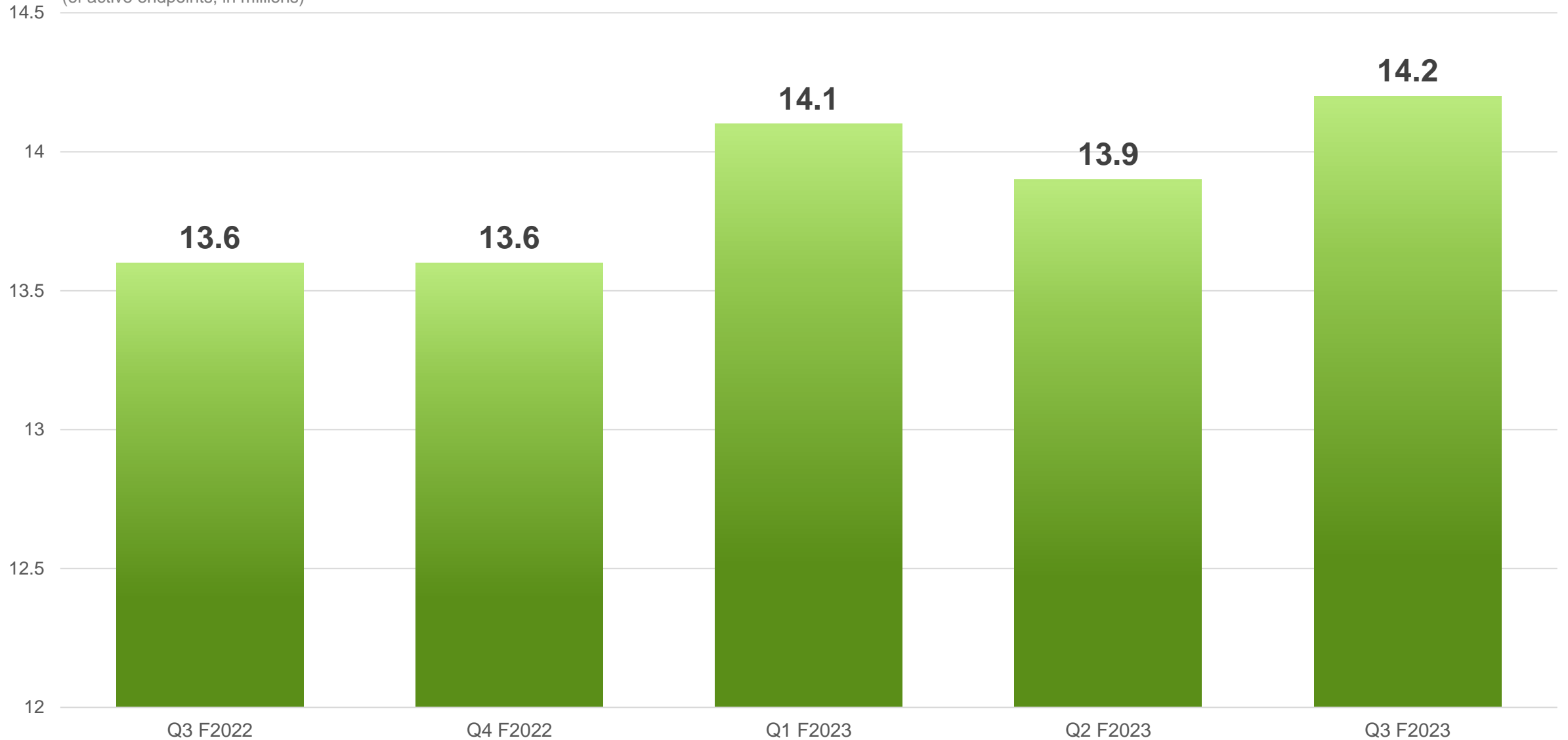


Net Dollar Retention | Delivering Sustained Customer Economics



Securing Endpoints Globally | Stable Endpoint Growth

(of active endpoints, in millions)



Investment highlights

Absolute Software builds highly relevant, **innovative technologies** and delivers strong **financial performance**

Rule of 40

Attractive financial profile rooted in profitability with multiple vectors of growth

186 patents

Proprietary IP

Ability to Execute

Proven Leadership Team

Large Addressable TAM

\$120B combined Secure Endpoint, Secure Access, DEM opportunity

Resilient Self-Healing Security

Firmware embedded security solution in more than 600 million devices

Strong Partner Ecosystem

Strong advantage and market reach through broad set of partners across 20 countries

For more information:
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APPENDIX: Adjusted EBITDA | Reconciliation to Net Income

USD in 000s	Q1 F2022	Q2 F2022	Q3 F2022	Q4 F2022	Q1 F2023	Q2 F2023	Q3 F2023
Net loss	\$ (7,568)	\$ (5,123)	\$ (6,457)	\$ (5,337)	\$ (9,486)	\$ (6,999)	\$ (3,971)
Depreciation and amortization ⁽¹⁾	6,422	6,426	6,113	6,192	6,157	6,138	6,127
Share-based compensation	3,296	4,731	4,553	4,097	9,316	5,439	3,699
Interest expense, net	5,145	5,211	5,083	5,255	5,946	6,995	7,486
Foreign exchange loss (gain)	(14)	167	326	(144)	57	(24)	88
Income tax expense (recovery)	(2,417)	(2,882)	(624)	2,235	(2,408)	(625)	(1,831)
Fair value adjustments relating to acquired deferred revenue	5,265	3,889	2,492	1,474	641	501	387
Fair value adjustments relating to acquired deferred commission	(730)	(556)	(314)	(196)	(95)	(15)	-
Acquisition and integration costs ⁽²⁾	3,402	1,472	1,707	1,646	1,291	1,122	1,275
Litigation costs	-	450	906	198	54	278	1,900
Restructuring costs	-	-	-	-	-	-	130
Adjusted EBITDA	\$ 12,801	\$ 13,785	\$13,785	\$15,420	\$11,473	\$12,810	\$15,290

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

(2) Acquisition and integration costs includes professional fees and other costs relating to the acquisition and integration of NetMotion.

APPENDIX: Adjusted Revenue | Reconciliation to Revenue

USD in 000s	Q1 F2022	Q2 F2022	Q3 F2022	Q4 F2022	Q1 F2023	Q2 F2023	Q3 F2023
Revenue	\$ 43,749	\$ 49,050	\$ 51,985	\$ 52,527	\$ 53,564	\$ 57,194	\$ 58,771
Fair value adjustments relating to acquired deferred revenue	5,265	3,889	2,492	1,474	641	501	387
Adjusted Revenue	\$ 49,014	\$ 52,939	\$ 54,477	\$ 54,001	\$ 54,205	\$ 57,695	\$ 59,158