



Growth & Innovation Forum

31 January 2017

Disclaimer

This document and the information contained in it or given verbally in connection with it (this “Presentation”) is being provided by Defenx plc (the “Company”).

The contents of this Presentation has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) for the purposes of Section 21 FSMA (Financial Promotion). Reliance on the information contained in this Presentation for the purposes of engaging in any investment activity may expose the investor to a significant risk of losing all of the property or assets invested. Any person who is in any doubt about this Presentation should consult a person duly authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

The information in this Presentation, which includes certain information drawn from public sources, does not purport to be comprehensive, and has not been independently verified and is liable to change. The contents of this Presentation are not to be construed as legal, financial or tax advice. Save as disclosed, the financial information contained in this document has been extracted from the accounts of the Company for the relevant period.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

No representation or warranty, express or implied, is made by or on behalf of the Company or any of its shareholders, agents, advisers, officers, directors or employees, as to the accuracy, reliability or completeness of the information or opinions contained herein or in any revision of this document or of any other written or oral information made or to be made available to any interested party or its advisers and, save in the case of fraud, no responsibility or liability is accepted (and all such liability is hereby excluded) for any such information or opinions. No responsibility is accepted by any of them for any errors, misstatements in or omissions from, this Presentation, nor for any direct or consequential loss howsoever arising from any use of, or reliance on, this Presentation or otherwise in connection with it.

This Presentation does not constitute or form any part of an offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe or otherwise acquire, any ordinary shares in the Company in any jurisdiction, nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this Presentation or on its completeness.

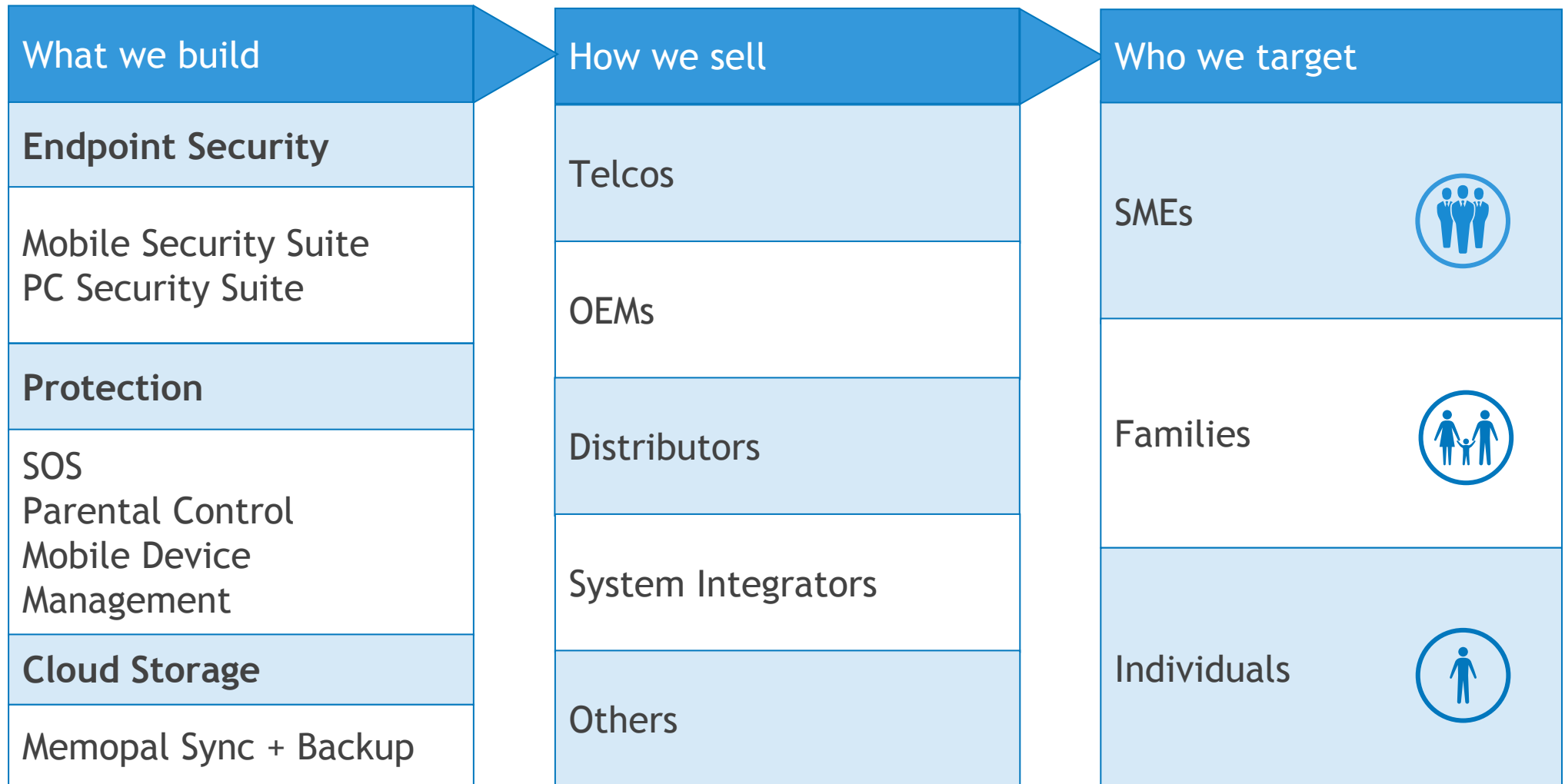
Neither this Presentation nor any copy of this Presentation should be distributed by recipients and, in particular, should not be:

- distributed to persons with addresses in the United States of America, Canada, Japan, Australia, South Africa or the Republic of Ireland, their territories or possession, or in any other country outside the United Kingdom; or
- distributed to any US person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)); or
- distributed to any individual outside of Canada, Japan, Australia, South Africa or the Republic of Ireland who is resident thereof,

in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this Presentation in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this Presentation comes should inform themselves about, and observe, any such jurisdictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

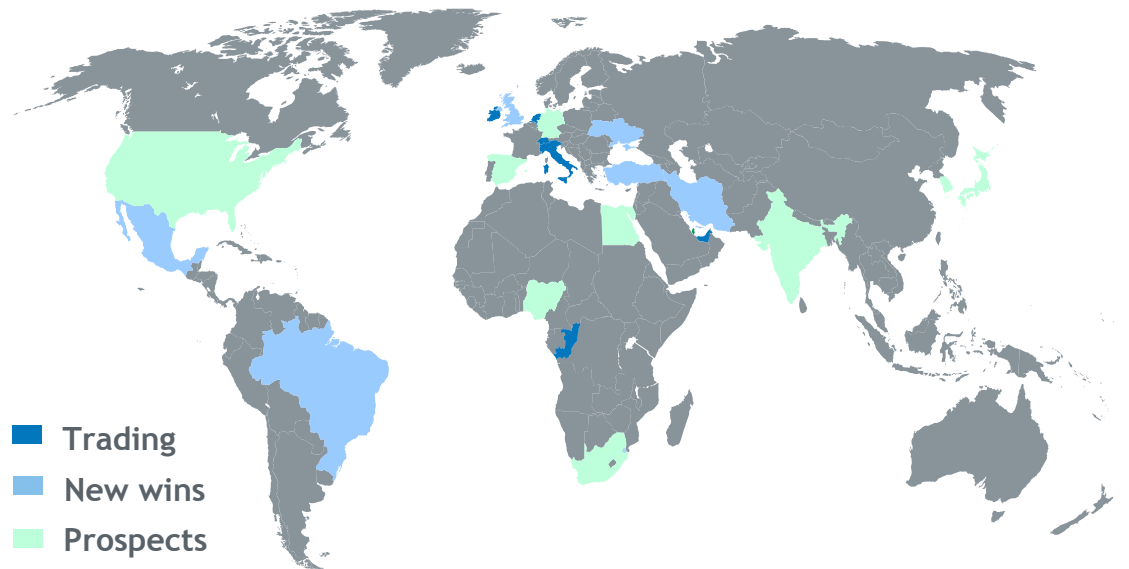
Defenx is a software solution developer

...with a focus on mobile



Defenx is building a distribution platform

...in secondary & emerging markets



- **High growth markets**
 - 5.8bn smartphones by 2020¹
 - Mobile security market grows to \$5.7bn by 2019²
- **Optimised software**
 - Small footprint
 - Works on older devices and OS
- **Leverage channel partners**
 - Revenue share
 - White labelling
 - Back-end integration
 - No disintermediation
- **Reference channel partners³**

Endpoint security

Focused user needs for both developed and emerging markets



- Mobile security solution optimised for emerging markets with lower feature phones
 - Lower battery consumption
 - Lower memory footprint
- Offers all the key solutions required by IT distributors
 - Mobile: Security Suite
 - PC: Security Suite (client & network)
 - NAS: Seagate Security
- Lower price point than competitors
- Platform agnostic
 - Available for Android, iOS, Windows 10
 - Allows different platforms to work together.

Defenx Mobile Security Suite

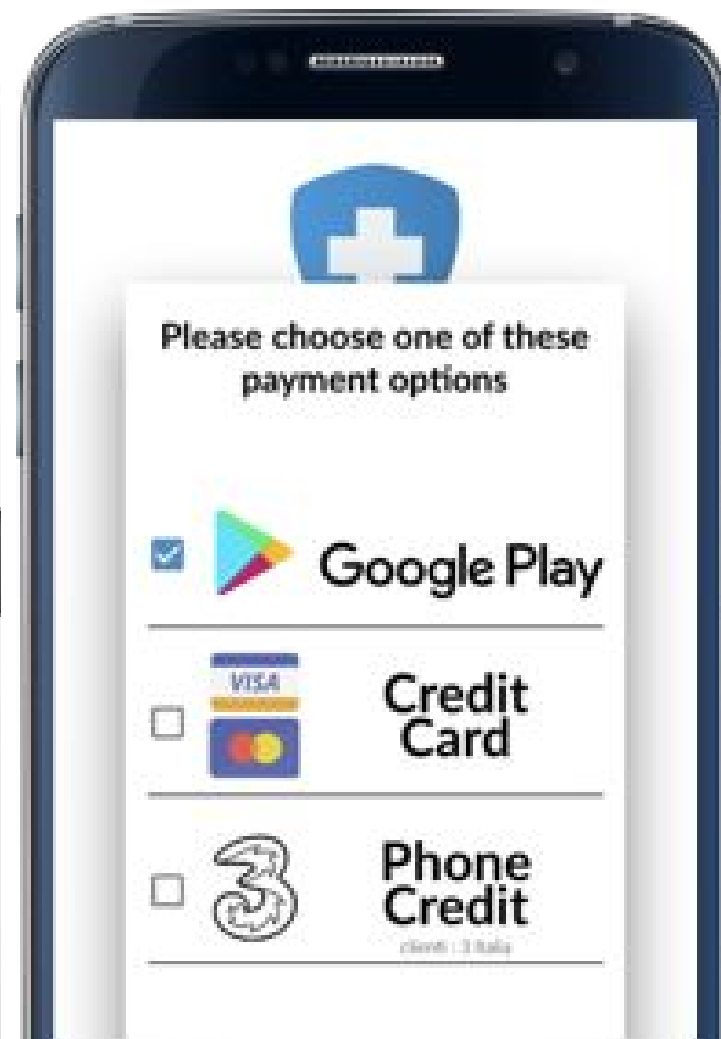
Defenx branding



White labelled



Telco integration



Protection and privacy

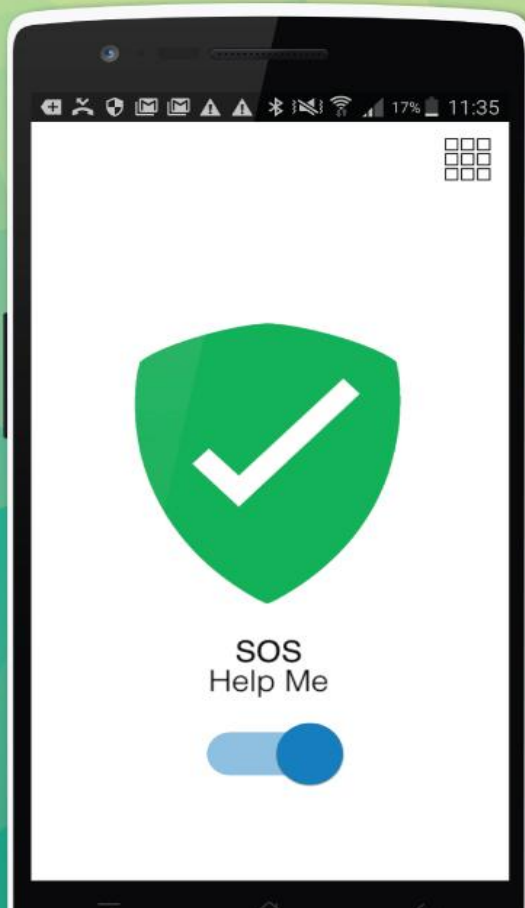
Solutions built around end users' basic needs



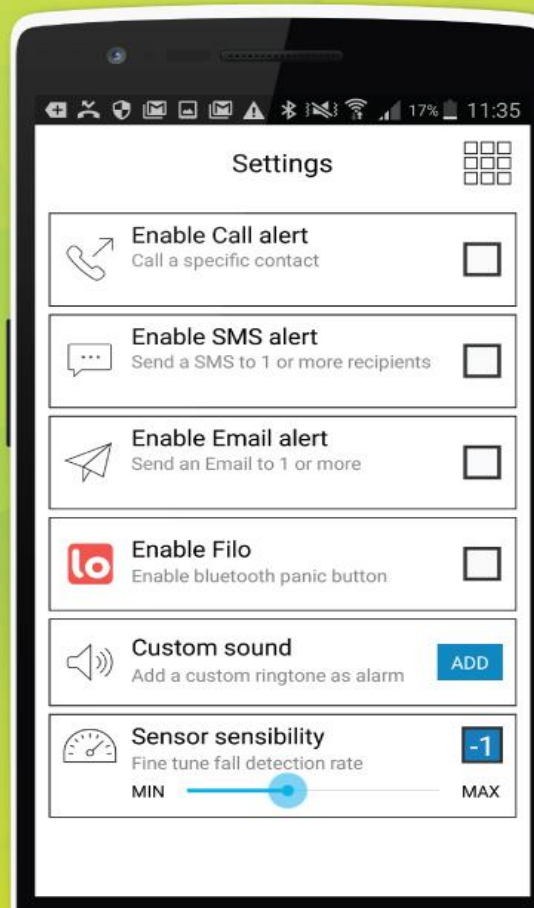
- **Simple solutions**
 - leverages endpoint security Apps
 - lightweight management layer
- **Range of solutions to provide channel partners with multiple sales opportunities**
 - Privacy Advisor App - low cost engagement
 - SOS + Parental Control Apps - consumer focus
 - Mobile Device Management - SME focus
- **Modular development approach provides flexibility**
 - SDK for integration into 3rd party solutions
 - White-label ready
exclusive Parental Control launch with Dr Komarovskiy
- **Platform agnostic.**

Defenx SOS Help Me

DETECT FALLS
IN REAL-TIME



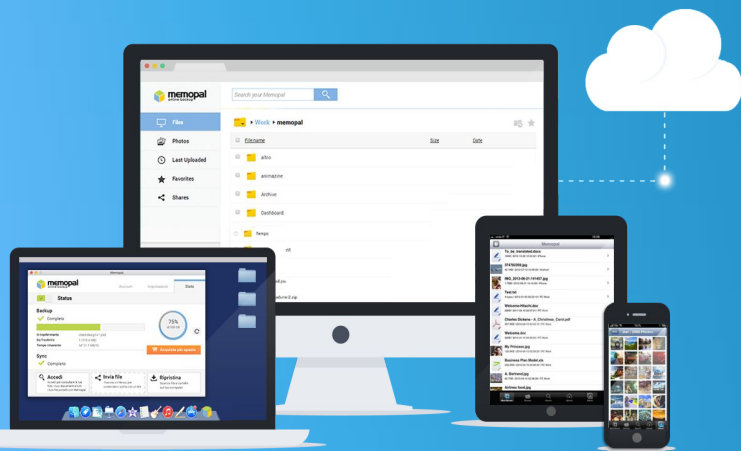
SEND AUTOMATIC
NOTIFICATIONS



Strengthening the product set by acquisition

Memopal is built with smart software layer on commodity hardware

- **Strong technology**
 - Sync + backup data from any device
 - Share and collaborate across platforms
 - Works in 16 different languages
 - Unlimited versioning
 - Only true protection against ransomware
- **Price competitive**
 - Smart software + commodity hardware = lower cost per GB
 - Can white label + maintain margins
- **Owned + controlled IP**
 - Security + backup integration
 - Facilitates customisation.



Memopal Cloud Storage



Search your Memopal



demo@memopal.com



Backup



Sync



Photos



Last Uploaded



Favorites



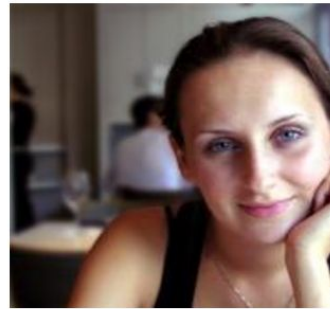
Shares



Photos



2014



2010



2008

Used space

29 MB / 4 GB

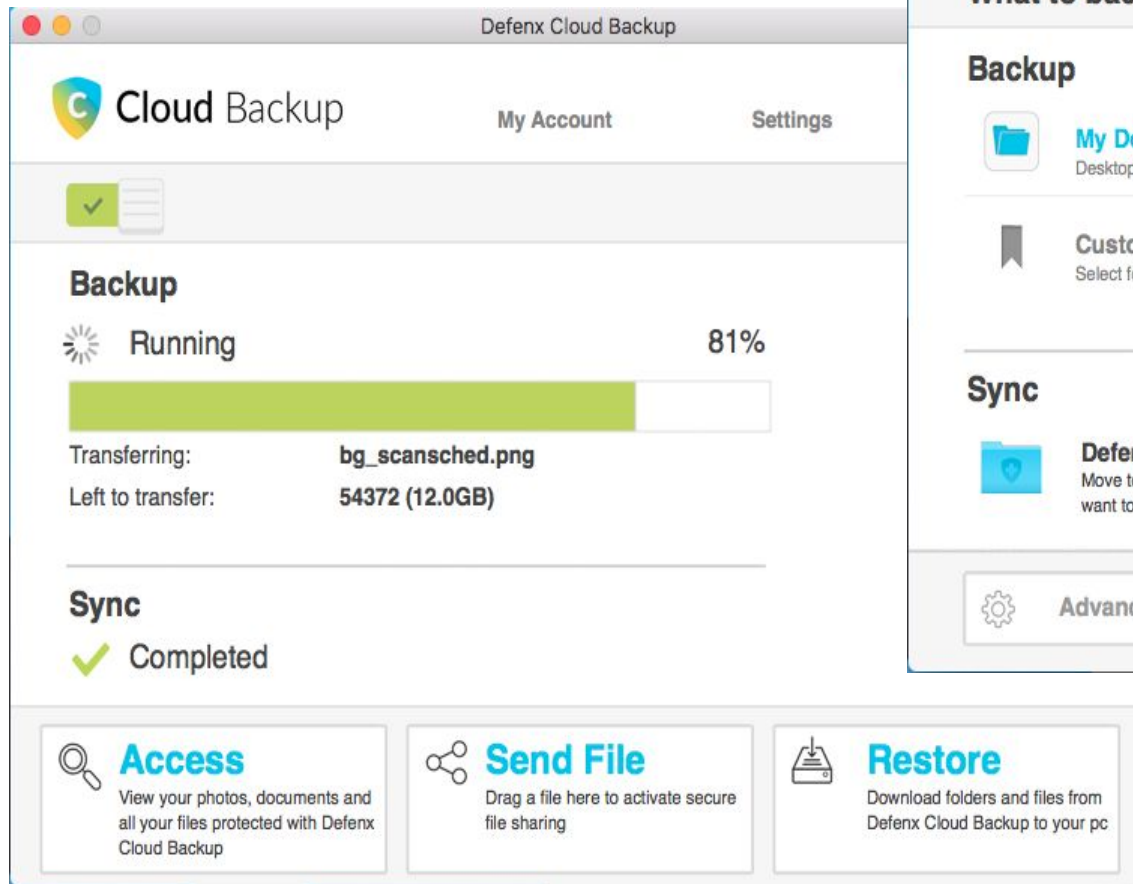
0.8%

Buy more space

Invite a friend



Defenx Cloud Backup



Defenx Cloud Backup

My Account Settings

Backup

Running 81%

Transferring: **bg_scansched.png**

Left to transfer: **54372 (12.0GB)**

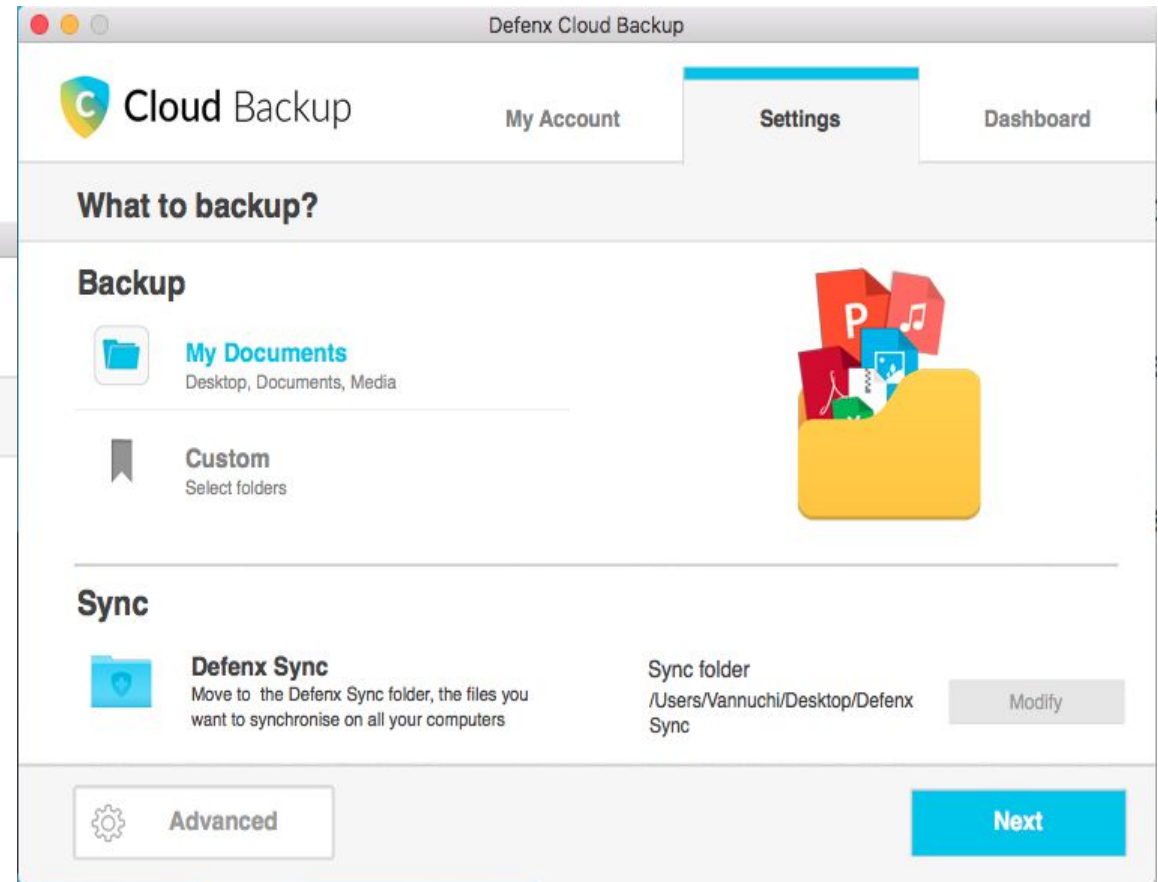
Sync

Completed

Access
View your photos, documents and all your files protected with Defenx Cloud Backup

Send File
Drag a file here to activate secure file sharing

Restore
Download folders and files from Defenx Cloud Backup to your pc



Defenx Cloud Backup

My Account **Settings** Dashboard

What to backup?

Backup

My Documents
Desktop, Documents, Media

Custom
Select folders

Sync

Defenx Sync
Move to the Defenx Sync folder, the files you want to synchronise on all your computers

Sync folder
/Users/Vannuchi/Desktop/Defenx Sync [Modify](#)

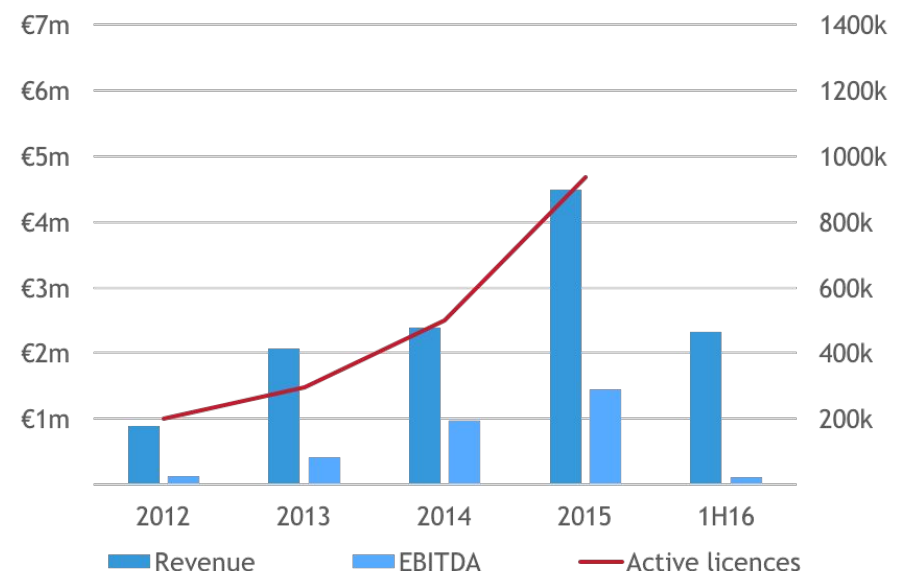
[Advanced](#) [Next](#)

Defenx is delivering profitable growth

...with an efficient, scalable B2B2C model

- FY16 in line with management's expectations
 - Revenues around €7.3m
= 57% year-on-year organic growth
 - 1.1m+ active end-users
 - Seasonality drives 70% to H2 and full year profitability
- Operating margins growing
- Operating cash flow re-invested in software
- Owns and controls IPR for all Mobile, NAS devices, Cloud Backup and, from 2017, PC
- €1.5m net placing and €1.2m new facilities.

Sales, EBITDA and active licence track record



2016 highlights (1 of 2)

Real progress since IPO plus the first acquisition

Launched new products

- *Defenx Mobile Security Suite* for Windows 10 Phone - now cover 90% of mobile devices
- *Defenx Cloud Backup* for mobile and PC = classic 'bundle' with AV
- New Android features: webcam protection & mic capture
- *Defenx Privacy Advisor* Android App
- *Defenx Parental Control* web console and Android App exclusively launched with Dr Komarovskiy in Ukraine

Strong product pipeline

- Smart TV/set-top box security and cloud backup apps
- Encrypted call & messaging Android App
- To support push into SMEs
 - PC Security Suite (client & network)
 - Mobile Device Management (MDM) web console
- Defenx + Memopal GUI integration
- New features...

2016 highlights (2 of 2)

Real progress since IPO plus the first acquisition

Memopal: combining market-leading technology with proven sales capability

- Added cloud sync + backup to Defenx owned products
- Added reference clients Türk Telekom & Western Digital (HGST)
- Doubled team headcount to 14
- Earnings enhancing after sales and cost synergies in 2017

New channel partners providing access to SME/larger corporate end-users

- **Distribution channel partners**
 - Brigantia
 - Itway
 - MCR Media Group
 - Dylog/Buffetti
 - InfoCert
 - Bizmatica/Econocom
- **Telco channel partners**
 - Ringo
 - Mandarin
 - Türk Telecom
- **OEM channel partners**
 - Western Digital.

Operational focus - strengthening the platform

- **Growing R&D spend to drive growth**
 - Funds raised supported accelerated investment of €4m+ in 2016 to broaden product portfolio
 - Channel partner feedback lowers risk of investment
- **Channel partner concentration**
 - B2B2C route to market more effective, but can lead to higher concentration
 - Mitigated by increasing the number of channel partners +8 in 2016
 - Targeting no channel partner to account for more than 10% medium term
- **Cash collection**
 - Typical collection terms 90-120 days, but minimal bad debt history
 - Plans agreed with channel partners improving average debtor days
- **Management bandwidth**
 - Senior management team will benefit from additional resource channel sales team grown; appointment of group sales director imminent
 - Memopal acquisition doubled the team with emphasis on technology expertise.

Vision to be top 5 by 2020

...in mobile security,
backup + protection

...for consumers + SMEs

...in chosen markets

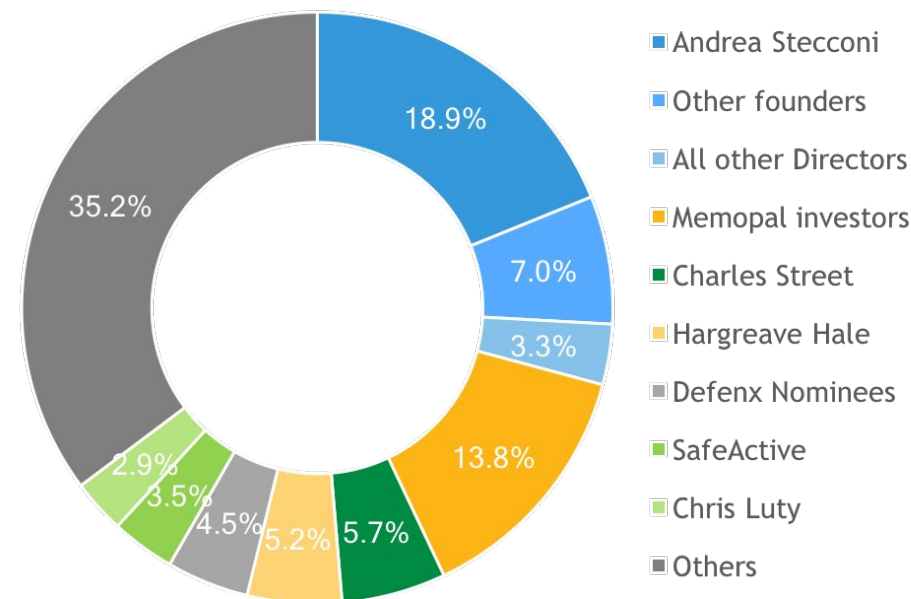
- **Cyber security is exciting and growing rapidly**
 - Mobile security market to grow to \$5.7bn by 2019
- **Targeting markets that large players do not**
 - particularly in secondary and emerging markets
- **B2B2C channel partner model is different**
 - leverage existing relationships to grow more quickly, cost effectively with lower risk
- **Using AIM to accelerate growth through M&A**
 - Memopal delivered Cloud backup, reference customers, people, revenue, profit and...
- **Funded to accelerate investment and growth**
- **Delivering profitable growth in line with management's expectations.**

Securities Information

As at 23 January 2017

- Market: AIM
- Ticker: DFX
- Share price: 88.5p
(65p-162p 52-week range)
- Market cap: £7.6m
- 2015 adjusted net profit PE ratio: 6.3x
- Capital structure
 - Ordinary shares: 8.62m
 - Deferred shares: 300,000 at 80p
 - Options: 257,625 at 80-148p
 - Warrants: 265,739 at 80-200p
 - Earn-out shares: up to 238,035
- Not in public hands: 34%

Fully diluted shareholdings





UK Office

Defenx PLC
10 Greycoat Place
London SW1P 1SB
United Kingdom

+44(0)20 3769 0687

Swiss Office

Defenx SA
Via Caslaccio 4
6282 Balerna, Ticino
Switzerland

+41(0)91 993 2303

Italian Office

Memopal Srl
Pi Campus
Via Nepal 16, 00144 Rome
Italy

+39(0)6 98 37 631