



Half Year Results Presentation

for the 6 months ended January 2023

Mark Furness

Chief Executive Officer & Founder

Sarah Harvey

Chief Financial Officer

Highlights H1 23

£12.9m

Total revenue +18% year on year

£10.6m

Recurring
revenue +8%

£2.2m

Non-recurring
revenue +112%

£12.6m

Cash balance

£21.0m

ARR +3%

459 sites

£8.1m 62%
North America

£4.5m 35%
UK & Europe

£0.3m 3%
APAC

of Group revenue



essensys

Our business

essensys Platform provides the foundation from which landlords and flex workspace providers can deliver seamless, connected, in-building and cross-portfolio digital experiences.

Our mission critical software automates the control and management of in-building digital services, delivering streamlined tenant on-boarding, simplified management of network services, booking and billing tools and deep insight.

The future of work is flexible...

Our vision is to power the world's largest community of flexible, tech driven spaces.

Helping our customers deliver digitally enabled buildings and spaces since 2006

2006

essensys has been 100% dedicated to the real estate industry since 2006

2019

Listed on the AIM market of the London Stock Exchange, essensys became a PLC in 2019

2023

Offices in:

- UK & Europe
- North America
- APAC

bruntwood



Hines



Long-term structural growth opportunity



Covid-19 has accelerated flexible working



Flight to quality driving demand for premium office rentals
+4.8% in 2022¹



55% of leading office landlords expect to increase investment in flex / coworking²

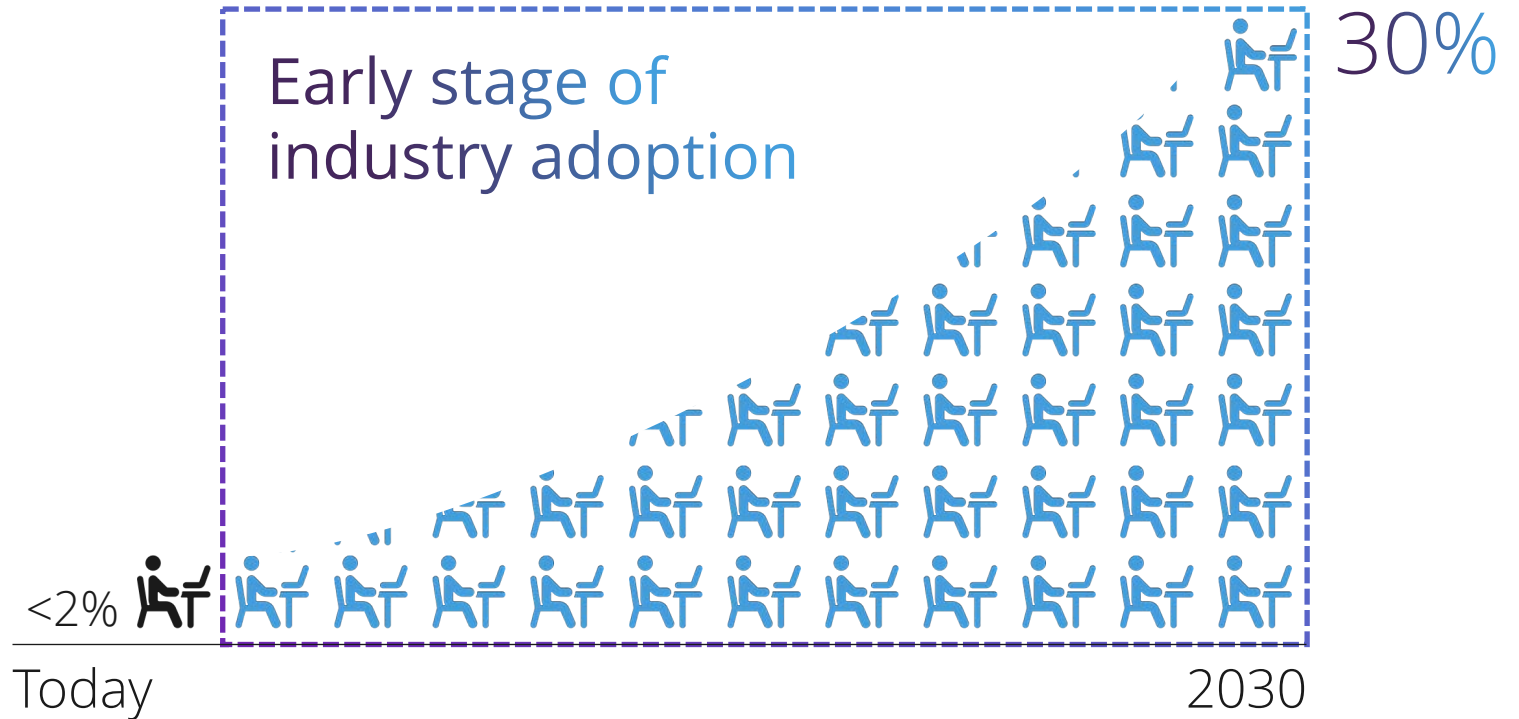


64% landlords looking to deliver flex³

¹ JLL, The premium office rent tracker

² Instant & ULI report, 2023

³ Instant, Future of Flex, 2022



Percentage of global office space that will be
flexible by 2030

JLL, The Impact of Covid19 on Flexible Space

Landlord flex journey



Introduction of flex

Leveraging building amenities and communal areas

Dedicated flex workspaces

Move in ready spaces offered on flexible terms to mitigate higher vacancy rates

Flexible buildings

Buildings fully digitally enabled delivering flexibility and include wide range of space types

Scale realised

Flexible model expanded portfolio-wide with replicable and seamless operations

Operating flex at scale requires simplified, automated operations and a frictionless in-building digital experience.

Premium offices outperform market



Tenant spaces

Decrease time to occupancy, provide a turn-key or plug & play solution and spaces that are move-in ready

Flexible spaces

Deliver flex operations.
Meet the changing needs of tenants with an adaptable offering

Meeting rooms

Provide bookable meeting areas and rooms to utilise under-used space

Amenity spaces

Provide market leading amenity spaces across portfolio

Frictionless access

Enable frictionless occupier journeys. From network access to booking and access of spaces across locations

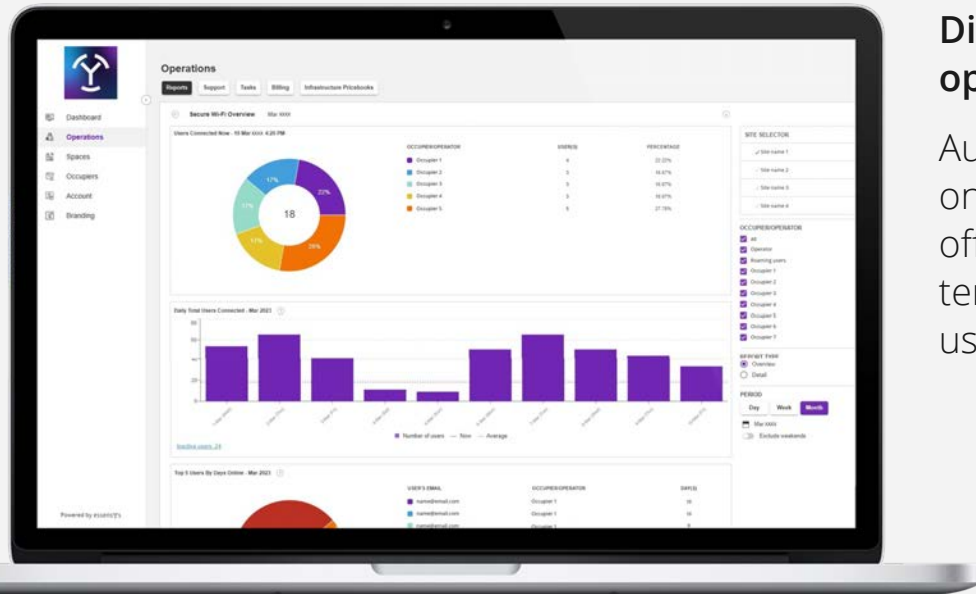
Common areas

Secure and reliable network access across common areas for tenants and guests

Willis Tower powered by essensys

essensys Platform benefits

Connect, control and **automate** digital services and deliver the digital experiences tenants demand, across portfolios.



Digitalising space operations

Automated onboarding and offboarding of tenants and their users

Remove operational complexity

Software automates the management and control of digital services and spaces

Deliver consistent customer journey

Provide instant access to services and create seamless digitally enabled journeys

Make more informed decisions, faster

Access insights on performance, occupancy and utilisation portfolio-wide

Strategic highlights H1 23



Market

- Long term structural growth opportunity
- Flex and hybrid working now embedded



Performance

- Revenue & Adjusted EBITDA in-line with management expectations
- Strong US growth



Strategy

- Optimised for:
- capital efficient growth
 - cash conservation
 - return to profitability



Product

- essensys Platform
- IoT Hardware
- Strategic customer aligned innovation



Customers

- Improving client mix
- Reduction in non-core customers

Financial review

Financial highlights H1 23

£12.9m

Total revenue +18% year on year

£10.6m

Recurring revenue
+8%

£2.2m

Non-recurring revenue
+112%

£12.6m

Cash balance

£21.0m

ARR +3%

£1.5m

New contracted ARR¹

£8.1m +36%

North America

£4.5m -8%

UK & Europe

£0.3m

APAC

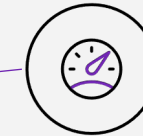
¹New ARR contracted not live at 31 January 2023



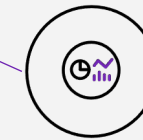
Income statement

SIX MONTHS ENDED JANUARY
(£'000)

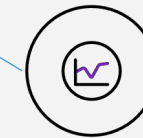
	2022 UNAUDITED	2023 UNAUDITED
REVENUE		
Recurring	9,852	10,628
Non-recurring	1,076	2,281
TOTAL REVENUE	10,928	12,909
of which: North America	5,948	8,063
UK & Europe	4,904	4,501
APAC	76	345
Cost of sales	(4,068)	(5,580)
GROSS PROFIT	6,860	7,329
Gross margin %	63%	57%
Overheads	(9,775)	(11,489)
Other operating income	4	-
ADJUSTED EBITDA	(2,911)	(4,160)
Adjusted EBITDA margin	-27%	-33%
Exceptional costs	-	(521)
Share option charge	(201)	(137)
Depreciation & amortisation	(1,568)	(2,286)
Impairment charge	-	(608)
Finance charges (net)	(40)	60
LBT	(4,720)	(7,652)
Tax	(195)	-
LAT	(4,915)	(7,652)



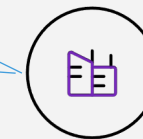
Total revenue **+18%**
Recurring revenue **+8%**



North American growth:
Total revenue **+36%**;
Recurring revenue **+23%**



Gross profit **+6%**

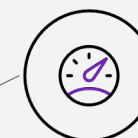


H1 23 impacts of
reorganisation

Cashflow statement

YEAR ENDED JULY
(£'000)

	2022 UNAUDITED	2023 UNAUDITED
EBITDA	(2,911)	(4,160)
Government grants in income	(4)	-
Exceptional restructuring costs	-	(521)
Changes in Working Capital	(1,368)	(3,344)
Cash from Operations	(4,283)	(8,025)
Tax & forex adjustments	(90)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(4,373)	(8,025)
Investing & financing:		
Payment of intangible asset development costs	(1,513)	(1,840)
Purchase of property plant & equipment	(332)	(486)
Net interest payments	(40)	60
Government grants	4	-
Proceeds / (repayment) of lease liabilities	(413)	(779)
NET CASH FLOW FROM FINANCING & INVESTMENT	(2,294)	(3,045)
NET CASH FLOW	(6,667)	(11,070)
Opening Balance	36,903	24,122
Forex adjustments	217	(451)
CLOSING BALANCE	30,453	12,601



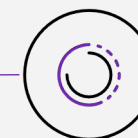
Final payment for strategic inventory purchase
Year end creditor unwind



Uplift from FY22 investment in software development



Payments for APAC data centre equipment

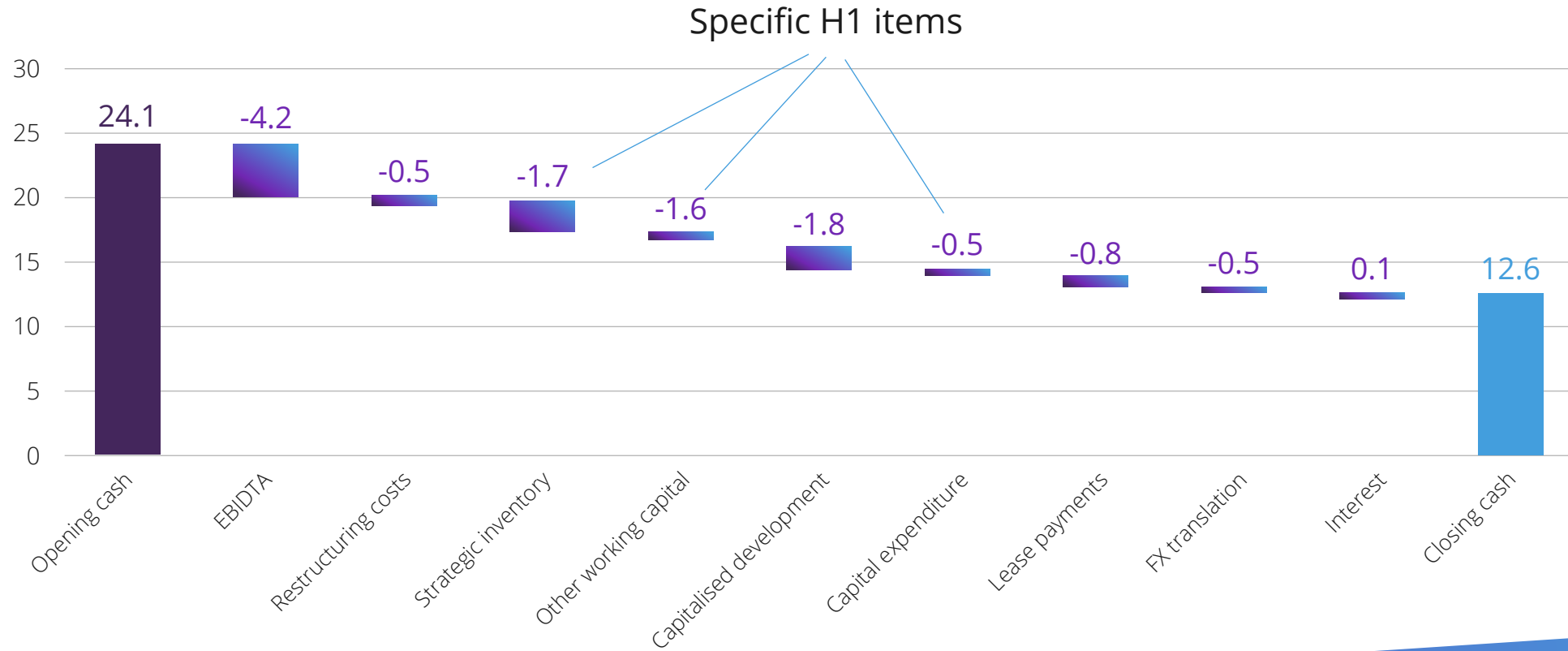


APAC data centre leaseholds; end of rent free period in UK



Accelerated plan to return to positive cash generation

Cashflows H1 23



Operational review

Operational highlights H1 23

459 sites

104 ⁺⁴
Customers

177 ^{-2%}
People

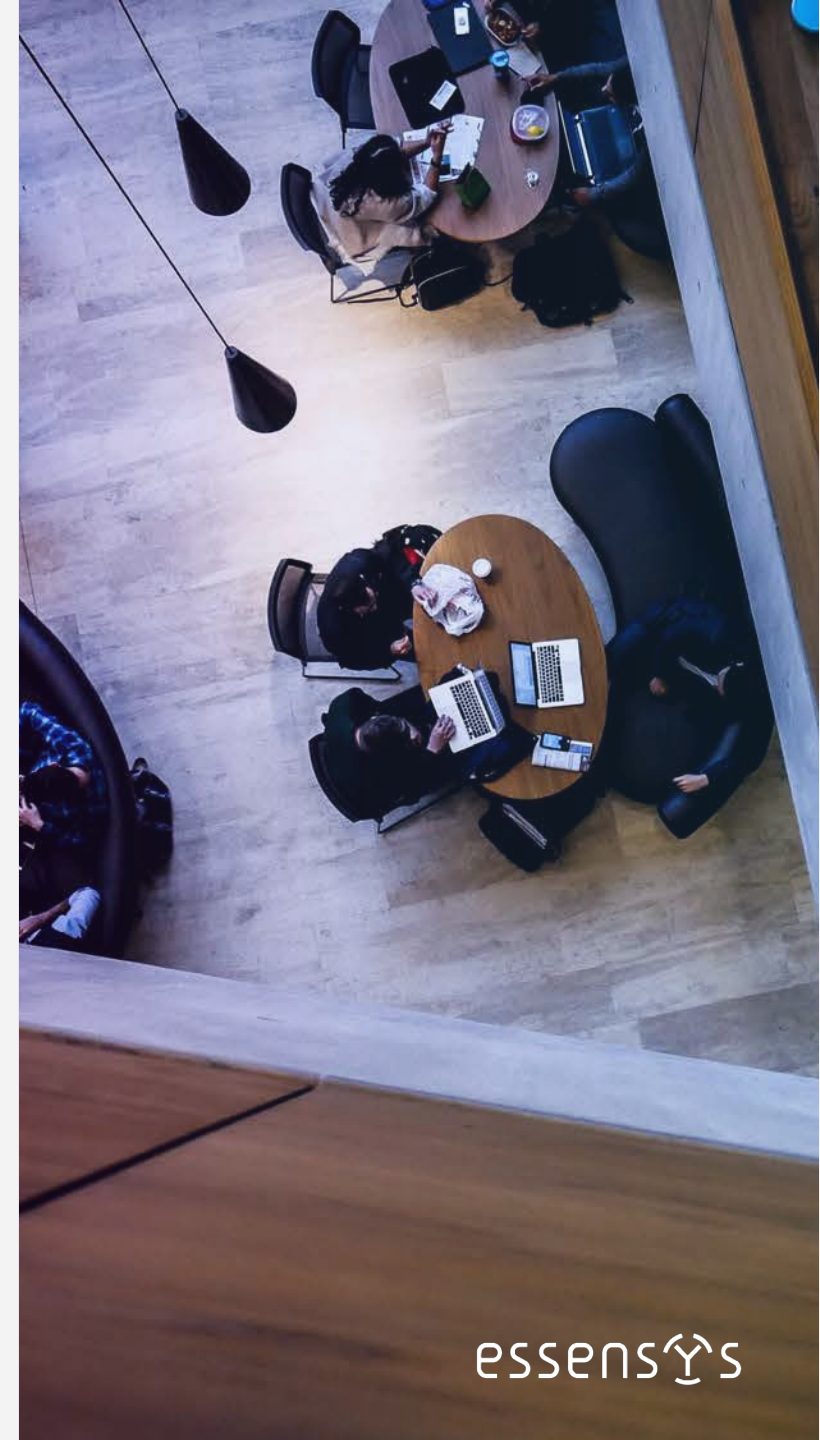
97% ^{-3 ppt}
Net Revenue
Retention

1.8 : 1
LTV:CAC

300
North America (-)

154
UK & Europe (-2)

5
APAC (+3)



Improving customer mix

Strategic customers replacing small operators

Customer base increased by net 4 with 13 new and 9 lost:

+13 new

- + 6 new strategic customers
- + 4 novations
- + 3 non-strategic

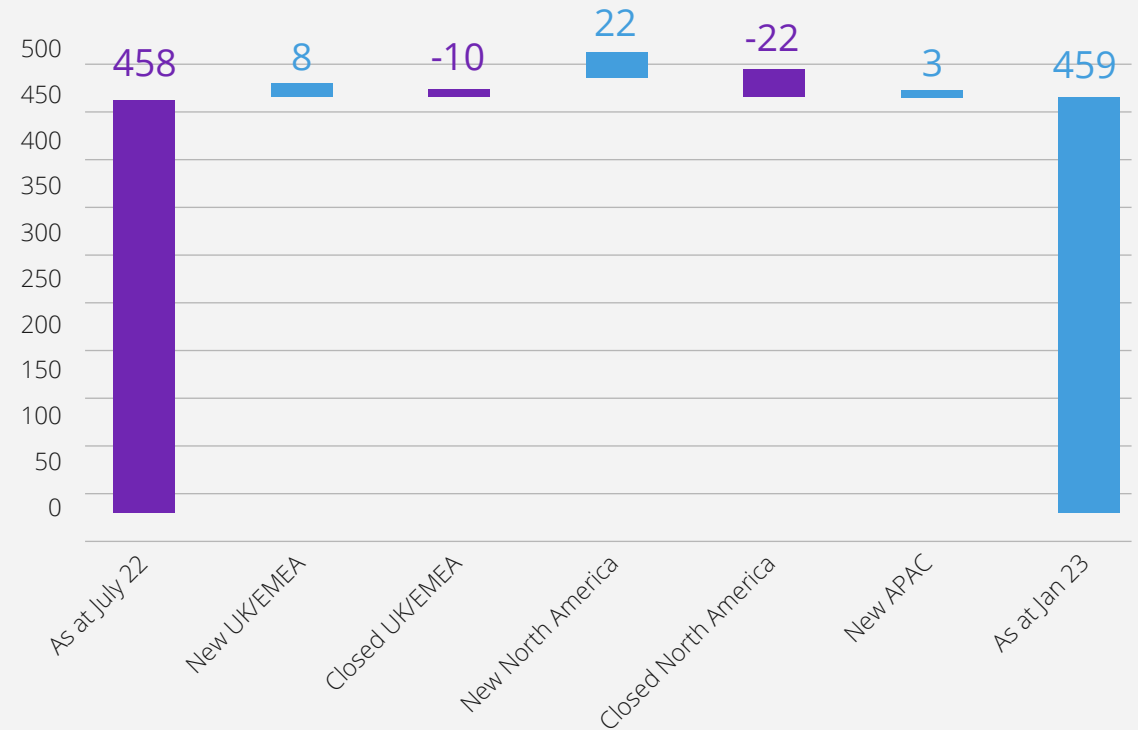
- 9 lost

all small non
strategic
customers



Opportunity pipeline is strong & growing
66% from new logos
34% from existing customers

Site movement H1 FY23



Contracted MRR on
new sites average
+17% on those closed



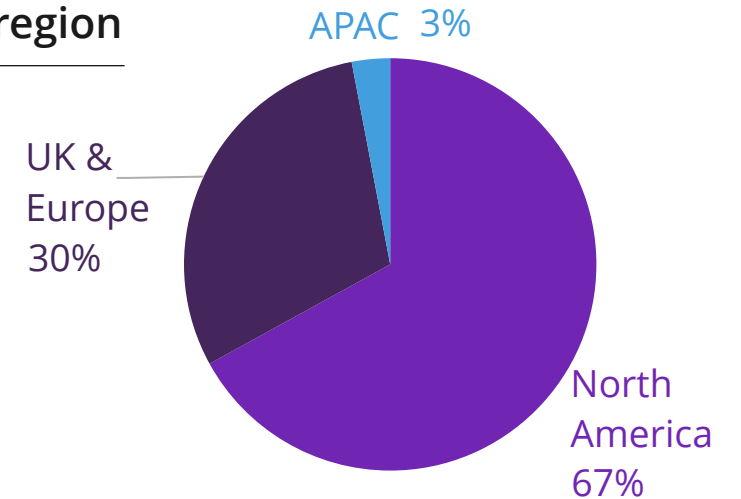
37% of site closures are
portfolio optimisation
by strategic customers

Strategic customers

Foundation for success

- ✓ **0%** strategic customer churn
- ✓ **109%** Net Revenue Retention
- ✓ **80%** of ARR, +8% YoY
- ✓ **70%** of total revenue, +7% YoY
- ✓ **Top 5** customers fully re-contracted
- ✓ **85%** of new sites with strategic customers

% revenue by region



Strategic customer revenue as % of total group

UK & EU	APAC	North America
21%	2%	47%

Focus is winning strategic customers to drive future growth

Our environmental sustainability initiatives



Greenhouse gas reduction

- Office occupancy rightsized, for efficient use of space and waste
- Energy efficiency, through low power settings
- Hybrid and remote working strategy, with limited travel



Waste reduction

- Re-use and recycle equipment wherever permitted
- Avoid waste, from printing through to recycling



Supplier & partner management

- Work with hardware vendors that are sustainability leaders
- Purchase and use environmentally responsible products

Product update

Powering flexible spaces at scale

Core platform

Provides a frictionless customer journey & simplifies the management of flexible spaces.

Instant results

Onboard and off-board customers & instantly deliver digital services at the touch of a button.

Powerful automations

Orchestrates manual & complex tasks to reduce operational complexity.

Data driven insights

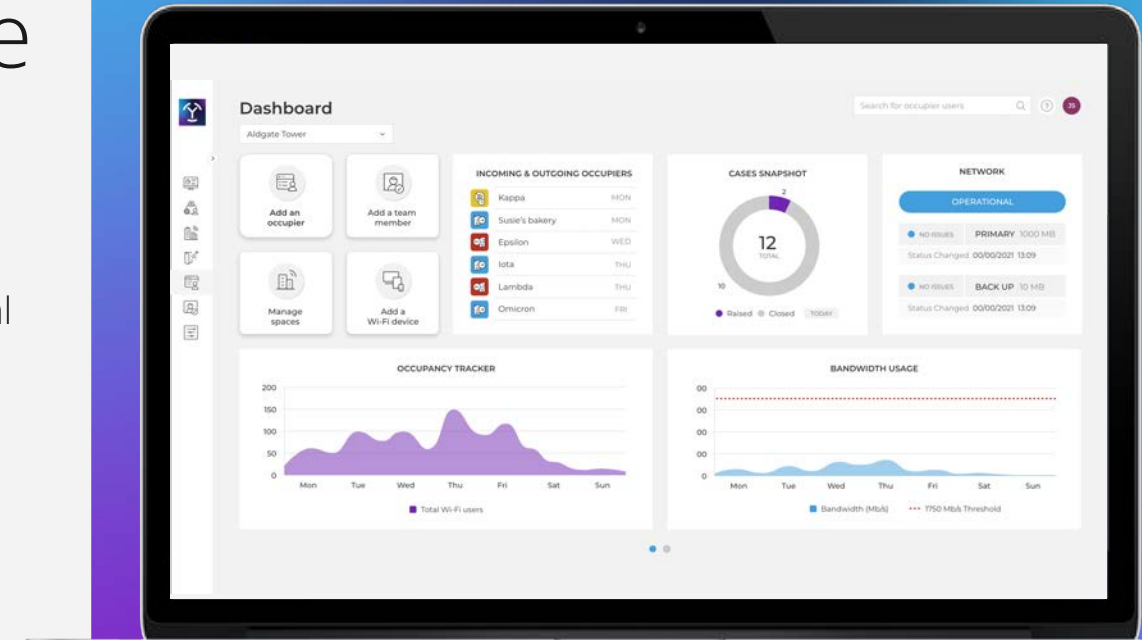
Instantly understand space utilisation and occupancy trends to make better, more informed data driven decisions.

Built for scale

Designed and developed for management of large-scale portfolios.

API first architecture

Enables deep integration into customer tech stack to deliver zero-touch customer lifecycle management.



Automated onboarding & offboarding



Occupier & space management

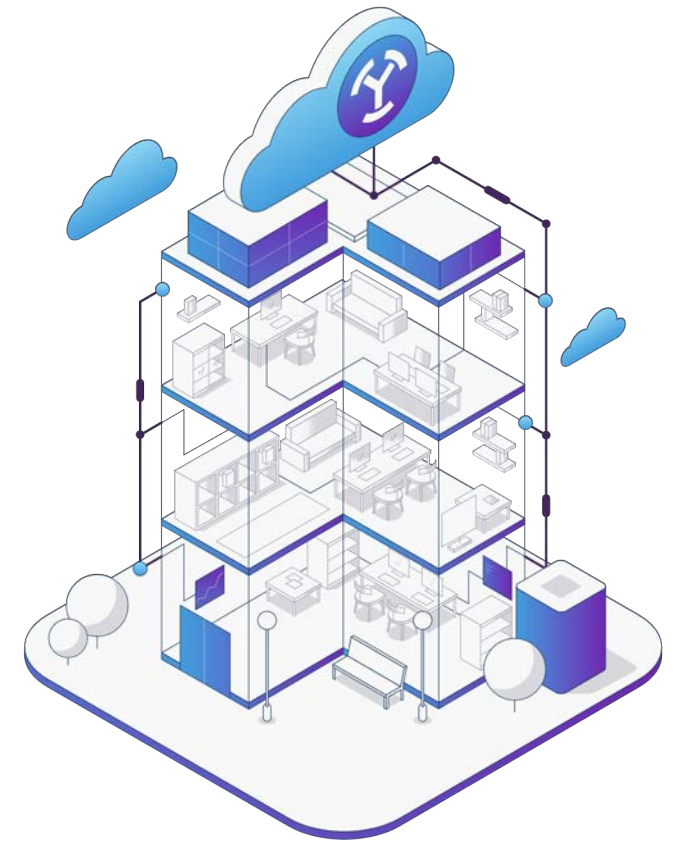
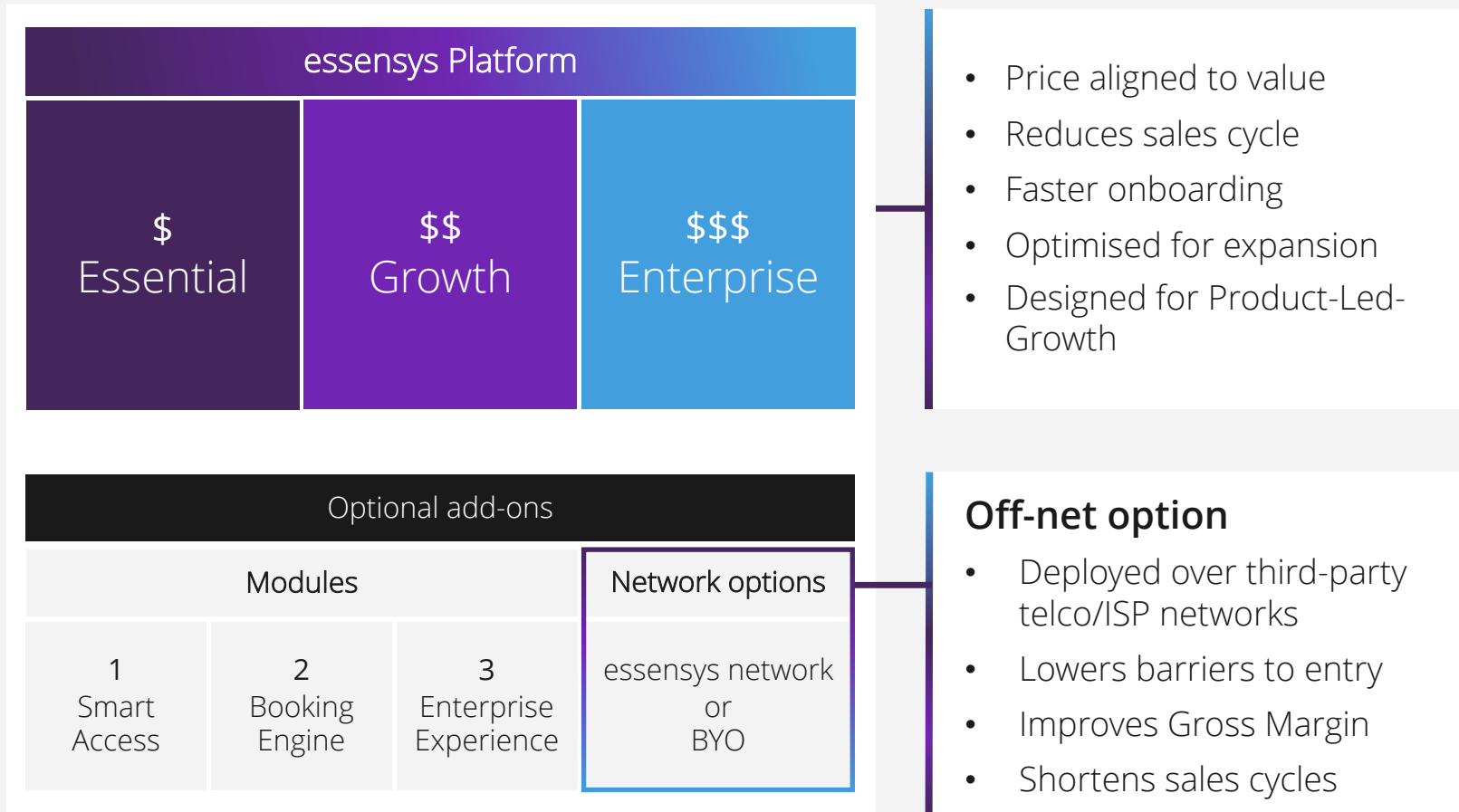


Digital infrastructure automation

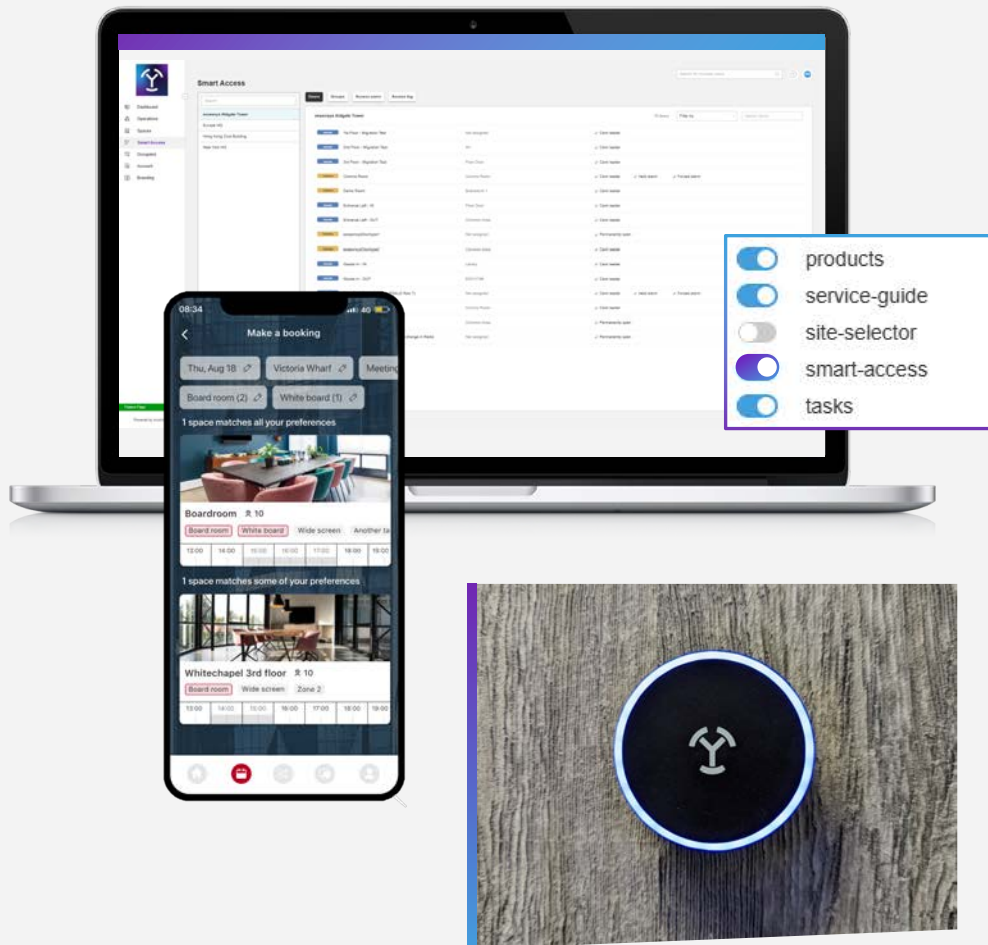


Powerful APIs & real-time data

Driving account expansion



Tapping into the Smart Access opportunity



Smart Access module + IOT Hardware

Pilots in...

- one of NYCs newest landmark buildings in Hudson Yards
- City of London premium office building

Final certification due
Summer 2023



Strategy and outlook

Optimising our strategy

FY19 - FY22

Building for the opportunity

- Rapid geographical expansion
- Strategic customer pipeline build
- New product development
- Investment phase
- Large headcount increase
- Regional CEOs
- Cash burn increased
- Operationally complex
- Regional go-to-market teams



FY23 + Realising the opportunity

- Focus on prime growth markets
- Strategic customer acquisition
- Account expansion
- Capital efficient growth
- Centralised operations
- Unified go-to-market team
- Drive operating efficiencies
- Executive headcount reduced by 40%
- Deliver £7.5m of annualised cost savings



Summary and outlook



Opportunity

- Significant
- Structural
- Long-term



Strategy

- Strategic customer acquisition and expansion
- Long-term efficient growth



Execution

- Strategic customer growth
- Product innovation



Focus

- Efficiency
- Cash
- Profitability
- Growth



Performance

- Strategic customers
- US growth
- Continued progress



Thank you

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28 March 2023