

FINANCIAL YEAR 2021

Annual Results Presentation

MARK FURNESS

Chief Executive Officer & Founder

ALAN PEPPER

Chief Financial Officer & Chief Operating Officer

essensys
we power ambition



Our Business

Our mission critical software helps solve the complex operational challenges faced by office landlords and multi-site flexible workspace providers.

essensys

THE PROBLEM WE SOLVE

Occupiers are demanding greater flexibility and exceptional in-building experiences. For office space providers meeting these expectations can bring significant risk, cost and complexity.

essensys provides the software and technology needed to help overcome these challenges.



essensys is the leading global provider of software and technology to the flexible workspace space segment of the commercial real estate industry.



Drive occupancy



Increase revenue & stickiness



Reduce operating costs



Deliver amazing in-building experiences

VISION

To power the world's largest community of tech driven flexible workspaces

Highlights FY21



Strong growth in key US market



Long-term structural drivers accelerating



Flex Services Platform launch



£33.2m fundraise to accelerate growth



Geo, product and GTM expansion



Pandemic recovery building momentum

essensys

-2%

Revenue

87%

Recurring

+2%

Recurring Revenue (constant currency)

6.0%

EBIDTA* Margin

LAND

STRATEGIC CUSTOMERS



Go-to-market investment ramp



Pipeline strength and depth



24 new customers added

EXPAND

REACH AND CAPABILITY



Flex Services Platform launched



Accelerated product roadmap



Major customer renewals completed

GROW

NETWORK BENEFITS



Talent acquisition



Industry reach and domain expertise



Brand equity and awareness

Pandemic Impact

INCREASED
PIPELINE
ACTIVITY

FLEX NOW
STRATEGIC
PRIORITY

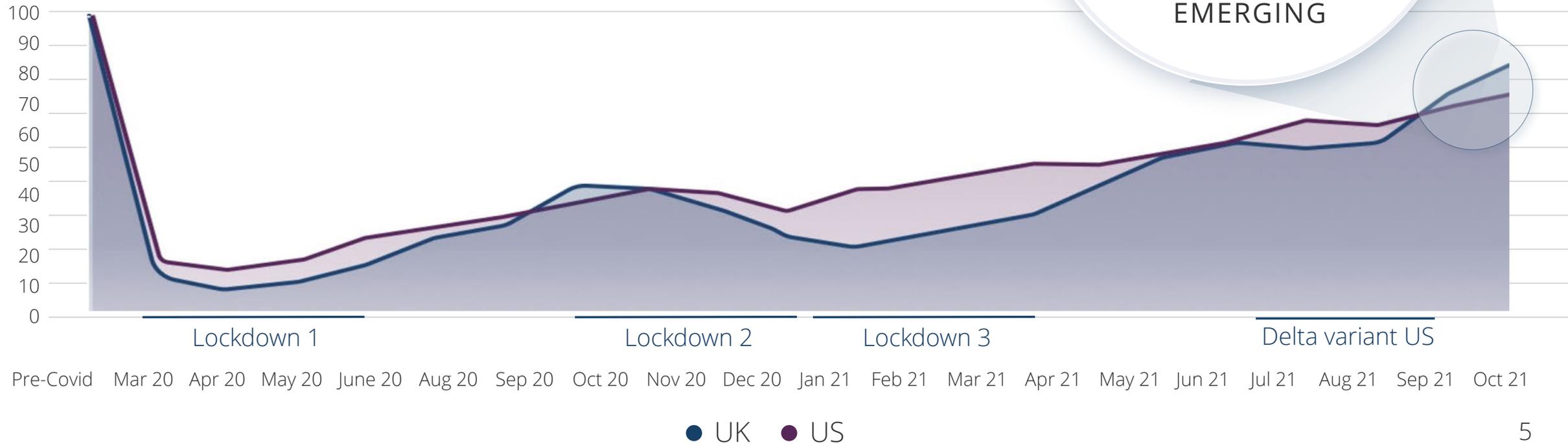
EXTENDED
SALES
CYCLES

STRUCTURAL
GROWTH
CATALYST



REALTIME OCCUPANCY

**Measured via Connect*



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Financial
Review



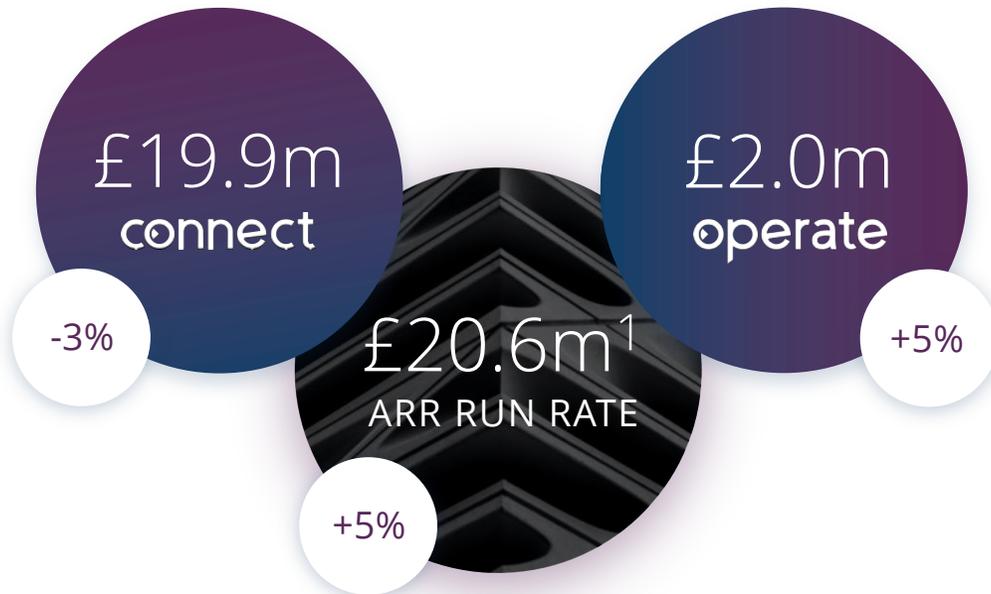
essensys

Financial Highlights FY21

£22.0m

Total Revenue -2%

- Recurring Revenue -2%
- Non-Recurring -9%
- US Recurring Revenue +20%¹
- US Non-Recurring +15%¹



£1.3m

EBITDA*
-69%

87%

Recurring
+1ppts

99%

Net Retention
-1ppts

65%

Gross Margin
+1ppts

69%

ARR
Gross Margin
<->

164

Customers

737

Sites

143

Personnel

REVENUE SPLIT

ARR GROSS MARGIN



52%

59% +2ppts



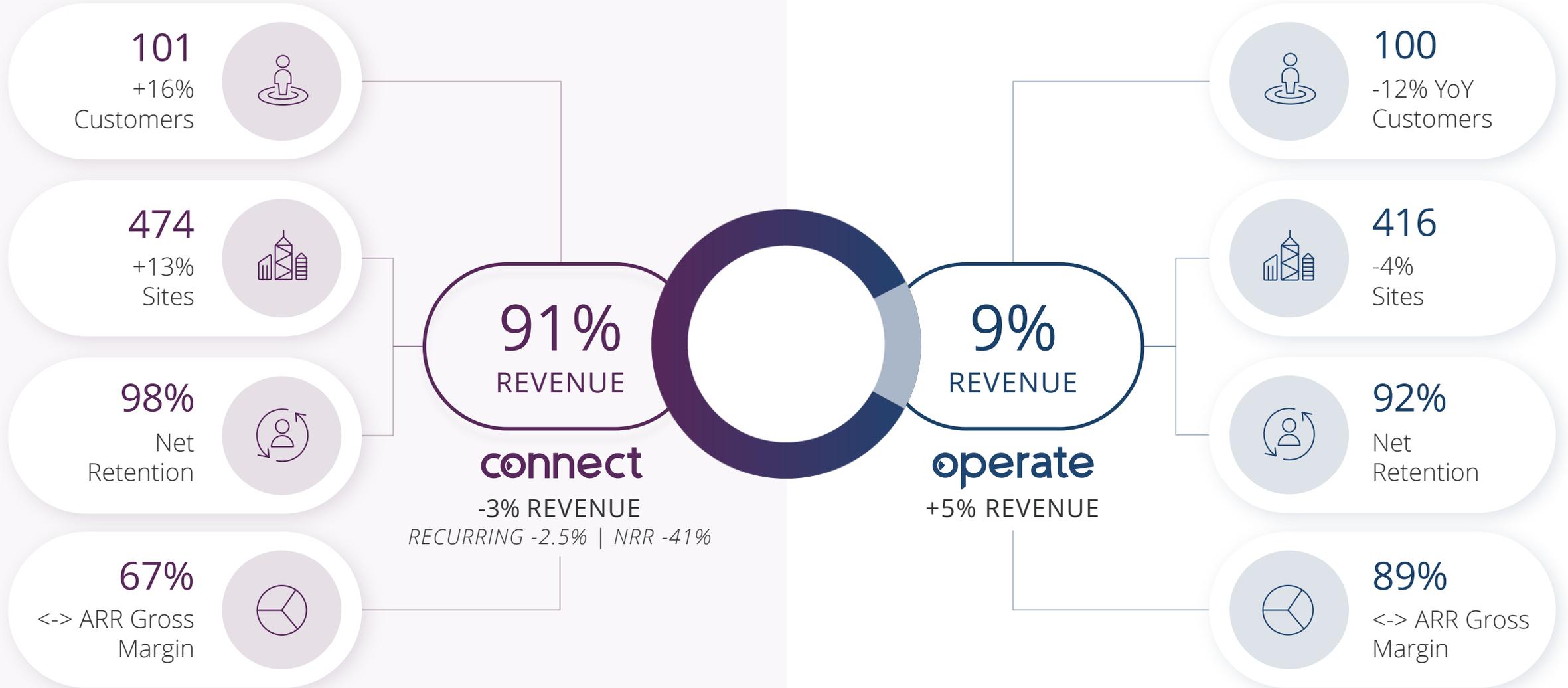
48%

77% <->

¹at constant currency

* Adjusted for share based payment charges

Our Products



Income Statement

F Y/E JULY (£'000)	2020 AUDITED	2021 AUDITED
REVENUE		
Connect recurring	17,470	17,104
Connect non-recurring	3,082	2,830
Operate	1,947	2,048
TOTAL REVENUE	22,499	21,982
of which: UK/ROW	12,193	10,648
US	10,306	11,334
Cost of sales	(8,117))	(7,750)
GROSS PROFIT	14,382	14,232
Gross margin %	64%	65%
Overheads	(10,553)	(12,952)
Other operating income	386	42
EBITDA	4,215	1,322
EBITDA margin	19%	6%
Share option charge	(514)	(560)
Depreciation & Amortisation	(3,225)	(3,563)
(L)/EBIT	476	(2,801)
Finance charges (net)	(130)	(127)
(L)/PBT	346	(2,928)
Tax	(191)	(411)
(L)/PAT	155	(3,339)



Total revenue **-2%**
 Recurring revenue **-2%**
 Constant Currency RR **+2%**
 US RR **+11%** US ARR **+17%** YoY



Gross margins up due to
 margin improvements in US



Investment in go-to-market
 increased in year – further
 increases following fundraise

Cashflow Statement

F Y/E JULY (£'000)	2020 AUDITED	2021 AUDITED
EBITDA	4,215	1,322
Changes in Working Capital	197	486
CJRS/PPP grants in income	(386)	-
Cash from Operations	4,026	1,808
Tax & forex adjs	45	86
NET CASH FLOW FROM OPERATING ACTIVITIES	4,070	1,894
Investing & financing:		
CJRS/PPP grants	386	-
Payment of intangible asset development costs	(2,290)	(2,493)
Purchase of property plant & equipment	(992)	(786)
Net interest payments	(130)	(127)
Proceeds / (repayment) of bank loans	-	-
Proceeds / (repayment) of lease liabilities	(1,926)	(1,863)
NET CASH FLOW FROM FINANCING & INVESTMENT	(4,952)	(5,269)
NET IMPACT OF IPO FUNDRAISING, DIVIDENDS & SHARE PAYBACK	6,709	31,808
NET CASH FLOW	5,828	28,433
Opening Balance	2,688	8,496
Forex adjustments	(20)	(26)
CLOSING BALANCE	8,496	36,903



Working capital in year slightly positive



Investment in software development continues



Continued capex investment increases capability



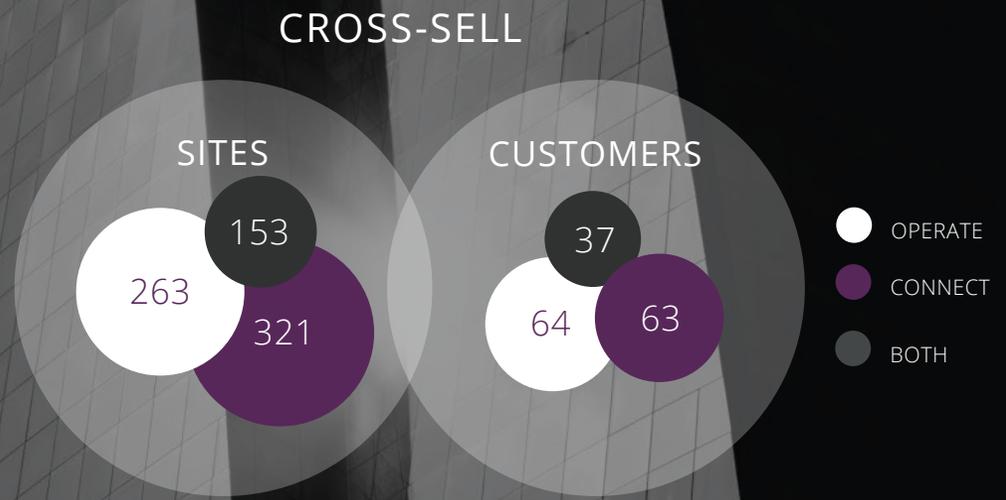
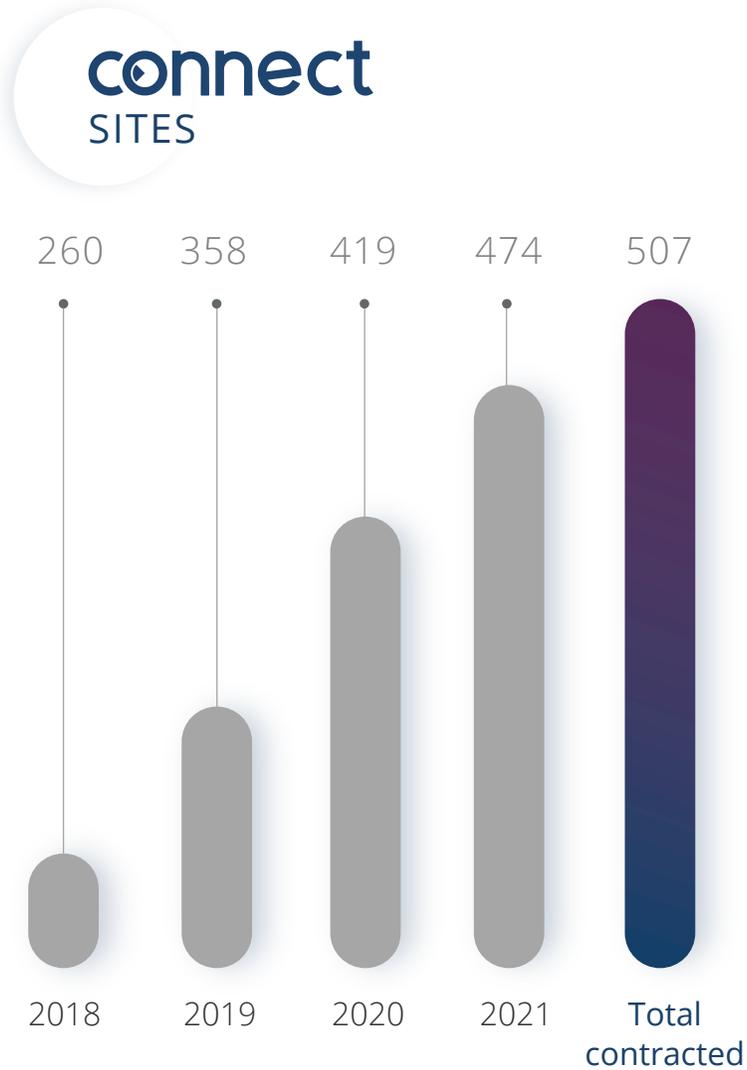
£32m fundraise

Balance Sheet

F Y/E JULY (£'000)	31 JULY 2020 AUDITED	31 JULY 2021 AUDITED
FIXED ASSETS:		
Goodwill	1,263	1,263
Intangible assets	3,750	4,935
Right of use asset	2,055	2,160
Tangible fixed assets	1,695	1,471
	8,763	9,829
CURRENT ASSETS:		
Inventory	323	184
Trade & other receivables	5,186	5,279
Cash and cash equivalents	8,496	36,903
	14,005	42,366
Creditors < 1 year	(4,121)	(4,556)
Debt & lease liabilities < 1 year	(1,346)	(943)
NET CURRENT ASSETS / (LIABILITIES)	8,538	36,867
TOTAL ASSETS LESS CURRENT LIABILITIES	17,301	46,696
Lease liabilities > 1 year	(796)	(992)
Deferred tax provision	(409)	(779)
NET ASSETS	16,096	44,925



Key Performance Indicators

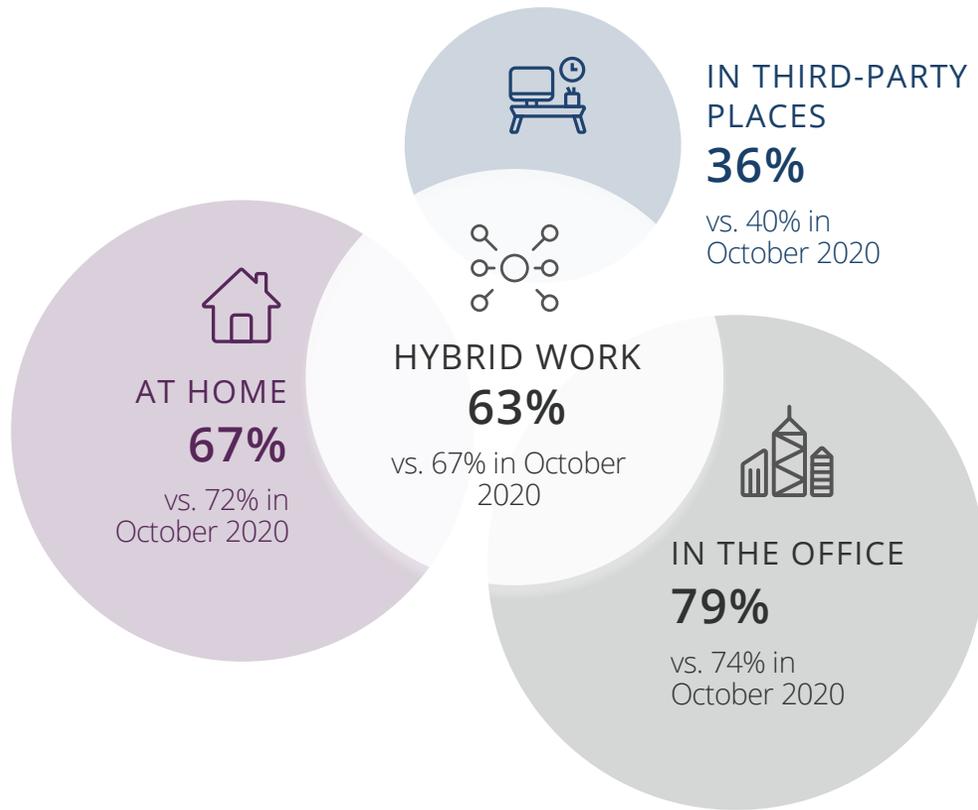


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Market
Update



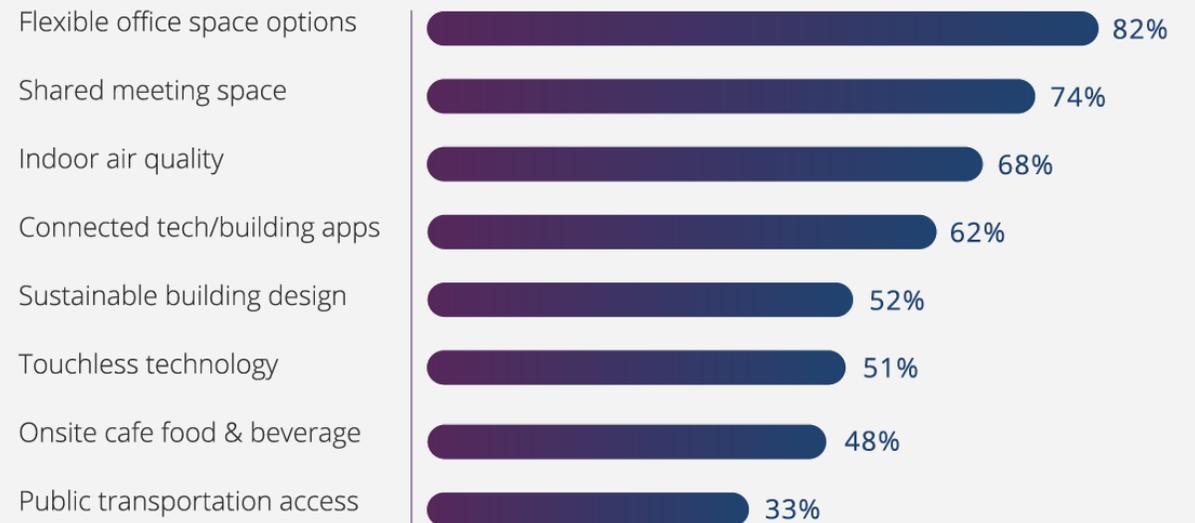
Market Update

PROPORTION OF THE WORKFORCE
DESIRING TO WORK REMOTELY IN
EACH PLACE POST-PANDEMIC
(AT LEAST ONCE A WEEK)



Source: Global Worker Preferences Barometer, JLL, June 2021

FIGURE 2: MOST IN-DEMAND BUILDING ATTRIBUTES IN FUTURE



Source: The Future Of The Office Survey, CBRE Research, September 2020

Market Update

FUTURE OF THE AGILE INDUSTRY

The agile nature of the flexible workspace industry, combined with its service led approach & limited CAPEX investment, makes it an ideal platform for businesses. The ability to respond to changing needs & test new solutions means that we expect to see a resurgence in demand over the next 12 months.

As a result, major landlords have started to become more deeply involved in the flexible workspace industry through partnering with providers or going it alone. Tomorrow's occupiers will want more from office space in terms of adaptability & the services provided.

Source: Instant Offices, Can commercial real estate move at the speed of business, 03 May 2021

13%

only 13% of occupiers believe that landlords are strongly positioned to serve their flexibility requirements.



Source: Verdantix, Technology In The Flex Space Market Thought Leadership Study

KEY FINDINGS

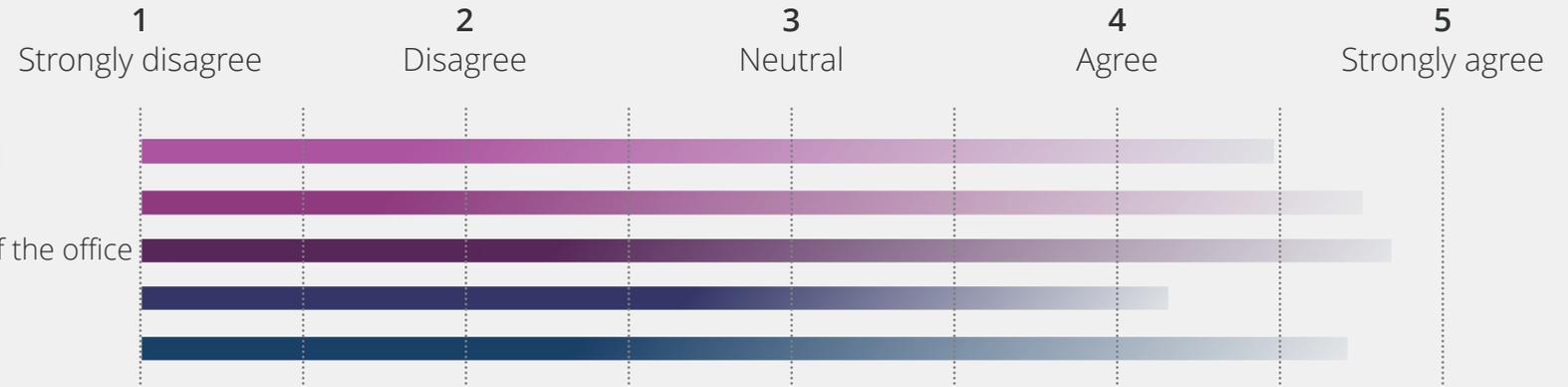
Our business will **inject more agility** into our working model

Our business has a **comprehensive return-to-office plan**

Workplace design will change to reflect the new purpose of the office

Company culture is very important in our future portfolio

Technology is a primary driver for our future portfolio



Source: Instant Offices, Can commercial real estate move at the speed of business, 03 May 2021

Market Update

A Flexible Future

FINANCIAL TIMES

The flexibility factor: who is going back to the office?

Technology companies: remote and flexible. Financial services companies: office-centric and more rigid. Everyone else: hybrid.

Those are the broad trends emerging from an FT sampling of companies' "flexibility factor", or the extent to which they are allowing employees to decide where they work once pandemic conditions ease.

The persistence of coronavirus and individual exceptions to these trends complicate any assessment. The spread of new variants has overturned return-to-office plans. Incidence of the virus and regional rules still vary widely.

INDEPENDENT

News > Business

Unprecedented demand for flexible offices as pandemic 'permanently alters' world of work

Demand for flexible office space has reached "unprecedented" levels as more companies change the way they operate during the pandemic, according to the world's largest provider of co-working spaces.

MailOnline

Office rental giant IWG hopes to cash in on booming demand for 'flexible' working space outside London after revenues plunged by a QUARTER year-on-year in March and April

- IWG are hoping to cash in on demand for flexible work spaces out of London
- They told shareholders they've seen 'unprecedented demand' for flexibility
- Many companies are now looking to open rural or suburban offices for workers

propertyfundsworld

Positive sentiment returns to European flexible office market

Positive sentiment towards to European flexible offices has increased according to Workthere with data from the flexible office specialist showing that 54 per cent of providers are optimistic or very optimistic about the next three months, rising to 95 per cent for the next 12 months.

This is in comparison to 47 per cent and 81 per cent respectively in October 2020.

Simultaneously, the survey also indicates a drop in the number of requests for rent relief – this figure has dropped to 11 per cent which is almost half of what it was this time last year (20 per cent).

CN COMMERCIAL NEWS MEDIA

'Post pandemic' flexible offices launched by Key Land Capital

A Birmingham building has been transformed into flexible office space, meeting post-pandemic business needs, after being acquired by investment and development company Key Land Capital.

The two-storey property at Aston Cross Business Village, near the city centre, has undergone a £250,000 complete refurbishment. It now provides accommodation that embraces the needs of businesses for a post-pandemic flexible office environment, said Key Land Capital managing director Kevin Sharkey.

THE WALL STREET JOURNAL.

Flexible Offices Will Be Crowded After Covid-19

Co-working giants IWG and WeWork may see higher demand for short-term lets while businesses suss out their property needs, but competition from traditional landlords will grow too

Co-working and flexible-office providers were hit hard and fast by last year's shift to remote working. Their challenge as business recovers may be a more crowded market.

Companies such as WeWork—which is in talks to go public, The Wall Street Journal reported in January—and Regus IWG -0.87% ▼ owner IWG had a harsher pandemic than regular office landlords. A risky business model where they sign long leases and sublet space on short-term contracts meant that many of their tenants bailed out quickly. WeWork's global occupancy rate dropped to 47% at the end of 2020 and it lost \$3.2 billion, according to an investor pitch seen by the Financial Times. IWG also racked up big losses.



The co-working space market is growing despite COVID-19, here's why...

Office-space absorption may be at a six-year low thanks to the COVID-19 second wave, but that doom and gloom hasn't quite had an impact on the co-working space ecosystem.

Chennai-based co-working space aggregator WorkEZ recently launched 1.3 lakh square feet of shared work spaces comprising 3,500 work stations. While the launch puts the brand in pole position in the Chennai co-working market, what has drawn appreciation from all quarters is the manner in which WorkEZ launched each of its existing co-working space centres after the pandemic.

Evening Standard

The future is flexible: After WFH year, firms look at the role offices will play when lockdowns ease

It is 4.30pm on a crisp Monday outside Liverpool Street station, and there is plenty of noise. A year ago any visitor pausing to gaze up at skyscrapers would be knocked into by crowds of workers wearing suits. Not today though. It is 12 months since we started to work from home on a mass scale, and there are few office staff to see or hear. Instead, the sounds are coming from a number of construction sites, including one where three cranes tower over builders in orange high-vis vests.

Property Week

Office demand returns to pre-pandemic levels for Workspace Group

By Jessica Newman | Thu 22 July 2021

Workspace Group has said demand for its flexible offices has returned to pre-pandemic levels.

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Strategy
Execution



Land – Expand – Grow

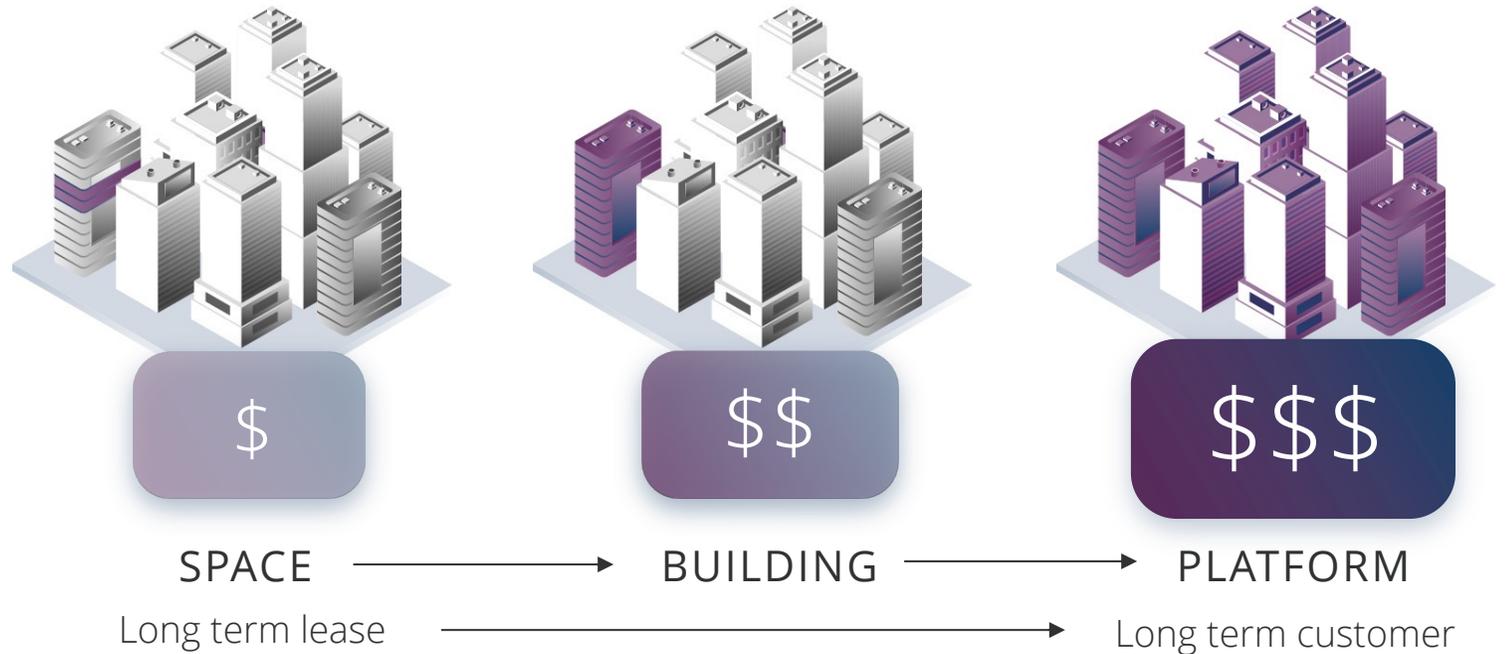
Aligned with industry evolution

REVENUE EXPANSION IS ALIGNED WITH LANDLORD FLEX EXPANSION

Strategic high potential value customers remain key focus of Go-To-Market strategy and product development roadmap



essensys



DISTRIBUTION CHANNELS

PURE PLAY



Product Update

2010 **connect**

Software enabled IT
and tech services

PROVISION | MANAGE | MONITOR

- Users
- WIFI
- Services
- Voice
- Network
- Bandwidth
- Security
- Support cases

Plus
Apps
Integrations
APIs

2017 **operate**

Comprehensive, industry
specific ERP platform

BOOK | BUY | BILL

- Sales
- Bookings
- CRM
- Invoicing
- Contracts
- Cash collection
- Inventory
- Point of sale

Plus
Apps
Integrations
APIs

2021 FLEX SERVICES PLATFORM



Integrated flex
operating system



Per square
foot pricing



Focused on in-
building experience



Modular
architecture

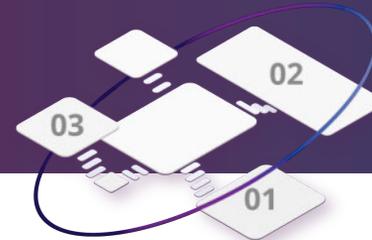


Bridges flex to
traditional space



DIGITAL INFRASTRUCTURE

Secure private network &
cloud infrastructure
underpinning occupier
services for now & the future.



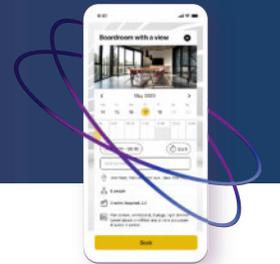
SPACE MANAGEMENT

Simple space & inventory
configuration for effective
day-to-day operations.



SPACE OPERATIONS

Streamline the complete
occupier lifecycle — from
lead to contract to cash.



OCCUPIER EXPERIENCE

Deliver a next
generation, mobile-first
experience for occupiers
& their employees.

North America Update



STRONG FY21 PERFORMANCE



HIGH QUALITY LEADERSHIP



NEW CUSTOMER PIPELINE



EXISTING CUSTOMER GROWTH



LARGEST CUSTOMER RENEWED ON NEW 3
YEAR GLOBAL FRAMEWORK AGREEMENT

LARGEST SINGLE
MARKET
OVER 10BN SQ FT

APAC Update

essensys



REGIONAL CEO, ERIC SCHAFFER



FIRST APAC CONTRACT WIN



OPERATIONAL CAPABILITY BUILDING



TOP OF FUNNEL ACTIVITY STRONG



PIPELINE DEVELOPING WELL



UK & Europe Update



UK & EUROPE
CEO RECRUITED



EUROPEAN
PIPELINE BUILDING



LARGEST UK
CUSTOMER
RENEWED



EUROPEAN BUSINESS
DEVELOPMENT TEAM
BASED IN PARIS



.....

Outlook

essensys





Resilient performance
throughout pandemic



Momentum
building



Structural growth
drivers accelerating



Foundations
strengthened



Well equipped to realise
growth ambitions

Thank You

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18 October 2021

Appendix



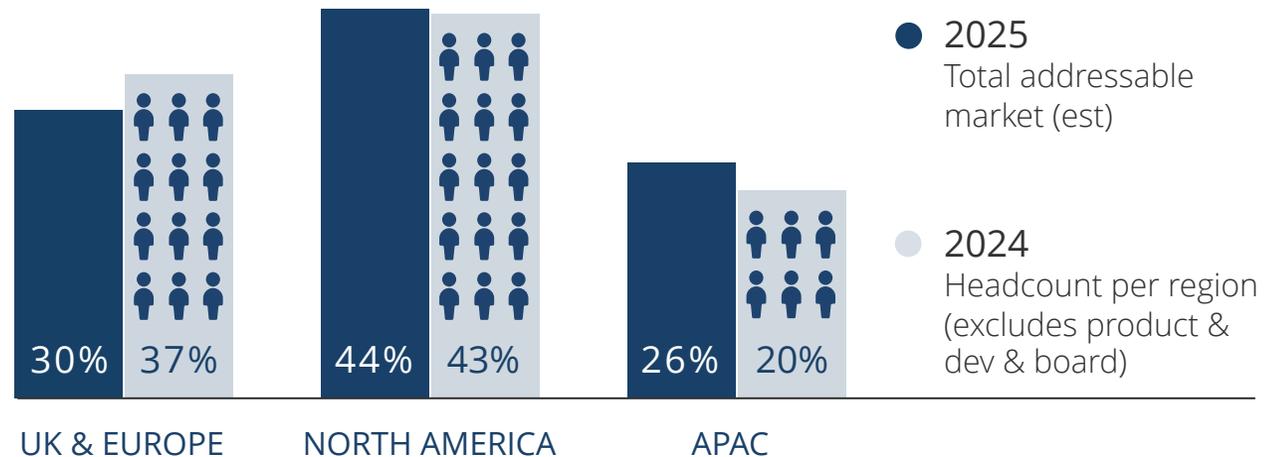
Use of Fundraise Proceeds

Net proceeds of the fundraise together with existing funds are expected to be used over a **three year period**

USE OF PROCEEDS (£M)



INVESTMENT ALIGNED WITH MARKET OPPORTUNITY



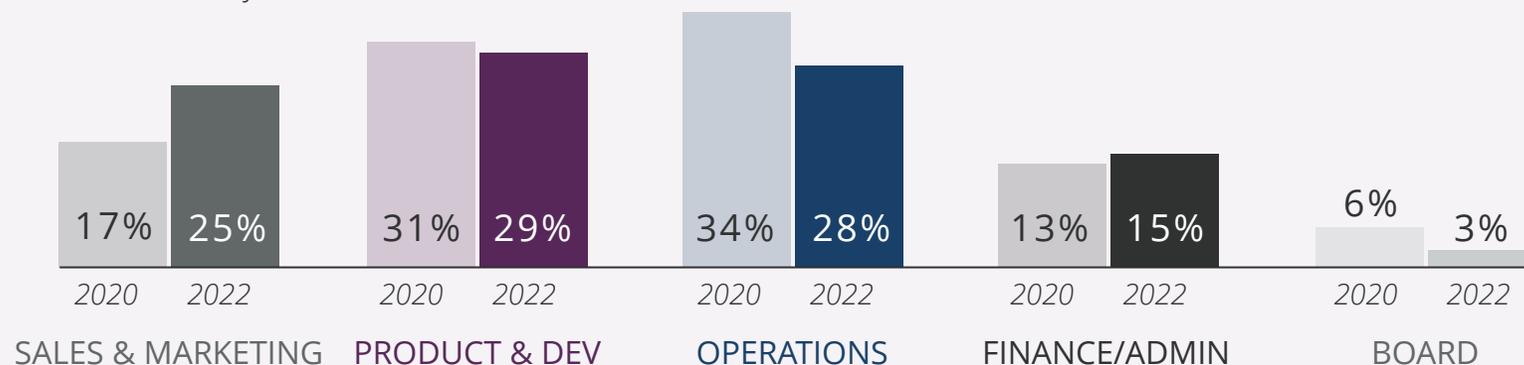
+247% Sales & marketing headcount by 2022

+122% Product & dev headcount by 2022

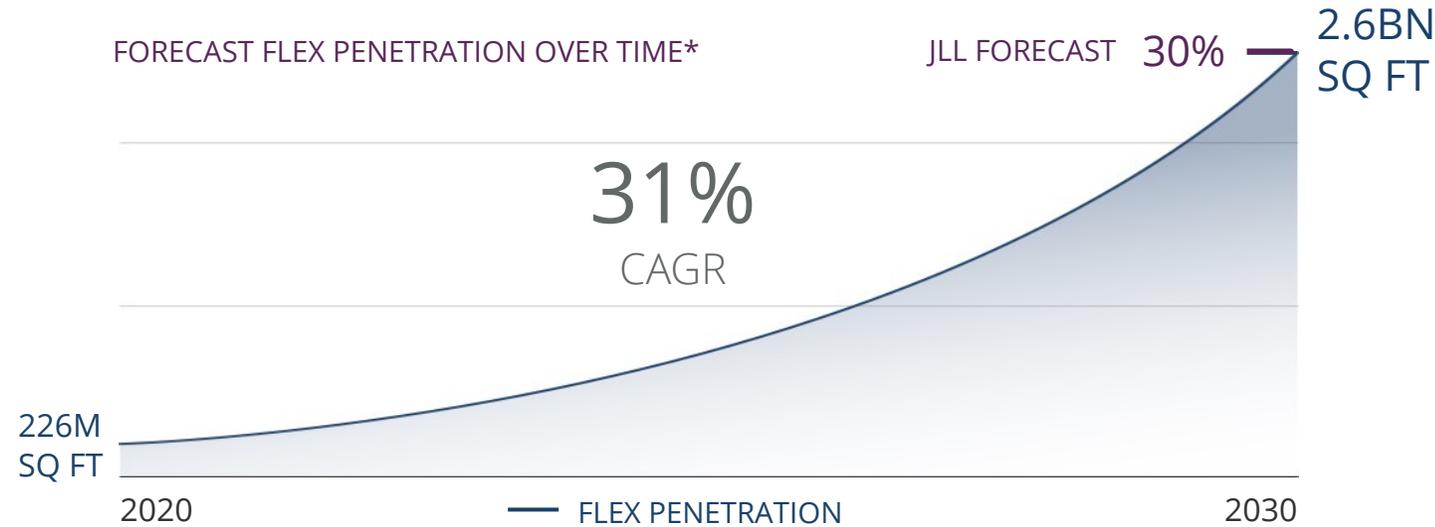
EXPECTED SCALE BENEFITS DELIVER INCREASED OPERATIONAL EFFICIENCY

ACCELERATED INVESTMENT IN SALES & MARKETING & PRODUCT

Headcount by function



Accelerating Growth Opportunity



FORECAST FLEX PENETRATION OF 30% IN 2030 WILL DRIVE SIGNIFICANT REGIONAL GROWTH

REGION	TOTAL OFFICE	FLEX (SQ FT)	TOTAL ADDRESSABLE MARKET	9YR CAGR
 North America	4.3BN	1.3BN	£ 1.7BN	34%
 EUROPE	2.4BN	720M	£ 936M	36%
 APAC	1.7BN	510M	£ 663M	24%
 UK	320M	96M	£ 125M	19%

* MARKETS INCLUDED ARE NORTH AMERICA, UK, EUROPE AND ASIA PACIFIC



'We are big believers in the flexible workspace arena and see a tremendous opportunity – we have a huge global occupier business and know that more than 80% of them want to be in multi-tenant offices with flex space.'

*Bob Sulentic
Chief executive officer*

Fundraise : Go To Market

Plan to increase market share by 10%

DIRECT : LANDLORDS
FLEX SPACE PROVIDERS

DISTRIBUTION : AGENTS / BROKERS / PROPERTY MANAGERS
FRANCHISE

WE FOCUS ON TOP OF CRE
INDUSTRY VALUE CHAIN...

FOR THEM

 Low Risk

 Capability

 Scale

 Proven

FOR US

 Can become embedded

 Strong CAC payback

 Industry network effects

 Margin performance

	MARKET SHARE	
	CURRENT	TARGET
 NORTH AMERICA	8%	18%
 UK + EU	12%	22%
 APAC	0%	10%

Fundraise Investment Case



OPPORTUNITY TO INCREASE MARKET SHARE IN GROWING MARKET



PREVIOUS PLAN WOULD SEE MARKET OUTGROWING US

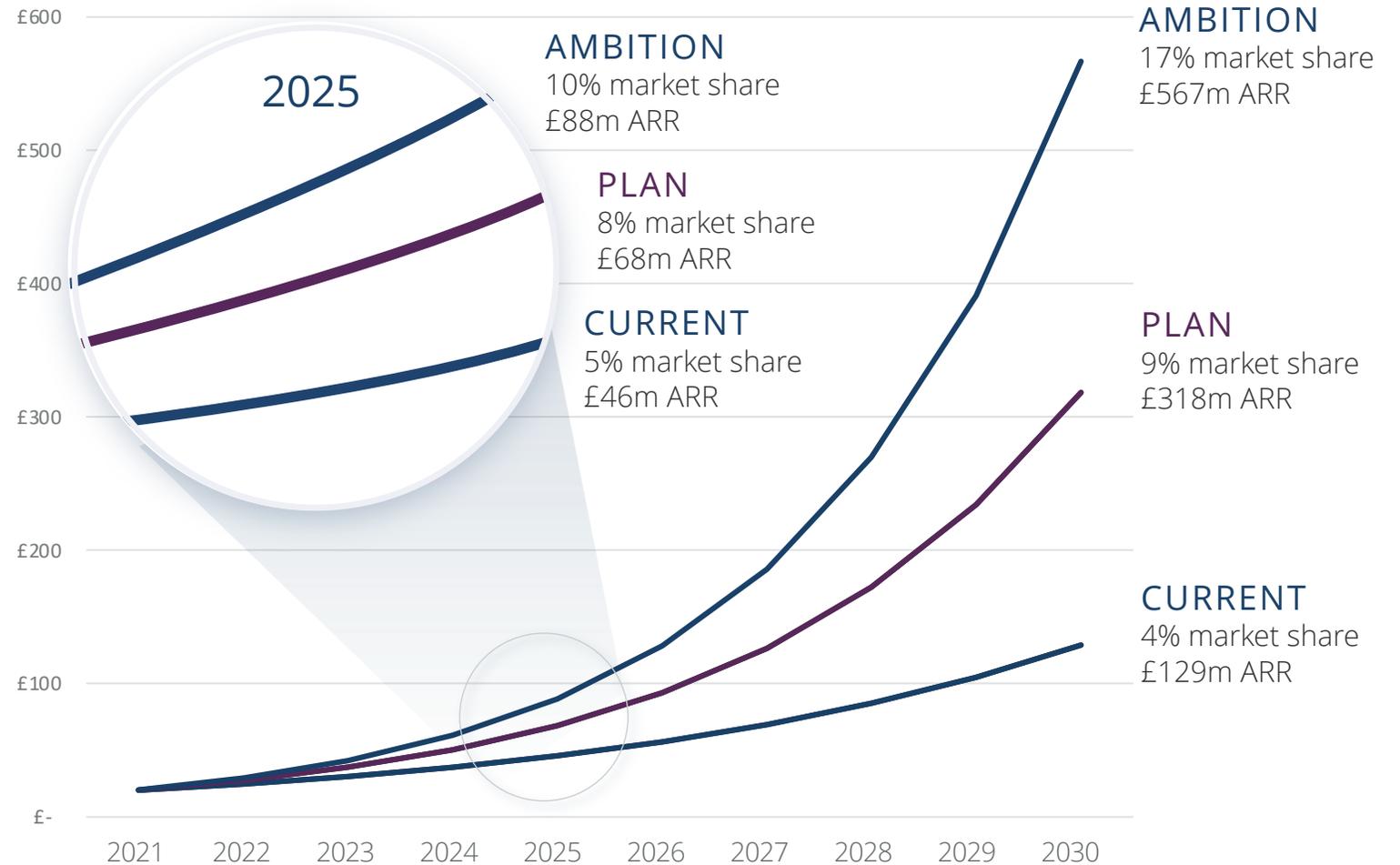


WE CAN ACCELERATE **OUR RESPONSE** TO ACCELERATING MARKET OPPORTUNITY WITH CONFIDENCE



WE ARE WELL EQUIPPED
PROVEN : PRODUCT :
PROPOSITION : PEOPLE

LOOKOUT TO 2030



PLAN DELIVERS +£22M ARR IN 2025 (+48%)