

for 6 months ended 31 January 2020

Half Year Results Presentation

MARK FURNESS

Chief Executive Officer & Founder

ALAN PEPPER

Chief Financial Officer



essensys
we power ambition



Our Business

operate • connect

essensys' software is specifically designed & developed to help solve the complex operational challenges faced by multi-site flexible workspace operators as they grow & scale their operations

Improved

-  occupier experience
-  operational efficiency
-  customer retention
-  digital security

Faster

-  time to value
-  insights
-  delivery
-  decisions

Now more than ever occupiers are demanding faster more agile real estate solutions that are responsive and adaptable



Driving Productivity

We are the leading **global** provider of mission critical **SaaS** platforms & on-demand **cloud** services to the **flexible workspace** industry

Highlights H1 20

A **strong** first half
Momentum carried into start of H2



New customer growth



New logo acceleration



Industry focussed innovation



US growth
US market



Increased
global reach



Accelerated
CRE adoption



+19%
Revenue



+29%
Recurring



-11%
EBITDA*



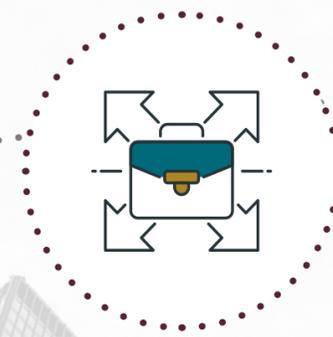
17%
EBITDA*
margin

*adjusted for share based payment charges 3

Operational Highlights



Land



Expand



Grow

-  New customer logos +32%
-  Key wins with strategic, long-term growth customers
-  Customer base expanding & diversifying
-  Increasing penetration at top of industry value chain

-  Smart Access
First module of new unified platform
-  Member Experience App
driving edition upgrades
-  Landlord Edition expands
market opportunity
-  Scale up of UK based R&D
team

-  38% of Connect site growth
was from new customers
-  Continued progress in
Europe, AsiaPac and RoW
-  essensysCloud expansion
-  Addition of global real-estate
leaders to plc board

Industry Evolution



Highlights H1 20

Industry Value Chain

Enterprise Requirements

Landlords & asset owners

Global CRE companies

Franchise operations

Large multi-site 20+

Med multi-site 6-20

Small multi-site 2-5

Single site operator

FOCUS

Industry evolving rapidly with increasing numbers of landlords and commercial real-estate (CRE) brands entering the market

Scale

Growth Catalysts



Increasing **enterprise adoption**



Increasingly **sophisticated buyers** now seek best of breed partners & solutions



Distributed working is more applicable than ever & currently being fully tested



Digital security no 1 concern for enterprises when using shared workspaces

United States
Now world's largest market

+52%

Recurring Revenue

Growth YOY

OPERATORS



FRANCHISING



LANDLORD



CRE



Increased number of customers



More landlord & CRE activity



Enterprise adoption accelerating

Extending Global Reach

Continued Good Progress



Europe



APAC



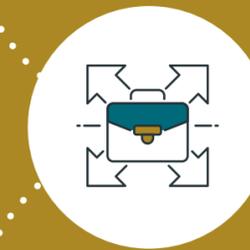
Rest of World

Major European Operator



Land

0 ... 26 locations



Expand

Growth ... Enterprise Edition



Grow

Operate ... Unified Platform

Coronavirus Covid-19

Impact

- Limited direct impact on our business to date
- The Group has started to see a small number of requests for support from its customers
- Delays to planned new site openings due to movement and travel restrictions
- New sales bookings impacted as customers pause purchasing decisions
- Modest reduction in non-contracted Marketplace service utilisation

Mitigating Actions

- Furlough of 20 UK employees utilising Government Job Retention Scheme
- Reduced working hours across remaining employees with commensurate reduction in salaries
- Senior management taking substantial pay reduction for the period
- Chief Executive waiving 100% of salary for the period
- Reduced near-term third-party software development spend
- Deferred all non-essential capital and operating expenditure
- Paused all new recruitment

Business Continuity

- All employees working from home
- Full 'stress test' of business completed and additional actions identified which can be taken to further mitigate impact
- Our software and services remain a critical element in the continuation of our customers operations and the support of the remote working of their clients



Coronavirus Covid-19

- We have taken pro-active steps to support our customers, as their tenants began to implement home-working – free access to Connect Marketplace services including essensys Softphone
- We see increased risk for purer coworking models with higher number of micro-businesses on short-term (monthly) contracts
- Landlords, partnership models and established scale operators most robust
- Landlords will play a critical role in the success of the flexible workspace industry's response
- Our revenues continue to be underpinned by a long-term well established customer base and an increasing number of high quality global real-estate companies and landlords

Long-term Impact

- Increased adoption of flexible working models
- An acceleration to more responsive and agile real-estate solutions
- An overall reduction of long-term real-estate commitments



Financial Review



Financial Highlights

H1 2020

essensys

£19.7m

ARR
Run Rate

+28%

£11.4m

Revenue

+19%

£10.5m
connect

+18%

£0.9m
operate

+29%

£1.9m

EBITDA*

-11%

85%

Recurring

+6%

114%

Net
Retention

+1%

63%

Gross
Margin

+2%

70%

ARR
Gross Margin

+2%

170

Customers

19

Countries

800

Sites

119

Personnel

89 FTE
30 Offshore

4

Offices
Worldwide

Revenue
Split

ARR
Gross Margin



42%

57%



58%

77%

*adjusted for share based payment charges

connect

operate



90

+32%
Customers



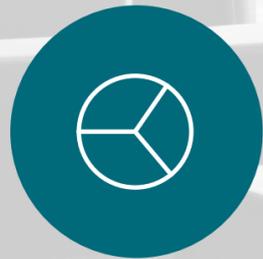
400

+32%
Sites



4

Countries



68%

ARR
Gross Margin



120

+3%
Customers



536

+6%
Sites



19

Countries



88%

+2%
ARR
Gross Margin

Income Statement

H Y/E January (£'000)	H1 2019 (unaudited)	H1 2020 (unaudited)
Revenue		
Connect recurring	7,054	8,776
Connect non-recurring	1,867	1,688
Operate	670	943
Total revenue	9,591	11,407
of which: UK	6,338	6,621
US	3,253	4,786
Cost of sales	(3,416)	(4,195)
Gross profit	5,875	7,212
Gross margin %	61%	63%
Overheads	(3,794)	(5,362)
Other operating income	20	11
EBITDA	2,101	1,861
EBITDA margin	22%	16%
Share option charge	(712)	(252)
IPO Costs	(306)	-
Depreciation & Amortisation	(1,314)	(1,602)
EBIT	(231)	7
Finance charges (net)	(183)	(88)
PBT	(414)	(81)
Tax	5	(12)
PAT	(409)	(93)



Cashflow Statement

H Y/E January (£'000)	H1 2019 (unaudited)	H1 2020 (unaudited)
EBITDA	2,101	1,861
Changes in Working Capital	(2,185)	(186)
Cash from Operations	(84)	1,765
Tax & forex adjs	10	31
Net cash flow from operating activities	(74)	1,706
Investing & financing:		
Payment of intangible asset development costs	(228)	(950)
Purchase of property plant & equipment	(30)	(591)
Net interest payments	(142)	(88)
Proceeds / (repayment) of bank loans	5,108	-
Proceeds / (repayment) of lease liabilities	(938)	(1,057)
Net cash flow from financing & investment	3,770	(2,686)
Net Cash Flow	3,696	(980)
Opening Balance	882	2,688
Forex adjustments	(12)	12
Closing Balance	4,566	1,720

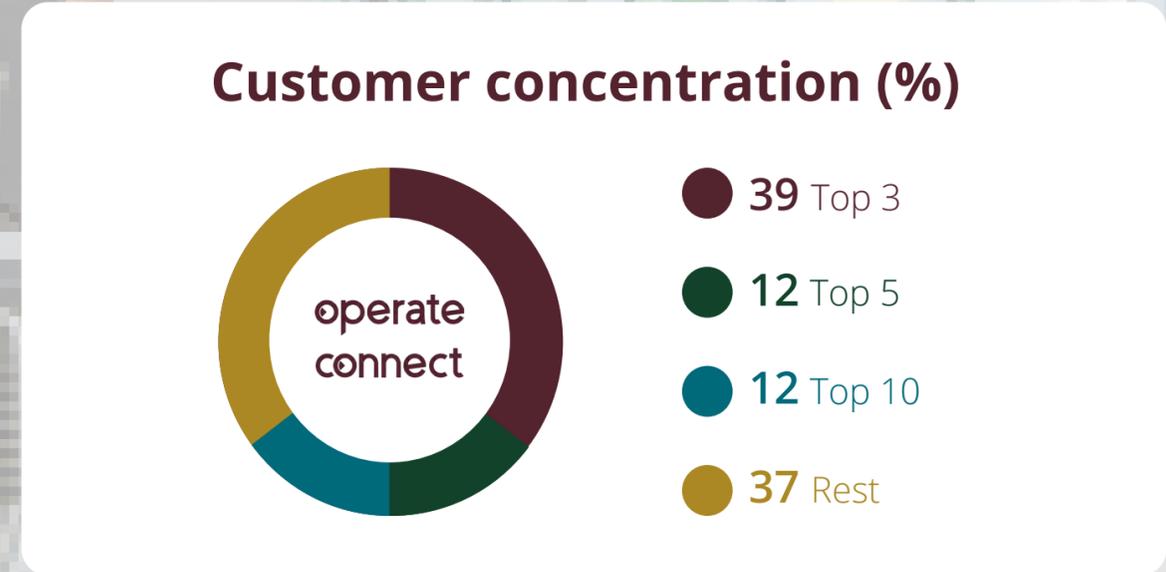
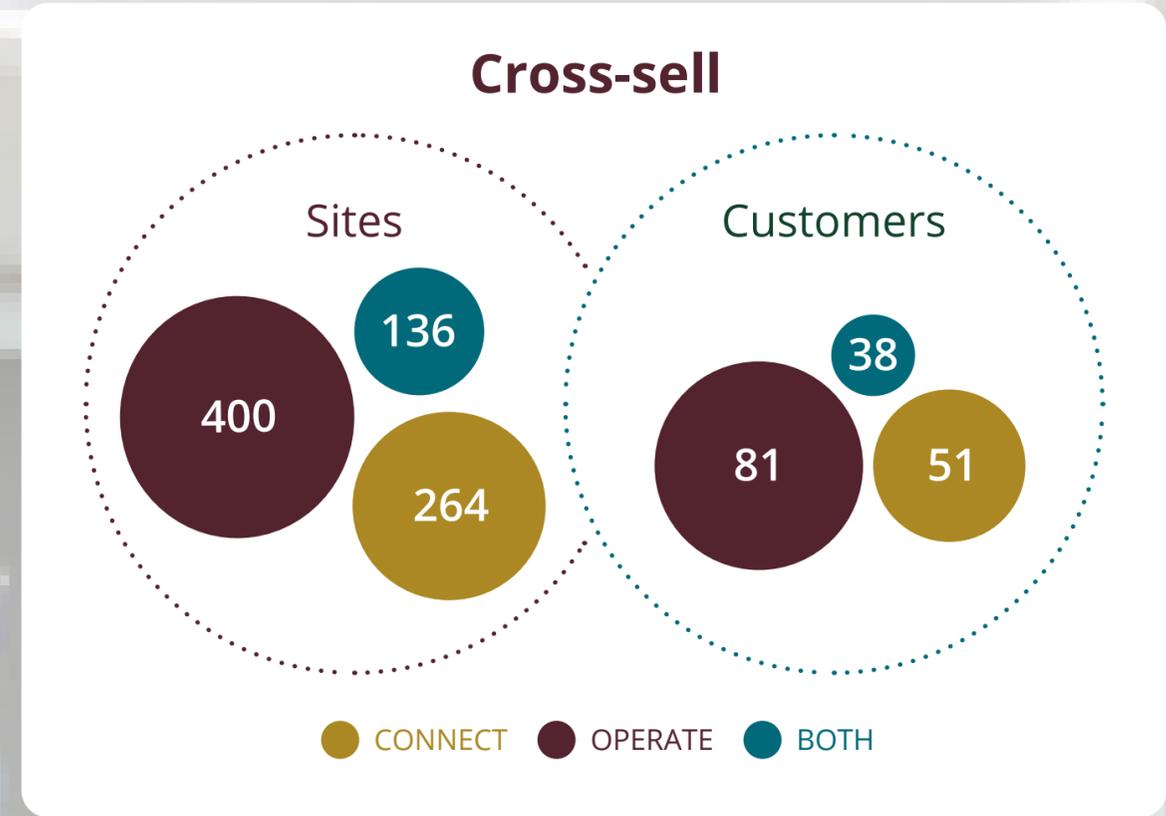
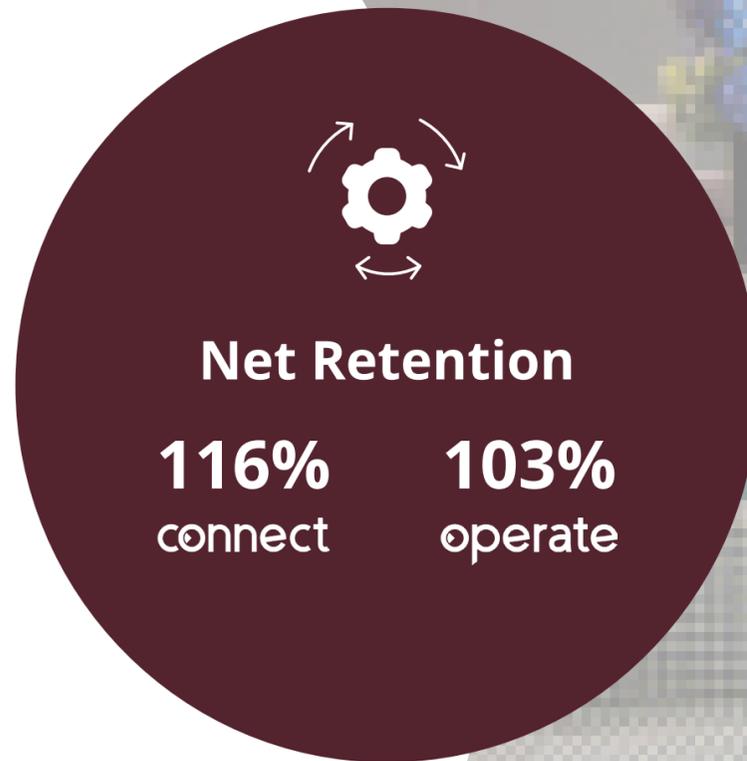
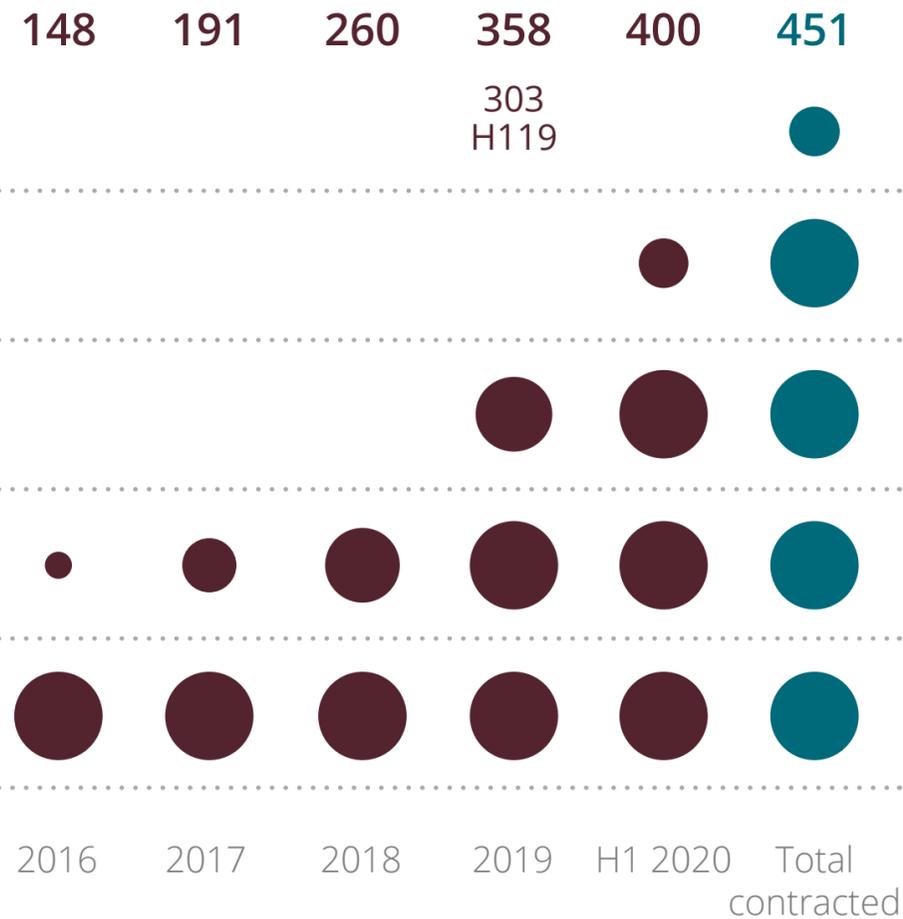


Balance Sheet

H Y/E January (£'000)	31 July 2019 Audited*	31 January 2020 (unaudited)
Fixed assets:		
Goodwill	1,263	1,263
Intangible assets	2,469	2,955
Right of use asset	3,119	2,456
Tangible fixed assets	1,376	1,616
	8,227	8,290
Current assets:		
Inventory	292	498
Trade & other receivables	5,727	6,512
Cash and cash equivalents	2,688	1,720
	8,707	8,739
Creditors < 1 year	(4,426)	(5,283)
Debt & lease liabilities < 1 year	(1,811)	(1,383)
Net current assets / (liabilities)	2,470	2,073
Total assets less current liabilities	10,697	10,363
Lease liabilities > 1 year	(1,637)	(1,282)
Deferred tax provision	(67)	(114)
Net Assets	8,993	8,968

Key Performance Indicators

connect Sites



Building for
the Future



EXTENDING MARKET REACH

New proposition for landlords helping to enable more flexible solutions within their buildings in response to rising occupier demand

Landlord Edition



DRIVING EDITION UPSSELL

White label app allows operator to retain complete control of an occupier's digital experience, allowing users real-time access to services. Included with Operate Enterprise Edition

Member Experience App



CREATING NEW REVENUE LINES

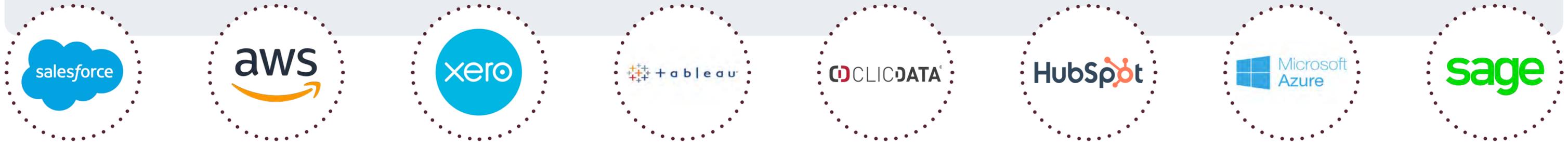
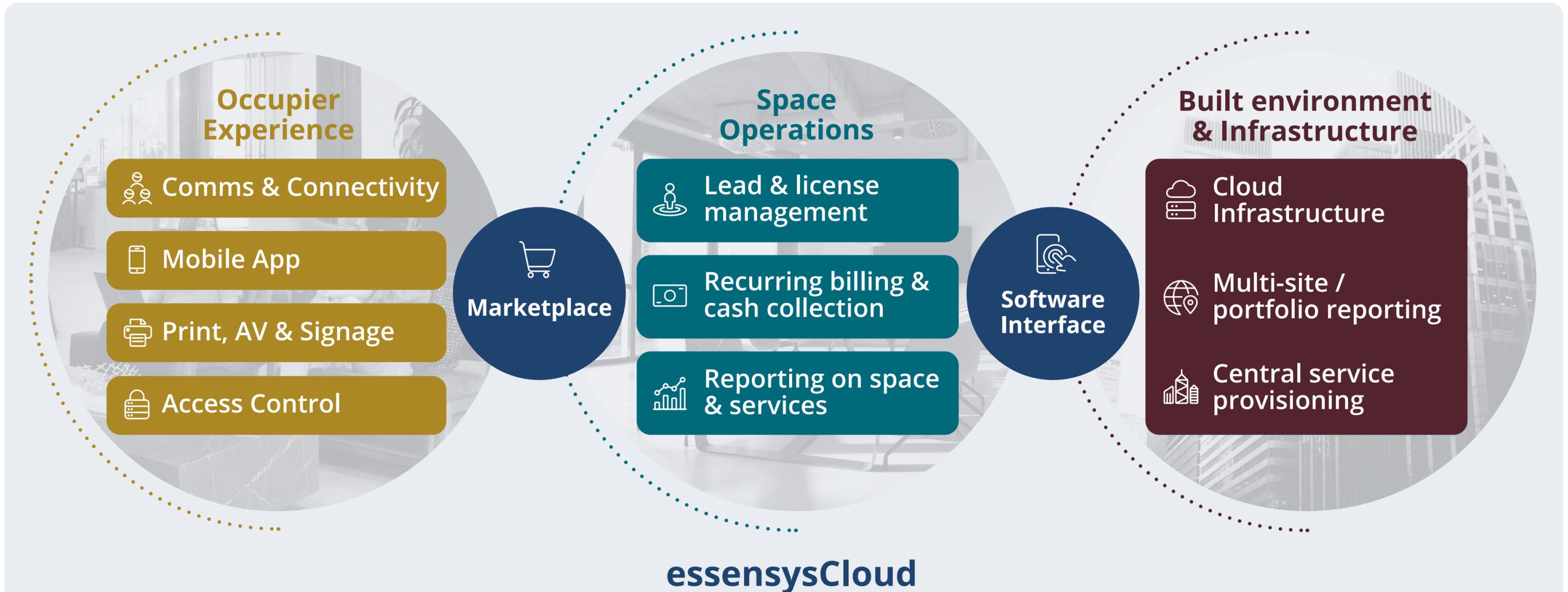
A brand new software module designed to the specific requirements of flexible workspaces providing frictionless real-time access to spaces and services via a user's smart phone

Smart Access



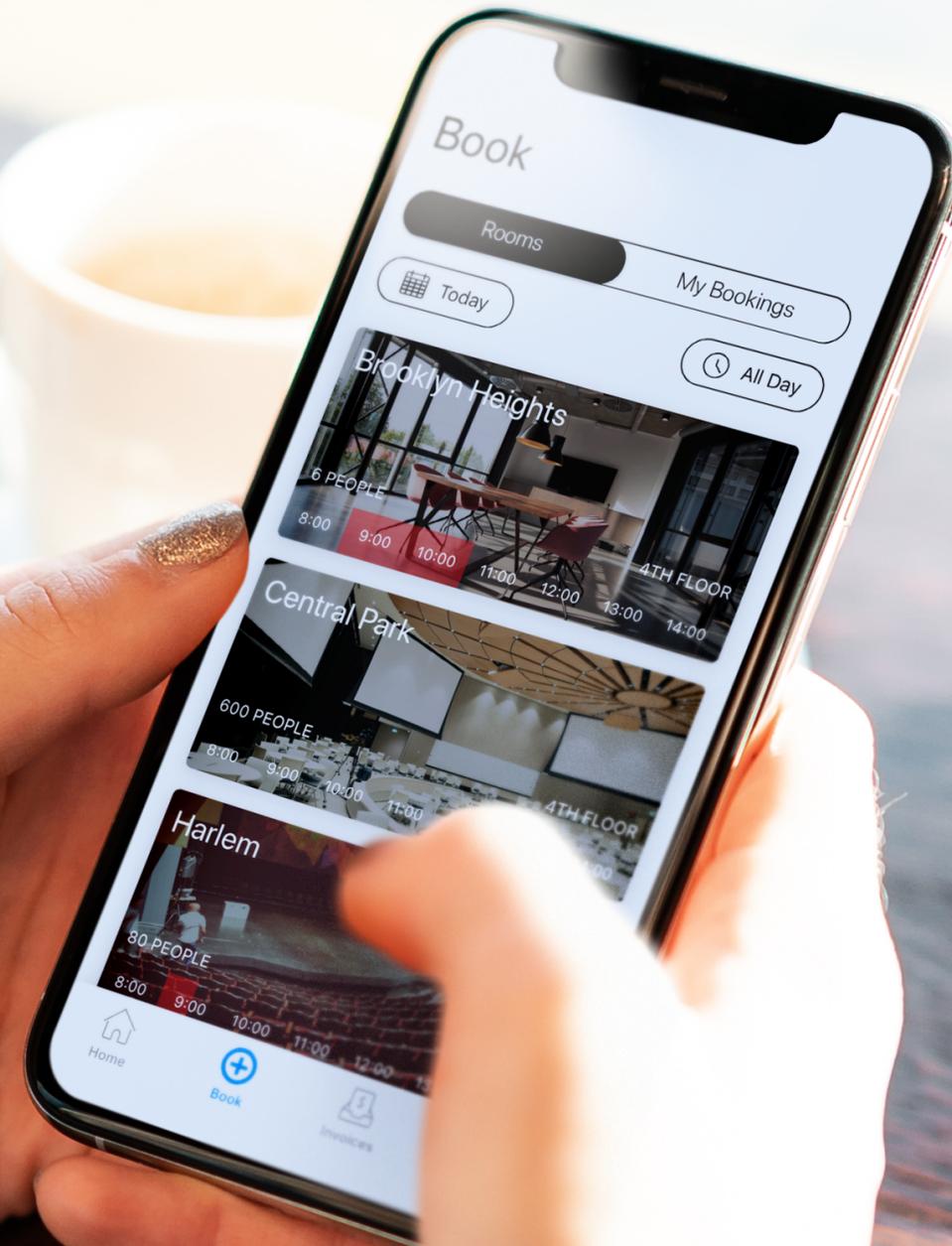
Unified Platform

A **modular approach** delivering increased value



Integrations

Outlook



Strong Foundations For Long-Term Success

Strength of Existing Customers



Quality of New Logos

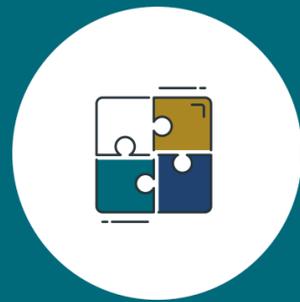


Well placed for future growth



People

Team depth
Experience



Product

Proven capability
Trusted partner



Position

Market leader
Global reach

High Value Pipeline



Includes a significant
number of global,
high-value
opportunities



POSITIVE POST-CRISIS OUTLOOK

Thank You

Nominated advisor & broker:

N+1 Singer
+44 (0)20 7496 3000

Financial Public Relations:

FTI Consulting
+44 (0)20 3727 1000

essensys.tech



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