

6 MONTHS ENDED 31 JANUARY 2022

Half Year Results Presentation

MARK FURNESS

Chief Executive Officer & Founder

ALAN PEPPER

Chief Financial Officer & Chief Operating Officer





essensys
we power ambition

Our Business

Our platform provides the foundation from which landlords and flex workspace providers can solve the complex challenges they face, and deliver seamless in-building and cross-portfolio experiences.

OUR PLATFORMS HELP OUR CUSTOMERS TO

-  — Increase operational efficiency
-  — Deliver digital experiences on demand
-  — Manage & scale operations effectively
-  — Provide enterprise-grade digital security
-  — Reduce network complexity
-  — Access data and insight



A FOUNDATION FOR SUCCESS

Delivering digitally enabled buildings and spaces since 2006.

essensys is the intelligent digital backbone for commercial real estate.

essensys

Highlights H1 FY22

RESILIENCE – GROWTH - FOCUS

US PERFORMANCE

PERFORMANCE

APAC PROGRESS

PROGRESS

PRODUCT DEVELOPMENT

DEVELOPMENT

MARKET EVOLUTION

EVOLUTION

STRATEGY EXECUTION

EXECUTION

TEAM QUALITY

QUALITY

CV19
(DELTA +
OMICRON)

Delayed capital
deployment

Extended
sales cycles

Single customer
insolvency

essensys

+3%

REVENUE

91%

RECURRING

+4%

RECURRING REVENUE
(CONSTANT CURRENCY)

£30.5m

NET CASH



LAND



9 STRATEGIC NEW CUSTOMERS ADDED



PIPELINE BUILDING ACROSS ALL REGIONS



SENIOR EXECUTIVE TEAM COMPLETE



EXPAND



EXISTING CUSTOMER EXPANSION OPPORTUNITY



TALENT ACQUISITION



GLOBAL REACH



GROW



EVOLUTION OF CORE PLATFORM



NEW CAPABILITIES LAUNCHED



OUR PEOPLE

.....
Financial
Review



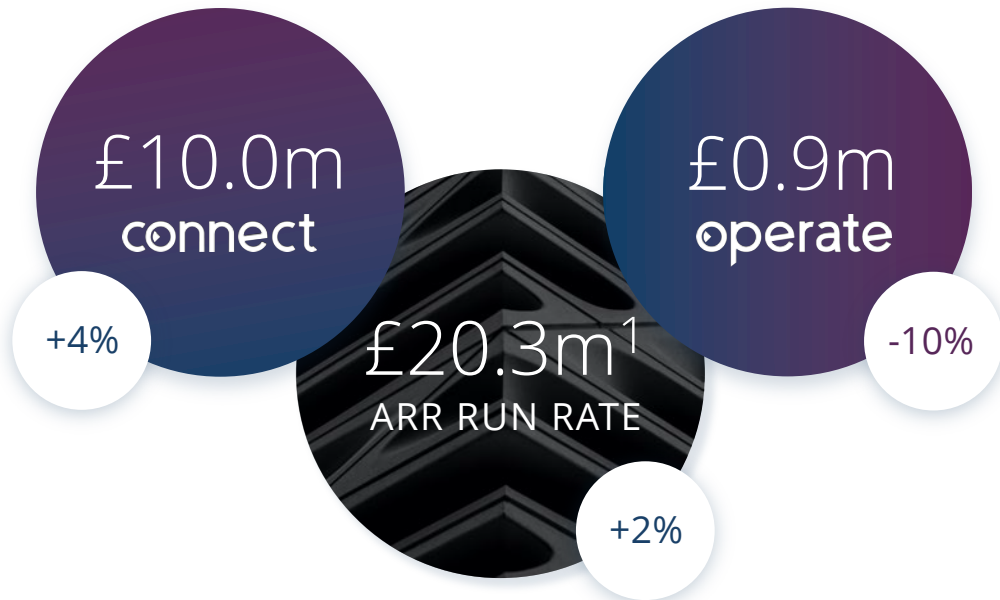
essensys

Financial Highlights H1 FY22

£10.9m

TOTAL REVENUE +3%

- RECURRING REVENUE +3%
- NON-RECURRING 0%
- US RECURRING REVENUE +20%¹
- US NON-RECURRING -14%¹



¹at constant currency

²Adjusted for share based payment charges

³Underlying

-£2.9m

EBITDA²
-514%

91%

RECURRING
<->

96%

NET RETENTION
+2PPTS

63%

GROSS MARGIN
-4PPTS

65%

ARR
GROSS MARGIN
-5PPTS

157



CUSTOMERS

722

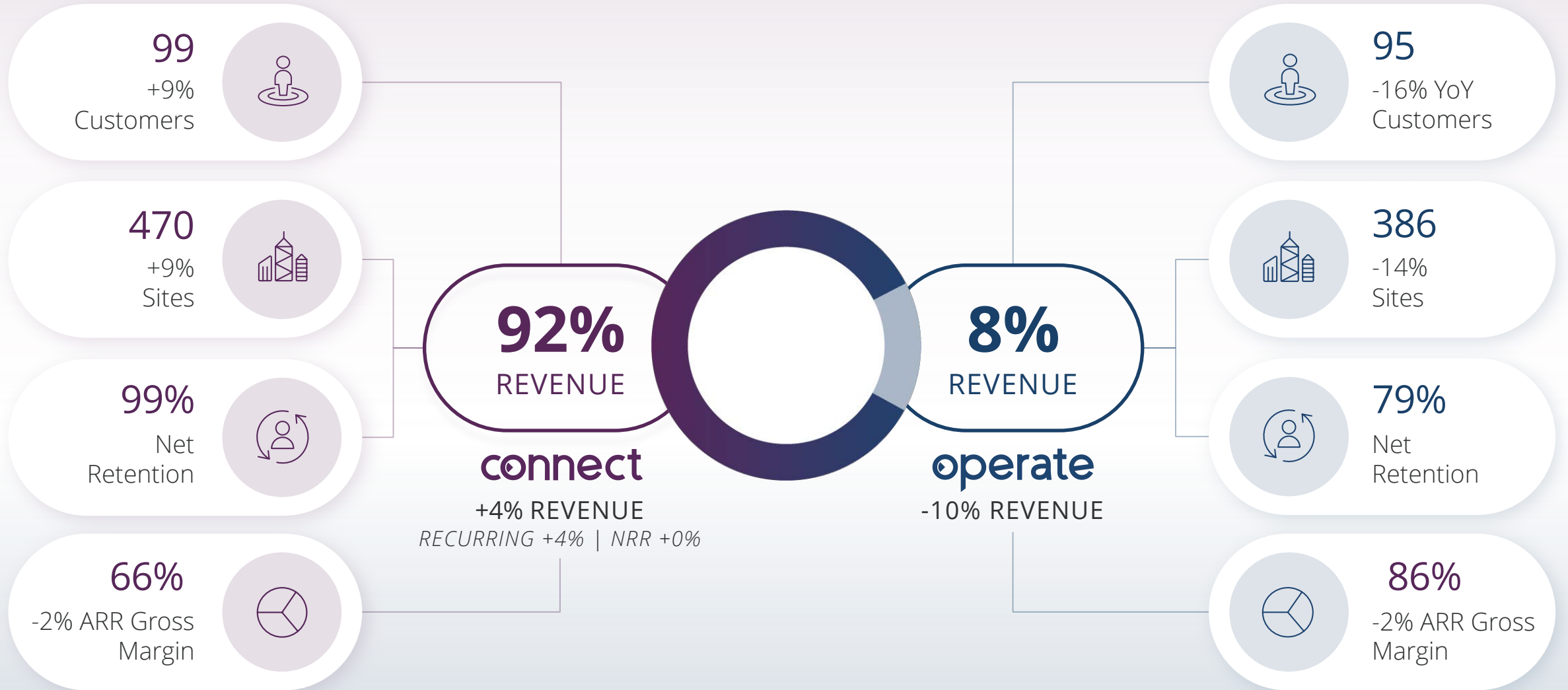
UNIQUE
SITES

159

PERSONNEL

	REVENUE SPLIT	ARR GROSS MARGIN ³
	53%	61% -2ppts
	44%	74% -3ppts
ROW	3%	76%

Products by Numbers



Income Statement

H Y/E JANUARY (£'000)	H1 2021 UNAUDITED	H1 2022 UNAUDITED
REVENUE		
Connect recurring	8,557	8,958
Connect non-recurring	1,018	1,072
Operate	1,021	898
TOTAL REVENUE	10,596	10,928
of which: UK/ROW	5,427	5,055
US	5,169	5,873
Cost of sales	(3,519)	(4,068)
GROSS PROFIT	7,077	6,860
Gross margin %	67%	63%
Overheads	(6,440)	(9,786)
Other operating income	34	4
EBITDA	671	(2,922)
EBITDA margin	16%	6%
Share option charge	(275)	(201)
Depreciation & Amortisation	(1,709)	(1,557)
(L)/EBIT	(1,313)	(4,680)
Finance charges (net)	(339)	(40)
(L)/PBT	(1,652)	(4,720)
Tax	(70)	(195)
(L)/PAT	(1,722)	(4,915)



Total revenue **+3%**
 Recurring revenue **+3%**
 Constant Currency RR **+4%**
 US RR **+20.5%**



Gross margins down due to short term IFRS16 accounting adjustments & cost run offs



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

Cashflow Statement

H Y/E JANUARY (£'000)	H1 2021 UNAUDITED	H1 2022 UNAUDITED
EBITDA	671	(2,911)
Changes in Working Capital	(471)	(1,368)
CJRS/PPP grants in income	(34)	(4)
Cash from Operations	166	(4,283)
Tax & forex adjs	8	(90)
NET CASH FLOW FROM OPERATING ACTIVITIES	174	(4,373)
Investing & financing:		
CJRS/PPP grants	34	4
Payment of intangible asset development costs	(1,047)	(1,513)
Purchase of property plant & equipment	(539)	(332)
Net interest payments	(149)	(40)
Proceeds / (repayment) of bank loans	-	-
Proceeds / (repayment) of lease liabilities	(1,008)	(413)
NET CASH FLOW FROM FINANCING & INVESTMENT	(2,709)	(2,294)
NET IMPACT OF IPO FUNDRAISING, DIVIDENDS & SHARE PAYBACK	-	-
NET CASH FLOW	(2,535)	(6,667)
Opening Balance	8,496	36,903
Forex adjustments	(24)	217
CLOSING BALANCE	5,937	30,453



Working capital movements combination of payment timings and inventory build



Investment in software development continues in line with plan



£32m net fundraise drives overall cash position



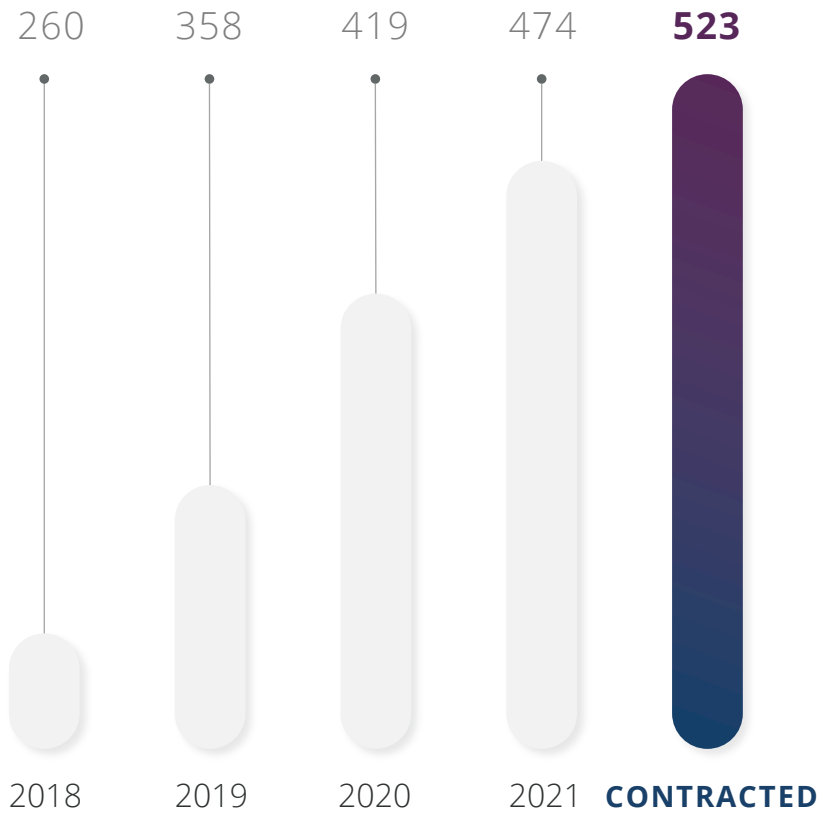
Strategic inventory purchase post period end to secure supply and mitigate future cost increases

Balance Sheet

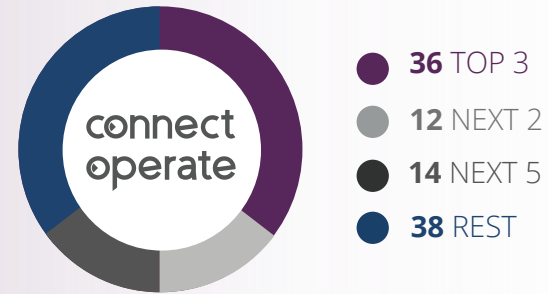
H Y/E JANUARY (£'000)	H1 2021 UNAUDITED	H1 2022 UNAUDITED
FIXED ASSETS:		
Goodwill	1,263	1,263
Intangible assets	4,209	5,747
Right of use asset	1,644	3,160
Tangible fixed assets	1,671	1,738
	8,878	11,908
CURRENT ASSETS:		
Inventory	160	435
Trade & other receivables	5,139	6,067
Cash and cash equivalents	5,937	30,453
	11,236	36,955
Creditors < 1 year	(3,430)	(4,323)
Debt & lease liabilities < 1 year	(1,037)	(803)
NET CURRENT ASSETS / (LIABILITIES)	6,769	31,829
TOTAL ASSETS LESS CURRENT LIABILITIES	15,556	43,737
Lease liabilities > 1 year	(566)	(2,540)
Deferred tax provision	(497)	(791)
NET ASSETS	14,493	40,406

Key Performance Indicators

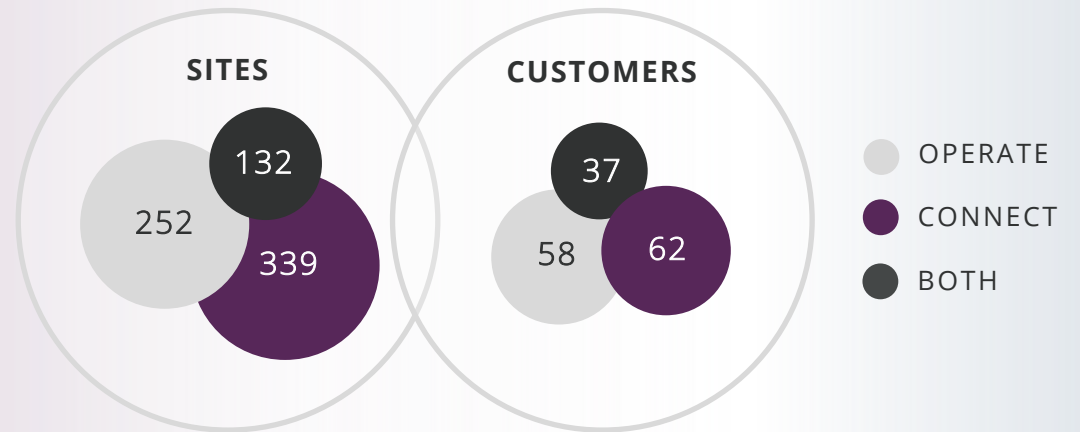
connect SITES



CUSTOMER CONCENTRATION



CROSS-SELL



Market
Opportunity



STRUCTURAL DRIVERS CONVERGING



Office Leasing Is Up 50% From Its Covid-Era Trough

Pre-COVID average quarterly leasing volume totaled around 59 million square feet since 2016, while last quarter's figures clocked in just shy of 40 million square feet.



In a Hybrid World, Your Tech Defines Employee Experience



UK demand for flex office space up more than 80%

By Chris Mann | Thu 27 January 2022

The average cost for a private desk in UK flexible office space reached £443 in 2021, up 14% on the reported figure for the previous year, according to Workthere.



Accelerating success.

Race for quality office assets in major cities spurred by ESG and limited supply – 2022 Global Investor Outlook reveals



London offices expected to attract £60bn of foreign investment by 2027

By Laura McGuire | Thu 5 February 2022

The central London office market is forecast to attract £60bn of overseas capital over the next five years, the highest five-year total for more than 20 years, according to Knight Frank's annual London Report.



Big Tech Makes a Big Bet: Offices Are Still the Future

Even as they allow some employees to change how often they come into the office, tech companies are rapidly buying and leasing properties around the country.



Flex Space Demand Expected To Boom In 2022

Increased institutional interest is creating more transparency, which will aid in the maturity of the sector.



SUSTAINABILITY

Why Smart Buildings Are A Breath Of Fresh Air



COMPANIES & MARKETS

Investing in proptech and other innovations for a sustainable future

PGIM Real Estate sees merits in repurposing or refreshing old buildings under the group's portfolio, rather than tearing them down and rebuilding from the ground up.



Go Green Or Go Home: Companies Are Moving To Offices That Align With Their ESG Goals



Canary Wharf launches flexible office service as work patterns shift

FLEX + DIGITALISATION + ESG

Flexible workspaces and traditional office will blend to become workplace solutions, & industry professionals viewing the two in binary terms will dissipate.

Source: Flexible Workspace Trend Forecast 2022, Colliers

Most firms continue to depend on legacy technology systems, which could hamper progress and their ability to innovate. **Eight in 10 respondents do not have a fully modernized core system** that could easily incorporate emerging technologies.

Source: 2022 commercial real estate outlook, Deloitte Insights

THE CONTINUUM OF WORKSPACE OPTIONS



TRADITIONAL SPACE

Long-term space tailored to specific tenant needs, brand & culture



SPEC SUITES

Pre-built space with modest levels of customization



ENTERPRISE FLEX SPACE

Dedicated team space for short term (<3 years) with limited or no customization



AGILE FLEX SPACE

Plug-and-play spaces or networks of options for individuals & small teams



WORKSPACE ON DEMAND

Individual desks or meeting rooms available by the hour, day or week



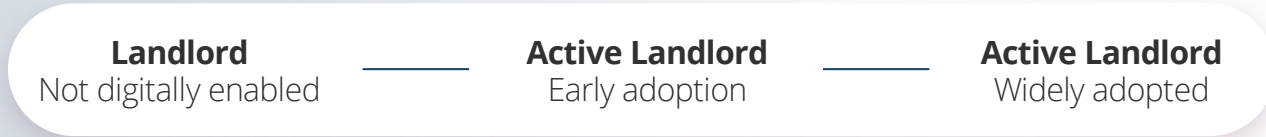
WORK FROM HOME

Fully virtual with no access to physical office space

FUTURE TENANT DEMAND

Source: Global Flexible Space Outlook 2021, JLL

Asset Owners and Asset Managers



Flexible Workspace Operators



Challenges



Challenges



Real estate market has evolved rapidly



Digital maturity varies by asset



Digitally enabled space is key to commercial success

Market Update

NORTH AMERICA

While the **outlook is bright, CBRE details challenges the industry will face including meeting enterprise privacy requirements and slow adoption of critical technology** to support growth and premium user experience.



Industrious reports that enterprise desk sales in Q3 2021 increased by more than 150% vs. 2019 quarterly average.

Source: Flexible Office Space 2022, CBRE

UK & EUROPE

Companies are now willing to pay a **premium for a fully serviced offering** on more flexible lease terms.

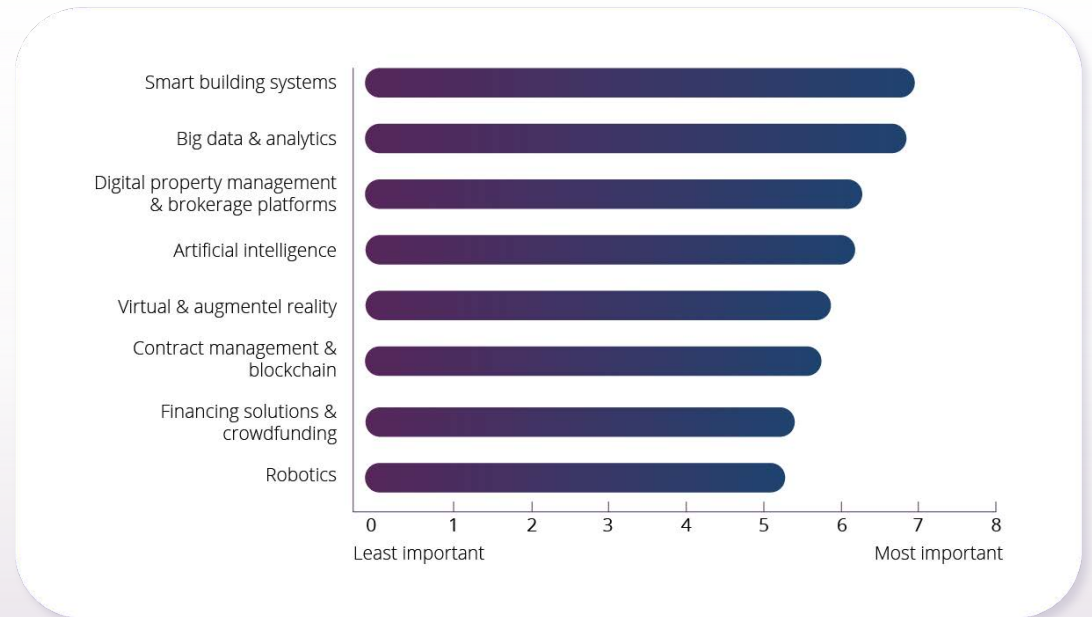
Technology is allowing landlords and operators to minimise time-to-value by rapidly activating flex space for any purpose, through automation of all the digital infrastructure required in the building.

Source: UK Flex Office Perspectives, Oct 2021, Savills

APAC

Future growth of the flex industry is also tied to improved business models. Landlords are now more open to the idea of assuming risk, either by forming profit-sharing partnerships with operators or by hiring them to manage in-house resources for a fee.

HIGHEST-IMPACT TECHNOLOGIES IN THE NEXT FIVE YEARS



Source: Emerging Trends in Real Estate Asia Pacific 2022, PWC & ULI

.....

Strategy Execution



Accelerated Growth Strategy

Fundraise Completed Q4 FY21

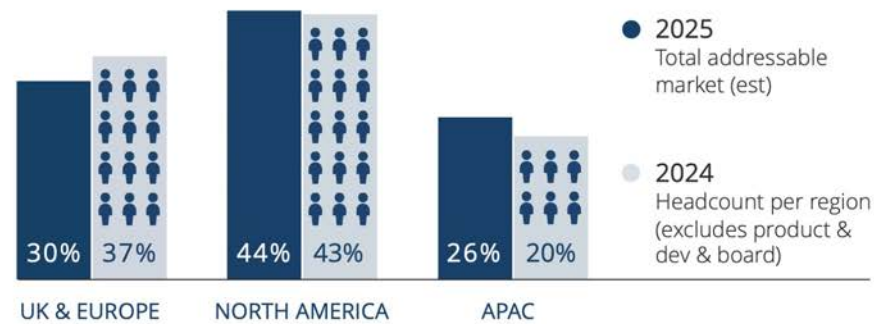
Use of Proceeds

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



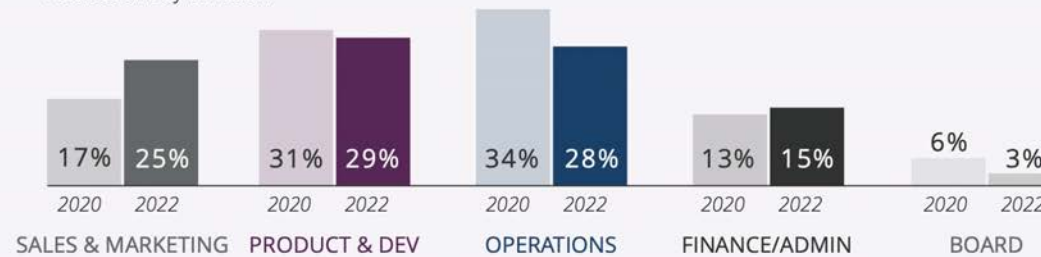
+247% Sales & marketing headcount by 2022

+122% Product & dev headcount by 2022

EXPECTED SCALE BENEFITS DELIVER INCREASED OPERATIONAL EFFICIENCY

ACCELERATED INVESTMENT IN SALES & MARKETING & PRODUCT

Headcount by function

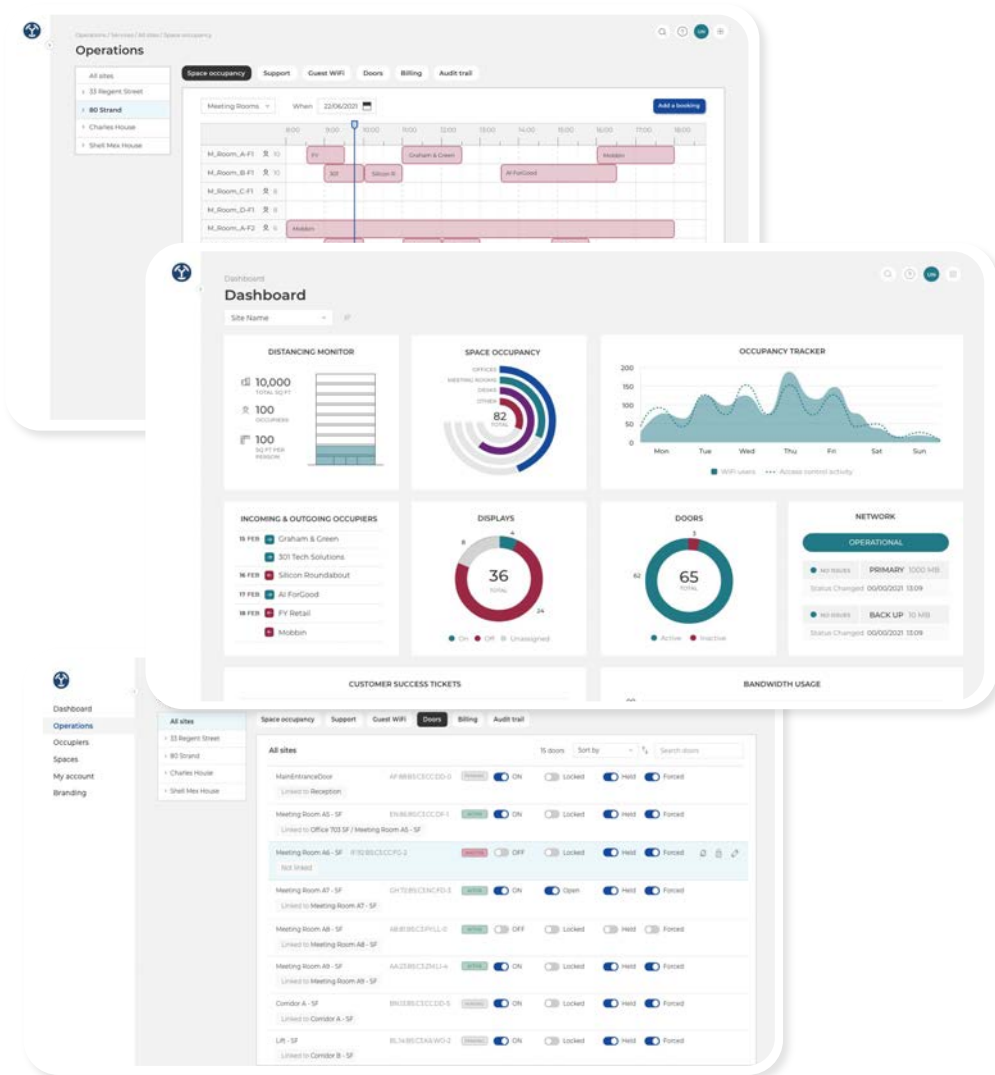


EXPAND GEOGRAPHIC REACH

ACCELERATE GO-TO-MARKET

DRIVE PRODUCT VALUE

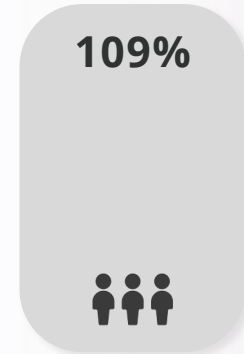
Driving Product Value



Headcount



H1 Actual vs Plan



FY Estimated vs Plan

Increase Product And Development Headcount

Restructured Into Focused 'Squads'

Full stack
IoT Hardware
essensys Labs

Accelerated Product Development

Flex Services Platform
Smart Access
Hub & Halo

Global Private Network Expansion Investment

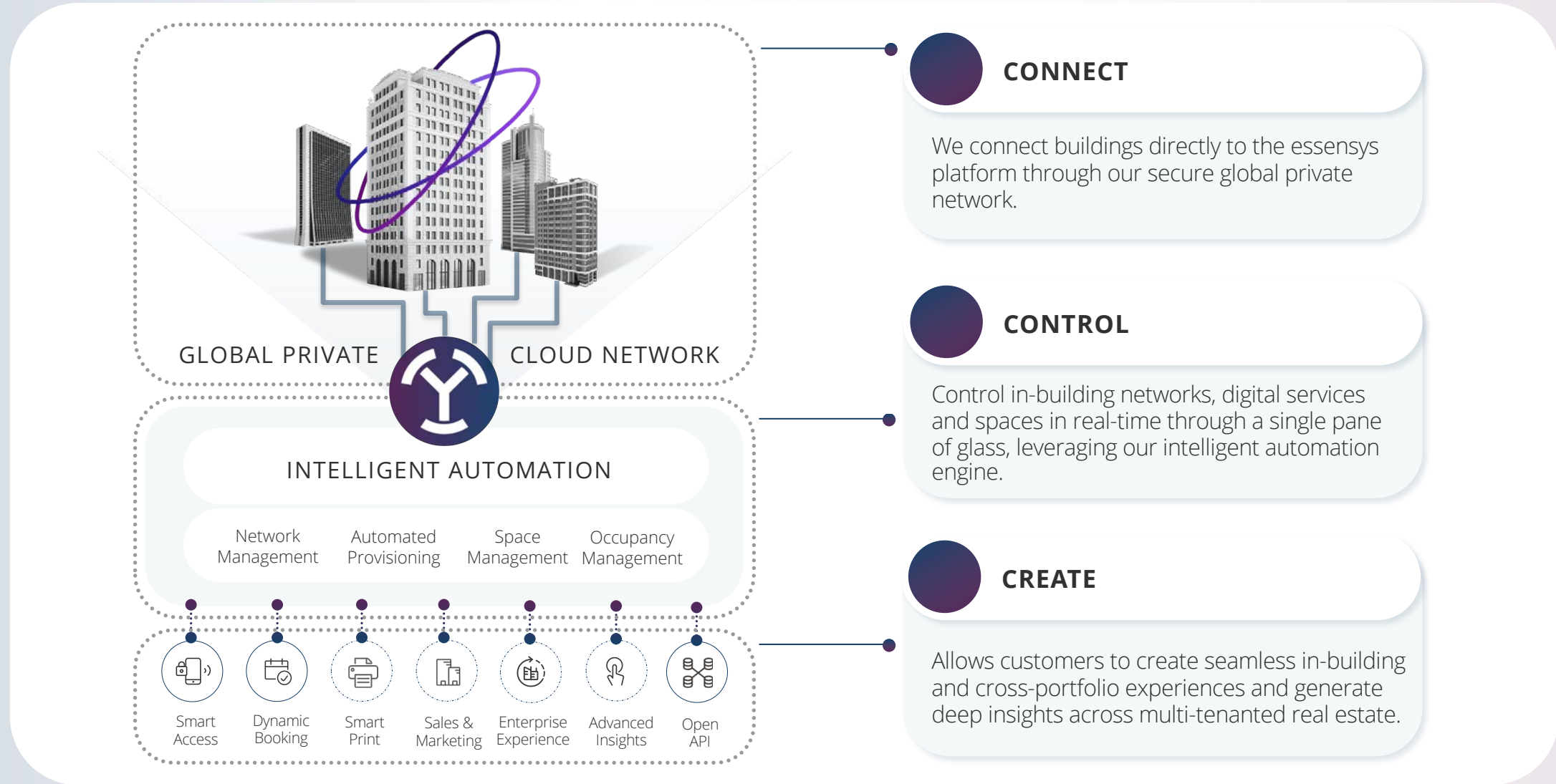


Fundraise has accelerated expansion of our global private network across three key regions.

This increased capacity will support...

- over **3750** buildings
- over **£335m*** in ARR

**at £7475 per month per building
as per FY21 fundraising illustration*



CONNECT

We connect buildings directly to the essensys platform through our secure global private network.

CONTROL

Control in-building networks, digital services and spaces in real-time through a single pane of glass, leveraging our intelligent automation engine.

CREATE

Allows customers to create seamless in-building and cross-portfolio experiences and generate deep insights across multi-tenanted real estate.

Smart Access *Hub & Halo*

THE HEART OF A SAFE & SECURE TOUCHLESS DIGITAL BUILDING EXPERIENCE

hub

• smart access

Single converged gateway for:

- Wired and wireless door lock control
- Elevator panel access control
- IoT sensor gateway

halo

• smart access

Converging access & availability

- Support for existing access cards
- Built-in availability LED ring control
- Touchless smartphone wallet access

A technically and commercially disruptive converged solution to three major space challenges:
Access, Availability & Sensors.

First innovation from essensys Labs to be launched to customers.



Accelerate Go-To-Market



Grow headcount



Drive sales efficiency



Industrialise sales organisation



Digital first demand generation

essensys

SALES & MARKETING HEADCOUNT

60%



H1 Actual vs Plan

100%



FY Projected vs Plan

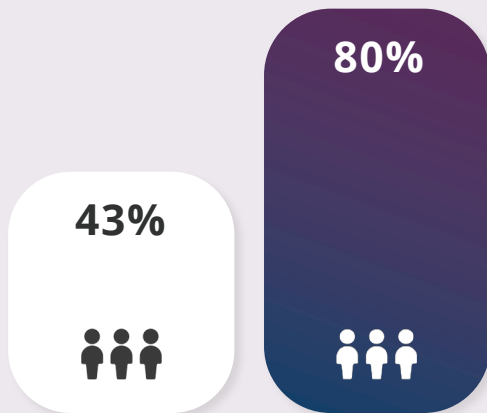
Expand Geographic Reach North America

LARGEST SINGLE MARKET

WELL ESTABLISHED IN-COUNTRY

CUSTOMER DRAG INTO GLOBAL MARKETS

HEADCOUNT VS PLAN



H1 Actual

FY Projected

TAM*
£1.7BN

SAM*
£377M

*TAM is Total Addressable Market - SAM is Serviceable Addressable Market

essensys

KEY NEW LOGO PROSPECTS



California mixed use
landlord with 22
locations



Pan US REIT with
29 identified flex
locations



West Coast landlord
with 37 buildings
and APAC business



Texas mixed use
real estate investor



Expand Geographic Reach APAC

KEY NEW LOGO PROSPECTS



Singapore/Regional
Landlord with flex
brand



Large Australian landlord
with established flex
strategy



Singapore/Regional
flex space operator
with 40+ locations



Singapore/Global landlord
with invested-in flex brand
11+ flex locations



essensys

HEADCOUNT VS PLAN

109%



H1 Actual

113%



FY Projected

TAM*
£663M

—

SAM*
£225M

11% WEEKLY PIPELINE GROWTH
SINCE SALES TEAM ONBOARDING

>40% OF TARGET CUSTOMERS
ENGAGED

Expand Geographic Reach UK & Europe

- 36 site Operate only French customer to take Platform
- Swedish private landlord with 35 CBD locations
- UK operator with 50+ buildings
- German REIT with 500+ buildings

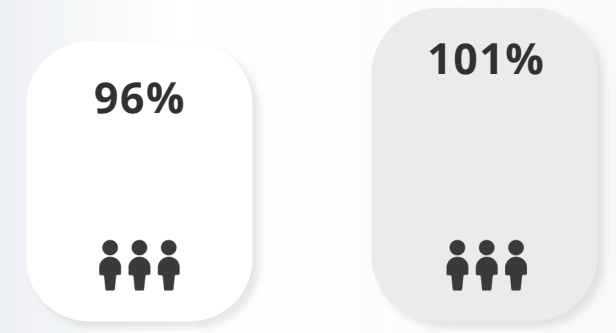


REGIONAL CEO APPOINTED

PRIMARY TARGET MARKETS

- UK
- FRANCE
- GERMANY
- NETHERLANDS
- SPAIN
- SWEDEN

REGIONAL HEADCOUNT VS PLAN



H1 Actual vs Plan FY Estimated vs Plan

*TAM is Total Addressable Market - SAM is Serviceable Addressable Market

.....
Pipeline

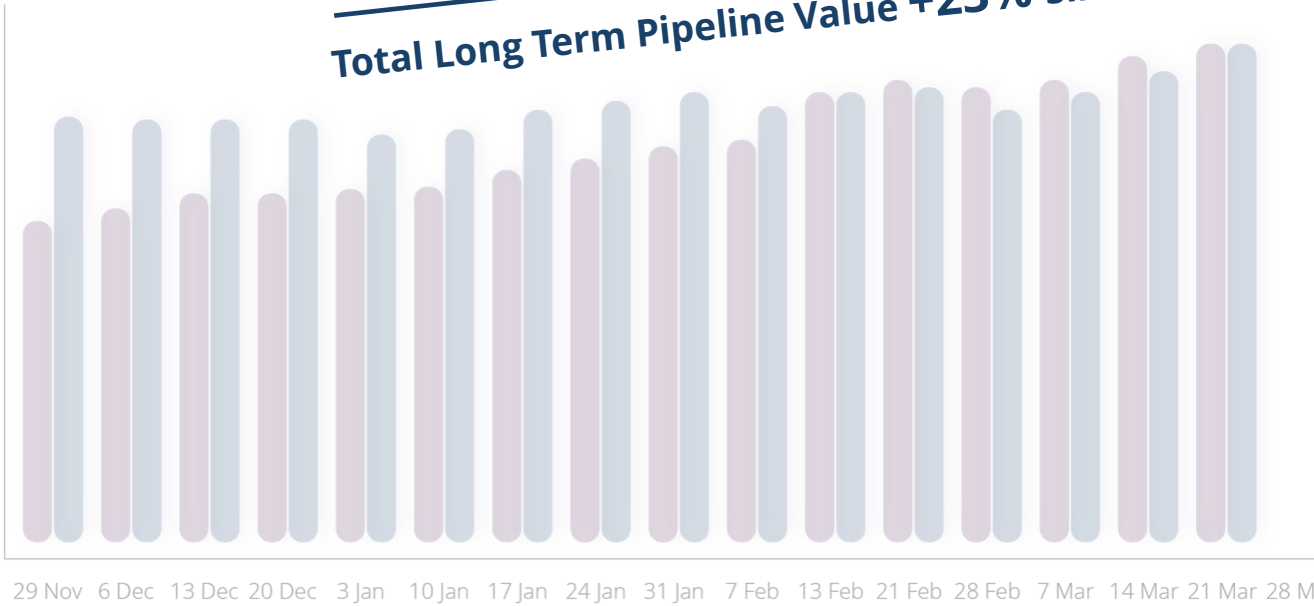
essensys



Pipeline Progress

Medium Term Pipeline Value **+40%** Since Mid-Jan






Total Long Term Pipeline Value **+23%** Since Mid-Jan



● Medium Term Pipeline Value (MRR) ● Pipeline Value (MRR)



Land - Expand - Grow

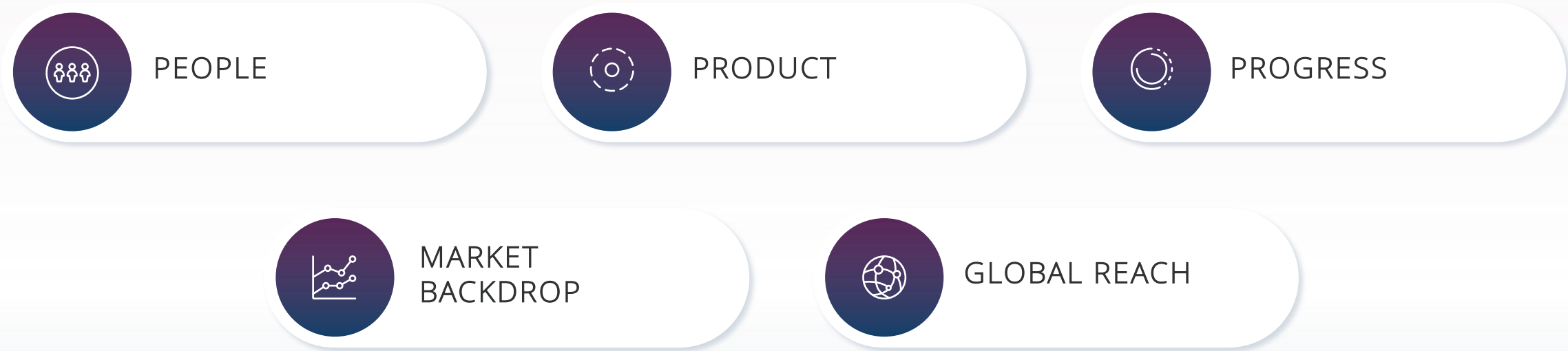
ESTABLISHED CUSTOMER <i>>12 months</i>		CURRENT	PIPELINE	FY23 EXPECTED	LONG TERM OPPORTUNITY
	Customer 1	146	29	98	847
	Customer 2				
	Customer 3				
	Customer 4				
	Customer 1	85	4	11	115
	Customer 2				
	Customer 3				
NEW CUSTOMER <i><12 months</i>		INITIAL DEAL	PIPELINE	FY23 EXPECTED	LONG TERM OPPORTUNITY
	Customer 1	10	5	24	612
	Customer 2				
	Customer 3				
	Customer 1	2	5	10	89
	Customer 2				
	Customer 1	1	2	8	50

.....

Outlook

essensys





Thank You

NOMINATED ADVISOR & BROKER:

Singer Capital Markets
+44 (0)20 7496 3000

BERENBERG (JOINT BROKER):

+44 (0)20 3207 7800

FINANCIAL PUBLIC RELATIONS:

FTI Consulting
+44 (0)20 3727 1000

essensys.tech

essensys
we power ambition



Important Notice

This presentation (this “Presentation”), which has been prepared by, and is the sole responsibility of, essensys plc (the “Company”), has been prepared solely in connection with the Company’s preliminary financial results for the 6 month period ended 31 January 2022. This Presentation, its contents and any information provided or discussed in connection with it may not be reproduced, redistributed or transmitted, directly or indirectly, to any other person or published, in whole or in part, for any purpose, without the prior consent of the Company.

This Presentation is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any shares or other securities of 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 upon in connection with or act as any inducement to enter into, any contract or commitment whatsoever. This Presentation is not a recommendation regarding the securities of the Company or the basis of any investment decision. Recipients should therefore not purchase, subscribe for or otherwise acquire any securities of the Company on the basis of this Presentation or the oral presentation made in conjunction with this Presentation.

This Presentation does not purport to be a complete description of the Company’s business or results. No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Company nor any of its directors, officers, employees, agents, affiliates, representatives or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any of them for any such information or opinions.

The information contained in this Presentation is provided as at the date of its publication. This Presentation contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may involve substantial risks and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements by a variety of factors. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements speak only as at the date of this Presentation. In addition, all projections, valuations and statistical analyses provided in this Presentation may be based on subjective assessments and assumptions and may use among alternative methodologies that produce different results and should not be relied upon as an accurate prediction of future performance. Except as required by applicable law or regulation, neither the Company nor any of its directors, officers, employees, agents, affiliates, representatives or advisers undertakes or agrees any obligation to update or revise any forward-looking or other statements or information in this Presentation, whether as a result of new information, future developments or otherwise. No statement in this Presentation is intended as a profit forecast or profit estimate (unless otherwise stated).

Where applicable, any industry, market and competitive position data contained in this Presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data and the Company has not independently verified the data contained therein.

Past performance is not indicative of future results. The value of investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

This Presentation is intended for distribution in the United Kingdom only to persons who have professional experience in matters relating to investments, who are investment professionals, high net worth companies, high net worth unincorporated associations or partnerships or trustees of high value trusts, and investment personnel of any of the foregoing (each within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005).

21 April 2022