

6 MONTHS ENDED 31 JANUARY 2021

Half Year Results Presentation

MARK FURNESS

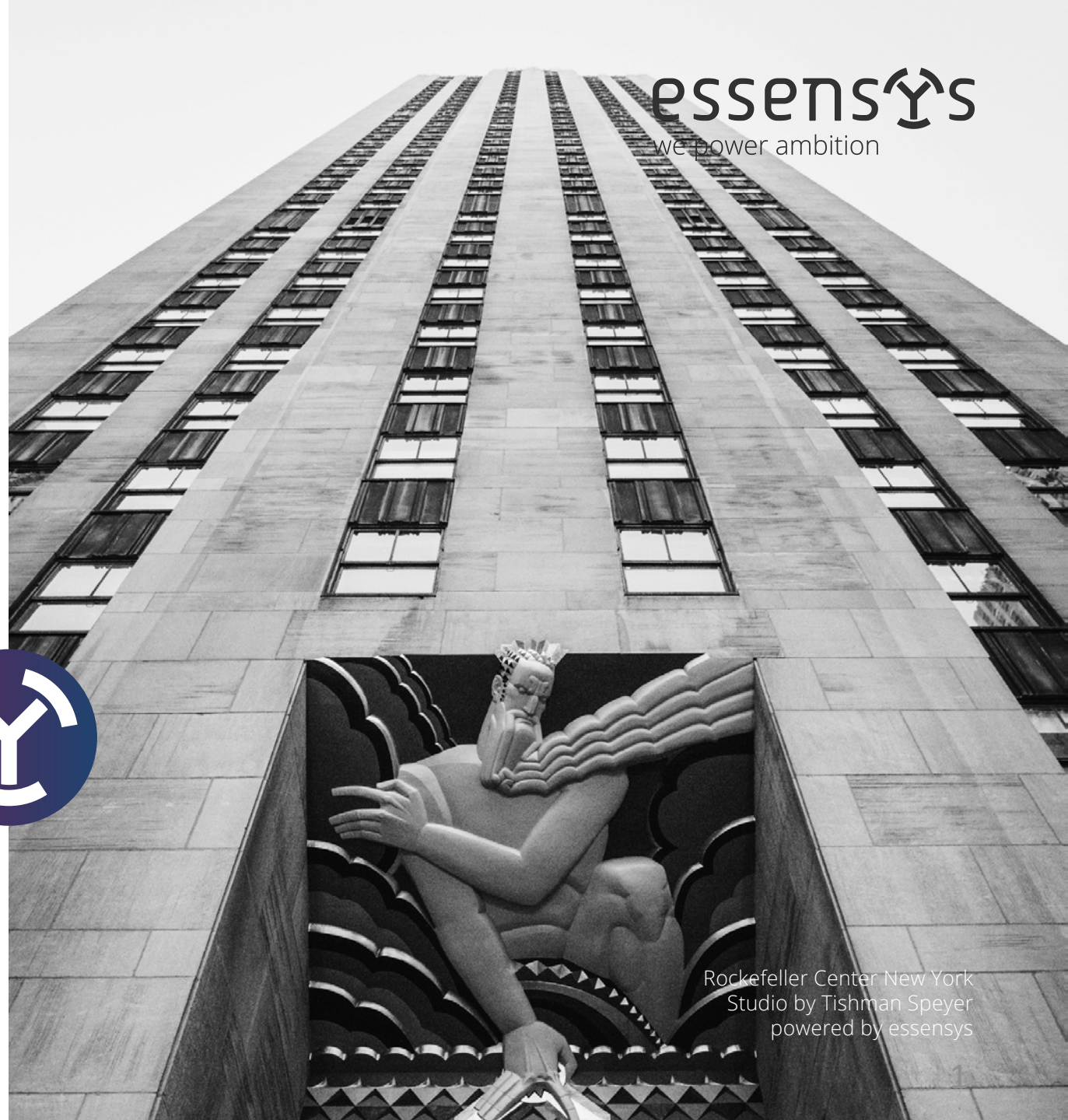
Chief Executive Officer & Founder

ALAN PEPPER

Chief Financial Officer & Chief Operating Officer



essensys
we power ambition









Rockefeller Center New York
Studio by Tishman Speyer
powered by essensys

Our Business

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

OUR PLATFORMS HELP OUR CUSTOMERS TO

-  Increase operational efficiency
-  Improve the occupier experience
-  Engage with their customers
-  Deliver services on demand
-  Manage scale operations effectively
-  Make better, faster, decisions



ENABLING FLEXIBILITY

The technology making flexible workspaces work since 2006

essensys is the leading global provider of mission-critical SaaS platforms & on-demand cloud services to the flexible workspace segment of the commercial real estate industry

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Willis Tower, Chicago

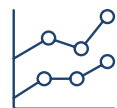
Highlights H1 FY21

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HEADWINDS REDUCING
TAILWINDS STRENGTHENING



INCREASED
INVESTMENT
IN US



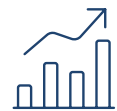
STRONG
US
GROWTH



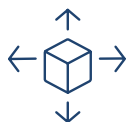
SIGNIFICANT
OPPORTUNITY
PIPELINE



FUTURE IS FLEX
OPPORTUNITY
ACCELERATING



LOCKDOWNS
DELAYED
RECOVERY



FLEX SERVICES
PLATFORM
LAUNCH



-7%
Revenue



91%
Recurring



-1%
Recurring
Revenue



7%
EBITDA*
Margin

Willis Tower Chicago
EQ Office powered by essensys

Operational Highlights



LAND

PRIMARY FOCUS



18 customers
acquired in period



Major global real-
estate brands



Significant pipeline
development



EXPAND

RECOVERY DRIVING



Occupancy &
Marketplace revenues



New site delivery



Customer expansion



GROW

OPPORTUNITY ACCELERATING



North American CEO



Europe
APAC



Flex Services Platform

Recovery Gaining Pace

H1

- Occupancy impacting Marketplace revenues
- Delay to site activations
- Extended sales cycles
- Reduced bookings
- Customer support

H2

- Occupancy returning
- Activity building
- Customers expanding
- Accelerating bookings
- Strong pipeline

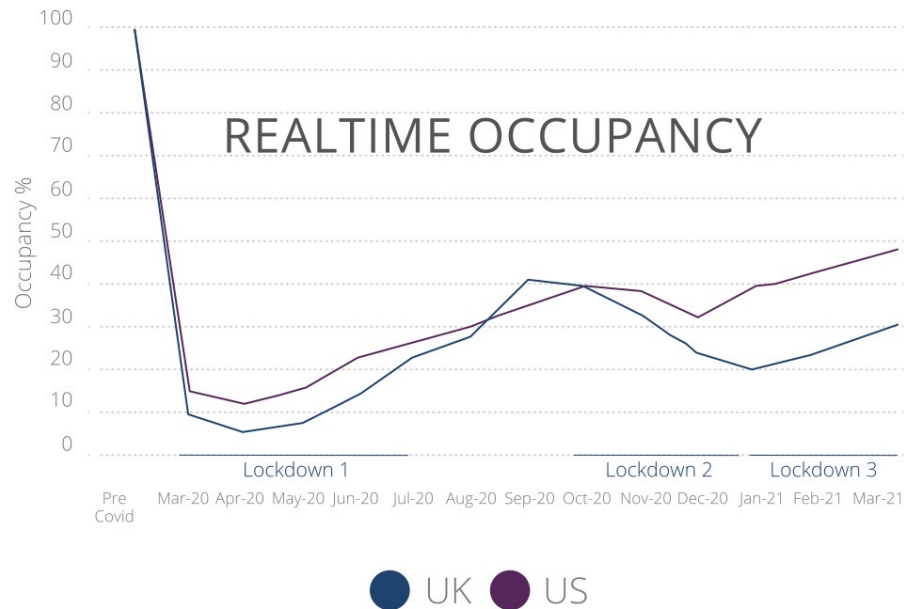
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Since 1st February

34% INCREASE IN UK SITE OCCUPANCY

11% INCREASE IN US SITE OCCUPANCY

LOW SITE CHURN CONTINUES



* Measured via Connect



Financial Review



Financial Highlights H1 FY21



Total Revenue -7%

- *Recurring Revenue -1%*
- *Non Recurring -41%*
- *US Recurring Revenue +23%¹*

¹at constant currency

* Adjusted for share based payment charges

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£0.7m
EBITDA*
-63%

91%
Recurring
+6ppts

94%
Net
Retention
-20ppts

67%
Gross
Margin
+4ppts

70%
ARR
Gross Margin
<->

167
Customers

744
Sites

133
Personnel

REVENUE SPLIT

ARR GROSS MARGIN



49%

63% +6ppts



51%

77% <->

Our Products

essensys

connect



91

+1%
Customers



431

+8%
Sites



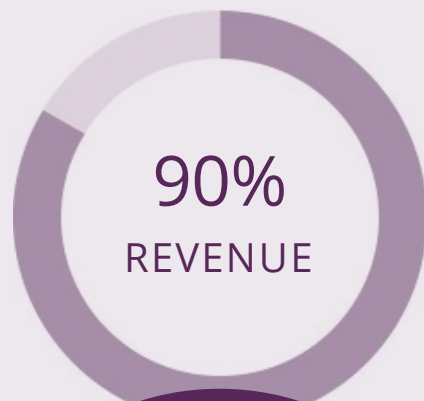
95%

Net
Retention

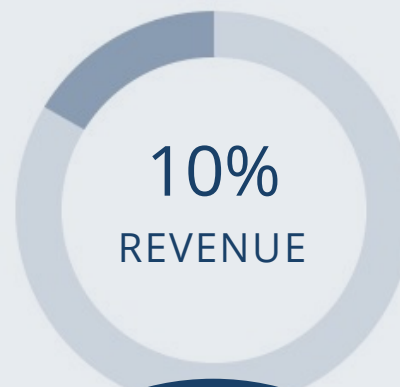


68%

<->
ARR
Gross
Margin



operate



113

-6% YoY
<-> in HY
Customers



448

-16% YoY
+3% in HY
Sites



86%

Net
Retention



88%

<->
ARR
Gross
Margin

Income Statement

H Y/E JANUARY (£'000)	H1 2020 AUDITED	H1 2021 UNAUDITED
REVENUE		
Connect recurring	8,776	8,557
Connect non-recurring	1,688	1,018
Operate	943	1,021
TOTAL REVENUE	11,407	10,596
of which: UK	6,621	5,427
US	4,786	5,169
Cost of sales	(4,195)	(3,519)
GROSS PROFIT	7,212	7,077
Gross margin %	63%	67%
Overheads	(5,362)	(6,440)
Other operating income	11	34
EBITDA	1,861	671
EBITDA margin	16%	
Share option charge	(252)	(275)
Depreciation & Amortisation	(1,602)	(1,709)
EBIT	7	(1,313)
Finance charges (net)	(88)	(339)
PBT	(81)	(1,652)
Tax	(12)	(70)
PAT	(93)	(1,722)

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Total revenue **-7%**
Recurring revenue **-1%**
US Recurring Revenue **+23%**



Gross margins up due to increased proportion of recurring revenue, higher pricing & cost reductions



Increased investment in go-to-market continues

Serendipity Labs, Los Angeles

Cashflow Statement

H Y/E JANUARY (£'000)	H1 2020 UNAUDITED	H1 2021 UNAUDITED
EBITDA	1,861	671
Changes in Working Capital	(186)	(471)
CJRS/PPP grants in income	-	(34)
Cash from Operations	1,675	166
Tax & forex adjs	31	8
NET CASH FLOW FROM OPERATING ACTIVITIES	1,706	174
Investing & financing:		
CJRS/PPP grants	-	34
Payment of intangible asset development costs	(950)	(1,047)
Purchase of property plant & equipment	(591)	(539)
Net interest payments	(88)	(149)
Proceeds / (repayment) of bank loans	-	-
Proceeds / (repayment) of lease liabilities	(1,057)	(1,008)
NET CASH FLOW FROM FINANCING & INVESTMENT	(2,686)	(2,709)
NET IMPACT OF IPO FUNDRAISING, DIVIDENDS & SHARE PAYBACK	-	-
NET CASH FLOW	(980)	(2,535)
Opening Balance	2,688	8,496
Forex adjustments	12	(24)
CLOSING BALANCE	1,720	5,937



Working capital movement from reduced creditors



Investment in software development as planned



Capex investment to extend capability



£7m fundraising strengthened balance sheet

Balance Sheet

H Y/E JANUARY
(£'000)

31 JULY 2020
AUDITED

31 JANUARY 2021
UNAUDITED

FIXED ASSETS:

Goodwill	1,263	1,263
Intangible assets	3,750	4,209
Right of use asset	2,055	1,644
Tangible fixed assets	1,695	1,671
	8,763	8,787

CURRENT ASSETS:

Inventory	323	160
Trade & other receivables	5,186	5,139
Cash and cash equivalents	8,496	5,937
	14,005	11,236

Creditors < 1 year	(4,121)	(3,430)
Debt & lease liabilities < 1 year	(1,346)	(1,037)

NET CURRENT ASSETS / (LIABILITIES)	8,538	6,769
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TOTAL ASSETS LESS CURRENT LIABILITIES	17,301	15,556
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Lease liabilities > 1 year	(796)	(566)
Deferred tax provision	(409)	(497)

NET ASSETS	16,096	14,493
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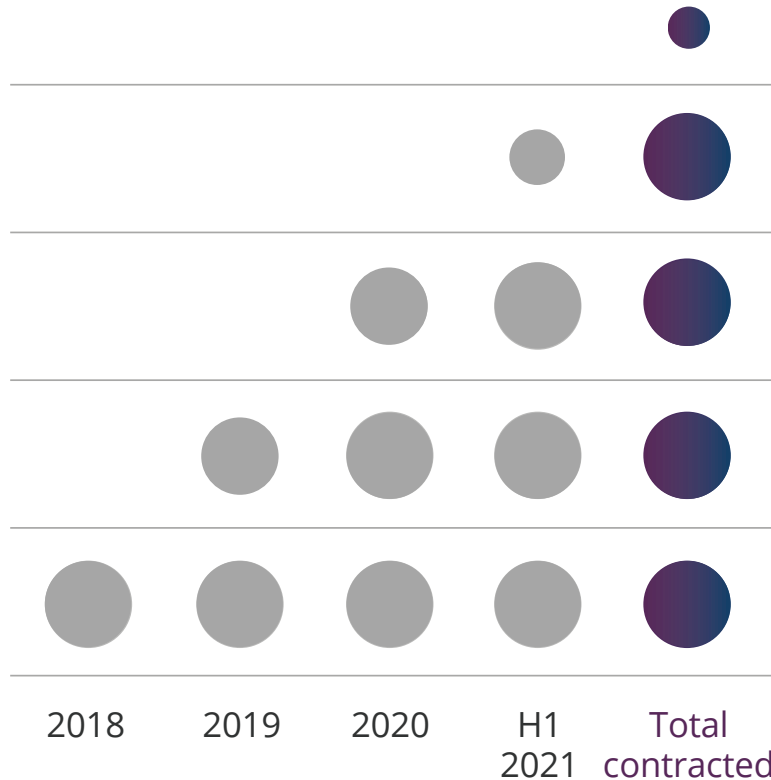
Bruntwood, Leeds

Key Performance Indicators

connect

SITES

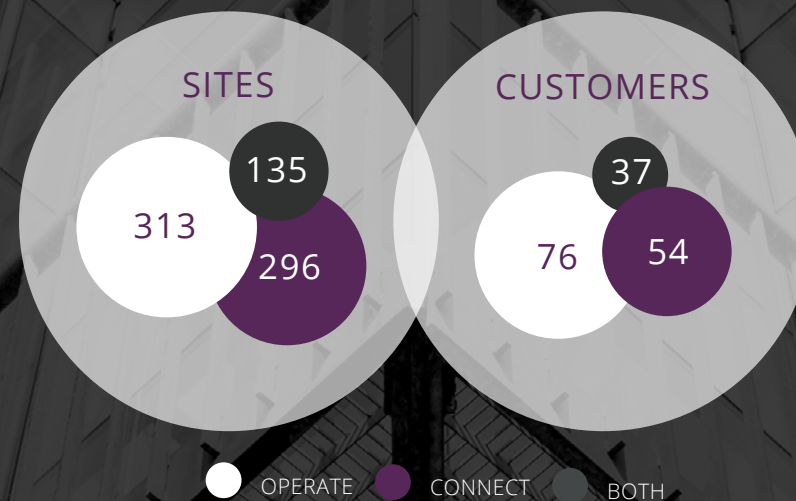
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CUSTOMER CONCENTRATION



CROSS-SELL



Market Opportunity

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Flexible Office Space

Headwinds moving to accelerating tailwinds

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Property Week

Flex-office enquiries near pre-Covid levels

Enquiries about flexible office space are on track to reach pre-pandemic levels in the coming weeks and have more than doubled in the past six months, reveals exclusive data from flexible workspace specialist Kontor.

Enquiry levels for new deals in the sector are 60% higher than in March 2020 and will match early 2020 levels by the end of March, according to the data. The agency added that new leads had rocketed 110% since September 2020.

BISNOW

267% Increase In Demand For Suburban Flexible Offices Puts Data Behind Theory

CBRE

"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, CBRE CEO

The Office Group predicts higher demand for flexible workspace as it agrees BP letting

One of London's major flexible offices landlords has said it agreed a string of deals in the months since the lockdown started, including to BP, as it predicted demand will jump further as businesses adjust to more people working from home.

The Office Group, which allows members access to desks and meeting rooms across its 40 buildings, said it has done significant lettings with 10 large corporates in the last few months.

The government this week said people should work from home if possible, in a change to efforts in August to encourage staff back to offices from the Covid-19 lockdown.

propertyfundsworld

Outlook positive for CEE flexible office market, says new report from JLL and Skanska

With a global average growth rate of 25 per cent since 2014, the flexible space sector has become a key component of the office market in many cities. However, Q4 2019 saw reduction on leasing activity, and this downward trend has further intensified as the global pandemic worsened.

Interest in more agile real estate solutions though, will mean that the market will increasingly turn to flexible spaces, according to the latest report by JLL Poland and Skanska, "FLEXcellent Working".

Bloomberg

Family Office Buys Back Flexible Office Firm for Hedge Funds

Celvam Management bought back the Argyll Club, the high-end London flexible-office business it previously owned, which was forced into bankruptcy last year, people with knowledge of the deal said.

The private family office, backed by former Labara Group BV co-founder Ratheesan Yoganathan, has completed a refinancing of the Argyll Club's debt, which had been bought by rival IWG Group Plc, the people said, asking not to be identified as the transaction isn't yet public.

WIRED

Flexible workspaces will be the answer to Covid-19 office issues

Covid-19 has thrown the future of offices into uncertainty. When workers were sent home for lockdown, many started realising that they preferred not to undergo the lengthy commutes to sit in a dull, lifeless box all day — a report by Cardiff and Southampton universities suggests that nine in ten workers who have worked from home during lockdown would like this to continue in some form.

RACONTEUR

The office isn't dead, it's different

Organisations are thinking twice before committing to a long-term office lease in the current climate, so flexible workspaces are increasingly attractive to relocate teams as employees emerge from lockdown

PlaceTech.

CBRE bets \$200m on 35% stake in Industrious

CBRE has acquired a 35% stake in US flexible workspace provider Industrious in a move to significantly expand its presence in the rapidly growing industry.

As part of the deal, the global advisory firm paid about \$200m in cash and agreed to merge its flexible space brand Hana into Industrious, which has more than 100 locations in 50 US cities.

THE TIMES

Half of staff would quit if denied flexible working

Half of employees say that they would look for a new job if their bosses do not allow flexible working after lockdown.

CRE Digital Transformation

North America further ahead in digital transformation journey

Some CRE companies report they have a defined digital transformation roadmap

My organization has a defined digital transformation road map in place

Strongly disagree Disagree Somewhat disagree Neither agree or disagree
Somewhat agree Agree Strongly agree Don't know

North America



APAC



Europe



Note: Responses may not add up to 100 due to rounding.

Source: The Deloitte Center for Financial Services Global Outlook Survey 2020.

Deloitte Insights | deloitte.com/insights

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Deloitte estimate higher operating cost of at least +USD 19.4 psf post Covid



Globally 59% anticipate an increase in vacancy rates over the next 12 months



Digital Transformation Driving Returns

Deloitte.

"Technology: Digital transformation and tenant experience are a business imperative"

essensys

VERDANTIX

"To put it simply, if we are going to reduce our footprint by 30%, and I am offered a tech-enabled flex space that genuinely reduces workplace friction, I would be happy to pay a 25% premium for that."

Head of Group Real Estate, Financial Services Firm



CRITICAL TO INDUSTRY FUTURE

Over 70% of landlords describe the role of tech in flex space as either essential or important in making the offering commercially successful

COMPELLING RETURN ON INVESTMENT

Over half of respondents would be willing to pay a premium of at least 20%, on a square foot basis, for premium flex space products with tech-driven services

Verdantix: Technology In The Flex Space Market Thought Leadership Study

Investment in Growth



Landmark, Chancery Lane, London

Seamlessly Connected Digital Experiences: A Digital Transformation

DIGITAL
INFRASTRUCTURE
THAT DELIVERS
SEAMLESS
OCCUPIER
EXPERIENCES

SPACE
MANAGEMENT
THAT DEFINES
EXPERIENCES &
DELIVERS
INSIGHTS



INTEGRATED
FLEXIBLE
OPERATIONS
THAT MINIMISE
TIME TO VALUE
& MITIGATE RISK

CONVERGED
TECHNOLOGIES
THAT ENABLE
TOUCHLESS
ENTERPRISE
EXPERIENCES

Flex Services Platform

PLATFORM FOCUS

Digital Infrastructure and software to enable all four pillars driving in-building experiences.



3 YEARS
to develop
architecture



MARCH 2021
Market Launch



essensys

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.

FLEXIBLE 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.



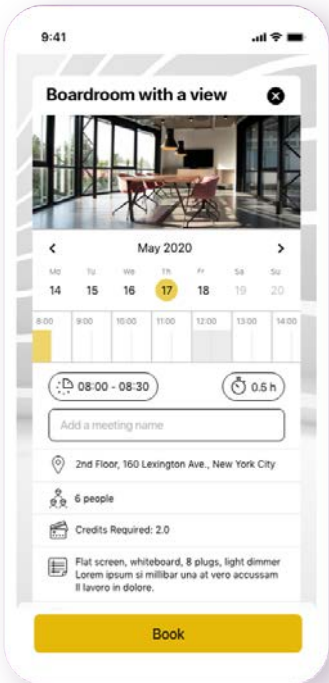
'essensys' Newly Launched Flexible Service Platform: A Powerful Enabler for the Next Normal'



'essensys is transforming the way our team & members engage with our workspaces'

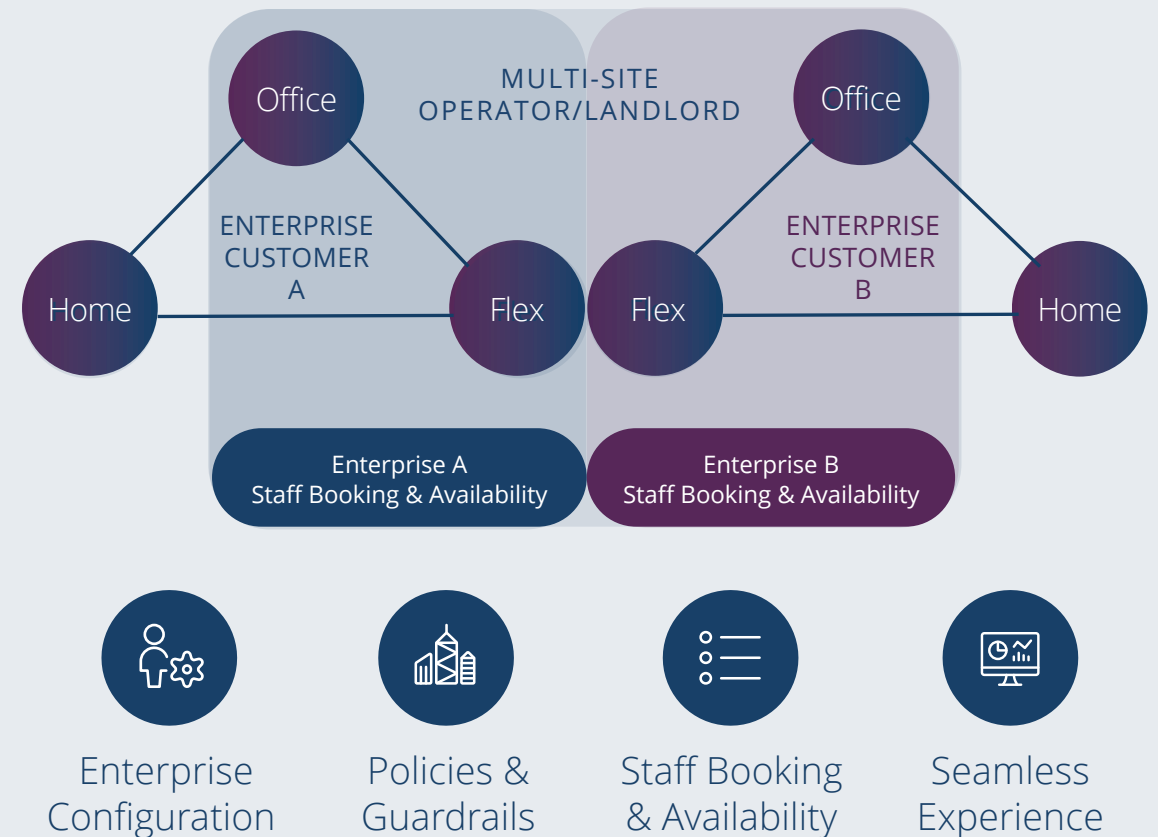
Extending to the Enterprise

THE CAPABILITY TO PROVIDE A SEAMLESS & DYNAMIC HYBRID WORKSPACE EXPERIENCE FOR A DISTRIBUTED WORKFORCE



- Enterprise gains access to a network of spaces to deliver hybrid working model
- Enforce and report on enterprise customer remote working policies & guardrails for staff booking & availability
- Create a unique & customised experience for each individual enterprise customer
- Deliver a seamless & touchless building experience across all space types

FLEX SERVICES PLATFORM



FOCUS



Research applications of new technologies such as AI, ML, sensors, big data & IoT



Develop hardware products that complement our software platform



Platform innovation at the network edge using IoT protocols in firmware



Prototype hardware and firmware to evaluate use cases & user experience



Develop disruptive commercial models through in-house hardware design & integration



Go to Market



Jeremy Bernard
CEO, North America



Brand evolution



Flex Services Platform



Access to wider CRE
Market



CEO, APAC
Recruitment in process



FOCUS



US



UK



EUROPE



APAC

essensys

Commercial Real Estate 2021



INVESTMENTS IN CUSTOMER EXPERIENCE

As the product itself becomes commoditized & functional, well-designed space becomes table-stakes, the differentiators for operators will lie in user experience & quality of service. Operators will invest in harnessing customer loyalty through brand value.

Source: Colliers

90% ^

Of occupiers in a recent Colliers poll believe lease flexibility will increase in future

JUST IN TIME



DEDICATED

ON DEMAND

Emerging space.
Open access desk,
pass or conference
rooms, event booking.

COWORKING

Membership shared
communal space no
dedicated desks.
Some offer global access
month-to-month.

SUITES

Licensing Agreement
dedicated closed space with
dedicated desks within a
shared environment from 3
months and up.

ENTERPRISE

Licensing Agreement.
Dedicated private
floor(s) fit-out per client
specifications from 12
months and up.

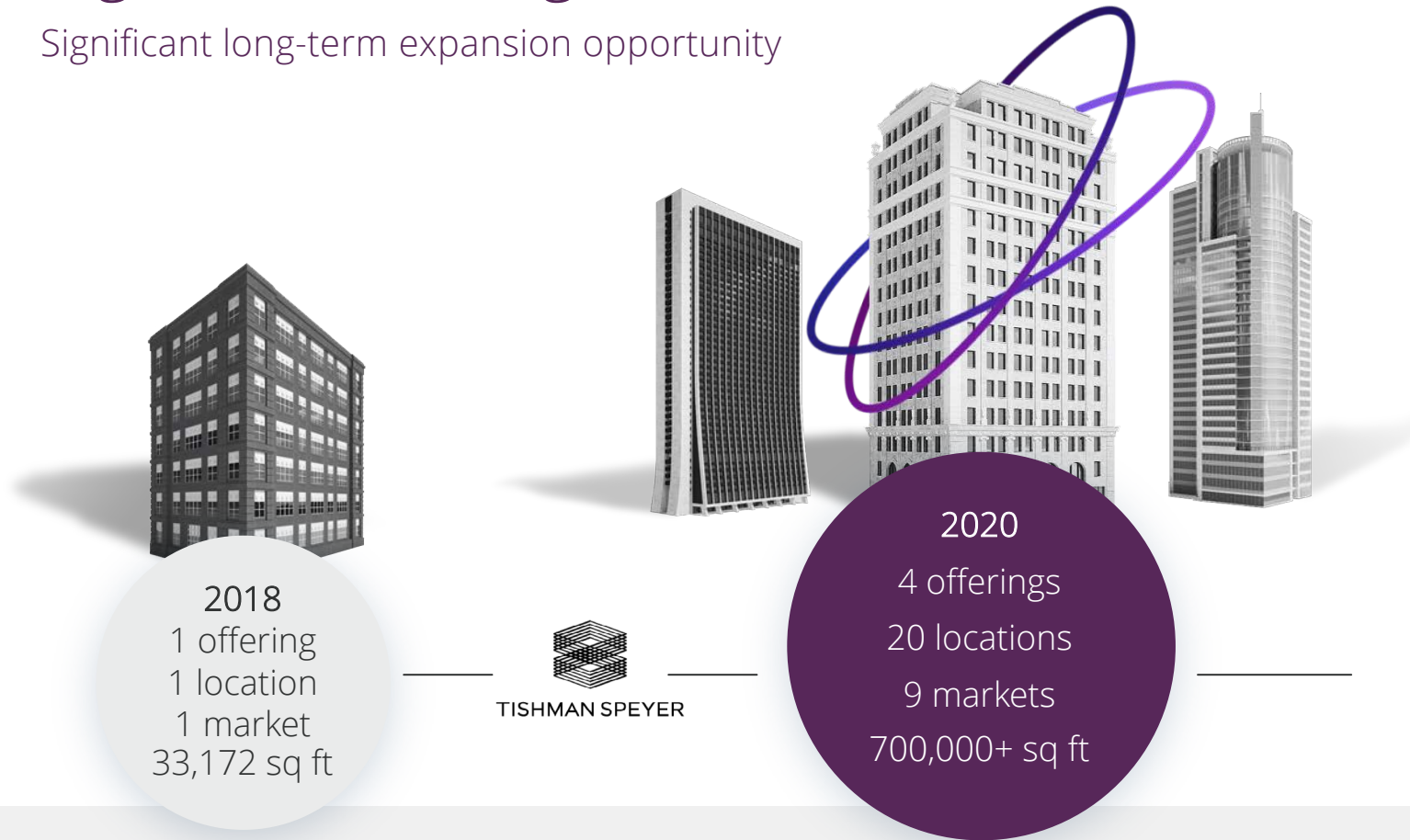
LL SPEC SUITES 2.0

Lease for a
dedicated private
floor(s) fit-out per LL
specifications from
24 months and up.

Colliers: Flex Forward - The Flexible Workspace Report 2020

High Value Strategic Accounts

Significant long-term expansion opportunity



"We knew we needed to provide a scalable, premium technology and digital experience, but quickly found it wasn't practical to do it on our own. To achieve the required level of security, resilience and flexibility, we needed the essensys platform."

Michael Caracciolo, Senior Director, Studio by Tishman Speyer

essensys

CUSHMAN &
WAKEFIELD

JLL

TISHMAN SPEYER

INDUSTRIOUS

EQ Office

gec1na

Momentum

essensys



Momentum

- Foundation for growth

essensys



167
CUSTOMERS



PROVIDE
ACCESS



TO OVER 10 BILLION SQUARE
FEET OF COMMERCIAL REAL
ESTATE **Globally**

SALES BOOKINGS
FOR CURRENT
QUARTER AT
HIGHEST LEVEL
SINCE PRE-COVID

"essensys starts with digital infrastructure, but ultimately tackles the entire customer life cycle. They take the pain out of high-intensity management of flexible space"

Tim Wood
Technology Director



"We knew we needed to provide a scalable, premium technology & digital experience, but quickly found it wasn't practical to do it on our own. To achieve the required level of security, resilience & flexibility, we needed the essensys platform"

Michael Caracciolo
Senior Director



"essensys is transforming the way our team and members engage with our workspaces."

Rachael Gursky
VP of Customer
Experience & Technology



Outlook

essensys



Tishman Speyer, Willis Tower

Summary

FLEX SERVICES PLATFORM
EXTENDS PRODUCT
REACH & VALUE

SIGNIFICANT CUSTOMER
EXPANSION OPPORTUNITY

HEADWINDS GIVING WAY
TO STRONG TAILWINDS

ACCELERATING MARKET
OPPORTUNITY

STRENGTHENED
FOUNDATIONS



Thank You

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we power ambition

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23 March 2021