



Results Presentation FY22

Mark Furness

Chief Executive Officer & Founder

Sarah Harvey

Chief Financial Officer

Alan Pepper

Chief Operating Officer

Our business

Our unique platform provides the foundation from which landlords and flex workspace providers can deliver seamless, hyper-connected, in-building and cross-portfolio experiences



Helping our customers deliver digitally enabled buildings and spaces since 2006

essensys is the intelligent digital backbone for commercial real estate

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

200+ cities

We are a global company, serving customers around the world



Commercial Real Estate is
transforming ...

Creating a massive long-term structural growth opportunity

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 customisation



Enterprise flex space

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



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

essensYs

Three key drivers



Flexibility

JLL predicts 30% of office space to be flexible in some form by 2030.

JLL, 2020



Digitalisation

50% of occupiers are willing to pay a 20% premium for tech-enabled workspaces.

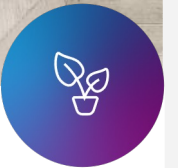
Verdantix, 2021



ESG

More than 70 asset managers, including Blackrock & Vanguard, have recently signed a pledge to help achieve net-zero greenhouse gas emissions by 2050.

Reuters, 2021



Work has evolved, now buildings are evolving

Tenant spaces

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

Meeting rooms

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

Frictionless access

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



Flexible spaces

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

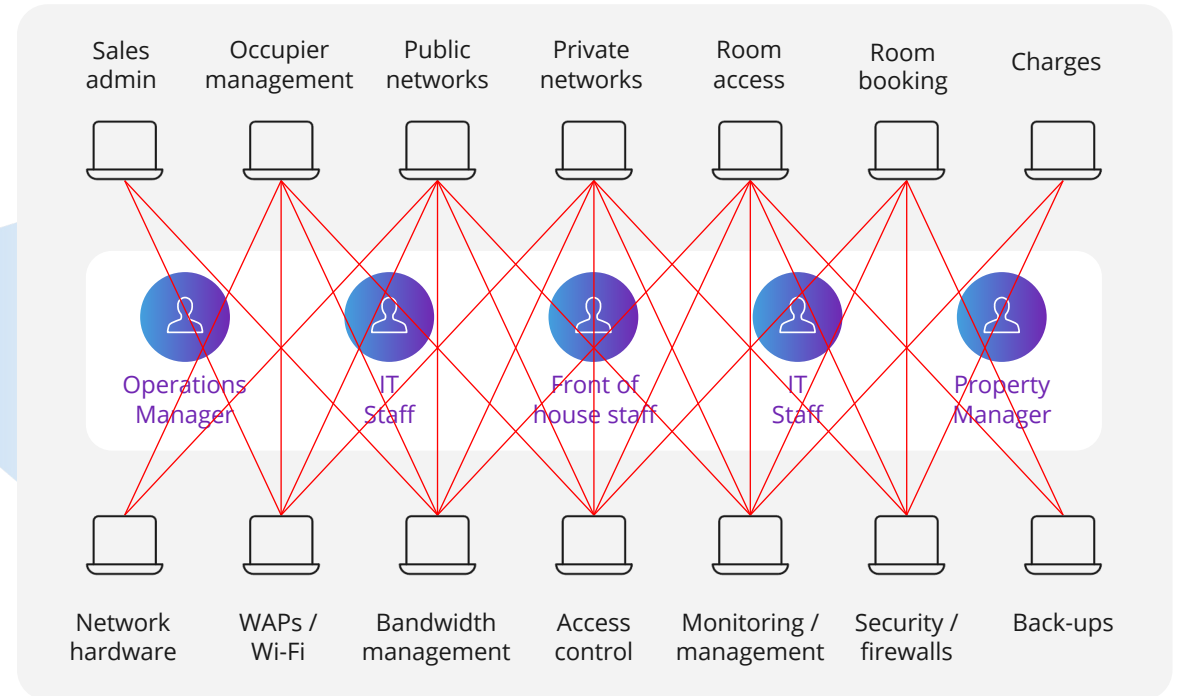
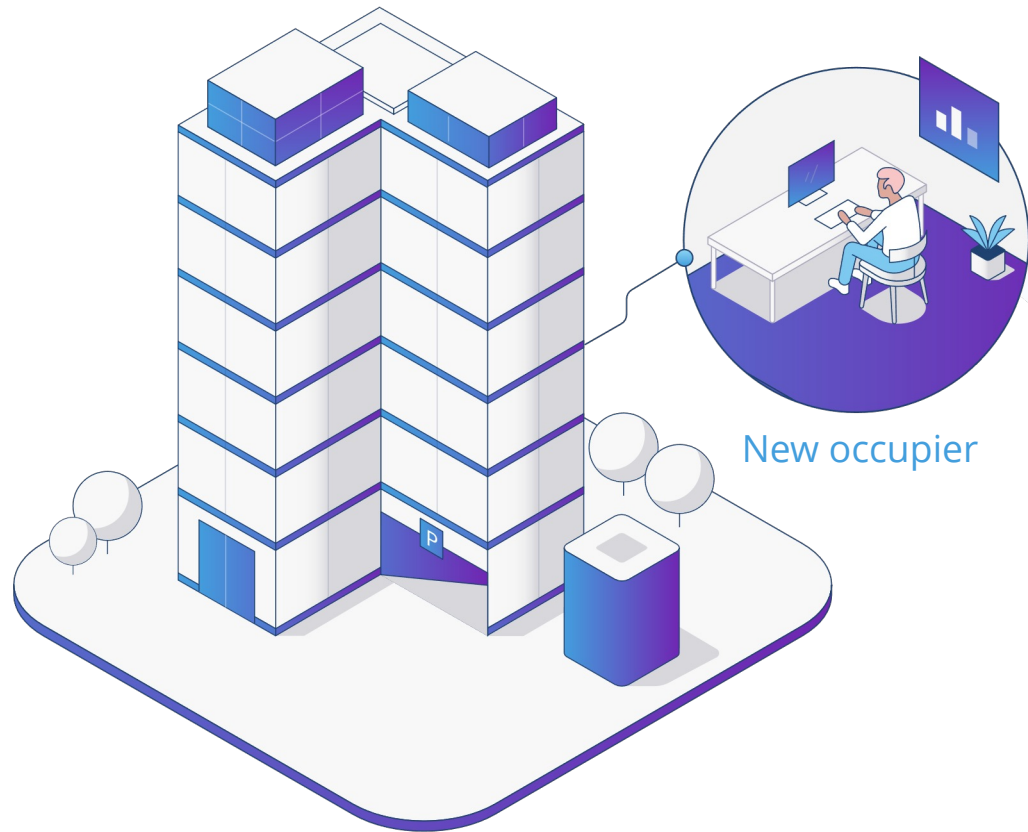
Amenity spaces

Provide market leading amenity spaces across portfolio

Common areas

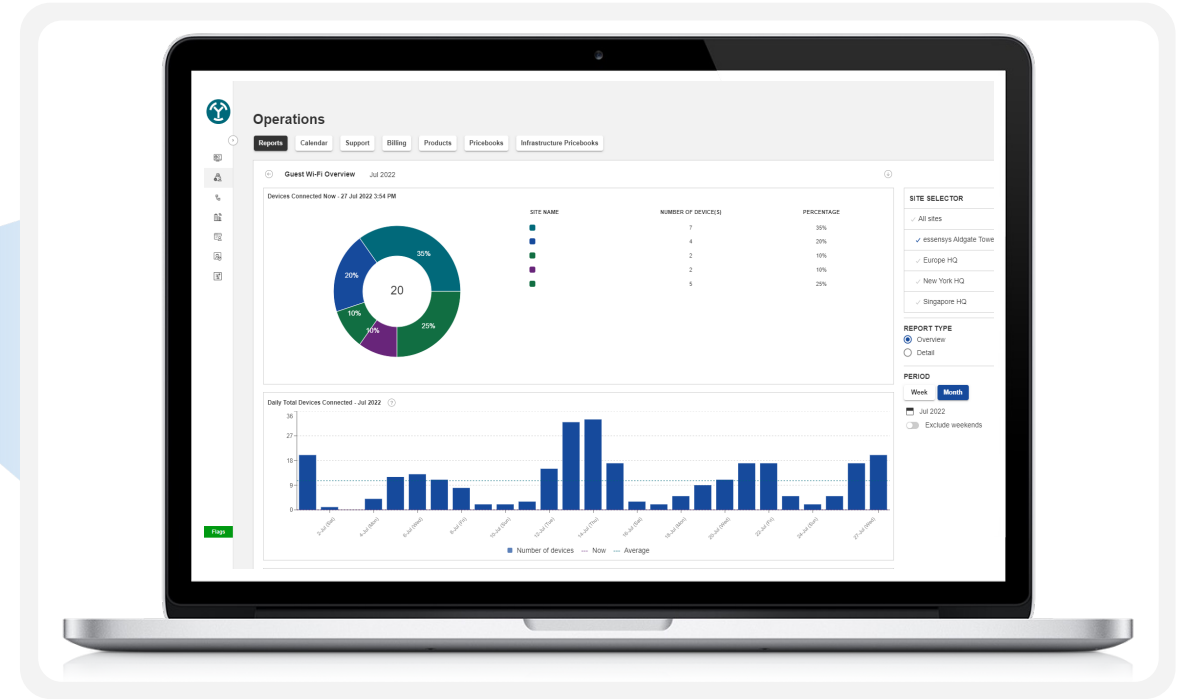
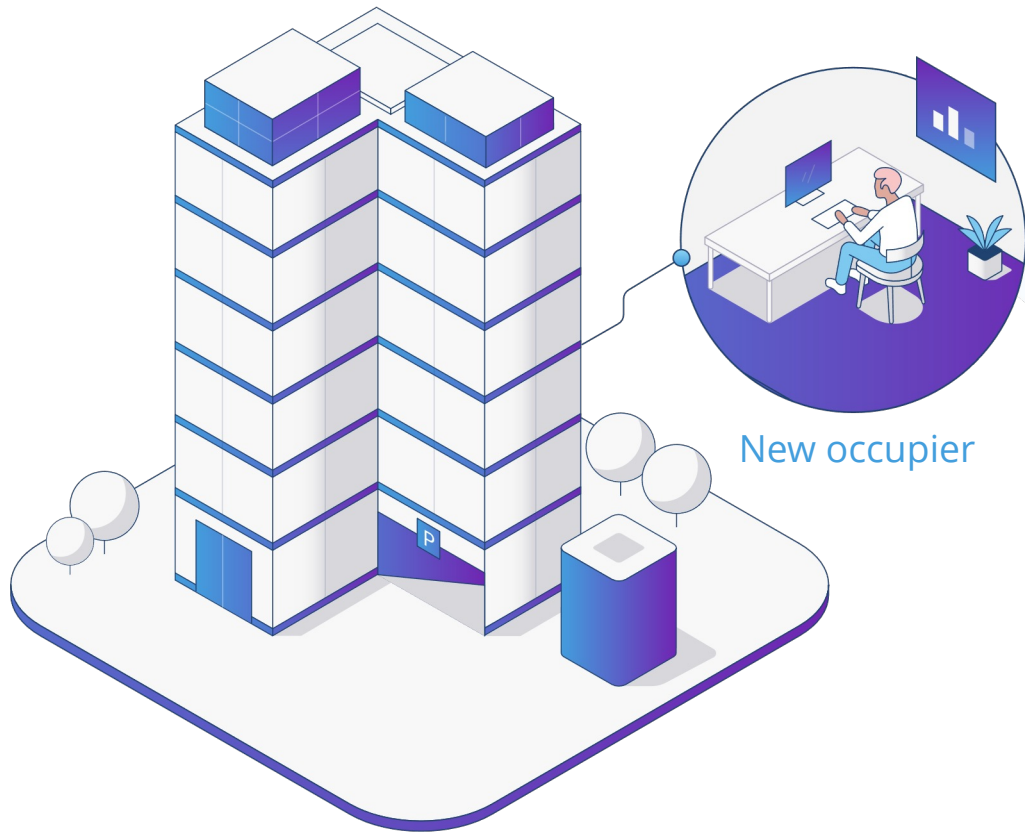
Secure and reliable network access across common areas for tenants and guests

Delivering this is complex at scale



**! SYSTEMS ! SECURITY ! UPDATES ! COMPLIANCE ! MANAGEMENT
! PEOPLE ! TIME ! COST ! PROCESS ! TASKS ! TRAINING ! ERRORS**

Our software and technology removes this complexity



ONE Person ONE Platform | TWO minutes | DONE

Strategic highlights FY22

Performance

- Revenue & EBITDA in-line with market expectations
- Strong US growth

Expansion

- APAC and Europe fully established
- Customers & sites live in all regions

Product

- The essensys Platform now available across all regions
- Further product launches in FY23

Customers

- Improving client mix
- Reduction in non-core UK customers

Strategy

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

Market

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



Financial review

Sarah Harvey

Chief Financial Officer

Financial highlights FY22¹

£23.3m

Total revenue +6%

£20.1m

Recurring revenue +5%

£21.9m

ARR +11%

£24.1m

Cash balance

£2.3m

New contracted ARR²

£13.2m North America +17%

£9.8m UK & Europe -8%

£0.3m APAC

The essensys Platform (inc Connect)

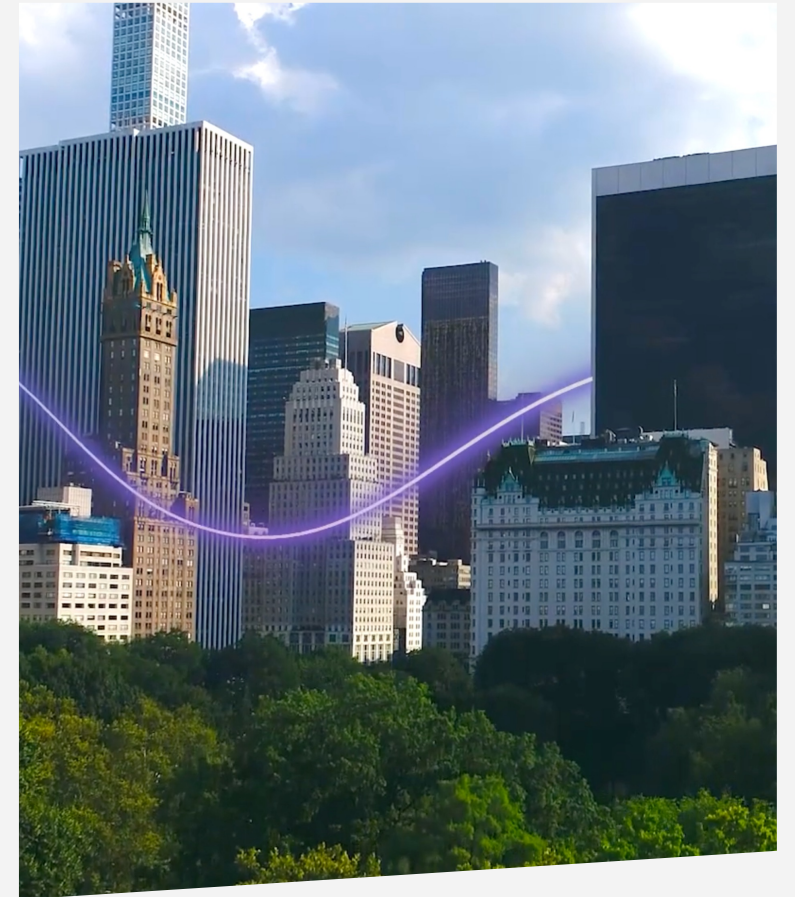
£21.7m +9% **458 sites** -3%

Operate

£1.8m -11% **371 sites** -11%

¹Unaudited financial results

²As at 17 October 2022



Income statement

YEAR ENDED JULY (£'000)	2021	2022 UNAUDITED
REVENUE		
Recurring	19,114	20,140
Non-recurring	2,868	3,158
TOTAL REVENUE	21,982	23,298
of which: North America	11,334	13,233
UK & Europe	10,648	9,797
APAC	-	268
Cost of sales	(7,750)	(9,190)
GROSS PROFIT	14,232	14,108
Gross margin %	65%	61%
Overheads	(12,952)	(21,151)
Other operating income	42	-
ADJUSTED EBITDA	1,322	(7,043)
EBITDA margin	6%	-30%
Share option charge	(560)	(741)
Depreciation & amortisation	(3,563)	(3,126)
Impairment charge	-	(122)
Finance charges (net)	(127)	(53)
LBT	(2,928)	(11,085)
Tax	(411)	286
LAT	(3,339)	(10,799)



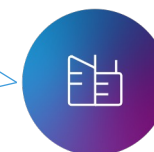
Total revenue **+6%**
Recurring revenue **+5%**



North American growth:
Total revenue **17%**;
Recurring revenue **+23%**



Gross profit flat with
investment for future
efficiency in expansion phase



Adjusted EBITDA in line
with consensus; LBT
ahead of consensus

Cashflow statement

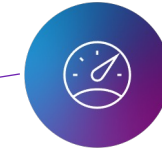
YEAR ENDED JULY (£'000)	2021	2022 UNAUDITED
EBITDA	1,322	(7,043)
Loss on disposal	-	86
Changes in Working Capital	486	167
Cash from Operations	1,808	(6,790)
Tax & forex adjustments	86	(11)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,894	(6,801)
Investing & financing:		
Payment of intangible asset development costs	(2,493)	(4,087)
Purchase of property plant & equipment	(786)	(1,541)
Net interest payments	(127)	(53)
Proceeds / (repayment) of lease liabilities	(1,863)	(893)
NET CASH FLOW FROM FINANCING & INVESTMENT	(5,269)	(6,574)
Net impact of fundraising	31,808	-
NET CASH FLOW	(28,433)	(13,375)
Opening Balance	8,496	36,903
Forex adjustments	(26)	594
CLOSING BALANCE	36,903	24,122



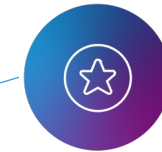
Strategic inventory purchase to secure supply and mitigate future cost increases offset by timing of payables



Investment in software development continues in line with plan



Benefit of rent-free period on office space



Strong cash reserves to continue our growth strategy

Operational review

Alan Pepper

Chief Operating Officer

Operational highlights FY22

458 sites

-3%

100 customers **180 staff**

-1

+56%

101% net retention

+3ppt

300 North America

+5%

156 UK & Europe

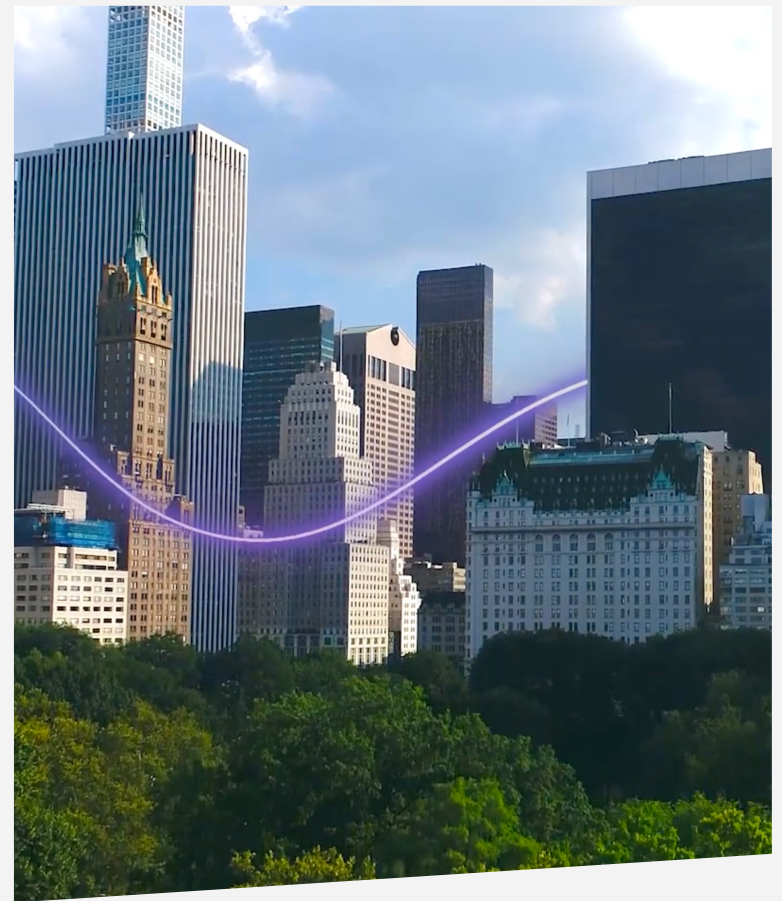
-17%

2 APAC

Contracted Connect/Platform sites

53 sites +12%

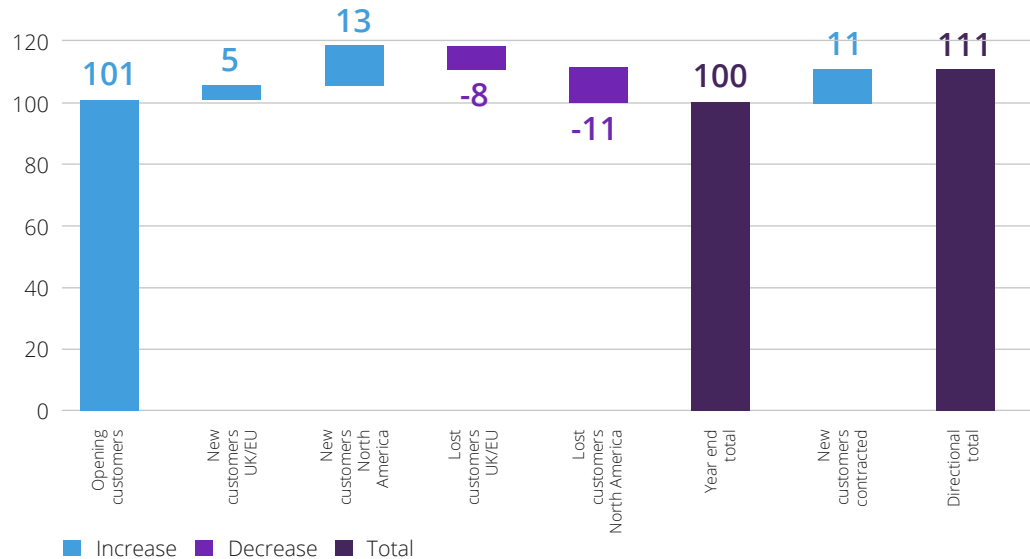
£2.3m ARR +11%



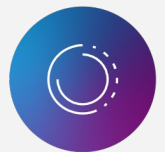
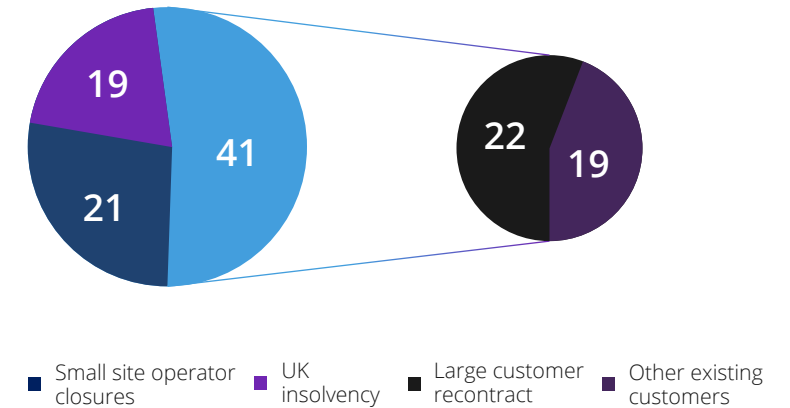
¹As at 17 October 2022

Customer base evolving

Improved customer mix with strategic customers replacing small operators



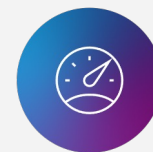
Site losses are primarily retained customers optimising their estates and non-strategic customers



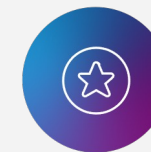
New customers predominantly significant multi-site potential – customer losses all small/single site operators



Half of overall churn is post Covid estate optimisation by retained customers



Non-strategic small operators account for 26% of losses; UK insolvency is balance



MRR on new sites added **+10%** on those closed

New customers landed – expanding

Customer base now **c50% landlords**

9 of 11 contracted customers are landlords

Landlords provide **built in portfolio opportunity**

FY21 new customers

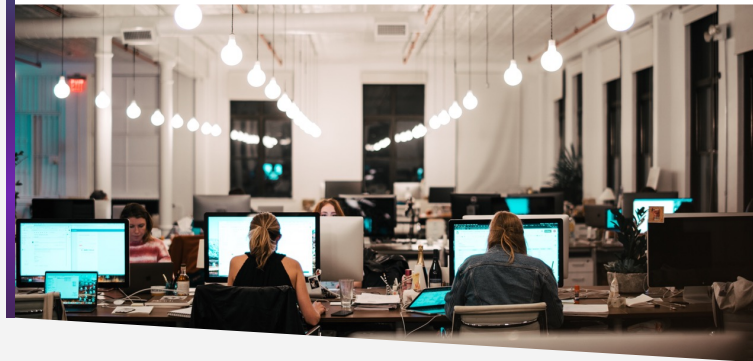
- £0.4m RR in FY 21
- expanded to £1.1m FY22

FY22 new customers

- £0.5m RR in FY22
- contracted £0.8m in FY23

Contracted new customers

- add £0.7m ARR in FY23

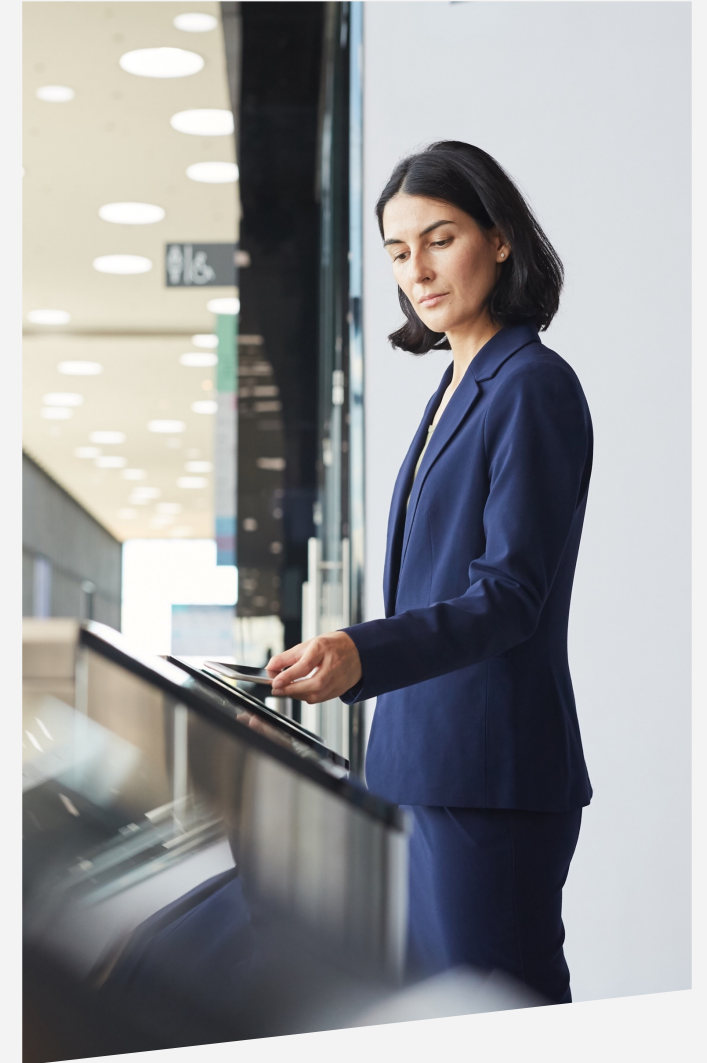


Focus is on winning customers who can deliver us 20 sites or 1m of ARR

New customers landed – expanding

	Initial	Live	Contracted / active pipeline	Expected balance FY23	FY24 ARR expected (£'m)
FY21 customers (examples)					
Global Property Manager	1	9	3	4	£0.7m
US Landlord	6	6	5	5	£0.7m
US Flex Operator	2	6	-	4	£0.5m
US Propco	1	2	3	6	£0.5m
FY22 customers (examples)					
US Flex Operator	1	1	5	3	£0.5m
EU Landlord	2	2	4	2	£0.5m

	Initial	Contracted / active pipeline	Total estate	essensys opportunity	ARR opportunity
Newly contracted customers (examples)					
Irish Landlord	1	2	92	20+	£1.0m+
Global Property Manager	1	5	N/A	20+	£1.0m+
US REIT	1	1	18	18	£1.0m+



North America

Land, Expand and Grow



Strategic customer engagement

- Renewals with top 3 customers ongoing
- Continued expansion with #1 customer including into Europe



Strong expansion growth

- New strategic customer delivering sites
- Higher average value of sites live

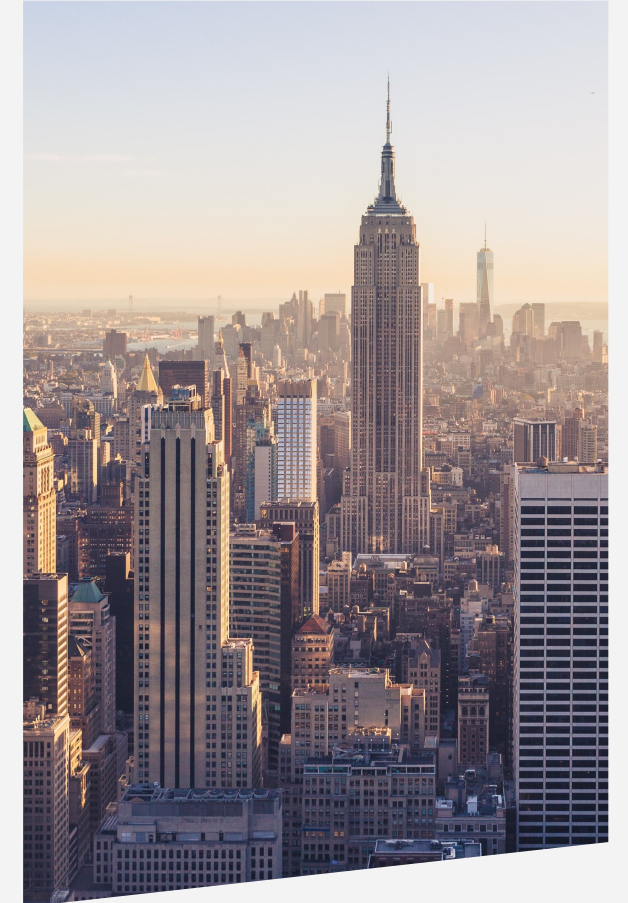


Strong pipeline

- 41 sites contracted
- 63 new customer opportunities in pipeline

Growing with our biggest customers

M&A activity by a largest customer has given us access to a new territories; our relationship with our customer meant we were first choice to connect their new buildings with the rest of their portfolio



UK & Europe

Land, Expand and Grow



UK retention & expansion

- Renewal of top 2 key customers
- Established customer base expanding
- Strong pipeline of new strategic customers



Europe established & growing

- Live or signed customers in Sweden, France & Ireland
- Portfolio opportunities with existing customers



INDUSTRIOUS



Diversified customer base

- Signed first site with top 10 RE investment manager
- New landlords offering 'plug and play'
- Leveraging life sciences track record to grow with the sector

New territory signed

Signed sites with Ireland's leading commercial property company to support their expansion plans; started with 1 site; 2 further signed the following month; portfolio ambition in next 2-3 years



APAC

Land, Expand and Grow



Region established:

- The right team in the right locations
- First sites live



Strong progress in new markets:

- **50-60%** of target customers engaged
- Healthy qualified pipeline
- Hong Kong emerging from Covid impact

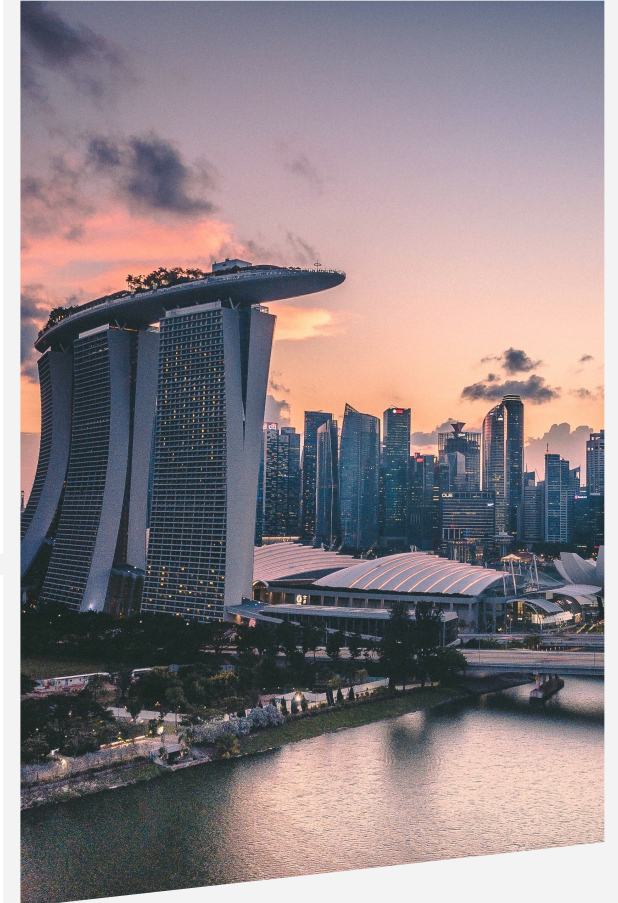


Existing & new territory potential:

- Target customers provide portfolio opportunities
- Wider territory growth potential with capital light model

New customer

Recent award from new customer in Singapore – important regional property developer delivering innovative urban space solutions. Initial signing 1 site, engagement on 2nd site and joint ambition to expand into the full portfolio of owned locations and locations of connected companies.



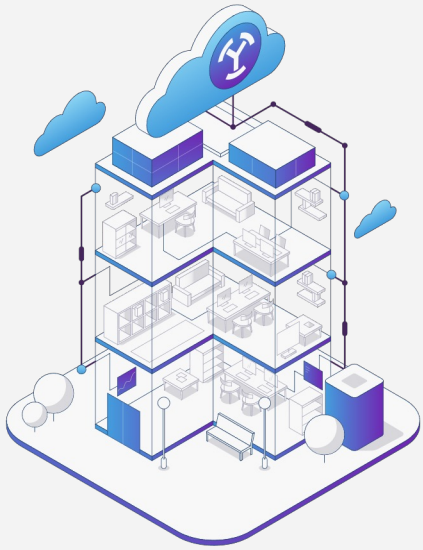
Product update

Mark Furness

Chief Executive Officer & Founder

The essensys Platform*

The intelligent digital backbone for commercial real estate



Connect

Global private network

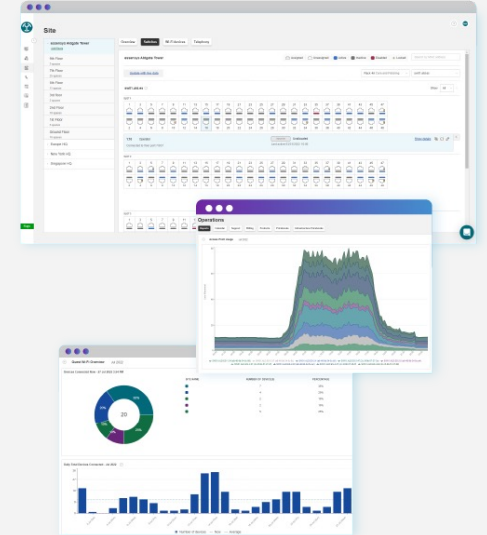
A powerful and secure cross-portfolio network solution designed for the next generation of real estate



Control

Intelligent automation

An intelligent software layer that simplifies & automates the management of spaces, digital services & occupiers



Create

Seamless experiences

Advanced booking, access control and connectivity technology. Delivering seamless in-building and cross-portfolio tenant experiences

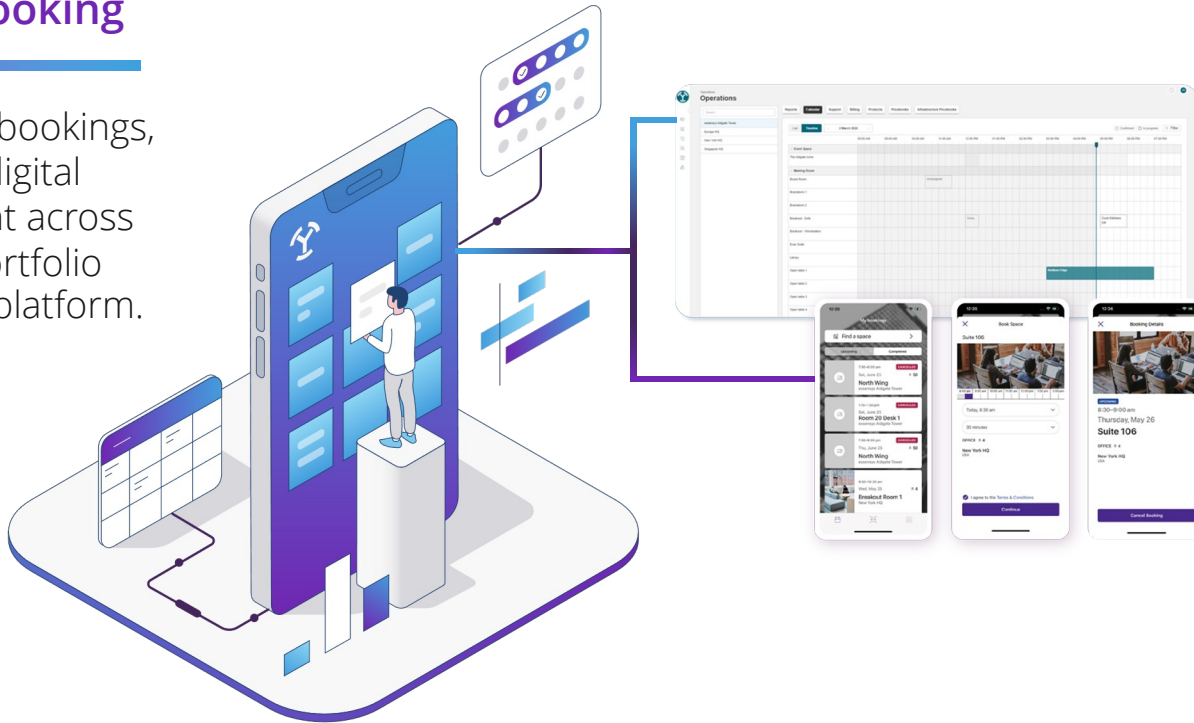


The essensys Platform its own distribution engine

New modules and value-add functionality can be delivered directly to the customer within the software with one-touch activation

Dynamic booking

Easily control bookings, availability & digital screen content across your entire portfolio from a single platform.



Smart access

Imagine an environment where occupiers can seamlessly interact with your space from the convenience of their smartphone using touchless NFC technology.



Strategy and outlook

Optimising our strategy

- Moderated investment into land grab
- Lower CAC (customer acquisition cost)

- Significant expansion opportunity
- Increase LTV (lifetime value)

- Focus on capital efficient growth and cash conservation
- Reduce burn rate

- Capital light model for further new territory expansion

- Improved customer mix
- > 50% of customers are landlords

- Product led growth engine to drive future upsell



Summary and outlook

Performance

- Resilient financial performance
- Strong US growth

Execution

- Continued international expansion
- Product innovation

Strategy

- Adapting to endure
- Capital efficiency

Opportunity

- Significant
- Structural
- Long term

Focus

- Efficiency
- Cash
- Profitability





Thank you

Nominated advisor & broker:

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[18] October 2022