



Half year results presentation

for the six months ended January 2024

Mark Furness

Chief Executive Officer & Founder

Sarah Harvey

Chief Financial Officer

H1 24 Highlights

- ✔ Significant progress towards profitability and cash generation with Adjusted EBITDA loss narrowing to £0.5m from £4.2m
- ✔ Focus on simplification and operational efficiency delivered £8m of annualised cost savings
- ✔ Two major expansion contracts signed with large strategic customers to deliver a minimum £1.5m ARR by September 2025
- ✔ Product innovation and investment still key priority with launch announced of essensys Platform Intelligence Engine

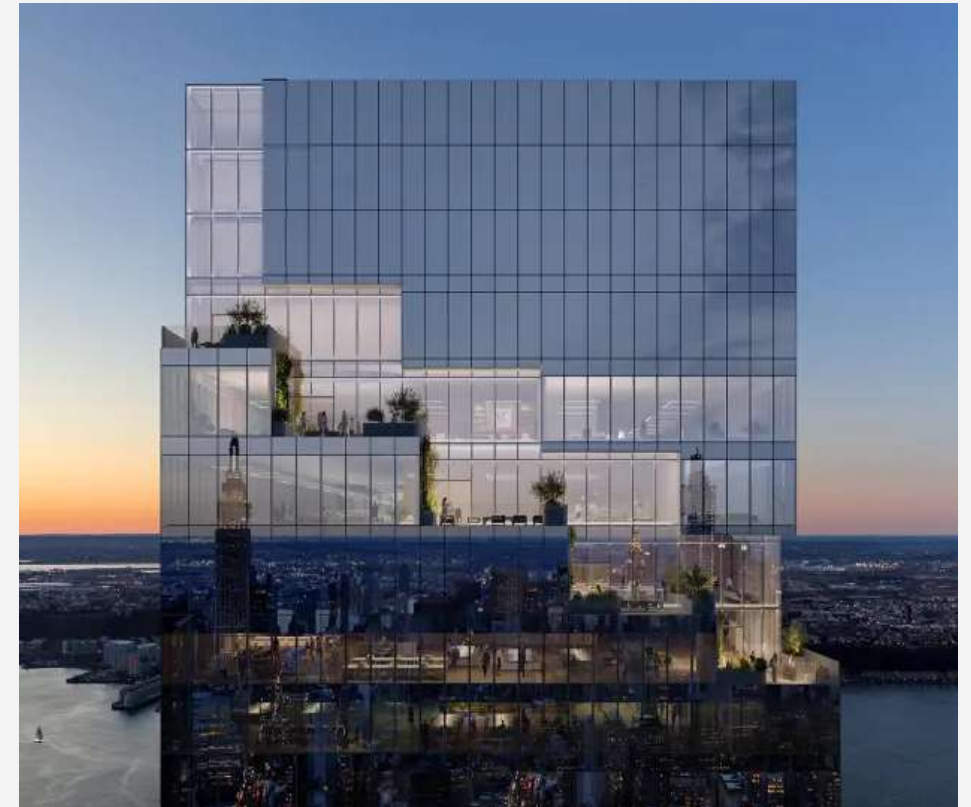


Financial review

Financial highlights H1 24

£11.7m Total revenue -9%		£7.0m Gross profit -4%	60% Gross margin +3pp
£10.2m Recurring -4% 87% mix +5pp	£20.1m ARR £1.5m Contracted ARR ¹	£(0.5)m Adj EBITDA +88%	£3.5m Cash balance
£6.8m -16% North America		£4.4m -2% UK & Europe	£0.5m +67% APAC

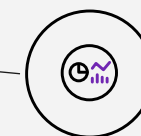
¹New ARR contracted not live at 31 January 2024



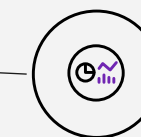
Tishman Speyer - The Spiral, North America

Income statement

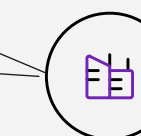
SIX MONTHS ENDED 31 JANUARY (£'000)	2023	2024
REVENUE		
Recurring	10,628	10,172
Non-recurring	2,281	1,561
TOTAL REVENUE	12,909	11,733
of which: North America	8,063	6,861
UK & Europe	4,501	4,368
APAC	345	504
Cost of sales	(5,580)	(4,736)
GROSS PROFIT	7,329	6,997
Gross margin %	57%	60%
Overheads	(11,489)	(7,552)
Other Operating income	-	102
ADJUSTED EBITDA	(4,160)	(453)
Adjusted EBITDA margin	-30%	-4%
Exceptional costs	(521)	-
Share option charge	(137)	(241)
Depreciation, amortisation & impairment	(2,894)	(2,124)
Finance charges (net)	60	(17)
LOSS BEFORE TAX	(7,652)	(2,835)
Tax	-	156
LOSS AFTER TAX	(7,652)	(2,679)



US impact of non-recurring and fx
Good progress in APAC
UK decline slowing

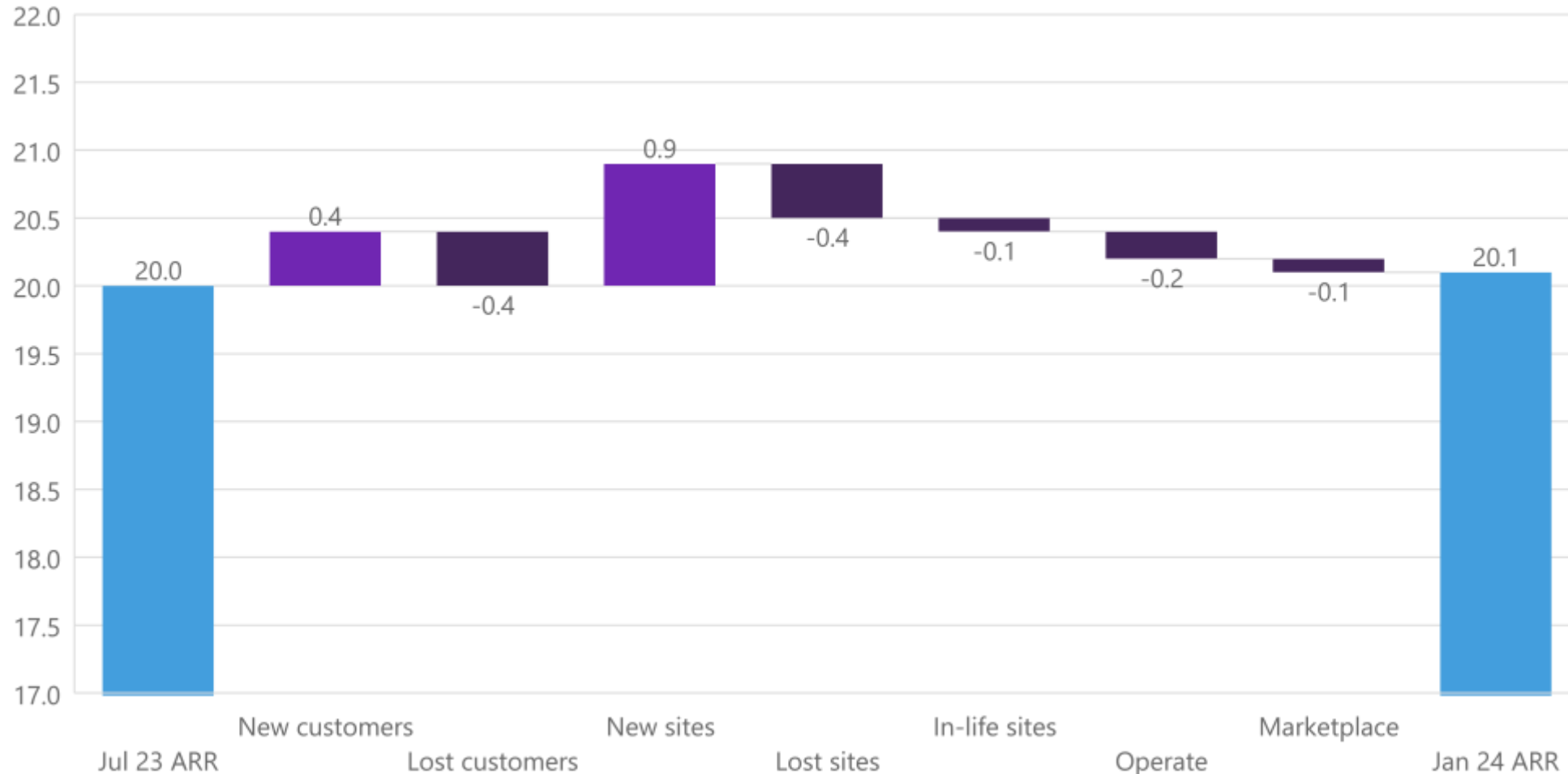


Higher recurring mix, improved
recurring gross margins

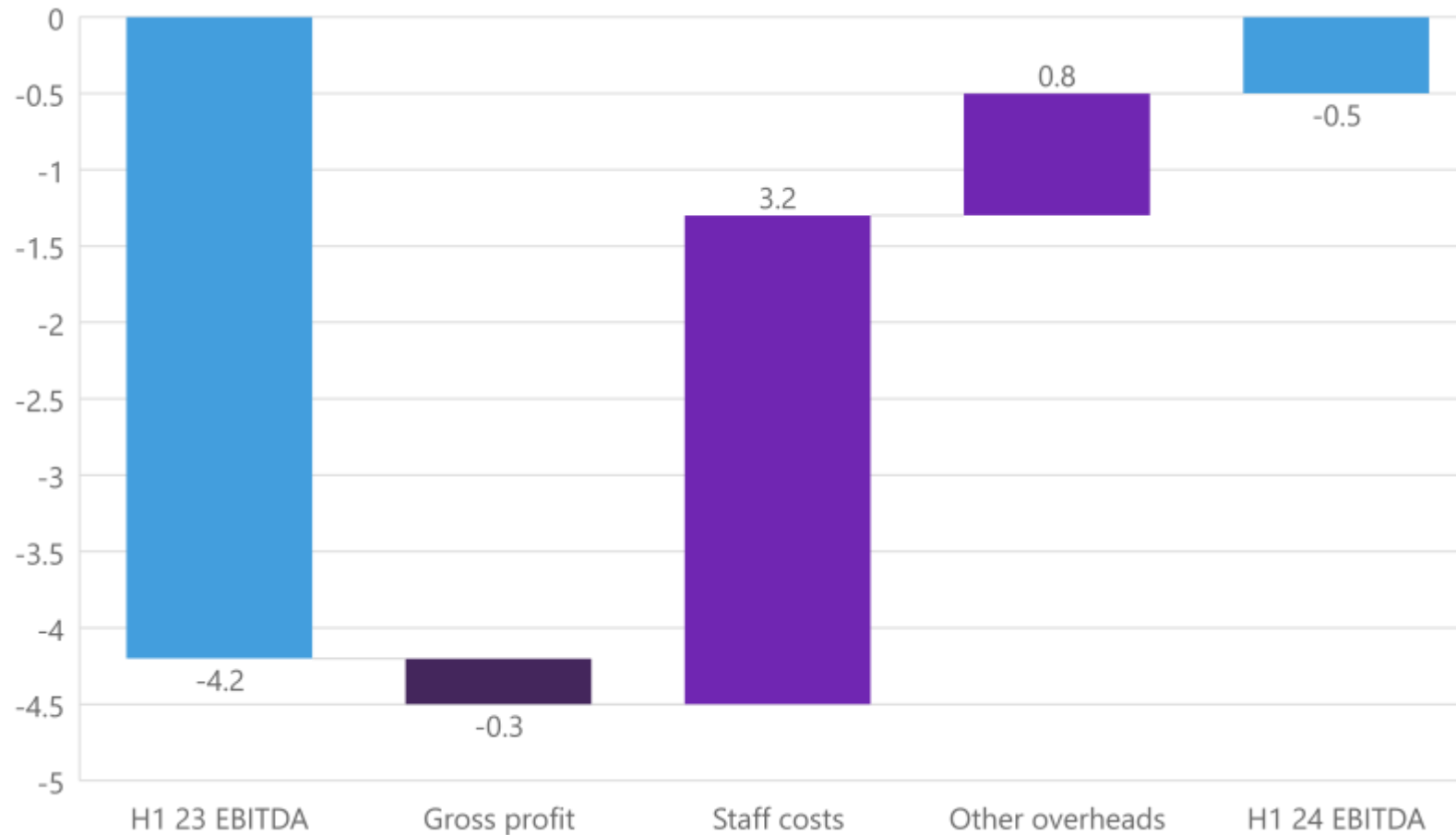


Impacts of reorganisation

ARR bridge July 2023 to January 2024 (£m)

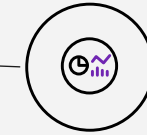


Adjusted EBITDA movements H123 to H124 (£m)

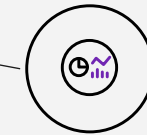


Cashflow statement

SIX MONTHS ENDED 31 January (£'000)	2023	2024
Adjusted EBITDA	(4,160)	(453)
Add: exceptional costs	(521)	-
Changes in working capital	(3,344)	(2,256)
Other	-	-
CASH FROM OPERATIONS	(8,025)	(2,709)
Tax & foreign exchange	-	25
NET CASH FLOW FROM OPERATING ACTIVITIES	(8,025)	(2,684)
Payment of intangible asset development costs	(1,840)	(1,052)
Purchase of property plant & equipment	(486)	-
Proceeds from disposal	-	-
Repayment of lease liabilities	(779)	(761)
Net interest (payments)/receipts	60	(9)
NET CASH FLOW FROM FINANCING & INVESTMENT	(3,045)	(1,822)
NET CASH FLOW	(11,070)	(4,506)
Opening Balance	24,122	7,862
Forex adjustments	(451)	106
CLOSING BALANCE	12,601	3,462



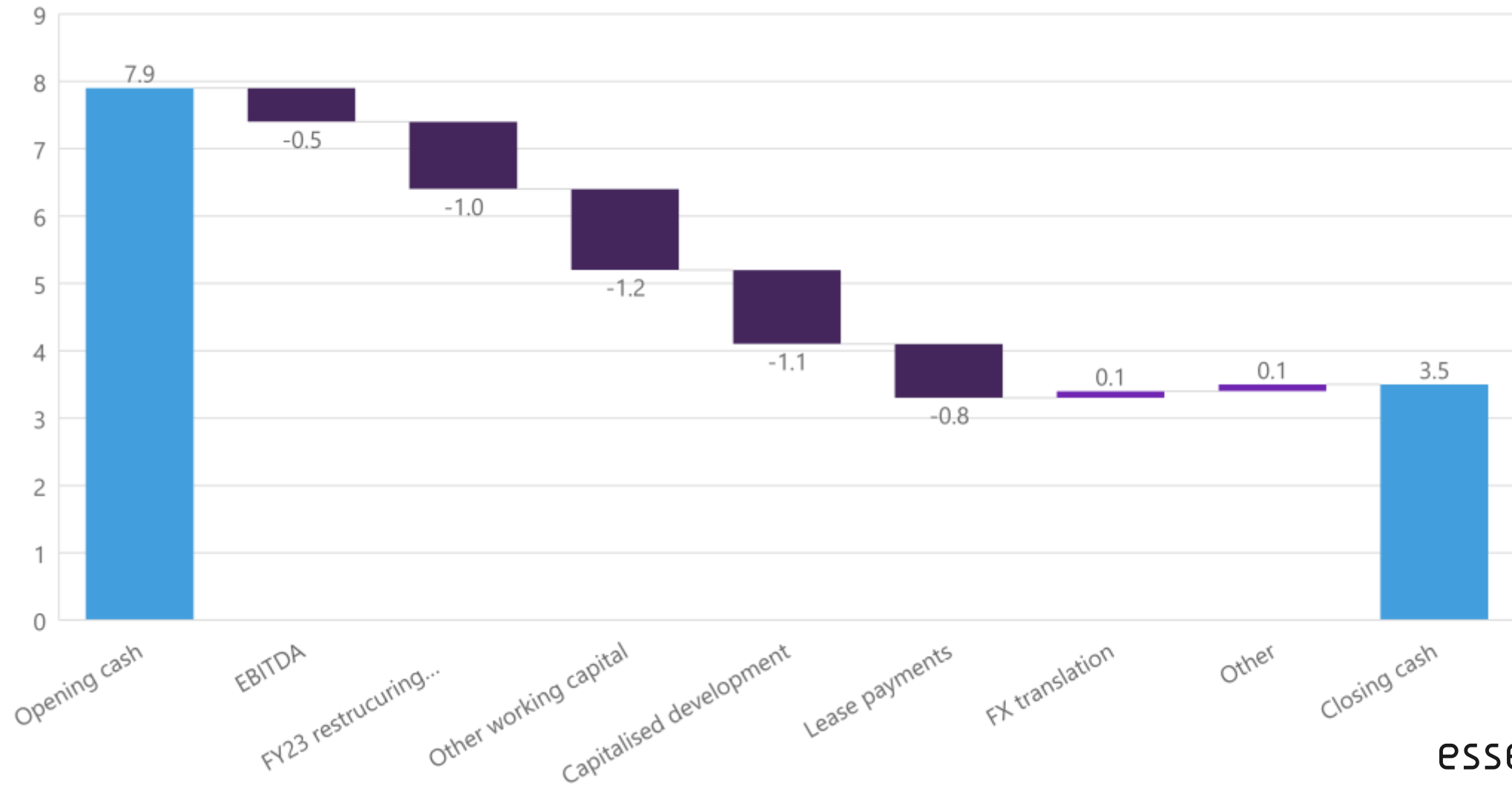
Payment of £1m exceptional reorganisation costs



Impact of global reorganisation

Cash outflow reduced by £6.6m (59%) year on year

Cashflows H1 24 (£m)



Operational review

Operational highlights H124

474 sites +8		7 new customers 6 Strategic	
100 Customers -2	114 People -25%	95% Net revenue Retention -3ppt	2.6 : 1 LTV:CAC +0.5
303 -5 North America		156 +9 UK & Europe	15 +4 APAC



Landmark - Lighthouse in Kings Cross, UK

Improving quality customer base

Strategic customers replacing small operators

+7 new live

+ 6 new strategic customers

+ 1 non-strategic

-9 lost

-1 strategic

-8 small

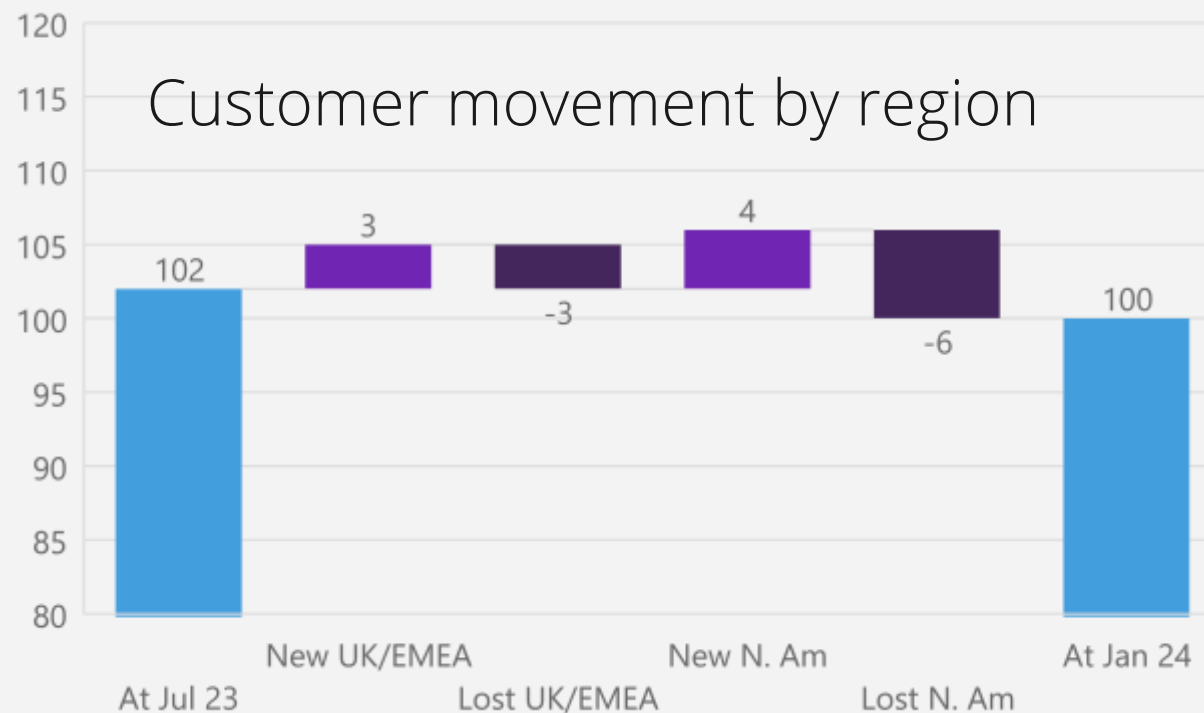
Strategic customers

84% of total sites

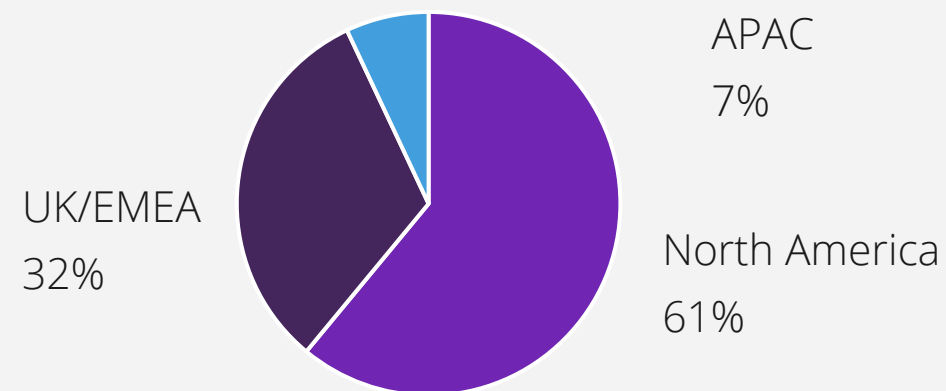
81% of ARR and total revenue

103% Net revenue retention

Customer movement by region



Proportion of total strategic ARR

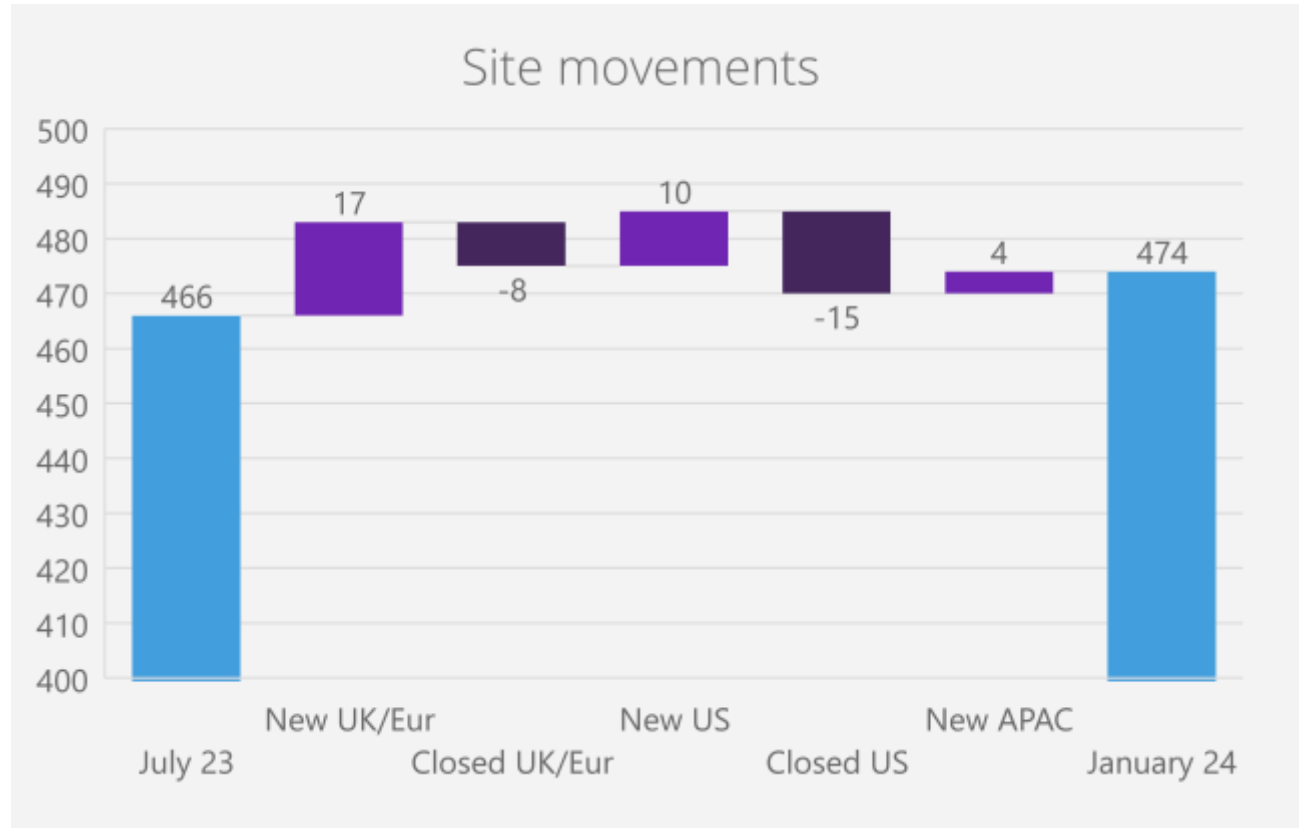
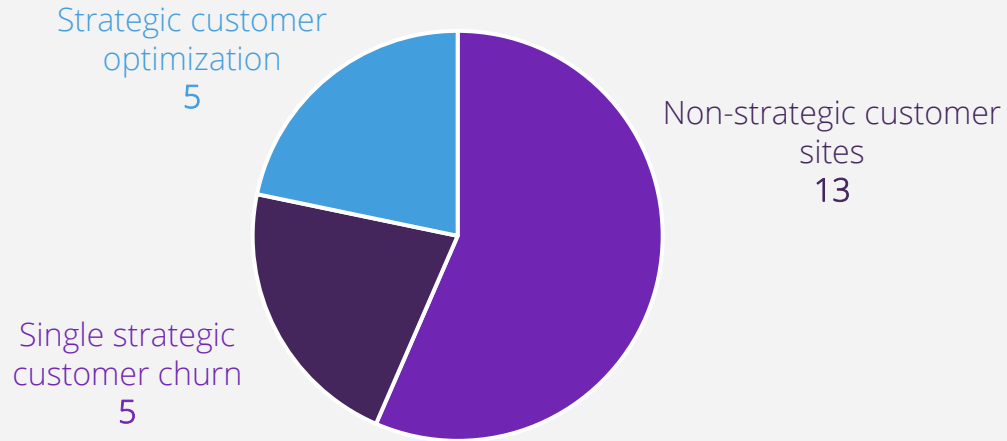


■ N. America ■ UK/EMEA ■ APAC

Continued site growth

Strategics continue to replace small operator sites;
return to growth in UK & Europe

Gross site closures



Total net site increase 8
Strategic increase 20
Non-strategic decrease 12



97% of new sites with
strategic customers



Strategic customer sites
now 84% of total sites

Proposition and market evolution

Milestone customer expansions

US



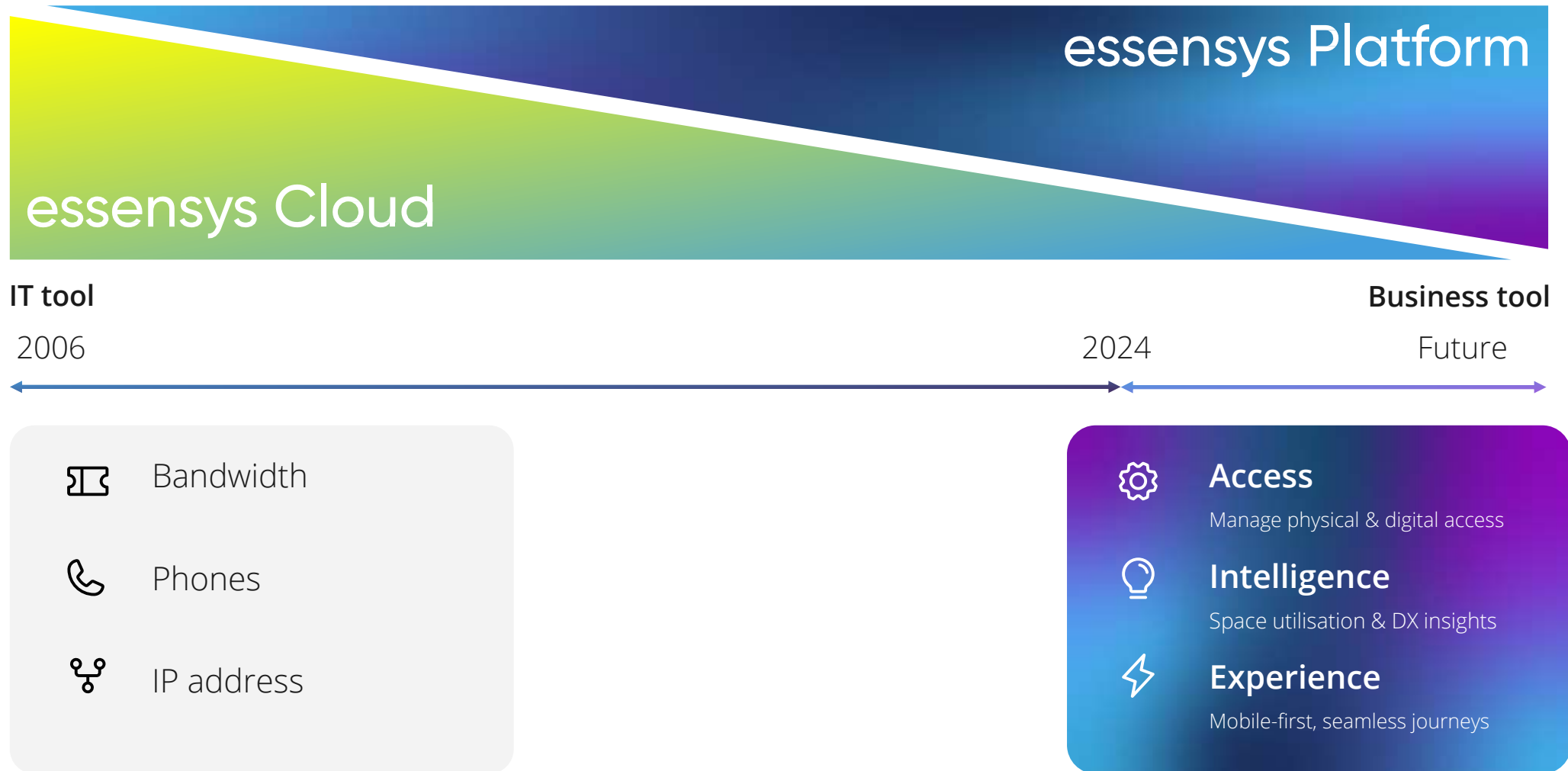
- 🕒 3 year term
- 🤝 Master Service Agreement
- 📈 \$1M ARR min. contracted
- 🏢 +350 sites in total
- 🔄 US headquartered global CRE company

Australia



- 🕒 5 year term
- 🤝 Master Service Agreement
- 📈 \$1M ARR min. contracted
- 🏢 30 sites for Phase 1
- 🔄 Listed Australian REIT

Evolution to pure play SaaS



essensys Platform



Simplified proposition

Simple onboarding

In-product upgrades

Access

Manage occupiers, spaces and digital services

Intelligence

Real-time insights deliver deep understanding of space utilisation and occupier experience

Experience

Powerful automation engine delivers seamless in-building experiences

API first

Integrate to create world class ecosystem
Marketplaces, CRM, ERP, Tenant Experience

essensys Platform Intelligence Engine

Why?

Office utilisation
Global avg. vs. pre-pandemic ↓ **45%**

I.D. badge swipes
Utilisation data from single source  **96%**

Low-resolution

Low-fidelity

Siloed

Lack of actionable insight

Intelligence Engine

Single, centralised platform

Uses existing infrastructure

Space utilisation & DX insights

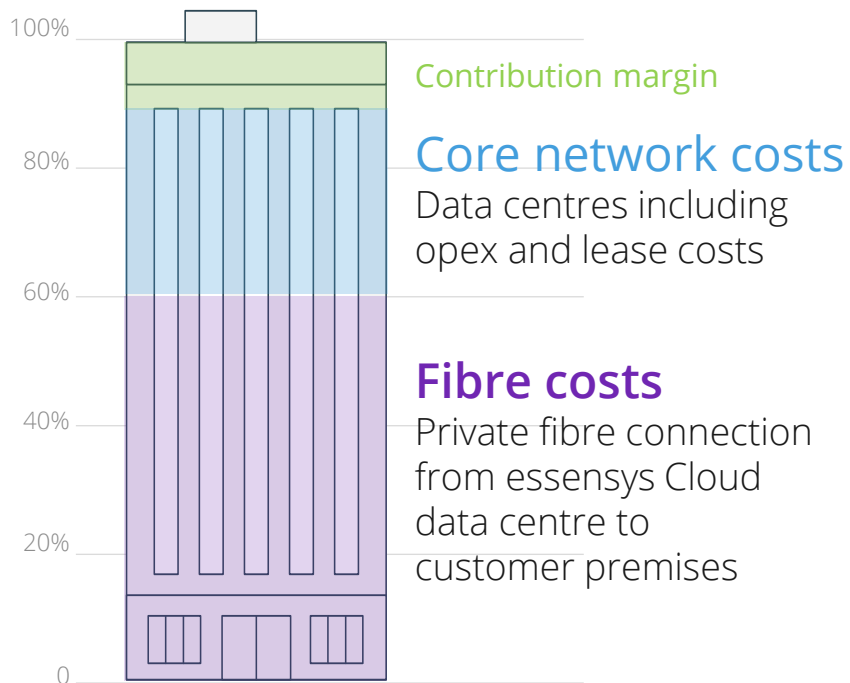
→ Increase yield

→ Drive occupancy

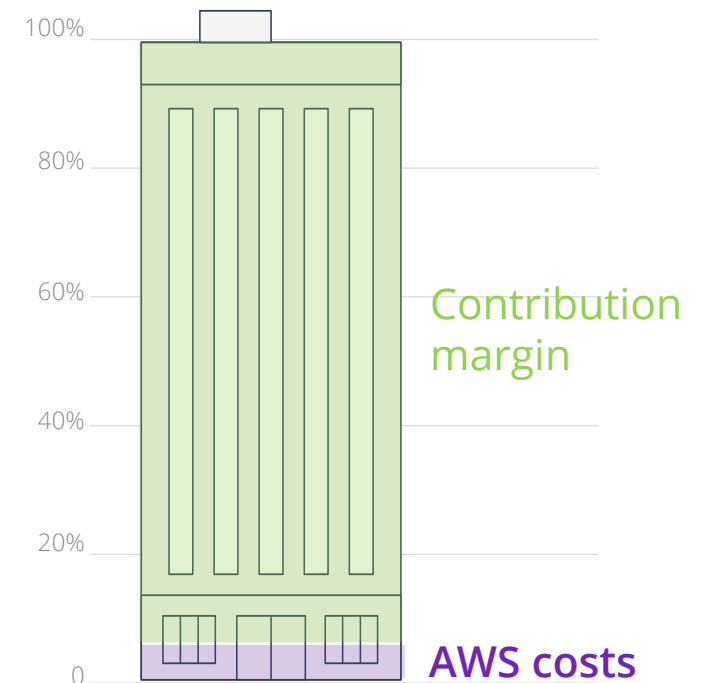
→ Reduce operating costs



Long-term margin improvement



Margin progression as revenue mix improves



essensys Cloud

essensys Platform

Commercial Real Estate 2024



Bifurcated market

Premium outperforms

Budgets tightened

Utilisation key

93%
Premium buildings command a 93%+ premium in net rent vs. lower-tier buildings¹

9%
Premium buildings have 9%+ higher occupancy rates vs. lower-tier buildings¹

30%
Organisations have increased space sharing by 30% since 2021 due to hybrid work²

44%
Use of collaboration space has increased by 44% since 2021²

¹ Brookfield, The Misunderstood U.S. Office Market, 2024
² CBRE, 2023-2024 CBRE Global Workplace & Occupancy Insights, 2023

Summary



Discipline
Active cost control and cash management

Focus
Strategic customers and evolution to pure-play SaaS

Efficiency
Simplification and ease of adoption to reduce friction and shorten sales cycles

Innovation
Develop of unique and compelling solutions

- Access
- Intelligence
- Experience

Our vision is to power the world's largest community of flexible tech driven spaces

Appendices

Balance sheet

(£'000)	31 JUL 2023	31 JAN 2024
Non-current assets	12,776	12,178
Intangible	10,059	9,936
Tangible	1,577	1,149
Right of use	1,140	1,093
Current assets	14,739	11,293
Inventories	2,260	2,332
Trade and other receivables	4,617	5,499
Cash	7,862	3,462
Total assets	27,515	23,471
Current liabilities	(6,628)	(5,577)
Trade and other payables	(4,762)	(3,412)
Contract liabilities	(420)	(881)
Lease liabilities	(1,264)	(1,284)
Current taxes	(182)	-
Non-current liabilities	(307)	-
Total liabilities	(6,935)	(5,577)
Equity and reserves	(20,580)	(17,894)
Total equity and liabilities	(27,515)	(23,471)

Our business

Our unique software and technology provides the foundation from which large landlords and flex workspace providers can simplify the management of their network of spaces and understand their occupiers' needs through insight, automation and efficiency.

The future of work is flexible...

Our vision is to power the world's largest community of flexible, tech driven spaces.

Helping our customers deliver digitally enabled buildings and spaces since 2006

bruntwood 

CBRE

Blackstone


LANDMARK


INDUSTRIOUS

 JLL

Hines


TISHMAN SPEYER

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

We help deliver digitally enabled spaces and experiences at scale

Physical experience



Digital experience



Shared meeting spaces



Building amenity spaces



Flexible space options



Touchless technologies



Connected technologies / apps



Access

Physical

Digital

Intelligence

Utilisation

Experience

Experience

Seamless

Mobile-first

A powerful business tool that helps drive occupancy and reduce operational costs



Thank you

Nominated advisor & broker:

Singer Capital Markets

+44 (0)20 7496 3000

Financial public relations:

FTI consulting

+44 (0)20 3727 1000

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30 April 2024