



# 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

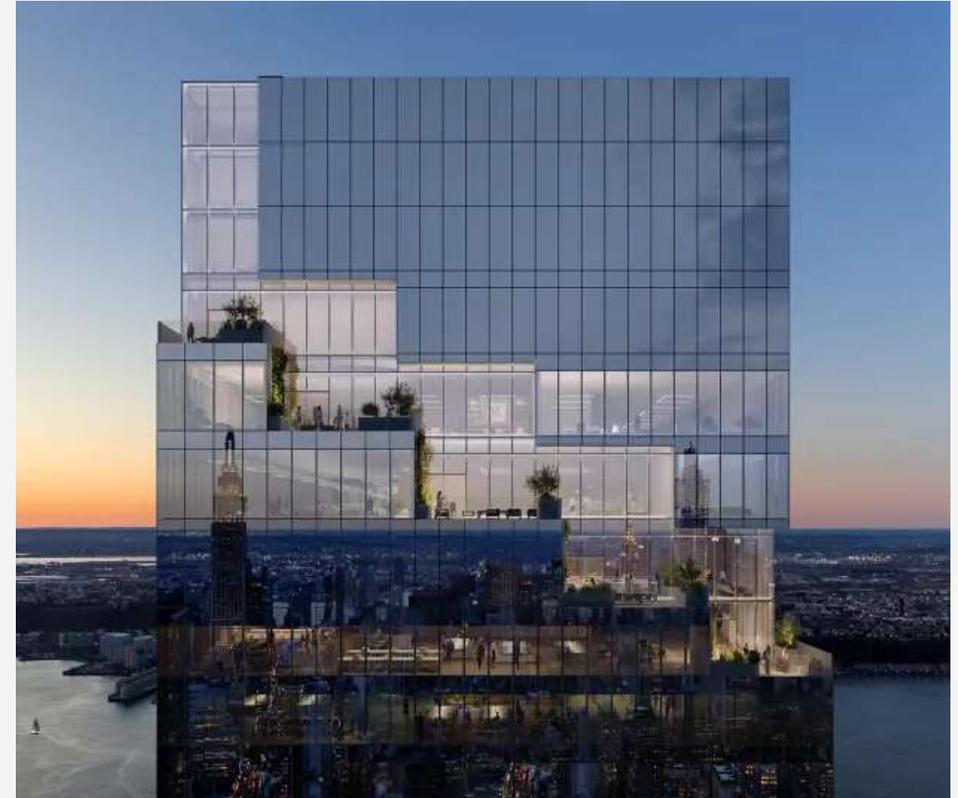


# Financial review

# Financial highlights H1 24

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

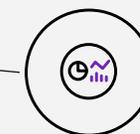
<sup>1</sup>New ARR contracted not live at 31 January 2024



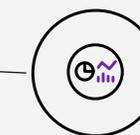
Tishman Speyer - The Spiral, North America

# Income statement

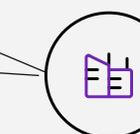
SIX MONTHS ENDED 31 JANUARY (£'000)	2023	2024
<b>REVENUE</b>		
Recurring	10,628	10,172
Non-recurring	2,281	1,561
<b>TOTAL REVENUE</b>	<b>12,909</b>	<b>11,733</b>
of which: North America	8,063	6,861
UK & Europe	4,501	4,368
APAC	345	504
Cost of sales	(5,580)	(4,736)
<b>GROSS PROFIT</b>	<b>7,329</b>	<b>6,997</b>
Gross margin %	57%	60%
Overheads	(11,489)	(7,552)
Other Operating income	-	102
<b>ADJUSTED EBITDA</b>	<b>(4,160)</b>	<b>(453)</b>
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)
<b>LOSS BEFORE TAX</b>	<b>(7,652)</b>	<b>(2,835)</b>
Tax	-	156
<b>LOSS AFTER TAX</b>	<b>(7,652)</b>	<b>(2,679)</b>



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

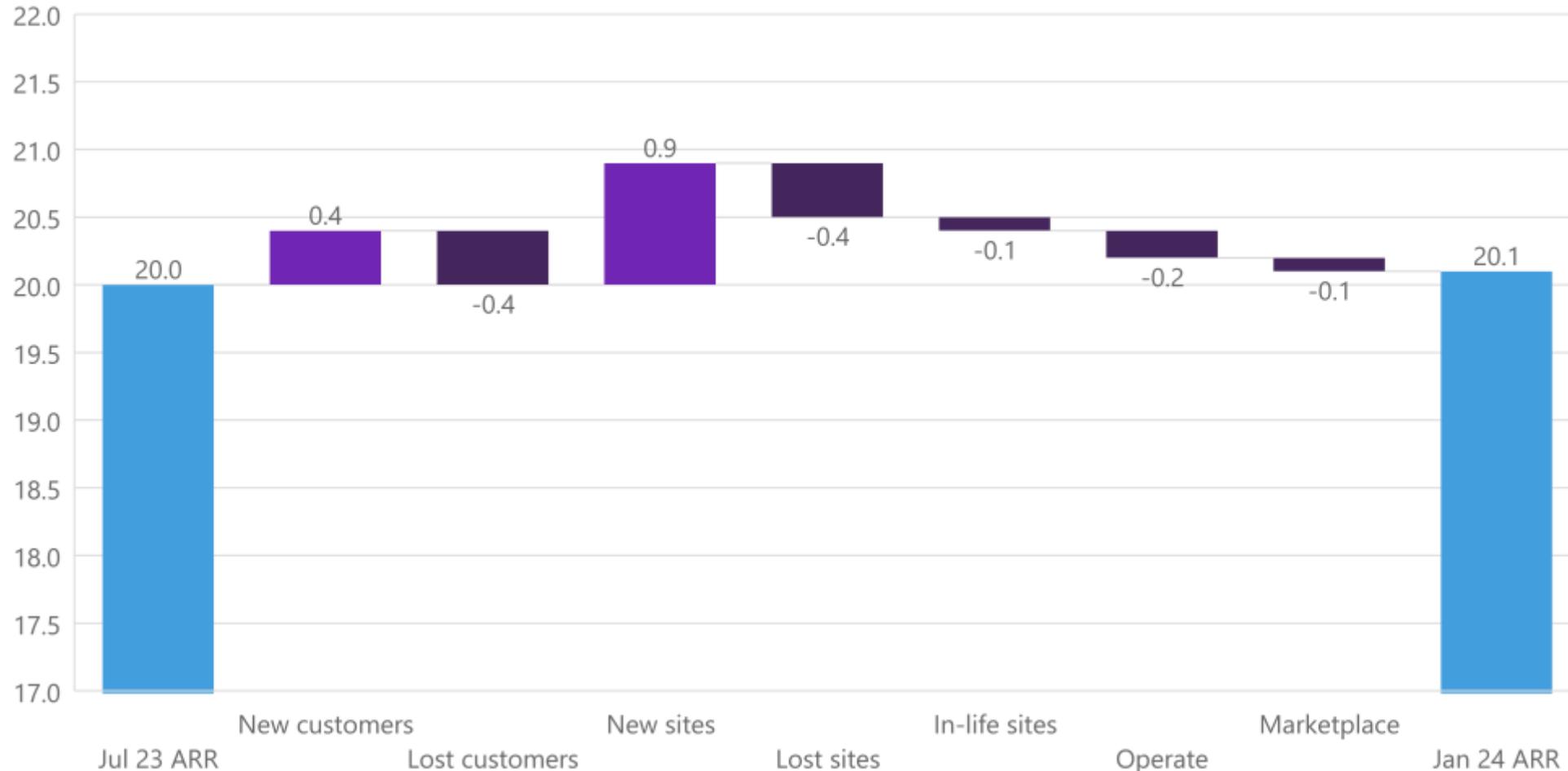


Higher recurring mix, improved  
recurring gross margins

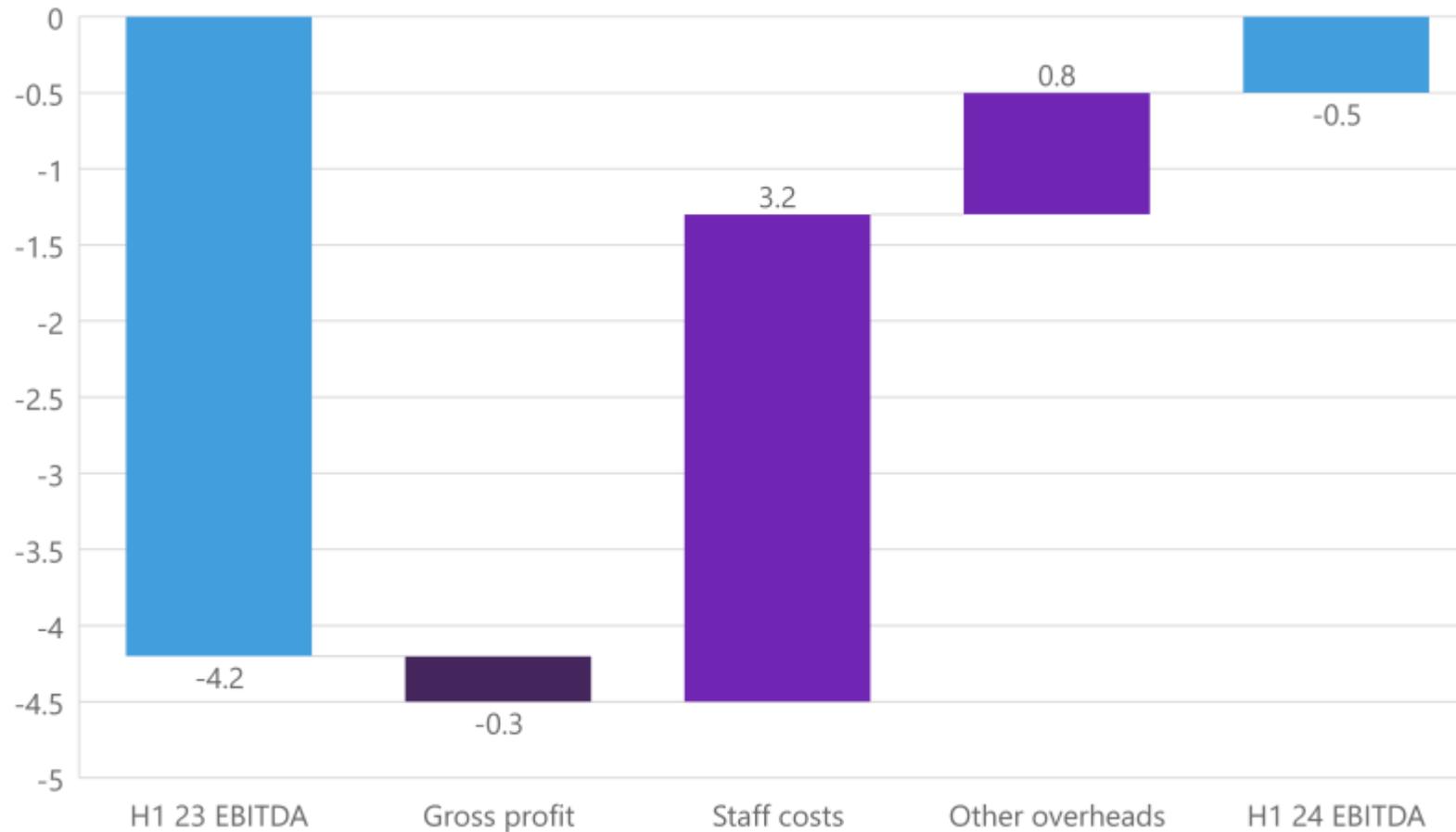


Impacts of reorganisation

# ARR bridge July 2023 to January 2024 (£m)



# Adjusted EBITDA movements H123 to H124 (£m)

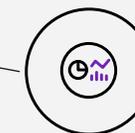


# Cashflow statement

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		
<b>CASH FROM OPERATIONS</b>	<b>(8,025)</b>	<b>(2,709)</b>
Tax & foreign exchange	-	25
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(8,025)</b>	<b>(2,684)</b>
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)
<b>NET CASH FLOW FROM FINANCING &amp; INVESTMENT</b>	<b>(3,045)</b>	<b>(1,822)</b>
<b>NET CASH FLOW</b>	<b>(11,070)</b>	<b>(4,506)</b>
Opening Balance	24,122	7,862
Forex adjustments	(451)	106
<b>CLOSING BALANCE</b>	<b>12,601</b>	<b>3,462</b>



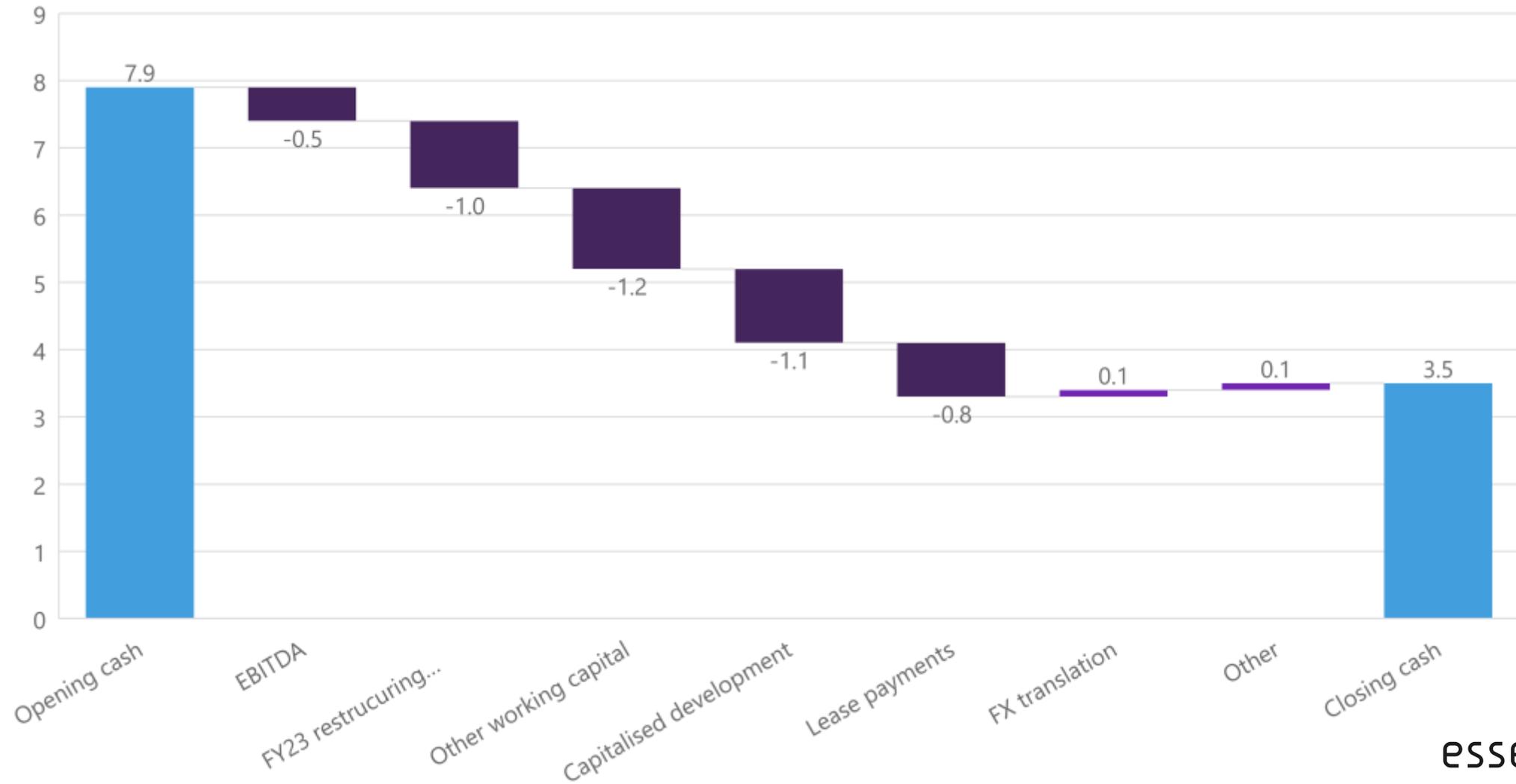
Payment of £1m exceptional reorganisation costs



Impact of global reorganisation

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

# Cashflows H1 24 (£m)



# Operational review

# Operational highlights H124

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

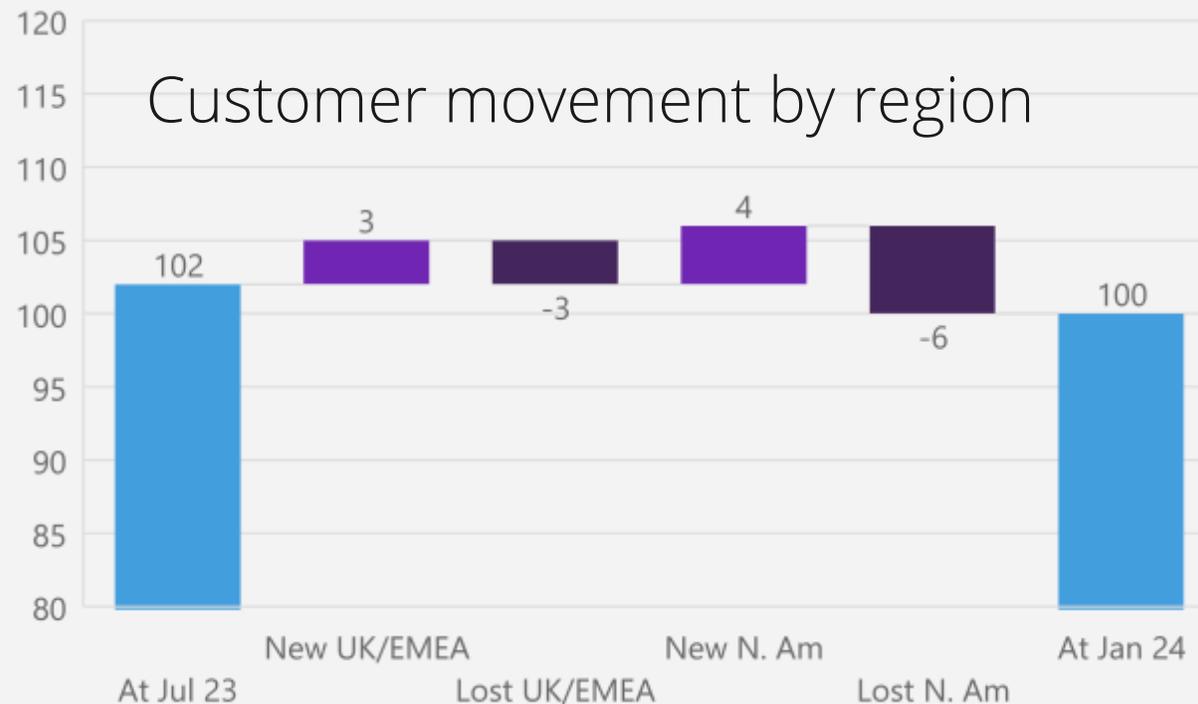
-8 small

## Strategic customers

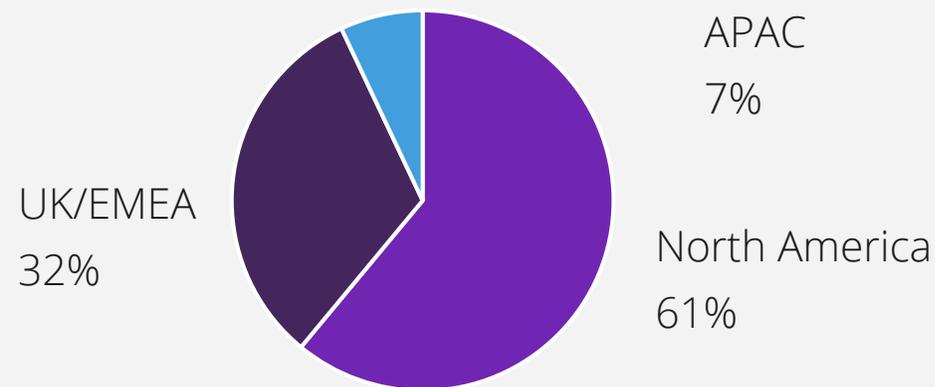
84% of total sites

81% of ARR and total revenue

103% Net revenue retention



### Proportion of total strategic ARR

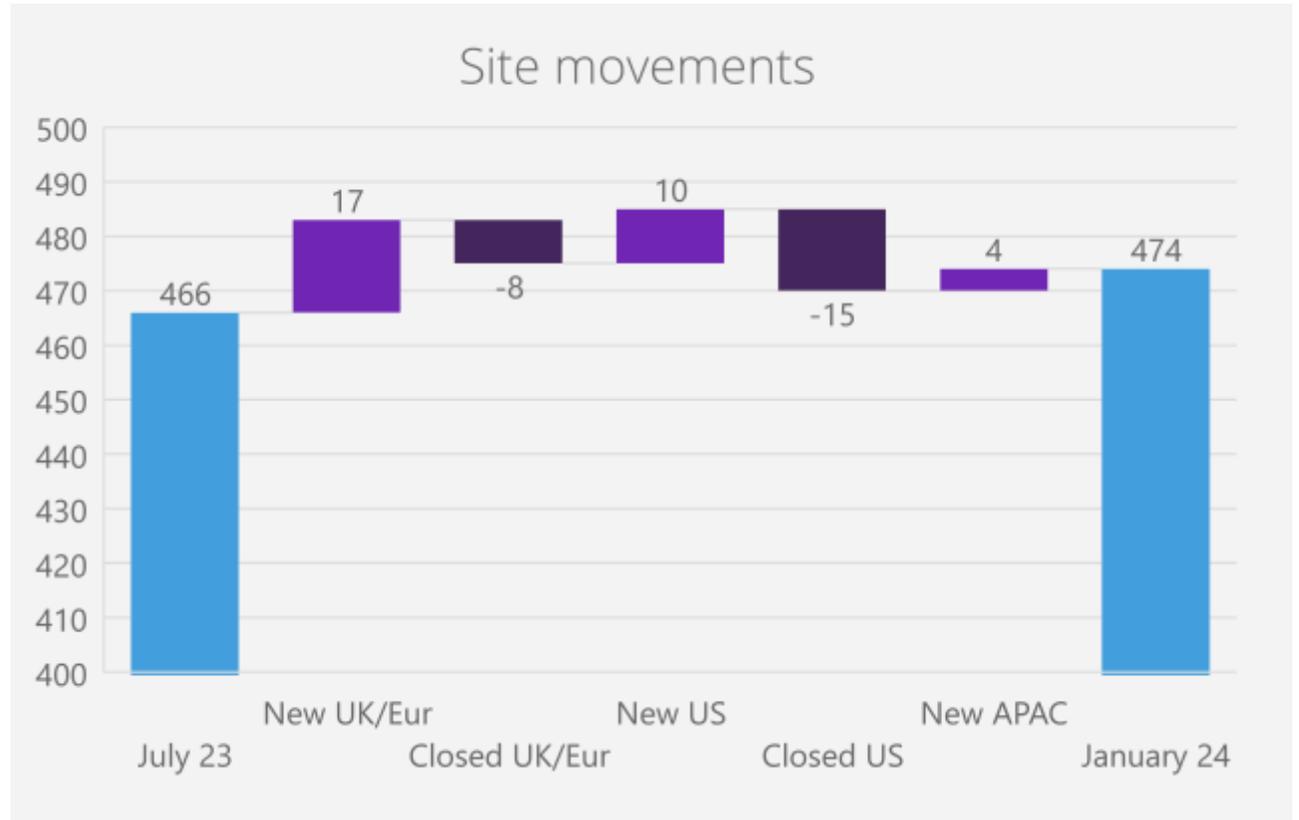
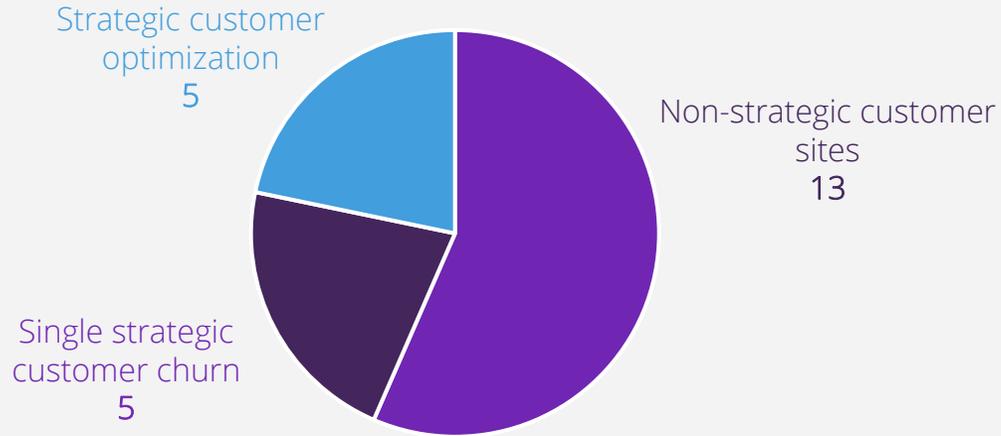


■ N. America ■ UK/EMEA ■ APAC

# 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



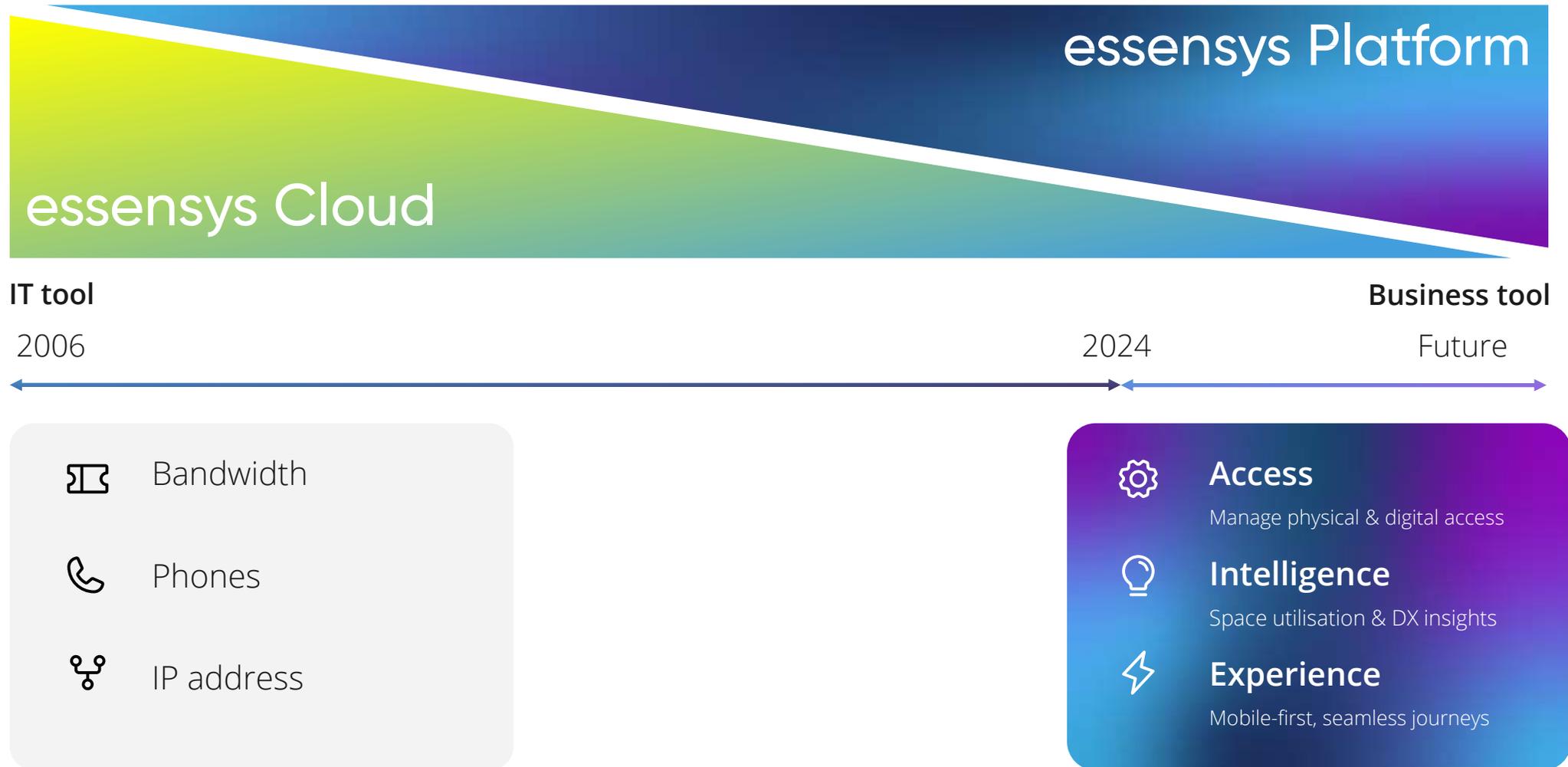
- 🕒 3 year term
- 🤝 Master Service Agreement
- 📈 \$1M ARR min. contracted
- 🏢 +350 sites in total
- 🔄 US headquartered global CRE company

## 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

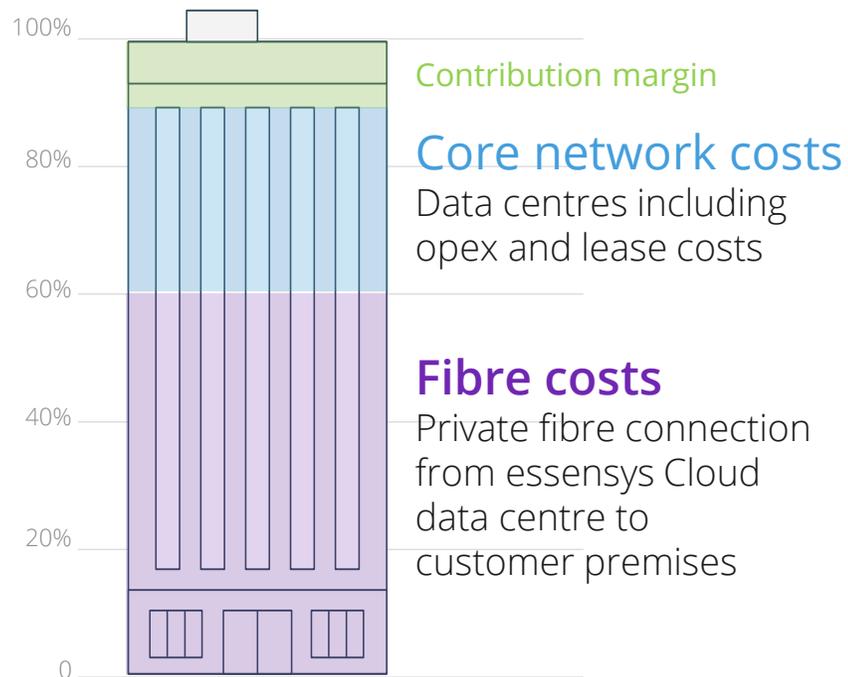
→ Increase yield

→ Drive occupancy

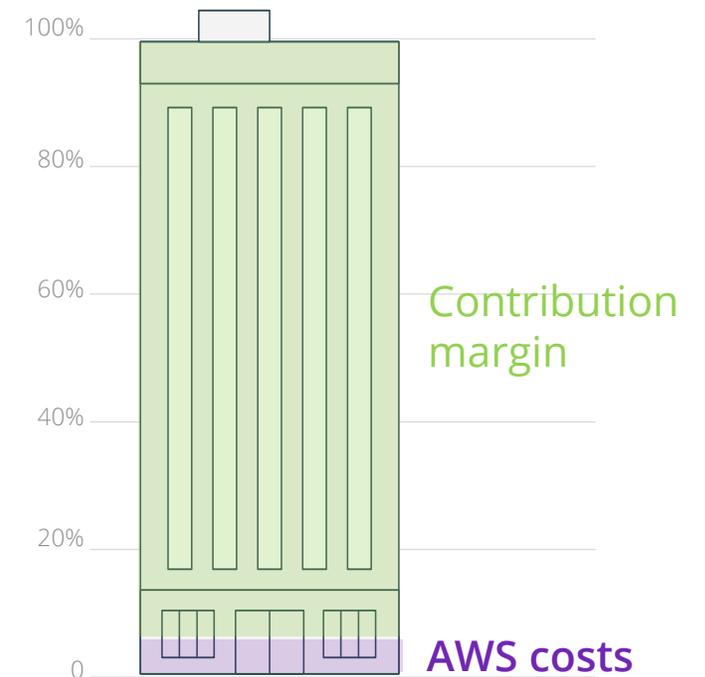
→ Reduce operating costs



# 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 buildings<sup>1</sup>

**9%**



Premium buildings have 9%+ higher occupancy rates vs. lower-tier buildings<sup>1</sup>

**30%**



Organisations have increased space sharing by 30% since 2021 due to hybrid work<sup>2</sup>

**44%**



Use of collaboration space has increased by 44% since 2021<sup>2</sup>

<sup>1</sup> Brookfield, The Misunderstood U.S. Office Market, 2024  
<sup>2</sup> 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
<b>Non-current assets</b>	<b>12,776</b>	<b>12,178</b>
Intangible	10,059	9,936
Tangible	1,577	1,149
Right of use	1,140	1,093
<b>Current assets</b>	<b>14,739</b>	<b>11,293</b>
Inventories	2,260	2,332
Trade and other receivables	4,617	5,499
Cash	7,862	3,462
<b>Total assets</b>	<b>27,515</b>	<b>23,471</b>
<b>Current liabilities</b>	<b>(6,628)</b>	<b>(5,577)</b>
Trade and other payables	(4,762)	(3,412)
Contract liabilities	(420)	(881)
Lease liabilities	(1,264)	(1,284)
Current taxes	(182)	-
<b>Non-current liabilities</b>	<b>(307)</b>	<b>-</b>
<b>Total liabilities</b>	<b>(6,935)</b>	<b>(5,577)</b>
Equity and reserves	(20,580)	(17,894)
<b>Total equity and liabilities</b>	<b>(27,515)</b>	<b>(23,471)</b>

# 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



Tishman Speyer - The Spiral, NYC

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

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30 April 2024