

SmartSpace Software Plc

SaaS | Visitor Management | Desks | Meeting Rooms

Investor Presentation

May 2021



SMARTSPACE
SOFTWARE



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In the room

Frank Beechinor, CEO

- Joined as non-Executive Chairman in 2014, became CEO July 2018
- Previously CEO of OneClick HR
- Non Executive Chairman of dotdigital (AIM:DOTD) : 2011-2019



Bruce Morrison, CFO

- Joined in November 2018
- Previously CFO of Bond International Software plc and Finance Director of Wembley Stadium Limited
- Chartered Accountant






Guy Van Zwanenberg , Chairman

- Joined the Board 2014, became Chairman in 2018
- Experienced NED of quoted and unquoted technology businesses
- Currently NED at Quixant



Operating businesses

		SPACE CONNECT 	
Products/Services	SaaS Visitor Management Software (VMS) and desk management software	SaaS Integrated Workplace Software Includes Meeting Room Booking, Desk Management & Visitor Management	Distribution of Smart workplace solutions Hardware & software sales Meeting room, workplace sensors design and install
Market	Global Small single site business to multi-location Fortune 500 businesses	Global Small to medium size businesses (up to 1500 employees per location)	UK
Sales Model	Direct	Channel	Channel
Deal size	Average ARR per client £1,200	Average ARR per client £8,000	Varies
Employees	35	16*	14
Location	Tauranga, New Zealand Austin, Texas	Mildenhall, UK	Mildenhall, UK

Notes: In addition to above there are a further 4 staff in Group plus 2 Non-Executive directors
*6 of Space Connect team are contractors

Our customers

swipedon

Customers

USA	36%	Ireland	1%
UK	20%	Germany	1%
Australia	18%	Singapore	1%
New Zealand	12%	Italy	1%
Canada	5%	ROW	4%
Netherlands	1%		

SPACE CONNECT

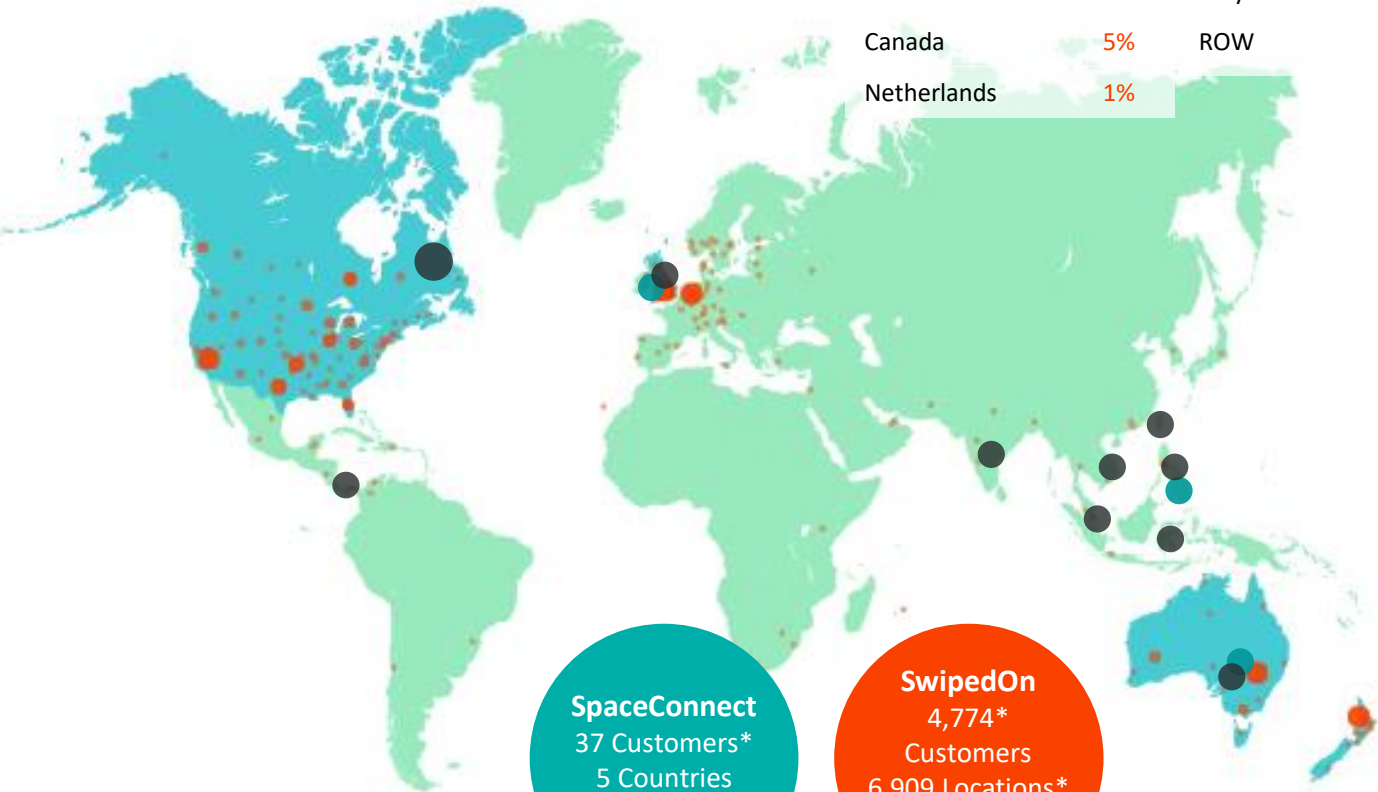


Customers

UK	64%
Australia	34%
ROW	2%

Partners

UK	59%
Australia	22%
Far East	9%
Americas (excluding US)	10%



SpaceConnect
37 Customers*
5 Countries
22 Partners

SwipedOn
4,774*
Customers
6,909 Locations*
73 Countries

* At 30 April 2021

FY 21 Operating highlights

- Disposal of the enterprise software division allowing us to focus on building our SaaS business
- Covid-19 gave us some challenges but has also created significant opportunities
 - The need for Covid-specific functionality from our target customers –pre-screening, contact trace in the work place
 - The shift to ‘Hybrid working model’ – software needed to manage/book desks and meeting rooms in reduced real estate footprints
- SwipedOn has continued to grow
 - Increased ARR, ARPU
 - Focusing our sales effort on clients where we can ‘land and expand’
- Good progress in Space Connect
 - Evoko Naso released in December 2020 and product now shipping with revenues recognised each month
 - Indirect sales channels with 22 partners in 5 countries established including key deals with Softcat, ESCO
- Anders & Kern
 - Impacted by lockdowns as clients but maintained profitability and now momentum returning



swipedon Business Review

- 4,735 customers with 6,741 locations in 73 countries (at 31/1/21)
 - Added 1,354 new customers in FY21
 - ARR grew by 43% to NZ\$5.2m in FY21
 - ARPU increased 18% to NZ\$91.90 in FY21
 - Monthly customer churn increased from 0.66% to 1.00% through pandemic but has now stabilised and has remained at the same level over the past 3 months
- Continued to invest in the SwipedOn platform;
 - Introduced Covid-specific functionality – contactless check-in, visitor pre-screening
 - New multi-location settings and multi-site capabilities
- Sales resources now focus on higher value, multi-location, mid-market customers
 - New multi-site customer wins
 - Expansion revenue from existing customers – Vestas, XPO, DHL, Access etc
- Awarded leader in mid-market VMS category by G2, the peer to peer software review site

ARPU
+18%

ARR
+43%

Example Multi-location Wins



Signed Aug 20
Locations 68



Signed Aug 20
Locations 58



Signed Feb 21
Locations 49

swipedon Growth Strategy

- Maintain current trajectory of increasing customers, locations and ARR
 - Will look to trial in one new non-English speaking market in H2
- Upsell – increase APRU from existing customers
 - Price increase implemented from 1 February 2021
 - Migrate customers to higher plans – 50% of SwipedOn revenue from 16% of customers
 - Opportunity to upsell from 'Starter' and 'Business' price plans to 'Enterprise' price plan
 - Multi-location sales – average of 1.42 locations per customer through last year
 - 'Land and expand' with existing customers – outbound sales activity to seek out opportunities
 - Proactively target large multi- location organisations Cross-sell –increase ARPU
 - SwipedOn Desks
 - Cross-sell SwipedOn Desks to a relatively small number of customer will have significant impact on ARPU
 - Example
 - Customer currently with a single reception on SwipedOn Starter Plan
 - They would currently pay £39 (NZ\$78) per month
 - Assume that customer has 100 desks, and SwipedOn Desks pricing at £4 per desk per month
 - SwipedOn Visitor + SwipedOn Desks = £439 (NZ\$780) per month
 - ARPU increases from £39 (NZ\$78) to £439 (NZ\$780)
 - If we can achieve this across, say, 200 customers, then;
 - ARR will increase by NZ\$1.92m and ARPU across the entire customer base would increase by NZ\$33



SPACE CONNECT Business Review

- FY21 was one of considerable progress for the business
- Covid-19 specific functionality developed
- Partner network growing so we now have 22 partners selling Space Connect
 - One strategic partner – Evoko
 - Two major resellers
 - Softcat (UK) – average customer ARR value net to Space Connect £8,000, paid annually in advance
 - ESCO (Asia) – signed first customer in Philippines, ARR value net to Space Connect £18,000
 - 22 resellers in UK, Europe and Australia
- Naso gaining momentum through the Evoko distributor network
 - Shipping and recognising revenues each month since January
 - Expected to gather momentum as countries come out of lockdowns and staff return to offices
 - Number of significant in-house prospects run directly by Evoko
- Space Connect product now approaching 40 customers with ARR of £0.4m





City Fibre Employee desk
booking with social
distancing



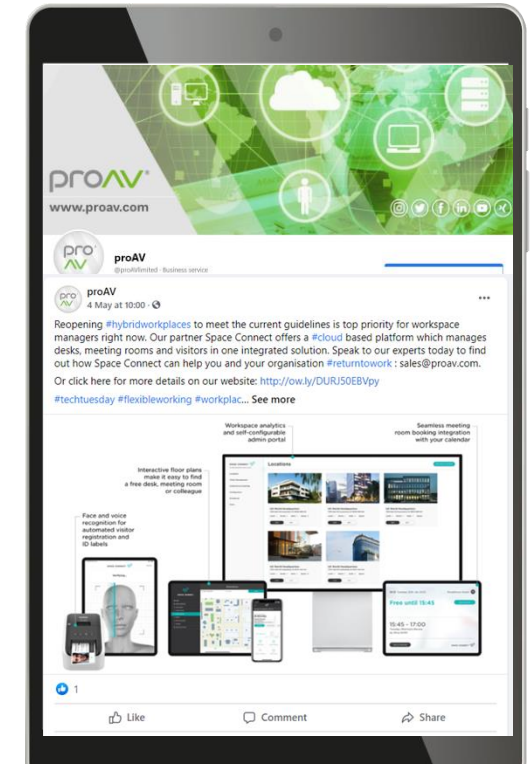
Return to the office (RTO)

- Growing interest in getting back to the office and the emergence of hybrid working
- Companies indicate they wish to reduce real estate footprint – more people than desks
- We provide solutions to facilitate desk and room booking
- Space Connect partners have a defined RTO offering, showcasing Space Connect
 - Softcat launched their RTO campaign in April
 - ProAV announced their RTO offering last week (see example)

Case Study CityFibre

- Project awarded via Softcat, in Sept 2020
- Successfully deployed 400 desks across 25 locations in 3 weeks
- First phase value £27k ARR net to SpaceConnect*

*Canaccord Genuity Research 9th April 2021





- Identify other opportunities for white label offerings
 - Hardware manufacturers
 - FM companies
 - Property management businesses
- Seek additional distributor/major reseller partners
 - Reactivate opportunities in the US put on hold due to Covid
- Increased channel sales team
- Evoko NASO sales
- Consolidate software development in New Zealand by the end of FY22



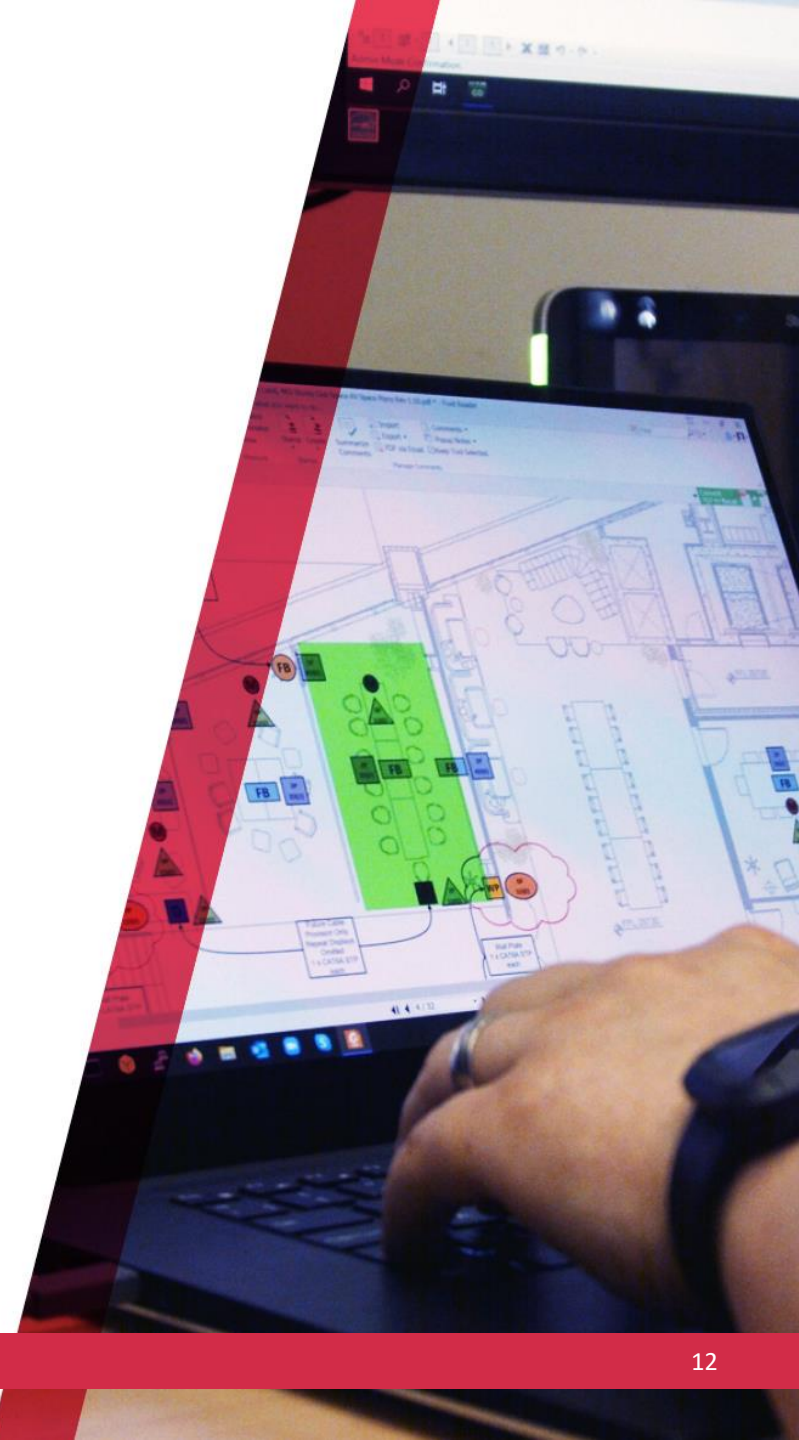
A+K - Business Review

- Transitioned from AV distributor/integrator to focus on distributing smart workplace technologies, including;
 - Space management solutions: XY sense, Vergesense
 - Desk management sensors: Iadea, Kontakt.io
 - Meeting room Panels: Evoko, Iadea, Steelcase
 - Workplace employee temperature solutions: Allsee
- With 500 resellers A+K is a great distribution channel for Space Connect
 - 200 of these resellers could be suitable partners for Space Connect
 - 12 A+K resellers already selling Space Connect
- Order intake reduced significantly during UK lockdowns in FY21
- Office on restricted hours during lockdowns and the majority of staff furloughed to minimise the financial impact



A+K - Growth Strategy

- Continue to build product range with emphasis on smart workplace technology
- Focus on hardware products with SaaS offerings
- Higher margin offers
- Increase software sales
- Build annuity revenue – software and support contracts
- Critical part of the SwipedOn ‘follow the sun’ customer support (along with NZ and Austin)
- Space Connect
 - Global sales from A+K Mildenhall office
 - Dealer support
 - Technical support
- SwipedOn
 - Sales - UK, Europe and East Coast US
 - Customer support - UK, Europe and East Coast US



Financial highlights Y/E 31 January 2021

- Total revenues £4.6m

	FY21 H1 £'000	FY21 H2 £'000	FY21 £'000	FY20 £'000
<i>Recurring revenue</i>				
SaaS	972	1,288	2,260	1,321
Other recurring revenue	74	59	133	139
Total recurring revenue	1,046	1,347	2,393	1,460
<i>Non recurring revenue</i>				
Hardware	1,242	769	2,011	3,443
Licences	21	63	84	32
Professional services	11	130	141	147
Total non-recurring revenue	1,274	962	2,236	3,622
Total revenue	2,320	2,309	4,629	5,082

- Recurring revenues of £2.4m up by 64% YOY
- SaaS revenues up by 71% YOY and up 32.5% in H2 compared to H1
- Low margin hardware revenues impacted by Covid-19 but higher margin SaaS revenues have shown significant growth despite the pandemic
- Annualised run rate up by 50% YOY to £3.0m (ARR)



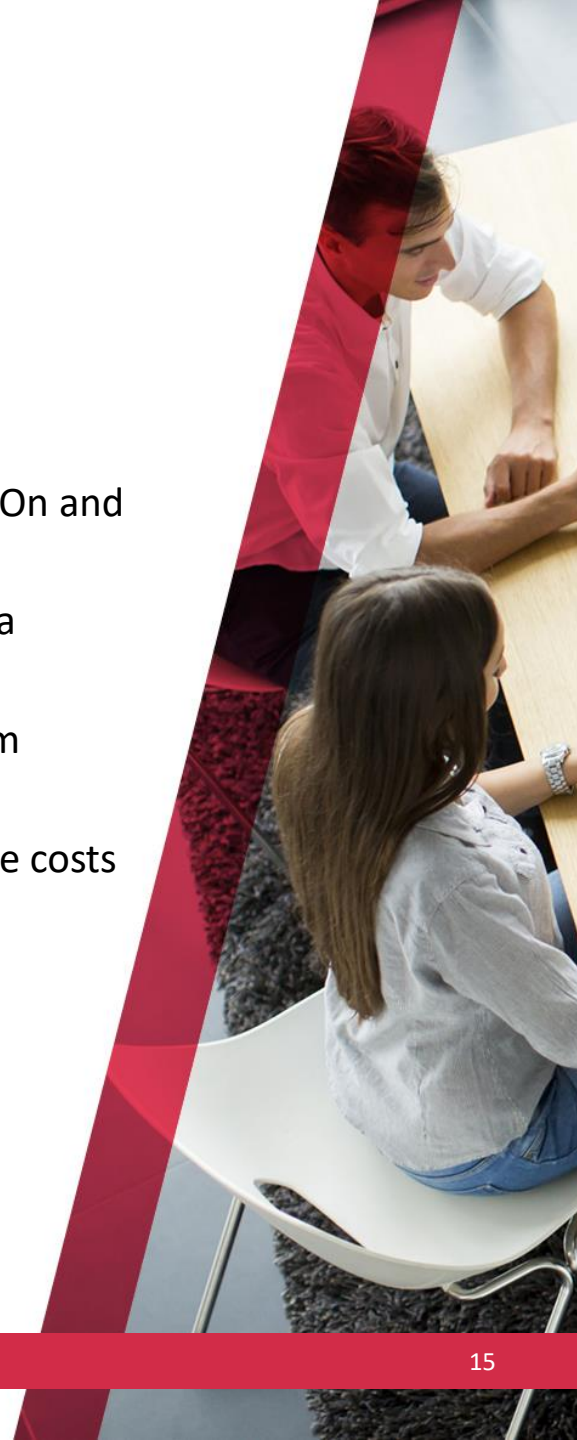
Financial highlights Y/E 31 January 2021 (cont'd)

- Gross margin 57% compared to 41% as SaaS revenues grow
 - 91% on SaaS businesses
 - 30% margin on hardware and other non recurring income
- Operating costs up by 28%.
 - First full year of Space Connect increased costs by 18%
 - Expansion of SwipedOn increased costs by 13%
- FY21 H2 operating costs £2.7m up 22% on H1 as a result of delayed marketing and delayed marketing during first lockdown in March to May 2020
- EBITDA by segment:

	FY21 H1 £'000	FY21 H2 £'000	FY21 £'000	FY20 £'000
SwipedOn	-84	-111	-195	-554
Space Connect	-324	-322	-646	-114
Ander & Kern	-4	-80	-84	284
Central operating costs	-556	-639	-1,195	-1,288
Total adjusted LBITDA	-968	-1,152	-2,120	-1,672

Financial highlights Y/E 31 January 2021 (cont'd)

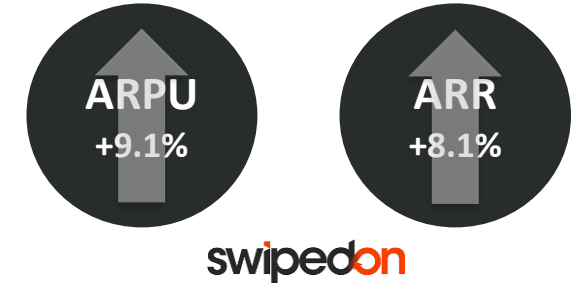
- Net cash inflow in FY21 of £1.92m (FY20: Outflow £5.45m)
- Net cash outflow from continuing operations of £1.65m in FY21 compared with £1.85m in FY20
- Net cash outflow from discontinued operations of £0.15m (FY20: Outflow £4.05m)
- Positive working capital movement due to increase in deferred revenue from annual contracts in SwipedOn and Space Connect
- £0.4m of R&D tax credits relating to FY19 received prior to disposal of Enterprise Software division with a further £0.4m receivable in the current year relating to FY20 which forms part of the sales consideration
- Capital expenditure on software development costs of £0.68m (FY20: £1.69m) in the year of which £0.4m related to the enterprise software business
- Net proceeds on disposal of £4.2m received in the year after deducting £200k of cash on disposal and the costs of disposal (FY20: £1.63m)
- Lease payments of £0.1m of which £0.05m related to discontinued operations
- Year end cash £4.52m (FY20: £2.59m) with borrowings of £0.4m (FY20: £0.4m)



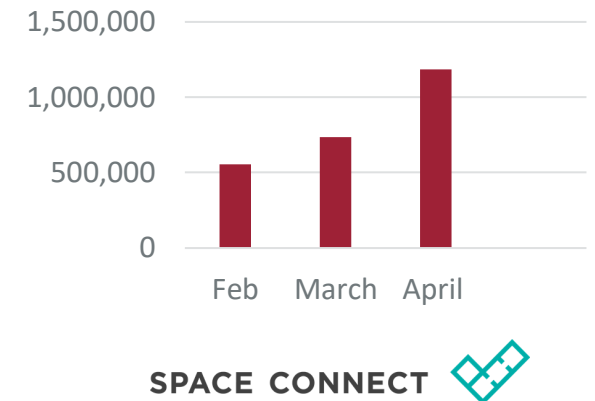
Current trading

- The momentum has continued with progressive acceleration of pipeline in all 3 businesses
- **SwipedOn**
 - Prices increased from 1 Feb 2021 – ARPU from new customers signed since Feb 21 NZ\$140
 - Overall ARPU increased by a further 8.1% to NZ\$99.32 and ARR grew by 9% to NZ\$5.7m
 - Focus on higher value customers in mid-market, with cross-sell and multi-location potential
 - Added 318 locations and 180 customers in Q1, Average locations per customer: 1.77
- **Space Connect**
 - Significant pipeline growth in UK, Far East and Australia increased 112% from £0.56M in February 21 to £1.18M at end April 21
 - Ending of lockdown has been major catalyst, partners now pushing RTO (Return to the Office) solutions specifying Space Connect
 - A number of significant Evoko Naso opportunities with major international clients
- **A+K**
 - Performed well against plan in Q1 with significant increase in sales pipeline, first Naso sales
- Cash of £4.0m at 5/5/21

Q1 FY22



Sales pipeline growth



Conclusion

- Focused Group with emphasis on high margin SaaS revenue – high growth ARR & ARPU
- We offer solutions to help businesses return to the office and to better understand their real estate and help implement hybrid working
- SMRT operates in a new market with no dominant player
 - Normally our products do not displace existing systems
 - The demand we sell against impacts businesses globally
 - Estimate 4-5 years for full penetration
- SwipedOn growing well with many opportunities to accelerate growth in mid-market
 - 'Land and Expand' strategy will progressively reduce CAC and improve other metrics
- Space Connect gaining traction through partner channels, with Naso revenues now flowing
 - Opportunity to significantly grow partner network overseas
- A+K repositioned as a provider of smart workplace technology with more recurring revenue
- Sufficient cash to execute on plans
 - Two businesses at cash break-even and the 3rd business to follow in the near future
- We are in a competitive position, in the right place at the right time in what is virgin territory



APPENDICES

Consolidated Income Statement FY21

	FY21 £'000	FY20 £'000
Revenue	4,629	5,082
Cost of sales	(1,978)	(3,014)
Gross profit	2,651	2,068
Operating costs	(4,901)	(3,819)
Other income	130	79
Loss from operating activities before interest, taxation, depreciation, amortisation, impairments, share-based payments and exceptional items	(2,120)	(1,672)
Depreciation and amortisation	(375)	(201)
Impairments	(72)	(205)
Share-based payments	(150)	(88)
Exceptional items	-	(199)
Operating loss	(2,717)	(2,365)
Finance expense	(26)	(12)
Loss before tax	(2,743)	(2,377)
Taxation	612	468
Loss for the year from continuing operations	(2,131)	(1,909)
Discontinued operations	(124)	(7,973)
Loss for the year attributable to the owners of the parent	(2,255)	(9,882)

Consolidated Summary Balance Sheet FY21

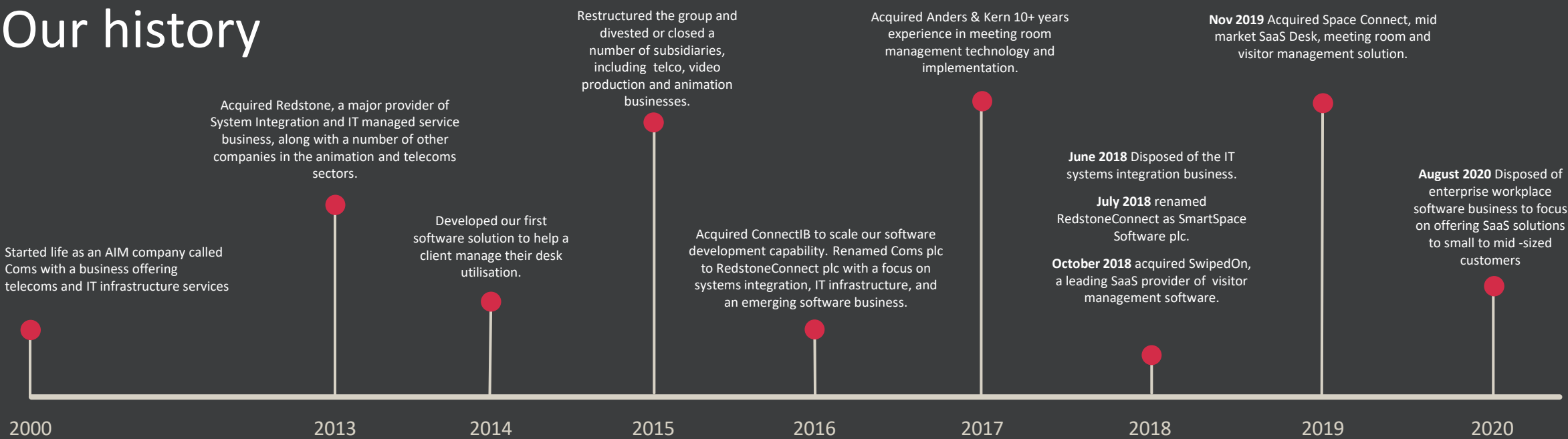
	FY21 £'000	FY20 £'000
Non-current assets		
Property, plant and equipment	683	693
Right-of-use assets	156	164
Intangible assets	11,222	10,508
Deferred tax assets	1,389	848
	13,450	12,213
Current assets		
Inventories	90	345
Trade and other receivables	1,096	722
Cash and cash equivalents	4,516	2,587
	5,702	3,654
Assets classified as held for sale	-	6,480
Total current assets	5,702	10,134
Total assets	19,152	22,347
Current liabilities		
Trade and other payables	2,296	1,874
Borrowings and lease liabilities	121	447
	2,417	2,321
Liabilities directly associated with assets classified as held for sale	-	2,113
Total current liabilities	2,417	4,434
Non-current liabilities		
Borrowings and lease liabilities	465	133
	465	133
Total liabilities	2,882	4,567
Net assets	16,270	17,780
Capital and reserves	16,270	17,780

Consolidated Cash Flow Statement

FY21

	FY21 £'000	FY20 £'000
Cash flow from operations		
Continuing operations	(1,639)	(1,849)
Discontinued operations	<u>(152)</u>	<u>(4,050)</u>
Total cash consumed by operations	(1,791)	(5,899)
Interest	(41)	(15)
Income taxes refunded	<u>394</u>	<u>138</u>
Net cash outflow from operating activities	<u>(1,438)</u>	<u>(5,777)</u>
Cash flow from investing activities		
Payments for acquisition of subsidiary	-	(1,589)
Property, plant and equipment	(44)	(280)
Payment of software development costs	(682)	(1,688)
Proceeds from sale of subsidiaries	<u>4,167</u>	<u>750</u>
Net cash from investing activities	<u>3,441</u>	<u>(2,807)</u>
Cash flows from financing activities		
Proceeds from issues of share capital	-	3,247
Repayments of borrowings and leases	<u>(86)</u>	<u>(109)</u>
Net cashflow from financing activities	<u>(86)</u>	<u>3,138</u>
Net change in cash and cash equivalents	1,917	(5,446)
Cash and cash equivalents at the beginning of the financial year	2,587	8,053
Effects of exchange rate differences on opening cash	<u>12</u>	<u>(20)</u>
Cash and cash equivalents at the end of the year	<u>4,516</u>	<u>2,587</u>

Our history



Product offering evolution



Market & competitors

TAM
£1.5bn

617K+
Europe
companies with 50+ employees

873K+
North America
companies with 20+ employees

129K+
Australia
companies with 20+ employees

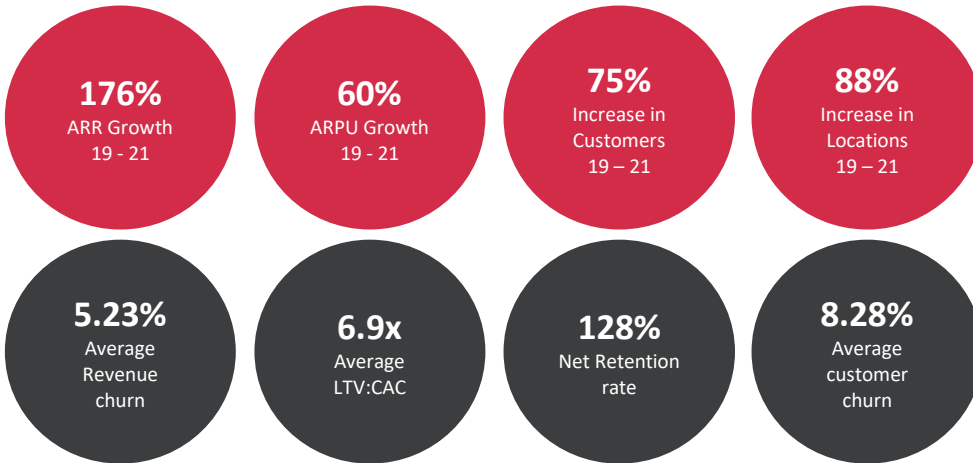
16K+
New Zealand
companies with 20+ employees

- SwipedOn – Envoy, ProxyClick, Sign-in App, Traction Guest, Sine
- Space Connect – Condeco, Teem/iOffice, Cloudbooking
- A+K – Ascenti
- M&A activity – very active market
 - iOffice bought Teem in January 2020
 - Honeywell acquired Sine in December 2020
 - MRI acquired Who's On Location in March 2021
 - Schneider Electric acquired a significant stake in Planon In November 2020
 - iLobby raised US\$100m in January 2021



swipedon - Key metrics

Overall Performance 2019 – 2021



Key Metrics over time:

	Jan 19	Jan 20	Jan 21
Customers (no)	2,713	3,896	4,735
Locations (no)	3,590	5,280	6,741
Annual recurring revenue - ARR (NZ\$m)	N\$1.89m	\$3.64m	\$5.22m
Average revenue per user/month - ARPU (NZ\$)	\$57.60	\$77.85	\$91.90
Revenue churn (%)	5.32%	4.25%	6.85%
CAV (NZ\$)	\$1,207	\$1,144	\$1,687
LTV (NZ\$)	\$6,701	\$8,373	\$8,588
LTV/CAC	5.6x	7.3x	5.1x



Customers, locations and ARR:

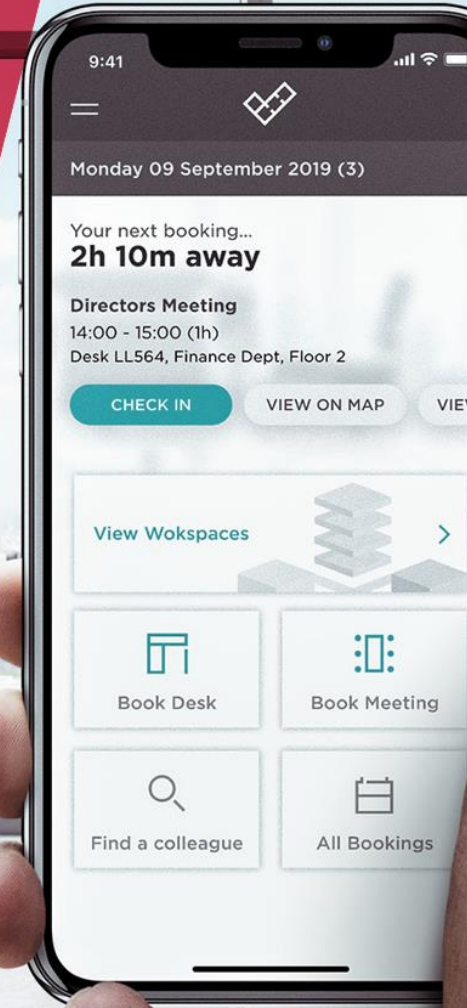


SPACE CONNECT - Business overview

- Acquired in November 2019, currently headcount of 16 including an outsourced development team of 6 in the Ukraine
- Based in group offices in Mildenhall
- Indirect Channel sales model, four levels of partner:

Strategic Partner	Evoko
Distributor/Major reseller	Softcat, ESCO
Reseller	22 resellers in UK, Central America & Australia
Referral Partner	FWI

- Largest customer NBN
 - 6000 desks and 160 meeting rooms across 10 locations
 - NBN first joint customer with XY Sense (now an A+K product line)



SPACE CONNECT - Route to Market

- Currently 22 channel partners in the UK, Australia and the Far East
- Principal partners are currently:
 - Softcat, ProAV and Anders & Kern in the UK
 - Gen-E, NetPillar in Australia
 - ESCO in the Far East
- Discussions with US partners, including Crestron partners, have slowed due to Covid
- These partner discussions are about to be reactivated
- Growth Strategy – Seek additional strategic and distributor/major reseller partners
 - US and UK are priorities
 - Channel sales team strengthened through recruitment



SPACE CONNECT - Evoko Relationship

- Evoko Naso
 - First new meeting room panel launched by Evoko in 5 years
 - Current generation product has sold 300,000 units
- We have worked on the development of Evoko Naso software development for over 2 years
 - The entire Naso operating system has been written by us
 - Includes the end-user app, licensing, registration and setup along with;
 - White-label Space Connect desk management, meeting room management and visitor management, branded Naso
- Our income from Naso – three components:
 - One-off payment of €70+ per panel, paid when the panel ships from Evoko
 - €36 per annum per panel SaaS fee, paid when panel is initialised by partner
 - 30-40% of the SaaS fee for any modules activated
 - Typical Evoko customer has 14 meeting rooms, 300 employees
 - SaaS revenue to Space Connect from each customer installed - c.€550 per month

Panel one off income	€70	
Panel SaaS income	€1,512	Assumes €36 per panel x 3 (Years) x 14 panels
Software module SaaS income	€19,800	Assumes €550 X 36 months
3 Year TCV to Space Connect	€21,312	
MRR to Space Connect	€592	
ARR to Space Connect	€7,104	



A+K - Business overview

- Acquired in 2017, 14 employees, based Mildenhall
- Pivoted from traditional AV distributor/integrator to focus on distributing and implementing smart workplace technologies, including;
 - Space management solutions: XY sense, Vergesense
 - Desk management sensors: ladea, Kontakt.io
 - Meeting room Panels: Evoko, ladea, Steelcase
 - Workplace employee temperature solutions: Allsee
- Rationale for being part of the group
 - Network of 500 UK resellers – 200 of these potential partners to resell Space Connect
 - Provides centralised support desk for SwipedOn and Space Connect east coast US and EMEA
 - Hardware manufacturers open reverse strategic partner opportunities Space Connect



Senior management team & board



Frank Beechinor

CEO

Experienced in growing SaaS businesses. Previously Chaired dotdigital and CEO of OneClickHR, both on AIM. Joined SmartSpace in 2014, originally as Chairman, and became CEO in 2018.



Bruce Morrison

CFO

Previously CFO at Bond International software Bruce joined the group in 2018. Responsible for the Group finance function and sits on the plc Board.



Spencer Dredge

COO

Been with the Group since 2014 and was instrumental in the original restructuring of the Group. He has run most of the disposals and acquisitions made by the Group.



Steven Black

MD – A+K

A+K for over 20 years, originally as head of sales. Became MD in 2016. Until the disposal of SSG also ran the combined sales for the Group but now 100% focused on A+K.



Hadleigh Ford

MD-SwipedOn

The original Founder of SwipedOn and has been driven behind the strategy that has created the successful business as it stands today. Based in Tauranga.



Matt Pope

MD- Space Connect

A veteran in Australian tech consulting and formed Space Connect having been on the buy side of failed specie management solution deployments. Now lives in the UK.

Guy Van Zwanenberg

Non-Executive Chairman

Chartered Account, veteran in the running tech businesses. Extensive experience of being on the boards of a number of UK quoted companies. Joined the Group in 2014 and became Chairman in 2018.



Diana Dyer-Bartlett

Non-Executive Director

Chartered accountant with many years experience in the City. Has sat and sits on a number of boards of both listed and private UK companies. Member of the plc Board and chairs the Audit Committee. Joined in 2013.



Top 10 Shareholders

		%	Number
1	JO Hambro Capital Mgt (London)	10.77	3,115,000
2	Alto Invest (Paris)	8.71	2,520,262
3	Interactive Investor	8.76	2,534,166
4	Hargreaves Lansdown Asset Mgt (Bristol)	8.61	2,490,286
5	Herald Investment Management (London)	7.75	2,240,780
6	Pope Family Investments Pty Ltd (Australia)	7.00	2,026,834
7	Patronas Partners	6.44	1,871,027
8	IG Markets (London)	3.77	1,090,294
9	Close Asset Management	3.69	1,066,300
10	Hadleigh Ford (SwipedOn owner)	3.63	1,048,838

* Extracted from Smartspace Software plc shareholder register at 29 January 2021



Shareholders by category

