28 April 2021

1Spatial plc

("**1Spatial**", the "**Group**" or the "**Company**")

Final results for the year ended 31 January 2021

1Spatial, a global leader in Location Master Data Management (LMDM) software and solutions, is pleased to announce audited final results for the year ended 31 January 2021.

Highlights

	31 January 2021 £m	31 January 2020 £m	*Change* %
Revenue	24.6	23.4	+5
Gross margin (%)	53	52	+1pp
Adjusted EBITDA*	3.6	3.2	+12
Adjusted EBITDA* margin (%)	14.8	13.8	+1.0pp
Operating loss	(1.2)	(1.5)	-19
Loss before tax	(1.4)	(1.7)	-17
Loss per share – basic and diluted (p)	(1.0)	(1.4)	-29
Operating cash generated	4.0	0.6	+596
Free cash flow**	0.9	(2.4)	n/a

Group financial highlights

- Recurring Revenue up 10% to £10.6m (FY20: £9.6m) and 43% of total revenue (FY20: 41%)
- Annualised Recurring Revenue ("ARR") *** up 10% to £11.2m (FY20: £10.2m)
- Operating cash generated increased by 596% to £4.0m (FY20: £0.6m)
- Gross cash at year-end up £2.2m to £7.3m (FY20: £5.1m)
- Net cash at year-end of £4.3m (FY20: £3.9m)

**Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, other non-recurring items*
*** Free cash flow is defined as net increase/ (decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.*
*** Annualised Recurring Revenue is the annualised value at the year-end of committed recurring contracts for licences and support & maintenance

Group operational highlights

- Robust response to Covid-pandemic with successful remote working for all employees and continued interaction with customers and prospects
- Completed integration of Geomap-Imagis acquisition
- New customer wins in all regions, including multi-year contracts with the State of Michigan (US), Environment Agency (UK), US Geological Survey (US), Seine Grand Lacs (France), the State of California's Office of Emergency Services (US)
- 29% revenue growth in the US
- Land and expand strategy driving revenue growth from existing customers, including Northern Gas Networks (UK), Google and a large French water utility company
- Award of first Esri Network Utility Model migration in the UK
- Continued R&D investment in innovative solutions with successful release of cloud-based 1Data Gateway solution
- Progress on partner strategy with prestigious partner award from Esri and a new partnership engagement with Ordnance Survey

Current trading & Outlook

- Trading in the current financial year has been in line with management's expectations
- Key contracts signed in FY 2022 include the Energy Networks Association, Ordnance Survey, Rural Payments Agency and Google
- The pipeline of sales opportunities and committed revenue in all regions is significantly stronger than a year ago

Commenting on the results, 1Spatial CEO, Claire Milverton, said: "We entered FY21 in a considerably improved financial and strategic position, following the successful conclusion of the three-year turnaround plan and were set for a year of growth. While the emergence of the Coronavirus in early 2020 re-shaped the year for us, we are proud of how our teams responded and of the results delivered, achieving growth in all our key financial metrics, winning new customers in all of our regions and bringing new offerings to market.

"We sit right at the heart of changes across multiple sectors. Whether that be in helping governments and energy providers prepare to meet the green agenda, supporting the investment in infrastructure upgrades as the world's economies prepare for post-Covid recovery, or implementing new digital transformation strategies. The positive market environment is translating into a growing sales pipeline of opportunities across new and existing customers, both direct and through our partners.

"While the Board remains aware of the need to manage potential risks arising from the Covid-19 pandemic, the strength of trading in the first two months of the year, increase in committed revenue and depth of the sales pipeline and positive market landscape provide the Board with confidence in a successful year of growth ahead and exciting long-term future for 1Spatial."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019.

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About 1Spatial plc

Unlocking the Value of Location Data

1Spatial plc is a global leader in providing Location Master Data Management (LMDM) software, solutions and business applications, primarily to the Government, Utilities and Transport sectors via the 1Spatial platform. Our solutions ensure data governance, facilitating the efficient, effective and sustainable operation of customers around the world. Our global clients include national mapping and land management agencies, utility companies, transportation organisations, government and defence departments.

Today, when using and sharing trusted data provides significant opportunities for businesses and governments to deliver against important sustainability and Net Zero goals, our vision is clear - to make the world safer, smarter and more sustainable by unlocking the value in data, enabling better decisions and greater insights.

The 1Spatial platform is a comprehensive set of data and system agnostic LMDM software components which helps ensure master data is compliant, current, complete, consistent, and coordinated – and that customers can be confident it will remain that way as it evolves. It allows them to master their data on any device, anywhere, anytime and can be deployed as SaaS in the cloud, on-premise, or as a hybrid of both.

Our domain expertise and data agnostic approach allows us to be an integral and important part of the Geospatial Ecosystem, supporting the wider digital economy. We partner with major technology consultancies and GIS providers such as ESRI and bring together our people, innovative solutions, industry knowledge and experience from our extensive customer base to deliver world class solutions.

1Spatial plc is AIM-listed, headquartered in Cambridge, UK, with operations in the UK, Ireland, USA, France, Belgium, Tunisia, and Australia.

Chairman's report

Despite the temporary hiatus caused by the pandemic in some parts of the Group, this year has seen us achieve good progress on both our financial goals and strategic development. The two main contributors to our robust trading results were the resilience of the industry markets we target, being Government, Utilities and Transport, and the quality of our people, who swiftly adapted to home working and remote delivery of projects, while continuing to innovate.

Despite a Covid-19 related dip in new business generation in the first half, the second half of the year showed a strong performance, with a number of significant contract wins and new clients added in all geographies. It was rewarding to see the smart partnership programme starting to bear fruit, with joint wins with Ordnance Survey, Esri, and Michael Baker and smaller vendors, in a host of clients.

We continue to transition our core technology, products and services to meet the growing demand for SaaS-based repeatable solutions that will give us much higher levels of growth and recurring revenue. At the same time we are investing hard in developing an increasingly valuable portfolio of location based data applications to really capitalise on the increasing demand we are seeing for useable, accurate Industry applications that can dramatically improve the economics and business models of our clients.

As with many industries, the pandemic has driven an acceleration of digital transformation initiatives across our customer base. These, coupled with government initiatives such as increased infrastructure investment and the launch of sustainability programmes, are driving a substantial heightening of awareness and comprehension of the value of location-based data across the globe, providing an increasingly supportive market backdrop for our offerings.

Financials

As in the prior year, our key financial objectives in FY21 were to grow recurring revenues, ensure improved profitability at adjusted* EBITDA level and improved operating cash generation. While Covid-19 slowed the rate of new customer wins through the middle part of the year, particularly in our French operations, the results for the year ended 31 January 2021 reflect the ongoing improvement in these metrics. We have delivered a robust financial performance, growing revenues and adjusted EBITDA profit levels, whilst achieving the important milestone of generating positive free cash flow**.

Group revenues increased by 5% to £24.6m (FY20: £23.4m), with recurring revenue, as a percentage of total revenue, increasing to 43% (FY20: 41%), as the business focuses on developing and selling repeatable software solutions under a SaaS model. Adjusted EBITDA* increased by 12% to £3.6m (FY20: £3.2m) with a higher margin of 14.8% (FY20: 13.8%). Operating cash inflow (before strategic, integration and other non-recurring items) more than doubled to £4.2m (FY20: £1.9m) with the Group being free cash flow ** positive £0.9m, even after non-recurring one-off items.

These positive results, delivered against the difficult backdrop of the pandemic, provide the business with a strengthening financial footing on which to continue to carefully invest in our products and operations in order to capture more of the growing location data market.

Board and corporate governance

We welcomed Andrew Fabian to the board as Interim CFO in June 2020 and were pleased to formalise his appointment as CFO in October 2020. His understanding of technology businesses and the transition to the cloud is proving incredibly valuable and he is a great addition to the team.

Corporate governance is continually assessed at 1Spatial and we have provided more information on this in the Corporate Governance Report included in this Annual Report. Peter Massey is Chair of the Remuneration Committee, Francis Small is the Chair of the Audit Committee and I am Chair of the Nomination Committee.

Our people

This year, more than ever, we have seen the quality of our teams shine through. Their energy, commitment and passion for customer service has not wavered through this, the most difficult of years for many and I would like to thank every member of 1Spatial for all the effort they have exerted on our customers' behalf. Our priority continues to be on ensuring the wellbeing of our teams around the world, providing them with the right, healthy environment to continue to deliver the high-quality service our customers expect of 1Spatial.

Environmental, Social and Governance (ESG)

At 1Spatial we are striving to make the world safer, smarter and more sustainable for the future. We provide our clients with solutions to support their ESG goals and as a Company we are proactive in evaluating what we can do to innovate and reduce our impact on the environment.

We help our customers unlock the hidden value in their data and provide significant opportunities to support businesses and governments to deliver against important sustainability goals. Be it horizontally between internal business departments, vertically up and down the external supply chain, or across a vast public accessed information infrastructure, our solutions underpin the efficient, effective and sustainable operation of established and emerging industries.

Given the nature of what we do, we have a low impact on the environment but we do lots of things to improve and offset our carbon footprint such as donations to the Woodland Trust to offset travel. From a social perspective we have an active team which has been really focussed during the Covid period on mental health and wellbeing activities. From a governance perspective we have a number of accreditations to ensure appropriate safeguarding our customer's data.

Looking forward

We have entered the new year with a record level of contracted future revenue, a wide range of customers in stable industry segments and growing proof of delivery both in Europe and the USA. We will continue to monitor the evolving situation in relation to Covid-19, the size of the opportunity ahead and increased win rate provides me and the Board with confidence that we are well placed to deliver sustainable growth at scale and that 1Spatial has an exciting long-term future.

Andy Roberts
Non-Executive Chairman

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CEO's Review

We entered FY21 in a considerably improved financial and strategic position, following the successful conclusion of the three-year turnaround plan and were set for a year of growth. The emergence of the Coronavirus in early 2020 re-shaped the year for us, as it did for so many businesses. While our growth aspirations were held back temporarily, we are proud of how our teams responded to the new challenges and of the results delivered for the year.

Increasingly supportive market backdrop

There has been a groundswell of interest in our offerings across our chosen markets and industries and we feel that we are at the beginning of a new growth trajectory. There is a growing awareness across multiple industries, not only that location data is a vital element in the delivery of better, faster and safer services, but that the data needs to be accurate and shareable. Location data is increasingly being used as the main points of reference when connecting multiple systems.

In the past our offerings have been used to address needs such as increased efficiencies or cost savings but more and more we see the drivers of interest being around sustainability, health and safety and infrastructure investment. Our rules engine, 1Integrate, and cloud portal, 1Data Gateway, launched in the year, are increasingly recognised as powerful tools to ensure good quality data and trust when sharing data. We have delivered our solutions to support new systems, such as the next generation 911 system in California and the official base-map for the State of Michigan.

At the macro level, we believe themes such as the United Nations (UN) 17 Sustainable Development Goals (SDGs), a universal call for action to end poverty, hunger and protect the planet, and specific government initiatives, such as President Biden's "once in a generation" spending plan to invest trillions of dollars into infrastructure and climate change projects, will be long-term drivers of the need for accurate location-based, shareable data.

This growing industry need has led to growth in our customer numbers, revenues and pipeline of opportunities.

Continued investment in innovation

We have continued to invest in our product offering through the year, both in 1Integrate and 1Data Gateway, but also in business applications targeting specific industries, such as 1Water and the arcOpole Pro government application in France. Our next generation cloud LMDM platform is on track for launch towards the end of the current financial year, bringing together all of our offerings in the cloud, providing greater flexibility of delivery and pricing.

Resilient performance

While new business was harder to secure in the first half of the year due to the dislocation from COVID-19, we have seen a gradual return to more normal sales cycles through the second half and into the new year. We saw revenue growth in our French operation in H2 and with the restructuring of our European operations completed post period-end, we have a strong basis for growth in that region moving forward.

In the UK's our work with the Environment Agency, and Northern Gas Networks provided both a layering on of recurring revenue for future years, and high-profile proof points for our technology and capabilities.

The growth in our US business during the year has been particularly exciting. We secured several new landmark contracts in the year, including the State of Michigan and the State of California Office of Emergency Services. The theme of data integrity and data sharing is particularly prevalent in the US and we see a growing pipeline of opportunities for 1Integrate, 1Data Gateway and our 911 Emergency Services business application.

Our financial performance in the year is encouraging. While revenue growth was modest, at 5%, impacted by Covid-19 related delays, underlying that, we have seen an increase in recurring revenue, a key area of focus, an increase in profit margins and positive free cash flow.

FY21 Strategic review

We made solid progress in the year against the three pillars of our growth strategy.

1. Innovation

The 1Spatial platform is a comprehensive set of Location Master Data Management (LMDM) software components. LMDM ensures the data management processes are automated and repeatable across the different technology platforms for the whole enterprise. Unlike traditional Master Data Management (MDM), LMDM encompasses both spatial and non-spatial data to provide users with the technology solutions that enable them to automate the collection, control and sharing of data with confidence. Our patented technology also gives them the ability to solve complex and unique challenges in the management of their spatial and non-spatial data.

The 1Spatial Platform can be split into two key areas:

- **Data Management Solutions** - Managing data to ensure it is correct, consistent and compliant
- **Business Applications** - Utilising trusted data through business applications to solve specific business challenges

During the year we have continued to innovate in both areas and accelerated the development of our SaaS multi-tenancy cloud platform as a vehicle for further growth and accessibility of our solutions.

Data Management Solutions

1Integrate
1Integrate is our patented no-code rules engine – this continues to be enhanced to make it more powerful and more capable for automated data validation and processing.

During the year, the work to handle full 3D solid data has delivered initial Proof of Concepts. For example, we are working with a major National Mapping Agency on the production of their 3D buildings.

Additional data services support has been added to allow direct access to data from Esri ArcGIS Feature Services and Open Geospatial Consortium Web Feature Services as well as many enhancements to empower users and make them more effective and efficient. In addition, a number of enhancements have been made which extend the flexibility and efficiency of our delivery via the cloud.

1Data Gateway
1Data Gateway is our self-service web-portal for spatial data validation, processing and analytics. Following its successful launch in March 2020, 1Data Gateway now also provides schema mapping so that data in varying structures can be applied to the same set of rules as well as other controls such as the ability to apply customer branding and styling to the portal. API extensions which allow systems to talk to each other, have been completed to allow access to data quality, validation and usage statistics through external dashboarding tools i.e., Google Big Query, for partners or customers.

Business Applications

We provide two types of business applications to meet our customer's needs. Applications can either plug directly into the 1Spatial Platform or alternatively can plug into the 1Spatial Platform whilst also utilising the benefits of the Esri technology.

1Biz Server
For those business applications built on Esri technology, we have developed, the 1Spatial Business Server (1Biz Server). By deploying the most up to date Esri and 1Spatial releases through the 1Biz Server, we will transform the speed and delivery of these updates to our customers.

We continue to assess opportunities to launch Business Applications, targeting specific location data-based issues within our three target industries. New Applications developed this year along with those that have been further enhanced are as follows:

1Water
We have scaled up work on 1Water for water network management based on our strong Esri partnership, which has enabled us to gain the Esri Utility Network Management Specialty designation.

Next-Generation-911
An exciting new innovation being worked on for our US Market is the Next-Generation-911 App. This provides validation of network data, address data and the National Emergency Numbers Association (NENA) to help emergency service departments, improve disparate or incomplete data, in order to create a single source of truth.

Traffic Management Plan Automation (TMPA)
The TMPA has moved from Proof of Concept, with a goal to have a release-ready Minimum Viable Product in FY 22 for beta testing with our customers and partners. This will be a true SaaS solution for automatically laying out equipment such as signs, cones and traffic lights around UK road works. It makes use of Ordnance Survey GB's data hub and is built from the 1Integrate rules engine in the 1Spatial Platform. This solution will automate the production of traffic management plans in a more efficient, sustainable way and importantly help improve the safety of workers and the public around the 4 million highway excavations that are made every year in the UK*.

*source https://highways.today/2020/03/04/excavation-highways-uk/

Cloud platform – SaaS multi-tenancy cloud platform

The cloud platform will enable us to increase our addressable market and existing customer demand for web-based access to our solutions, the need for which has been particularly highlighted by the move to remote working. The multi-tenancy SaaS will be more cost effective for 1Spatial as we will be managing fewer deployments and the elastic nature of the platform architecture will limit cloud hosting costs. We are also building targeted services and solutions on the platform which we can issue on a Pay-per-use basis such as TMPA, providing the Group with exciting new go to market models, lowering the price point for new customers onto the platform.

2. Customer Relationships

We continued to strengthen our relationships with our customers throughout the year by maximising webinar opportunities across all territories to overcome reduced face to face events. We held our annual Smarter Data, Smarter World Conference as a virtual event. Taking place over 4 days online the conference was a huge success with 652 registrations from 363 organisations in 47 countries, a significant increase on prior, non-digital events.

We also implemented a global content strategy, increasing the amount of content we have issued online, and launched our new global website, with fresh, engaging content, aligned to our vision and values and great user experience. Since launching the new website, we have seen a considerable increase in online engagement, with sessions per user increasing by 43%, pages viewed in these sessions increasing 41% and the average session duration has increased 84%, demonstrating the increased relevance of our product offering and marketing messages to our target markets.

The success of our customer focus, combined with ongoing transition to term licencing, can be seen in the 10% growth in Annual Recurring Revenue driven both by new customer wins and expansion of existing customer accounts.

Land & Expand

The Group delivered a healthy number of new customer wins in the year across all regions, including a number of strategic wins within our LMDM offering, with the USA performing particularly well. This was also good considering the backdrop of the first half of the year where customers were harder to secure, due to the uncertainty caused by Covid-19. We now have around 600 customers on recurring contracts and a customer base of over 1,000 in total across the Group, providing a strong basis for future expansion.

Solutions most in demand in the year were 1Data Gateway and 1Integrate in the USA and the UK, with Utilities and Urban Planning (arcOpole Pro) Esri-based business applications being strongest in France and Europe. We are seeing an increasing number of coupled 1Data Gateway and 1Integrate sales, with the 1Data Gateway portal proving to be a compelling sales tool, enabling new prospects to quickly visualise how we can transform their data collection, cleansing and management.

New clients added in the year included the Environment Agency in the UK, the US Geological Survey and the State of California's Office of Emergency Services in the USA and in France, a French military organisation, the Seine Grand Lacs (the Seine River Management Agency) and the city of Asnières sur Seine.

The Group secured multiple customer expansion contracts in the year, with notable expansions with Northern Gas Networks in the UK, a $2.6m 5-year contract with the State of Michigan to deliver the second phase of their Geographic Framework and expansion contracts in France with the Euro Metropole of Strasbourg, the Metropole of Nantes' Water Department and a large French water utility company.

In France, eleven existing customers have commenced migration from the Group's legacy platform, to the Esri platform, paving the way for future expansion.

Our longstanding customers, such as Ordnance Survey, Ordnance Survey Ireland, the Rural Payments Agency, Gas of Strasbourg and Engie (France), have also continued to expand the solutions and services we provide.

3. **Smart Partnerships**

We made good progress in the year adding or strengthening partnerships in each of our three areas of focus to extend our market reach: major technology consultancies, software platform providers, and adjacent industry specialists. We are increasingly being utilised by our partners as their data integrity provider, cleansing the data before passing it back through wider systems.

Our strong partnership with Esri France is generating increasing interest in the local authority and utility market and was strengthened post period end through the winning of a prestigious Esri award, for 1Spatial's innovative and extensive product integration within Esri's ArcGIS Enterprise. This followed 1Spatial being given Esri Utility Network Management Specialty designation, recognising 1Spatial's knowledge and expertise within utilities and the implementation of Water Solutions.

In the UK, we have also partnered with Esri UK on the Northern Gas Networks Utility Network Migration, the first such migration to take place in the UK.

Our new partnership with Ordnance Survey has seen us secure the prestigious pilot for the Energy Networks Association and we have started joint webinars demonstrating how the combination of data from Ordnance Survey's new Data Hub with the 1Spatial software can help build trust in data. We continue to win and look at new opportunities with our partner Version1, which is providing promising new business opportunities.

Our Michael Baker relationship in the USA continues to bring new customers.

We continue to work on new partnership opportunities in all geographic markets and to provide more focus on this key growth pillar we hired a new global partner manager in April 2021.

European re-structuring

Post year end, we announced the final stage of the integration of Geomap-Imagis, which was acquired in May 2019. Our European operations now operate under one regional management structure, focus all our resources on maximising our Esri relationship, and delivering the growth opportunities in our extensive European customer base.

Corporate activity

We will continue to identify strategic and bolt-on acquisitions to complement our organic growth.

Strategic priorities for the year ahead

We will continue to focus on the three pillars of our growth strategy. Key initiatives will be investment into our delivery resource, marketing and sales teams, particularly in the USA, to capitalise on our successes in FY21 and deliver on the data governance opportunity. We will work closely with Esri, particularly in France, where we see great opportunity to expand our customer base and continue the successful migration of our customers onto the new Esri platform and our Esri based business applications. In the UK, we see a growing opportunity to work on large government contracts, building back post-Covid-19 and as they and other partners embrace the sharing of data to meet Environment and Social initiatives. We see a growing opportunity to cross-sell our business applications, developed France and the UK, into our other territories and offer our 1Integrate and 1Data Gateway solutions into France. We will continue to expand our capability and expertise in our Tunisia centre of excellence, providing increased development support and cost-effective delivery capacity to the Group.

We are on track to launch our multi-tenant SaaS platform by the end of the current financial year, increasing our addressable market, meeting existing customer demand for web-based solutions, providing more flexible "pay as you go" pricing structures and lowering the price point for entry for new customers. We believe the launch of the platform can be transformational for the Group in future years.

Our financial goals will be to increase revenue growth underpinned by growing annual recurring revenue and continue our trajectory of increased profitability at adjusted* EBITDA level and higher cash generation over the long-term.

COVID-19

At the date of this report, most sites continue to work on a remote basis, providing outstanding support to our customers. We anticipate a phased return to office working through the course of 2021, in line with local government guidelines in each territory, providing our teams with the opportunity to once more interact with each other face to face, while retaining the benefits of increased digital connections across the business.

We chose to maintain all of our skilled workforce during the Covid-19 period, receiving no support under the UK Government job retention scheme, although, we received financial support of £0.3m in some overseas territories, where there was a greater impact. We increased our funding from corporate lenders in H1 2021 by £1.8m. We controlled expenditure tightly throughout the year, deferring some discretionary spending. However, we benefited from our extensive customer base, healthy levels of recurring revenue and growing contracted order book, to prove resilient during an unprecedented year.

1Team

We are passionate about looking after our staff and have actively promoted the importance of mental health and happiness during the year. Taking the time to be kind to yourself is something we urge all our staff to do and as part of our commitment to their well-being, we rolled out initiatives such as well-being months, mental health awareness training, mental health first aiders and internal events and initiatives to encourage staff to take time out from their working day.

We are always looking at ways to ensure equality and diversity across our company and an inclusive, welcoming working environment for everyone. Over the past year, we have created global initiatives to celebrate: International Women's Day, World Food Day, Diwali, Thanksgiving, Mental Health Awareness Week, Earth Day and Health and Happiness month.

The teams have shown extraordinary ingenuity and commitment, really stepping up in this challenging time, for which the Board and I thank them wholeheartedly. We believe one of the positive impacts of this year has been the increased connectivity across our geographic regions, with the increased use of digital communications bringing us closer during our shared challenges.

Current Trading & Outlook

There is an increasing need for clean, accessible and up to date location data to support many new initiatives. These include investment in infrastructure, building new greener initiatives, such as an enhanced electricity network to support growth in electric vehicles and helping governments to achieve their sustainability goals.

Trading in the new financial year has begun positively and in line with Board expectations, with several new contracts secured and growth in the sales pipeline. New customers won since the year end include:

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- a contract with the Energy Networks Association and Ordnance Survey to build a digital map of the UK's energy system that uses the power of data to support a more efficient pathway to Net Zero.
- a multi-year contract with Defra and the Rural Payments Agency to support its existing payments scheme to farmers as well as be involved in government's transition to a new Environmental Land Management Scheme, and
- a significant contract extension with Google in the US for the use of 1Data Gateway and 1Integrate in the management of their facilities.

We sit right at the heart of changes across multiple sectors. Whether that be in helping governments and energy providers prepare to meet the green agenda, supporting the investment in infrastructure upgrades as the world’s economies prepare for post-COVID recovery, or implementing new digital transformation strategies. The positive market environment is translating into a growing sales pipeline of opportunities across new and existing customers, both direct and through our partners.

While the Board remains aware of the need to manage potential risks arising from the Covid-19 pandemic, the strength of trading in the first two months of the year, increase in committed revenue and depth of the sales pipeline and positive market landscape provide the Board with confidence in a successful year of growth ahead and exciting long-term future for 1Spatial.

Claire Milverton
Chief Executive Officer

CFO review

Summary

The Group delivered a robust financial performance in the year, growing revenues and adjusted EBITDA* profit levels, whilst achieving the important milestone of generating positive free cash flow**.

Revenue

Group revenue increased by 5% to £24.6m from £23.4m in FY 2020. Whilst this included a full year's contribution from the Geomap-Imagis (GI) acquisition, compared to nine months in the prior year, it was a solid result against the challenges of the Covid-19 pandemic.

Recurring revenue

The business strategy is to grow revenue from repeatable business solutions on longer-term contracts, including transitioning towards selling recurring term subscription licences, rather than one-off perpetual licences. With this focus in mind, the business achieved a growth in revenue of 11% (excluding the impact of the reduction in perpetual licence revenue), and recurring revenue, as a percentage of total revenue, increased to 43% (FY 2020: 41%). Revenue by type is shown below:

Revenue by type

	FY 2021	FY 2020	**% change**
Recurring revenue * **	**10.6**	9.6	10%
Services	**11.1**	10.0	11%
Revenue (excluding perpetual licences)	**21.7**	19.6	11%
Perpetual licences	**2.9**	3.8	(24%)
Total revenue	**24.6**	23.4	5%
Percentage of recurring revenue	43%	41%	

** Adjusted EBITDA is a company-specific measure, which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items*
*** Free cash flow is defined as net increase/ (decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.*
**** Recurring revenue comprises term licences and support and maintenance revenue.*

Whilst these recurring term licence sales require the support of a level of services, the proportion of total revenue from term licences is expected to increase, and revenue from perpetual licences is likely to continue to decrease. Recurring revenue also includes support and maintenance from customers with perpetual licences; this revenue is expected to transition in time to being part of the subscription licences.

ARR

The Annualised Recurring Revenue ("ARR") (annualised value at the year-end of committed recurring contracts for licences and support & maintenance) increased in the year by 10% from £10.2m to £11.2m as at 31 January 2021. The growth rates varied by region as shown in the table below with the US growing at the fastest rate of 24%. The overall renewal rate was 90%.

ARR by region

	FY 2021	FY 2020	**% growth**
UK/Ireland	**3.88**	3.32	17%
Europe	**5.04**	4.96	2%
US	**1.24**	1.00	24%
Australia	**1.05**	0.90	17%
Total ARR	**11.21**	10.18	10%

Committed revenue

The level of committed revenue (revenue for future services, licences and support contracts committed contracted at the balance sheet date) increased significantly in the year from the business focus of extending the commitment periods and duration of contracts, as well as signing some higher value service contracts. The level of committed project services revenue increased by 26% from £4.5m to £5.7m.

The combination of committed revenue and a strong and growing pipeline of prospects means that the business starts the current financial year with a good likelihood of making further progress on its revenue growth plan. With the business focus on developing and selling repeatable software solutions under a SaaS model, there is an increased level of revenue visibility, which allows the Board to plan future investment with confidence.

Regional revenue

Revenue growth by region is shown in the table below:

Regional revenue

	FY 2021	FY 2020	**% change**
UK/Ireland	**8.44**	8.81	(4%)
Europe	**11.15**	10.24	9%
US	**2.91**	2.25	29%
Australia	**2.10**	2.08	1%
Total revenue	**24.60**	23.38	5%

Revenue in the UK/Ireland region fell by 4% but this was largely due to timing of closing some contracts as total sales orders signed grew in the year. Revenue in the European business was lower on a like for like basis mainly due to Covid-19-related project delays (following the postponement of the French local elections in H1), although overall revenues in Europe grew by 9%, benefitting from three additional months of acquired revenues. Pleasingly, there was a pick-up in revenue in the European operations in H2 FY 2021. Revenue in the US, which now represents 12% of Group revenue, had the highest growth rate at 29%.

Gross profit margin

The gross margin increased year on year to 53% from 52%. Within the cost of sales, the Group received £0.3m of grants from overseas governments as part of business support schemes in relation to Covid-19. Going forward, the management team are focused on driving improvements to the gross margin levels.

Adjusted EBITDA*

The adjusted EBITDA* (as defined above) increased by 12% to £3.6m from £3.2m in the prior year with a higher margin of 14.8% (FY 2020: 13.8%). Cost management was an important focus during FY 2021 and expenses are constantly reviewed to ensure the level is appropriate for the structure of the business. Administrative expenses increased over the comparable period mainly because of the additional three months of the acquired business.

Strategic, integration and other non-recurring items

The final step in the integration of Geomap-Imagis ("G-I"), acquired in May 2019, was completed and our European operations now operate under one regional management structure. As part of the restructuring, two of the G-I founders and former directors are leaving the business and the restructuring will lead to some cost savings, which will allow the business to invest in further expansion. The costs amounting to £0.56m (FY 2020: £1.20m) have been included in strategic, integration and other non-recurring items.

Operating loss and loss before tax

The Group recorded a reduced operating loss of £1.2m compared to £1.5m in the prior year and the Group's loss before tax reduced to £1.4m from £1.7m for the comparable period. The results were impacted by the strategic, integration and other non-recurring items, as well as a number of non-cash charges including amortisation of acquired intangibles and share-based payments.

Taxation

The net tax credit for the period was £0.3m (FY 2020: £0.2m).

Balance sheet

The Group's net assets reduced to £14.7m from £15.5m at 31 January 2020. The reduction was mainly due to the overall loss after tax offset by currency gains in reserves.

Trade and other receivables increased in the year to £10.9m (FY 2020: £9.9m), mainly due to increased trade debtors and accrued income at year end following contract wins in Q4. Whilst there was also some increase in average debtor days outstanding, this was largely due to lengthening payment cycles with no material impact on the assessment of overall debtor collectability. The increase in trade and other payables from £11.4m to £13.4m was primarily driven by an increase in deferred income to £5.9m (FY 2020: £4.9m) and an increase in other taxation and social security. The company benefitted from a deferral of some indirect taxes of £0.4m in the year, which will be repaid in FY 2022.

Cash flow

Operating cash flow inflow (before strategic, integration and other non-recurring items) more than doubled to £4.2m in FY 2021 compared to £1.9m in FY 2020.

Operating cash flow	**FY 2021** **£'000**	**FY 2020** **£'000**
Cash generated from operations	3,983	572
Add back: Cashflow on strategic, integration and other non-recurring items	173	1,289
Cash generated from operations before strategic, integration and other non-recurring items	**4,156**	1,861

Indeed, the focus on working capital and cost control has also resulted in free cash flow* being positive (at £0.9m), even after non-recurring one-off items, as shown in the table below:

Free cash flow	**FY 2021** **£'000**	**FY 2020** **£'000**
Cash generated from operations before strategic, integration and other non-recurring items	4,156	1,861
Net interest paid	(179)	(144)
Net tax received	484	313
Expenditure on product development and intellectual property capitalised	(2,120)	(2,188)
Purchase of property, plant and equipment	(192)	(132)
Lease payments	(1,069)	(792)
Free cash flow before strategic, integration and other non-recurring items	**1,080**	(1,082)
Cashflow on strategic, integration and other non-recurring items	(173)	(1,289)
Free cash flow *	**907**	(2,371)

* Free cash flow is defined as net increase/ (decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.

Within investing activities, the deferred consideration of €0.7m (£0.6m) on the acquisition of Geomap Imagis, was paid as planned in H1 2021.

Investment in R&D

Development costs capitalised in the year amounted to £2.1m (FY 2020 £2.2m). Amortisation of development costs was £1.9m (FY 2020 £1.2m).

Financing

The Group arranged additional bank loans of £1.8m on reasonable commercial terms. At the year-end the total loans outstanding were £3.0m. These have been extended to 5-year loans following the exercise of an option in the original agreement and the amount repayable in FY 2022 is approximately €0.5m (£0.4m). With a gross cash position of £7.3m at 31 January 2021 (FY 2020 £5.1m) and positive operating cash generation, the business is in a much stronger financial position than a year ago, which gives the Board the confidence to continue to invest in its three-pillared growth plan.

Going forward, the Board and management teams are focused on increasing revenues, in particular recurring revenues, whilst maintaining or improving the Group's profitability and cash generation.

Andrew Fabian
Chief Financial Officer

Key Performance Indicators

Key income statement KPIs are set out below. There are no non-financial KPIs.

Revenue growth	**2021** **£m**	**2020** **£m**	**Change** **£m**	**Change** **%**
Recurring revenue	10.6	9.6	1.0	10%

Total revenues	**24.6**	**23.4**	**1.2**	**5%**
Gross profit margin	**53%**	**52%**	**1%**	**2%**
Adjusted * EBITDA	**3.6**	**3.2**	**0.4**	**12%**
Free cash flow **	**0.9**	**(2.4)**	**3.3**	**n/a**

** Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items.*

*** Free cash flow is defined as net increase/ (decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.*

Environmental, Social and Governance

Our Vision

At 1 Spatial, we are striving to make the world safer, smarter and more sustainable for the future. We believe the answers to achieving these goals are held in data and are passionate about working with our customers to unlock the value of their location data - **Smarter Data, Smarter World**

Our World Better

At 1Spatial we are an important part of the Geospatial Ecosystem where using and sharing data provides significant opportunities to support businesses and governments to deliver against important sustainability goals.

Our domain expertise and Location Master Data Management approach which is data and system agnostic allows us to be an integral and important part of this Ecosystem. A good example of this is where we are working with our partner, Ordnance Survey, on a proof of concept to build a digital map of the UK's energy system that uses the power of data to support a more efficient pathway to Net Zero. A key driver of this map is for planning, managing and sharing the location of Electric Vehicle charging points and builds on the recommendations of the UK Government's Energy Data Taskforce

Our vision at 1Spatial is to "help our customers unlock the value of their location data" which could also be interpreted as "making better use of data that they already have". We help our customers do this by using our software tools to improve the quality of their data so it is fit for purpose within important use cases. This is a huge economic efficiency for our customers as the cost and time to acquire new spatial data, for example through field collection, can often be very high and therefore have a negative impact on the environment. Our 1Spatial suite of business applications together with those of our partners, can be deployed to make use of this data for specific business needs.

In the past we've seen a lot of these business needs around efficiencies or cost savings but more and more we are seeing the drivers of these solutions around sustainability, social matters, health and safety and regulatory compliance.

Some examples of these include the following:

- The work we are doing in the US with a number of 911 Emergency Services departments to ensure that they have consistent and accurate address data to improve emergency vehicle response times which will ultimately result in saving lives.
- In the UK we have an incident management mobile application that allows the utility engineers to manage customers on a real time basis, going door to door to check customer safety and prioritise visits to vulnerable customers.
- In France we are working with the Société Wallonne des Eaux (SWDE), as part of their move to become more sustainable in the management of their water resources. SWDE relies on systems and the expertise of 1Spatial to carry out innovative projects, to improve the efficiency of distribution networks enabling SWDE to reduce its water losses by several million m³ in a few years.
- We are helping the Environment Agency in the UK with their Net Zero planning by helping them to understand where their assets are to be able to ensure protection of homes, businesses, and communities from the risk of flooding.
- We are supporting states such as Michigan in in the US with their underlying master data to ensure they can make trusted decisions for the state and its citizens.
- We support national mapping agencies such as Ordnance Survey Great Britain and Ordnance Survey Ireland which are using the authoritative data to support the nation including Covid-19 related issues.

Whether creating these specific customer business applications or supporting national mapping agencies so they can help manage the Covid-19 pandemic, our team delivers results that make a real difference to people's lives.

As a member of the Geospatial Community, the natural world is an inspiration for the whole of the 1Spatial team. We know that, together, we can make our world better. We support our people who each year volunteer their time, energy and skills for global good causes. The Missing Maps Project, which aims to map the most crisis-prone parts of the world, and the humanitarian mapping charity, MapAction are two organisations that are particularly close to our hearts. We regularly participate in local, national and international charity fundraisers. Our team in the UK recently raised money to mark 72 years of the NHS.

Over the past few years, we have raised funds for charities such as Cancer Council, Care International, Red Nose Day, Save the Children, The Trussell Trust, MapAction, Macmillan Cancer Support, Oxfam, Age UK, Philippines Typhoon Appeal, WinterComfort and Arthur Rank Hospice Charity.

Environmental

We are committed to find ways to reduce our impact on the environment. We have made significant carbon emissions reductions during the past year and are committed to continuing these.

Our move to home working in all offices over the pandemic has reduced our travel related pollution, and improved staff well-being with regards to work/life balance. We've taken project work online, using remote systems to manage interactions with our clients which has further reduced travel pollution. Moving forward to a post-Covid workplace, we've implemented systems that allow greater flexibility for staff and have an ongoing commitment to support staff to work remotely.

Some of our current environmental initiatives include:

- In some countries there are subsidies available for using public transport or bikes. We promote and encourage these schemes to staff in all applicable offices.
- *We have created a "Climate Neutral Website" through a fully traceable scheme that offsets carbon emissions with a project in the DR Congo.*
- We have recycling initiatives across our offices including recycling our computer equipment. We actively source and choose recycled stationary and other office supplies wherever possible.
- Our Paris office in France and our Vienna office in the US are "green" buildings.
- We donated to Toilet Twinning: a charity focusing on hygiene education and latrine building in communities without ready access to safe water, sanitation and healthcare.
- We have electric car charging points in some of our office car parks and will be considering hybrid vehicles as lease car renewals come up.

In the UK we are certified to ISO 14001:2015 which is a standard related to environmental management that exists to help organisations minimize how their operations negatively affect the environment; comply with applicable laws, regulations, and other environmental requirements; and continually improve

Social

1Spatial is a team where everyone makes a difference. From our developers, testers and engineers to our consultants, marketing professionals and senior managers, everyone contributes to our success.

But making a difference goes beyond our day-to-day business and the work we provide as part of our professional roles. Our 1Team have come together to create staff led committees for Social, Community and Environmental initiatives, each working to run schemes and activities which will directly benefit local communities and the world around them. We are very proud of all our staff who volunteer their time, energy and skills for local and worldwide charities and good causes.

We are also passionate about looking after our staff and actively promote the importance of mental health and happiness. Taking the time to be kind to yourself is something we urge all our staff to do and as part of our commitment to their well-being, we have started to roll out the following initiatives across our offices:

- Mental health awareness training
- Mental health first aiders
- Internal events and initiatives to encourage staff to take time out from their working day

We are always looking at ways to ensure equality and diversity across our company and an inclusive, welcoming working environment for everyone.

Over the past year we have celebrated: International Women's Day, World Food Day, Diwali, Thanksgiving, Mental Health Awareness Week, Earth Day and Health and Happiness month.

Some of the other social activities organised by our 1Team include:

- 1Global Challenge – all staff were encouraged to "Get Active", "Get Creative" and "Get experimental"
- Creating a 1Spatial Cookbook with recipes from around the world
- Online fitness and relaxation sessions
- Flexible working to further support employees especially during the pandemic
- Regular team meetings and all employee global sessions to help communication and ensure all team members feel involved and part of the 1Team.
- A variety of social activities across the offices for team members to join in quizzes and games (played at a local and global level).

More information with respect to how the Directors of 1Spatial are fulfilling duties to promote the success of the company which includes the interests of various stakeholders such as Employees, Customers, Suppliers and Partners is set out within the Section 172 of the Annual Report.

Governance

It's an exciting time to be part of a growing digital economy and data driven sector and whilst promoting the use of data is important, safeguarding the use of location data is absolutely key. Governments globally have set guidelines around areas such as data access, privacy, ethics and security. We adhere to these standards globally and good governance over customer data is central to everything we have been doing for a numbers of years. More and more we work with our customers on their projects directly through the cloud and so we do not have to take local copies of data which improves security around this. We take significant steps to ensure high security around our IT systems with adoption of security standards such as Cyber Essentials.

In the UK and USA we are ISO 9001 accredited. This means that we have stringent quality processes ensuring governance in all our processes, projects and efforts. Quality processes are well documented and followed by all teams.

At 1Spatial we are committed to good Corporate Governance and adhere to the standards contained in the Corporate Governance Code for Small and Mid-Size Quoted Companies (QCA Code).

Consolidated statement of comprehensive income
For the year ended 31 January 2021

	Note	2021 £'000	2020 £'000
Revenue	3	24,600	23,385
Cost of sales		(11,451)	(11,123)
Gross profit		**13,149**	**12,262**
Administrative expenses		(14,395)	(13,800)
		(1,246)	(1,538)
Adjusted EBITDA *		3,632	3,226
Less: depreciation		(202)	(152)
Less: depreciation on right of use asset	11	(1,106)	(878)
Less: amortisation and impairment of intangible assets	6	(2,806)	(2,169)
Less: share-based payment charge		(272)	(398)
Less: strategic, integration and other non-recurring items	4	(492)	(1,167)
Operating loss		**(1,246)**	**(1,538)**
Finance income		39	40
Finance costs		(226)	(235)
Net finance cost		(187)	(195)
Loss before tax		**(1,433)**	**(1,733)**
Income tax credit	5	308	248
Loss for the year		**(1,125)**	**(1,485)**
Loss for the year attributable to:			
Equity shareholders of the Parent		**(1,125)**	**(1,485)**
		(1,125)	**(1,485)**
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss:			
Actuarial (losses)/gains arising on defined benefit pension, net of tax		(15)	40
Exchange differences arising on translation of net assets of foreign operations		148	(120)
Other comprehensive income/(loss) for the year, net of tax		133	(80)
Total comprehensive loss for the year		**(992)**	**(1,565)**
Total comprehensive loss attributable to the equity shareholders of the Parent		**(992)**	**(1,565)**

	Note	2021 £'000	2020 £'000
Loss per ordinary share attributable to the owners of the Parent during the year (expressed in pence per ordinary share**):**			
Basic and diluted loss per share	15	(1.0)	(1.4)

* Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items (see note 4)

Consolidated statement of financial position
As at 31 January 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets including goodwill	6	15,187	15,560
Property, plant and equipment		392	374
Right of use assets	11	2,694	3,272
Total non-current assets		**18,273**	**19,206**
Current assets			
Trade and other receivables	7	10,890	9,930
Current income tax receivable		164	233
Cash and cash equivalents	8	7,278	5,108
Total current assets		**18,332**	**15,271**
Total assets		**36,605**	**34,477**
Liabilities			
Current liabilities			
Bank borrowings	9	(470)	(135)
Trade and other payables	10	(13,418)	(11,439)
Lease liabilities	11	(925)	(957)
Deferred consideration	12	-	(599)
Total current liabilities		**(14,813)**	**(13,130)**
Non-current liabilities			
Bank borrowings	9	(2,542)	(1,086)
Lease liabilities	11	(1,743)	(2,340)
Deferred consideration	12	(390)	(370)
Defined benefit pension obligation		(1,606)	(1,417)
Deferred tax	13	(776)	(679)
Total non-current liabilities		**(7,057)**	**(5,892)**
Total liabilities		**(21,870)**	**(19,022)**
Net assets		**14,735**	**15,455**
Share capital and reserves			
Share capital	14	20,150	20,150
Share premium account	14	30,479	30,479
Own shares held	14	(303)	(303)
Equity-settled employee benefits reserve		3,604	3,332
Merger reserve		16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)
Currency translation reserve		332	184
Accumulated losses		(43,931)	(42,791)
Purchase of non-controlling interest reserve		(477)	(477)
Total equity		**14,735**	**15,455**

Consolidated statement of changes in equity

For the year ended 31 January 2021 £'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve	Accumulated losses	Total equity
Balance at 1 February 2019	**18,971**	**28,661**	**(303)**	**2,934**	**16,030**	**(11,584)**	**304**	**(477)**	**(41,346)**	**13,190**
Comprehensive income/(loss)										
Loss for the year	-	-	-	-	-	-	-	-	(1,485)	(1,485)
Other comprehensive income/(loss)										
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	40	40
Exchange differences on translating foreign operations	-	-	-	-	-	-	(120)	-	-	(120)
Total other comprehensive income/(loss)	-	-	-	-	-	-	(120)	-	40	(80)
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(120)**	**-**	**(1,445)**	**(1,565)**
Transactions with owners										
Issue of share capital, net of share issue costs	1,179	1,818	-	-	435	-	-	-	-	3,432
Recognition of share-based payment expense	-	-	-	398	-	-	-	-	-	398
	1,179	**1,818**	**-**	**398**	**435**	**-**	**-**	**-**	**-**	**3,830**
Balance at 31 January 2020	**20,150**	**30,479**	**(303)**	**3,332**	**16,465**	**(11,584)**	**184**	**(477)**	**(42,791)**	**15,455**
Comprehensive loss										
Loss for the year	-	-	-	-	-	-	-	-	(1,125)	(1,125)
Other comprehensive loss										
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	(15)	(15)
Exchange differences on translating foreign operations	-	-	-	-	-	-	148	-	-	148
Total other comprehensive (loss)/income	-	-	-	-	-	-	148	-	(15)	133
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**148**	**-**	**(1,140)**	**(992)**
Transactions with owners										
Recognition of share-based payment expense	-	-	-	272	-	-	-	-	-	272
	-	**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**272**
Balance at 31 January 2021	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	**(477)**	**(43,931)**	**14,735**

Consolidated statement of cash flows
For the year ended 31 January 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	8 (a)	3,983	572
Interest received		39	40
Interest paid		(218)	(184)
Tax received		484	313
Net cash generated from operating activities		**4,288**	**741**
Cash flows from investing activities			
Acquisition of subsidiary (net of cash acquired)	12	-	(2,151)
Purchase of property, plant and equipment		(192)	(132)
Capitalisation of development costs and other intangibles	6	(2,120)	(2,188)
Net cash used in investing activities		**(2,312)**	**(4,471)**
Cash flows from financing activities			
New borrowings		1,800	672
Repayment of borrowings		(146)	(133)
Repayment of lease obligations	11	(1,069)	(792)
Payment of deferred consideration on acquisition	12	(585)	-
Net proceeds of share issue	14	-	2,805
Net cash generated from financing activities		**-**	**2,552**
Net increase/(decrease) in cash and cash equivalents		1,976	(1,178)
Cash and cash equivalents at start of year		5,108	6,358
Effects of foreign exchange on cash and cash equivalents		194	(72)
Cash and cash equivalents at end of year	**8 (b)**	**7,278**	**5,108**

Notes to the financial statements
For the year ended 31 January 2021

1. **Basis of preparation**

The preliminary information of 1Spatial plc have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The "requirements of the Companies Act 2006" here means accounts being prepared in accordance with "international accounting standards" as defined in section 474(1) of that Act, as it applied immediately before IP completion day (end of transition period), including where the company also makes use of standards which have been adopted for use within the United Kingdom in accordance with regulation 1(5) of the International Accounting Standards and European Public Limited Liability Company (Amendment etc.) (EU Exit) Regulations 2019. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The results shown for the year ended 31 January 2021 and 31 January 2020 are audited. The consolidated financial information contained in this announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts of the Company in respect of the financial year ended 31 January 2021 were approved by the Board of directors on 27 April 2021 and will be delivered to the Registrar of Companies in due course. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph nor any statement under Section 498 of the Companies Act 2006.

2. Going concern

The Board used as its basis for the going concern review the budget for the FY22 year, rolled out to 30 April 2022 using part of its forecast for FY 2023, so that a full 12-month period from the date of signing the FY21 Annual Report and Accounts is considered. Due to the uncertainty created by COVID-19, in addition to applying the normal sensitivities to cash flows, the going concern review also included a reverse-stress test to demonstrate that even if new business and renewals are severely impacted by further lockdowns and impacts of the pandemic, the finances of the Group are in a robust position.

The Group started the prior financial year on 1 February 2020 with cash of £5.1m and borrowings of £1.2m, giving net funds (before lease liabilities) of £3.9m. The Group started the current financial year on 1 February 2021 with cash of £7.3m and debt of £3.0m, giving net funds (before lease liabilities) of £4.3m, having increased its net cash in the year even after paying £0.6m of deferred consideration.

Despite the pandemic, the year ended 31 January 2021 was a year of revenue, adjusted EBITDA* and operating cash flow growth. The two main contributors to this were the Group's industry markets, Government, Utilities and Transport, not being adversely affected by Covid-19, and swiftly adapting to home working and remote delivery of projects.

There was a Covid-19 related dip in new business generation in the first half, particularly in Europe, but the second half showed a strong performance, with a number of significant contract wins and new clients added in all Geographies.

The growth of the pipeline of new business opportunities, and accelerated win rate in recent months, provides the Board with confidence that 1Spatial is on a path of profitable growth. We have entered the new year with a record level of contracted future revenue, a wide range of customers in stable industry segments of Government, Utilities and Transport and growing proof of delivery both in Europe and the USA.

The Board has concluded, after reviewing the work performed and detailed above, that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of the financial statements. Accordingly, they have adopted the going concern basis in preparing these financial statements.

3. Segmental information

The chief operating decision-maker has been identified as the Board of Directors, which makes the Group's strategic decisions. The Group is now focused on developing and selling repeatable solutions and recurring term licences globally, with associated support services. As such, the Board considers that the Group operates with only one segment and one CGU under one global strategy and the results are accordingly presented as group results only.

The following table provides an analysis of the Group's revenue by type.

Revenue by type

	2021 **£'000**	2020 **£'000**
Term licences	1,100	1,000
Support & maintenance - own	7,800	7,000
Support & maintenance – third party	1,700	1,600

Recurring revenue	**10,600**	9,600
Services	11,100	10,000
Perpetual licences - own	1,400	1,400
Perpetual licences – third party	1,500	2,400
Total revenue	**24,600**	23,400

The Group's operations are located in the United Kingdom, Europe (Ireland, France and Belgium) the United States, Tunisia and Australia. The following table provides an analysis of the Group's revenue by geographical destination.

Revenue by region

	2021 £'000	2020 **£'000**
UK	**7,160**	7,381
Europe	**11,460**	11,080
US	**2,908**	2,250
Rest of World	**3,072**	2,674
Total revenue	**24,600**	23,385

The Board assesses the performance of the Group based on a measure of adjusted EBITDA. Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items (see note 4).

The following table provides an analysis of the Group's revenue by country of domicile, split by whether the revenue is recognised at a point in time or over time.

	2021 £'000	**2020 £'000**
UK/Ireland	**8,443**	**8,810**
At a point in time	1,081	1,651
Over time	7,362	7,159
Europe	**11,150**	**10,242**
At a point in time	1,687	2,158
Over time	9,463	8,084
United States	**2,908**	**2,250**
At a point in time	987	864
Over time	1,921	1,386
Australia	**2,099**	**2,083**
At a point in time	742	915
Over time	1,357	1,168
	24,600	**23,385**

As at 31 January 2021, costs to obtain and fulfil a contract of £197,000 were included in other receivables (2020: £113,000). Amortisation of costs to obtain and fulfil a contract for the year ended 31 January 2021 were £109,000 (2020: £71,000). The Group has no significant concentration risk with no major customers representing more than 10% of Group revenue. (2020: nil).

The Group has significant contract balances (both assets and liabilities), which arise out of the ordinary course of its operations. Contract assets include accrued income, which arises where chargeable work is performed, and the revenue is recognised based upon satisfaction of performance obligations in advance of invoicing the client. This can arise because, particularly for some larger projects, client invoicing may be in stages and linked to project milestones. Once an invoice is raised then the related accrued income will be reduced by the invoiced amount.

Significant contract liabilities arise when a client has been invoiced annually in advance (for example, for annual support and maintenance contracts) and the revenue is recognised on a monthly basis over the year. In that case, the initial invoiced amount is fully deferred and then released to the profit and loss over the course of the contract.

The following table provides an analysis of the Group's non-current assets by location.

	2021 £'000	**2020 £'000**
UK/Ireland	6,772	7,223
Europe	8,741	8,950
United States	2,755	3,007
Rest of World	5	26
Total	**18,273**	**19,206**

4. **Strategic, integration and other non-recurring items**

In accordance with the Group's policy for strategic, integration and other non-recurring items, the following charges were included in this category for the year:

	2021 £'000	2020 £'000
Costs associated with the acquisition and integration of Geomap-Imagis	555	1,198
Net credits associated with the disposal of Enables IT	(63)	(31)
Total	**492**	**1,167**

Costs of £0.6m in relation to the acquisition and integration of the Geomap-Imagis acquisition comprise professional fees associated with integrating the operations, costs of legal and operational merger activities and redundancies as part of the restructuring.

The Group also received £63,000 further receipts related to the disposal of Enables IT in a prior year.

5. Income tax credit

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on income for year	(187)	(212)
Foreign tax	73	(6)
Adjustments in respect of prior years	(268)	48
Total current tax	**(382)**	**(170)**
Deferred tax (note13)		
Origination and reversal in temporary differences	(111)	(78)
Effect of tax rate change on opening balance	11	-
Adjustments in respect of prior years	174	-
Total deferred tax	**74**	**(78)**
Total tax credit	**(308)**	**(248)**

Factors affecting the tax credit for the year:
The tax credit for the year is higher (2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(1,433)	(1,733)
	(1,433)	**(1,733)**
Loss on ordinary activities before tax multiplied by the effective rate of corporation tax in the UK of 19% (2020: 19%)	(272)	(330)
Effect of:		
Expenses not deductible for tax purposes	22	157
Adjustment in respect of R&D tax credits	(191)	(153)
Effect of movement in deferred tax rate	27	(80)
Utilisation of losses not previously recognised for tax purposes	(170)	(19)
Deferred tax not recognised on losses carried forward	440	20
Adjustments in respect of prior years	(94)	34
Differences in tax rates applicable to overseas subsidiaries	(70)	123
Total credit for year	**(308)**	**(248)**

The relevant deferred tax balances have been measured at 19% for the current year-end, being the tax rate enacted by the reporting date (2020: 17%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. As the proposal to change the rate had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the deferred tax charge for the period of £71,500 and to increase the deferred tax liability by £71,500.

6. Intangible assets including goodwill

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Website costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 February 2020	17,291	452	4,579	6,487	16,932	30	66	45,837
Additions	-	-	-	75	2,039	-	6	2,120
Written-off	-	-	-	-	-	(30)		(30)
Effect of foreign exchange	156	12	185	195	314	-	-	862
At 31 January 2021	**17,447**	**464**	**4,764**	**6,757**	**19,285**	**-**	**72**	**48,789**
Accumulated impairment and amortisation								
At 1 February 2020	11,363	204	3,113	4,185	11,374	30	8	30,277
Amortisation	-	47	422	445	1,889	-	3	2,806
Written-off	-	-	-	-	-	(30)	-	(30)
Effect of foreign exchange	185	1	106	66	191	-	-	549
At 31 January 2021	**11,548**	**252**	**3,641**	**4,696**	**13,454**	**-**	**11**	**33,602**
Net book amount at 31 January 2021	**5,899**	**212**	**1,123**	**2,061**	**5,831**	**-**	**61**	**15,187**

The net book amount of development costs includes £5,831,000 (2020: £5,558,000) internally generated capitalised software development costs that meet the definition of an intangible asset. The amortisation charge of £2,806,000 (2020: £2,058,000) is included in the administrative expenses in the statement of comprehensive income.

The key assumptions used in the value in use calculations were the pre-tax discounts rate applied (13%) and growth assumptions. Sales forecasts and their corresponding costs for the Group in relation to the business applications for the five-year period ending 31 January 2026 are likely to increase by 12% p.a. overall. No impairment is required as no individual asset has a higher carrying value than its value in use.

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Website costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 February 2019	16,161	232	2,843	4,421	15,012	30	66	38,765
Arising on acquisition	1,338	226	1,847	2,164	-	-	-	5,575
Additions	-	-	-	-	2,188	-	-	2,188
Effect of foreign exchange	(208)	(6)	(111)	(98)	(268)	-	-	(691)
At 31 January 2020	**17,291**	**452**	**4,579**	**6,487**	**16,932**	**30**	**66**	**45,837**
Accumulated impairment and amortisation								
At 1 February 2019	11,533	165	2,754	3,850	10,232	30	7	28,571
Amortisation	-	40	433	385	1,197	-	3	2,058
Impairment	-	-	-	-	111	-	-	111
Effect of foreign exchange	(170)	(1)	(74)	(50)	(166)	-	(2)	(463)
At 31 January 2020	**11,363**	**204**	**3,113**	**4,185**	**11,374**	**30**	**8**	**30,277**
Net book amount at 31 January 2020	**5,928**	**248**	**1,466**	**2,302**	**5,558**	**-**	**58**	**15,560**

Impairment tests for goodwill

Goodwill is assessed for the Group as a whole as the Group operates with one segment and one CGU. The Group has moved from two CGUs to one as the Group now manages its operations under one global strategy and the European acquisition is now fully integrated into the business. All aspects of the business are focusing now on growing recurring revenue of repeatable solutions using technology that will be deployed globally under a single strategy. Products developed by regional development teams are marketed globally.

	2021	2020
	Total £'000	**Total £'000**
Goodwill		
Opening carrying value	**5,928**	**4,628**
Arising on acquisition	**-**	**1,338**
Effect of foreign exchange	**(29)**	**(38)**
Closing carrying value	**5,899**	**5,928**

Basis for calculation of recoverable amount

The Group has prepared, and formally approved, a five-year plan for its CGU (based on a formal 3-year plan extended for two more projected years). The detailed plan put together by the management team and the Board makes estimates for revenue and gross profit expectations. This is from both contracted and pipeline revenue streams. It also takes account of historical success of winning new work and has been prepared in accordance with IAS 36, 'Impairment of Assets'.

The key assumptions used in the value in use calculations were the pre-tax discount rates applied (13%) and the growth assumptions. Growth in sales and corresponding costs for the five-year period has been forecast at 12% and 6% per annum respectively.

The rates used in the above assumptions are consistent with management's knowledge of the industry and strategic plans going forward. The assumptions noted above have been given in terms of revenue and overhead percentage growth. For 2022 and subsequent years, the assumption has been provided in terms of growth on the prior year EBITDA. The terminal growth rate of 2% does not exceed the long-term growth rate for the business in which the CGUs operate. The discount rate used is pre-tax and reflect specific risks relating to the Group. The forecasts are most sensitive to changes in revenue and overhead assumptions (taken together as the EBITDA). However, there are no major changes to the key assumptions which would cause the goodwill to be impaired.

There would have to be a reduction in forecast EBITDA by 24% in the year ending 31 January 2022 for the headroom to be removed.

7. Trade and other receivables

Current	**2021 £'000**	**2020 £'000**
Trade receivables	5,607	5,012
Less: provision for impairment of trade receivables	(80)	(68)
	5,527	**4,944**
Other receivables	1,497	1,431
Prepayments and accrued income	3,866	3,555
	10,890	**9,930**

Below is a reconciliation of the movement in accrued income:

	Total £'000
At 1 February 2020	**2,613**
Accrued revenue invoiced in the year	(**2,613**)
Revenue accrued in the year	2,847
Foreign exchange difference	103
At 31 January 2021	**2,950**

The fair value of the Group's trade receivables and other receivables is the same as its book value stated above. No interest is charged on overdue receivables.

At 31 January 2021, trade receivables of £3,541,000 (2020: £3,681,000) were fully performing. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected credit losses are based on the Group's historical credit losses which are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified gross domestic growth rates, unemployment rates and inflation rates as the key macroeconomic factors in the countries in which the Group operates.

At 31 January 2021, trade receivables of £1,986,000 (2020: £1,262,000) were past due but not impaired. The ageing analysis of these customers is set out below. There has been no change in the credit quality of these balances; they relate to customers where there is no history of default and are still considered fully recoverable.

	2021 £'000	**Weighted average loss rate**	**Impairment loss allowance £'000**
Current	3,541	0.1%	**4**
Up to 3 months overdue	1,392	0.5%	7
3 to 6 months overdue	149	2.5%	4
6 to 12 months overdue	272	5.0%	14
> 12 months overdue	253	20.0%	51
	5,607		**80**

.

The ageing of these receivables is as follows:

	2020 £'000	**Weighted average loss rate**	**Impairment loss allowance £'000**
Current	3,681	0.1%	4
Up to 3 months overdue	997	1.5%	15
3 to 6 months overdue	87	5.0%	5
6 to 12 months overdue	123	10.0%	13
> 12 months	124	25.0%	31
	5,012		**68**

As of 31 January 2021, trade receivables of £80,000 were impaired (2020: £68,000) and provided for.
The trade receivables above include performance retentions on long-term contracts.

Movements on the Group provision for impairment of trade receivables are as follows:

	2021 £'000	**2020 £'000**
At 1 February	68	13
Created on acquisition	-	55
Increase in provision	12	-
At 31 January	**80**	**68**

The other classes within trade and other receivables do not contain impaired assets and the Group expects to recover these in full. There are no financial assets whose terms have been renegotiated that would otherwise be past due or impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable noted above. The Group does not hold any collateral as security.

8. Cash and cash equivalents and notes to the consolidated statement of cash flows

	2021 £'000	2020 £'000
Cash at bank and in hand	7,278	5,108
	7,278	**5,108**

The fair value of the Group's cash and cash equivalents is the same as its book value stated above.

Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	2021 £'000	2020 £'000
Loss before tax	(1,433)	(1,733)
Adjustments for:		
Finance income	(39)	(40)
Finance cost	226	184
Depreciation	1,308	1,030
Amortisation of acquired intangibles	917	861
Amortisation and impairment of development costs	1,889	1,308
Share-based payment charge	272	398
Net foreign exchange movement	(34)	167
Increase in trade and other receivables	(655)	(2,377)
Increase in trade and other payables	1,446	702
Increase in defined benefit pension obligation	86	72
Cash generated from operations	**3,983**	**572**

	2021 £'000	2020 £'000
Cash generated from operations before strategic, integration and other non-recurring items	**4,156**	**1,861**
Cash flow on strategic, integration and other non-recurring items	(173)	(1,289)
Cash generated from operations	**3,983**	**572**

(b) Reconciliation of net cash flow to movement in net funds

	2021 £'000	2020 £'000
Increase/(Decrease) in cash in the year	1,976	(1,178)
Changes resulting from cash flows	**1,976**	**(1,178)**
Net cash inflow in respect of new borrowings	(1,800)	(672)
Change in net funds due to borrowings acquired	-	(731)
Net cash outflow in respect of borrowings repaid	146	133
Effect of foreign exchange	57	(23)
Change in net funds	**379**	**(2,471)**
Net funds at beginning of year	3,887	6,358
Net funds at end of year	**4,266**	**3,887**
Analysis of net funds		
Cash and cash equivalents classified as:		
Current assets	7,278	5,108
Bank loans	(3,012)	(1,221)
Net funds at end of year	**4,266**	**3,887**

Net funds is defined as cash and cash equivalents net of bank loans.

c) Reconciliation of movement in liabilities from financing activities

	Bank borrowings and leases due within 1 year £'000	Bank borrowings and leases due after 1 year £'000	Total £'000
Total debt (including lease liabilities) as at 1 February 2020	**1,092**	**3,426**	**4,518**
Borrowings at 1 February 2020	135	1,086	1,221
New borrowings in the year	-	1,800	1,800
Repayment of borrowings	(146)	-	(146)
Foreign exchange difference	11	126	137
Borrowings before transfer	**-**	**3,012**	**3,012**
Transfer from due after 1 year to due within 1 year	470	(470)	-
Borrowings as at 31 January 2021	**470**	**2,542**	**3,012**
Lease liability at 1 February 2020	957	2,340	3,297
Cash movements:			
Lease payments	(1,183)	-	(1,183)
Rent concession	(88)	-	(88)
Non-cash movements:			
Additions in the year	-	586	586
Interest cost	114	-	114
Foreign exchange difference	200	(258)	(58)
Lease liability before transfer	**-**	**2,668**	**2,668**
Transfer from due after one year to due within one year	925	(925)	-
Lease liability as at 31 January 2021	**925**	**1,743**	**2,668**
Total debt (including lease liabilities) as at 31 January 2021	**1,395**	**4,285**	**5,680**

9. Bank borrowings

	2021 £'000	2020 £'000
Current bank borrowings	470	135
Non-current bank borrowings	2,542	1,086
	3,012	**1,221**

Bank borrowings relate to bank loans 1Spatial France and Geomap-Imagis totalling. Bank loan interest is charged on a fixed rate basis with interest rates ranging between 0% and 3.1%, included the related guarantee costs.

The loans are due for repayment over a five-year period, with a broadly even repayment pattern with approximately €0.5m (£0.4m) due for repayment in FY 2022. New borrowings in the year amounted to £1.8m. There are no financial covenants attached to the loans, nor is there any security applied. All loans are denominated in €.

10. Trade and other payables

Current

	2021 £'000	2020 £'000
Trade payables	1,736	2,143
Other taxation and social security	3,496	2,477
Other payables	852	996
Accrued liabilities	1,464	905
Deferred income	5,870	4,918
	13,418	**11,439**

The Directors consider that the book value of trade payables, taxation, other payables, accrued liabilities and deferred income approximates to their fair value at the reporting date.

Below is a reconciliation of the movement in deferred income:

	Total £'000
At 1 February 2020	4,918
Revenue recognised in the year	(4,918)
Revenue deferred at year end	5,719
Foreign exchange difference	151
At 31 January 2021	**5,870**

11. Leases

Right of use assets	**£'000**
At 1 February 2020	3,272
Additions during the year	598
Depreciation	(1,106)
Foreign exchange difference	(70)
At 31 January 2021	**2,694**

	31 January 2021 £'000	**31 January 2020 £'000**
Buildings	2,428	3,004
Cars	216	221
Others	50	47
	2,694	**3,272**

Lease liabilities	**£'000**
At 1 February 2020	3,297
Additions during the year	586
Rent concession	(88)
Interest cost	114
Cash paid	(1,183)
Foreign exchange difference	(58)
At 31 January 2021	**2,668**

	31 January 2021 £'000	**1 February 2020 £'000**
Current	925	957
Non-current	1,743	2,340
	2,668	**3,297**

Amounts recognised in profit or loss:

Depreciation charge of right of use assets	**2021 £'000**	**2020 £'000**
Buildings	970	759
Cars	104	92
Others	32	27
	1,106	**878**

The Group has elected to utilise the practical expedient for all rent concessions that met the criteria under the amendment to IFRS 16 (Covid-19-Related Rent Concessions). The effect of applying the practical expedient was a credit to administrative expenses of £88k (FY 20: nil).

12. Business combinations

On 7 May 2019, the Company entered into two share purchase agreements (each a "SPA") to acquire the entire issued share capital of Geomap-Imagis Participations ("Geomap-Imagis") (the "Acquisition"), for a total consideration of €7.0m (the "Consideration"). Full details of the acquisition were provided in the Annual Report for the year ended 31 January 2020. No changes were made in the year ended 31 January 2021 to the previously reported fair values and resulting goodwill.

During the year, further costs were incurred associated with the acquisition and integration of the Geomap-Imagis Group amounting to £0.5m as disclosed in note 4.

In June 2020, 1Spatial France paid the deferred consideration of €0.7m (£585,000) of the cash consideration which had been held in escrow until the first anniversary of Completion.

As at 31 January 2021, a balance of €440,540 (£390,000) Consideration Shares remained outstanding to be satisfied on 30 March 2023.

As disclosed in note 16, Post Balance Sheet Events, the terms of the Share Purchase agreement were amended.

13. Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Group and movements thereon during the current year and prior reporting years.

	Tax losses £'000	Accelerated tax depreciation £'000	Intangibles £'000	Other temporary differences £'000	Total £'000
At 1 February 2019	**(405)**	**22**	**586**	**(11)**	**192**
Acquired in the year	(310)	-	1,059	(188)	561
Deferred tax (credit)/charge for year in profit or loss	100	(22)	(149)	(7)	**(78)**
DT charge/(credit) OCI	-	-	-	23	**23**
Foreign exchange difference	-	-	(20)	1	**(19)**
At 31 January 2020	**(615)**	**-**	**1,476**	**(182)**	**679**
Deferred tax (credit)/charge for year in profit or loss	53	-	(121)	142	**74**
DT charge/(credit) OCI	-	-	-	5	**5**
Foreign exchange difference	-	-	-	18	**18**
At 31 January 2021	**(562)**	**-**	**1,355**	**(17)**	**776**

Deferred income tax assets are recognised against tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable benefits is probable. The Group did not recognise potential deferred tax assets of £4,018,000 (2020: £3,859,000) in respect of losses amounting to £18,029,000 (2020: £18,442,000) that can be carried forward against future taxable income, on the grounds that at the balance sheet date their utilisation is not considered probable.

The deferred tax balance is analysed as follows:

	Deferred tax asset £'000	Deferred tax liability £'000	Total £'000
Recoverable within 12 months	-	356	356
Recoverable after 12 months	-	999	999
Settled within 12 months	(85)	-	(85)
Settled after 12 months	(494)	-	(494)
	(579)	**1,355**	**776**

14. Share capital, share premium account and own shares held

Allotted and fully paid	2021 Number	2020 Number
Ordinary shares of 10p each	110,805,795	110,805,795
Deferred shares of 4p each	226,699,878	226,699,878

Rights of shares

Ordinary shares

The ordinary shares all rank *pari passu*, have the right to participate in dividends and other distributions made by the Company, and to receive notice of, attend and vote at every general meeting of the Company. On liquidation, ordinary shareholders are entitled to participate in the assets available for distribution pro rata to the amount credited as paid up on such shares (excluding any premium).

Deferred shares

The deferred shares do not carry voting rights or a right to receive a dividend. The holders of deferred shares will not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. The deferred shares will also be incapable of transfer (other than to the Company). In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares has received a payment of £1,000,000 in respect of each ordinary share. Accordingly, the deferred shares will have no economic value. No application will be made for the deferred shares to be admitted to trading on AIM nor to trading on any other stock or investment exchange.

Voting Rights

1Spatial Plc has 110,805,795 ordinary shares of 10p in issue, of which a total of 319,635 ordinary shares are held in treasury. Therefore, the total number of ordinary shares with voting rights is 110,486,160*.

* In addition, there are deferred consideration shares with an approximate value of €0.03 million (€0.4m at 31 January 2021) due to be issued in March 2023, in relation to the Geomap-Imagis acquisition. See note 16.

	Number of shares	Allotted, called up and fully paid shares £'000	Share premium account £'000	Own shares held £'000
At 1 February 2019	**325,731,767**	**18,971**	**28,661**	**(303)**
Issue of shares	11,773,906	1,179	2,119	-
Share issue costs	-	-	(301)	-
At 31 January 2020 and at 31 January 2021	**337,505,673**	**20,150**	**30,479**	**(303)**

There was no movement in share capital in the year. In the prior year, of the 11,773,906 shares were issued in the year relating to the Geomap-Imagis acquisition, 9,871,220 were issued for cash which increased share capital by £987,000 and share premium by £2,119,000 before share issue costs of £301,000. The remaining 1,902,686 were issued through acquisition of shares which increased share capital by £192,000 and increased the merger reserve by £435,000.

Own shares

The Group has 319,635 ordinary shares of 10p each and 3,500,000 deferred shares with a nominal value of 4p each held in treasury. The consideration paid was £306,000.

15. Earnings/(loss) per ordinary share

Basic (loss)/profit per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
	£'000	£'000
Loss attributable to equity shareholders of the Parent	**(1,125)**	**(1,485)**

	2021	2020
	Number	Number
	000s	000s
Ordinary shares with voting rights	**110,486**	**107,284**
Deferred consideration payable in shares	1,394	1,154
Basic weighted average number of ordinary shares	**111,880**	**108,438**
Impact of share options/LTIPS	2,495	1,743
Diluted weighted average number of ordinary shares	**114,375**	**110,181**
	2021	**2020**
	Pence	**Pence**
Basic and diluted loss per share	**(1.0)**	**(1.4)**

Basic loss per share and diluted loss per share are the same because the options are anti-dilutive. Therefore, they have been excluded from the calculation of diluted weighted average number of ordinary shares.

16. Post balance sheet events

Amendments to Geomap-Imagis Share Purchase Agreement (SPA)

The final step in the integration of Geomap-Imagis ("G-I"), which was acquired in May 2019, was completed in March 2021. As part of the restructuring, two of the G-I founders and former directors will be leaving the business and the parties agreed to amend the original SPA as explained below.

Under the original terms, the Group agreed to pay the vendors consideration, which included €1,166,999 to be satisfied by the issue by 1Spatial of ordinary shares (the "Consideration Shares").
Of the consideration to be satisfied by the issue of the Consideration Shares, €726,459 was satisfied immediately upon Completion, with the balance of €440,540 to be satisfied on 30 March 2023 (the "Deferred Share Consideration Amount"). Accordingly, on Completion the Company issued to the vendors 1,902,686 new ordinary shares (the "Initial Consideration Shares"), subject to a lock up obligation until 31 December 2021.
In connection with completion of the integration of G-I, the Group has entered into an Amendment Agreement with these two GI founders and former directors in March 2021 to amend the terms of the original agreement primarily as follows:

- Release 1,765,173 of the Initial Consideration Shares (the "Released Shares") from the above-mentioned lock up obligation; and
- pay out in cash to certain of the vendors, at the earlier date of 10 September 2022, €408,701 of the Deferred Share Consideration Amount.

Pursuant to the terms of the Amendment Agreement, the Released Shares remain subject to an orderly market provision for 3 months.

17. Availability of annual report and financial statements

Copies of the Company's full annual report and financial statements are expected to be posted to shareholders in due course and, once posted, will also be made available to download from the Company's website at www.1spatial.com.

1Spatial plc is registered in England and Wales with registered number 5429800. The registered office is c/o Tennyson House, Cambridge Business Park, Cambridge, Cambridgeshire, CB4 0WZ.