28 September 2022

1Spatial plc (AIM: SPA)

(“**1Spatial**”, the “**Group**” or the “**Company**”)

Interim Results for the six-month period ended 31 July 2022 (“H1 2023”)

Delivering further revenue and ARR growth

1Spatial, (AIM: SPA), a global leader in Location Master Data Management (LMDM) software and solutions, is pleased to announce interim results for the six months ended 31 July 2022.

H1 2023 highlights

- Group revenue up 11% driven by growth in recurring revenue:
  - 18% increase in recurring revenue to £6.6m (H1 2022: £5.6m), representing 47% of total revenue (H1 2022: 45%)
  - 67% increase in Term Licences revenue to £1.7m (H1 2022: £1.0m)
- Annualised Recurring Revenue (“ARR”) up 29%:
  - ARR* up 29% to £15.2m (H1 2022: £11.8m at constant currency)
  - 115% increase in Term Licences ARR* to £5.2m (H1 2022: £2.4m at constant currency)
- Profit before tax of £0.3m (H1 2022: loss of £0.3m)

Financial highlights

	Half-year to 31 July 22 £m	Half-year to 31 July 21 £m	Change £m	Growth %
Group revenue	14.0	12.6	1.4	11
Recurring revenue	6.6	5.6	1.0	18
Term licences revenue	1.7	1.0	0.7	67
Group Total ARR*	15.2	11.8	3.4	29
Term licences ARR*	5.2	2.4	2.8	115
Group gross profit	7.0	6.4	0.6	9
Adjusted EBITDA**	2.0	1.8	0.2	10
Adjusted EBITDA** margin (%)	14.4	14.5	(0.1)	(0.1pp)
Operating profit/(loss)	0.4	(0.2)	0.6	n/a
Profit/(loss) before tax	0.3	(0.3)	0.6	n/a
Earnings/(loss) per share – basic and diluted (p)	0.2	(0.2)	0.4	n/a
Net cash***	2.3	2.8	(0.5)	(17)

** Annualised Recurring Revenue (ARR) is the annualised value at the period-end of committed recurring contracts for term licences and support & maintenance. Term licences ARR is the annualised value at the period-end of committed recurring contracts for term licences.*

*** Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(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*

**** Net cash is gross cash less bank borrowings but excludes lease liabilities*

Group operational highlights

- Significant new customer wins, including contracts with High Speed Two (HS2) and a European Aerospace company
- Planned launch of multi-tenancy SaaS-based solutions in H2, including Next Generation 9-1-1 (NG911) and Traffic Management Plan Automation, expected to provide significant future growth opportunities
- Post period-end secured two significant contracts with the State of Arkansas and Eastern Transportation Coalition, demonstrating further US momentum
- Solid progress made developing an ESG strategy on which the Board plans to provide an update in the 2023 Annual report

Outlook

- Trading in the second half has started positively and the Board remains confident in delivering results for FY 2023 in line with management's expectations

Commenting on the results, 1Spatial CEO, Claire Milverton, said:

"This has been another period of solid growth driven by a combination of new customer wins, expansion of our partner network and a positive market landscape. Digital transformation and the growing need for better quality, shareable location data to support infrastructure investment continue to drive demand for 1Spatial's solutions.

"We see a substantial opportunity to take further market share across our key regions as we look to the second half. We have good visibility into full year revenues and are focussed on continuing the significant progress made building recurring revenues in line with our three-year growth plan. With a strong pipeline and investment made to date, the Board remains confident in delivering results for FY23 in line with management's expectations."

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.

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

www.1spatial.com

Half-year review

Following the launch of our three-year growth plan in 2021, we are already a financially, operationally, and culturally stronger business, as demonstrated by the progress made in the first half of this financial year. The growth in our revenues, annual recurring term licence revenue and the number of substantial new wins, many of which have potential for future expansion, confirm that we are successfully delivering against our three-pillared growth strategy focused on innovation, customers and smart partnerships.

We achieved Group revenues of £14.0m (H1 FY 2022: £12.6m), whilst at the same time increasing investment in the business.

At our FY 2022 results, I stated that the Board and I believed we were embarking on a transformational growth opportunity based on three key reasons:

- The customer and partner credibility we are gaining in the market
- The significantly growing market that we operate in
- The investment we have made in our market leading software platform

During the first half of FY 2023, these reasons have become even more apparent.

Customer and partner credibility

We have achieved significant wins with new customers including HS2, a major European Aerospace company, the first win with the State of New York and a framework contract with the Eastern Transportation Coalition. Post period end, we secured our eighth NG911 competitive contract with the State of Arkansas. These new clients provide us with secure long-term levels of ARR and they provide excellent references and opportunities to increase revenues within these accounts.

Our relationship with key partners continues to expand and during the period we have signed a teaming agreement (delivery partnership) with CGI Inc., one of the world's largest independent IT and business consulting services firms, to be a strategic delivery partner on a five-year contract with the Home Office. Whilst we have no current indication of the value of our element, the total contract for CGI is initially valued at £95m. We have also started working in partnership with ATOS, a global leader in digital transformation and Rizing (now part of Wipro), a global SAP partner. The four-year contract with the California Department of Transportation (Caltrans) was won in conjunction with Rizing and is an indication that our strategic growth plan in the US continues to bear fruit and our reputation within the largest transportation system in the nation continues to strengthen.

Work on the large contracts secured in the previous financial year continue to progress well, enabling us to strengthen our relationships with key partners including the Geospatial Commission, QinetiQ and Atkins, adding to our credibility in the market by working with large customers and partners.

Significantly growing market

We are global leaders in providing Location Master Data management and this proposition is at the intersection of two global growing markets. Firstly, the Geospatial Information Systems Market is currently worth US$10bn, which is estimated to more than double by 2027 to US$21bn, and secondly, the mainstream Master Data Management market, which is worth US$12bn but estimated to quadruple by 2027 to US$47bn.

Despite the current macro-economic conditions, digital transformation, and the growing need for better, more accurate and shareable data to support infrastructure investment continues to drive demand for our solutions within our target markets, being Utilities, Transport and Government, where we are increasingly considered as specialists in this area. We are also continuing to see significant budgets in these areas committed from governments globally.

Investment in our market leading software platform

We have continued to invest in our market leading platform including investment in:

- Our core data management solutions such as our patented 1Integrate rules engine and our cloud-enabled portal, 1Data Gateway, to improve the user experience

- Our Esri based Business Applications such as 1Water and 1Telecomms which are currently focused on the European market

- Our cloud platform ready for the launch of multi-tenancy cloud-based solutions, which are still on track to launch before the end of H2 2023. This includes Traffic Management Plan Automation (TMPA) in the UK and NG 9-1-1 in the USA for the cities and the counties.

Growth strategy

UK

We have seen strong growth in the UK during the half, with the signing of our first significant contract with HS2, to build a data validation gateway, which has significant potential for further expansion. The total contract value over the two years is £0.9m, with potential options to extend for a further two years.

The gateway solution will enable HS2 to validate the quality, conformance and design of construction-related data submitted by their Supply Chain, which in turn will contribute to the efficiency and effective information delivery on Europe's largest infrastructure project. This is a demonstration of 1Spatial's increasing ability to secure larger contracts across our key geographies and to design, deliver and implement large-scale critical systems.

We also signed a multi-year 1Integrate call-off contract with the Department for Environment, Food and Rural Affairs (DEFRA). The contract enables DEFRA and its associates to license 1Integrate and procure its data management implementation services through the enterprise licence agreement on G-Cloud 12. DEFRA is responsible for improving and protecting the environment and this contract complements our relationship of over ten years in supporting and developing its data management, data governance and data quality capabilities.

We are also making good progress on implementing the solutions on the two major contracts (UK Government contract and NUAR) signed in FY 2022, and these are expected to provide growth opportunities in the future.

Successes such as these, and the considerable size of our sales pipeline, give us the confidence to continue to invest in the business, to ensure we have the right structure to deliver on the growing opportunity as we move into the second half of the year and beyond.

Europe

We continue to push the European market to transition from the perpetual licence model to the term licences structure but this is not as well advanced as in the UK and US. We signed a major five-year contract with a European aerospace company with a total value over the five years of approximately €3m including around €0.7m implementation services and around €0.6m per annum (for four years commencing in FY 2024) of software licence and managed services revenue. The timing of closing this contract combined with fewer recurring term licences impacted the revenue in the period which grew at 2% at constant currency.

US

The US is a key geography for our growth strategy to provide scalability. For example, there is only one department of transport (DOT) in the UK whereas there are 50 in the US, presenting a major opportunity for the business going forward. The success of our strategy can be seen in our growing profile in North America. During the first half, we successfully sold and implemented 1Integrate and 1Data Gateway in a number of clients, both new and expanding on existing contracts, building our annual recurring revenue from our repeatable solutions such as NG 9-1-1.

Notable new customer wins in the US in the period include:

- **US$1.4m expansion contract with the State of California over four years -** secured in partnership with Rizing (now Wipro), a global SAP partner. The State of California is an existing client of 1Spatial, having already selected 1Spatial's Next Generation 9-1-1 solution.

- **First** contract with **University of Maryland CATT Labs -** Five-year contract with initial value of around $0.6m, which will be recognised over the five-year period, adding to the Group's annual recurring revenue.

- **First** contract with the **State of New York** – for various proof of concept projects using 1Integrate and 1Data Gateway

- **First** contract with the **State of Arkansas -** for **NG 9-1-1**, a seven-year contract for $1.2m over the period and now the **eighth** US State to select the solution.

Post-period end we also closed the following sales:

- First contract with the **Eastern Transportation Coalition**, a partnership of 18 US east coast States and Washington DC, which has secured its first contract through the marketplace, for US$400k with **Massachusetts Department of Transportation.** The total potential contract value for conflation within this ETC framework agreement is estimated to be up to **US$15m over eight years.**

- **First** contract with the **State of Indiana** – for various proof of concept projects using 1Integrate and 1Data Gateway

People

At the heart of our growth pillars is our 1Team, a world class, committed team of people who embody our values of We Respect, We Innovate, We Collaborate, We Trust and We Care.

During the period we were delighted to have been certified as a Most Loved Workplace®, backed by Best Practice Institute (BPI) research and analysis. This was based on our scores on their Love of Workplace Index™, which surveys employees on various elements around employee satisfaction and sentiment, including the level of respect, collaboration, support, and sense of belonging they feel inside the Company.

Communication with our staff and maintaining wellbeing is crucial, especially in the current macroeconomic environment. We have regular global company meetings and actively promote the importance of mental health. As part of our commitment to their well-being, we continue to roll out initiatives such as mental health awareness training, internal events and initiatives to encourage staff to take time out from their working day and have appointed mental health first aiders. We kicked off our annual wellbeing month in September 2022 and we are planning a range of activities including an employee volunteering community clean-up day in the UK.

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 continue to show ingenuity and commitment day-to-day, for which the Board and I thank them wholeheartedly. Their ability to innovate continually whilst delivering the highest levels of customer satisfaction means that our growth pillars are built on very secure foundations.

ESG

We made good progress with the development of our ESG strategy. In March we kicked off a stakeholder materiality assessment to determine the priority areas of our ESG strategy. We consulted with more than 150 stakeholders during this process, consisting of customers, employees, board members and senior management (representing 'the business'), shareholders, partners and suppliers. During this process, we identified 13 issues that were considered of high importance. These 13 issues will be consolidated into key focus areas, linked to specific targets and objectives. These objectives will be developed through industry benchmarking, peer review and business consultations. We aim to complete this process during this financial year and expect to report back on our ESG strategy in our 2023 Annual Report.

Strategic priorities for H2 2023

Our focus remains on the three pillars of our growth strategy and we continue to invest in order to position the business to take advantage of the huge opportunity ahead.

The expansion of the 1Spatial Cloud platform will be a key strategic focus for the Group and the planned launch of our multi-tenancy SaaS based solutions later in H2 2023, including NG911 and Traffic Management Plan, will enable us to increase our addressable market and existing customer demand for web-based access to our solutions.

We will continue to grow our pipeline and invest in the business and its people to support our expanded customer base. In terms of our financial goals, the Group remains focused on increased revenue growth, underpinned by growing annual recurring revenue and to continue our trajectory of increased profitability at adjusted EBITDA level and higher cash generation over the long-term.

Current trading and outlook

We believe we are just at the start of the transformation of our market. Evidenced by the number and size of wins in this half, we sit right at the heart of the changes across multiple sectors.

With a strong sales pipeline in all regions, positive market landscape and the investments we continue to make in our technology, we are well-positioned to capitalise on the expanding market opportunity. Our expanding partner networks and growing levels of recurring revenue will enable us to continue to execute successfully on the remainder of our three-year growth plan.

Trading in the second half is in line with Board expectations with several new contracts secured. While cognisant of inflationary cost pressures, the Board remains confident in delivering results for FY 2023 in line with management's expectations.

Claire Milverton
Chief Executive Officer

Financial performance

Summary

The Group delivered a solid financial performance in the period, with further growth in revenues, ARR and adjusted EBITDA profit levels, while increasing its spending on innovation, pre-sales and delivery capacity in order to continue to secure higher value longer-term recurring contracts.

Revenue

Group revenue increased by 11% to £14.0m (11% at constant currency) from £12.6m in H1 2022. The business strategy is to grow recurring revenue from repeatable business solutions on longer-term contracts, including recurring term licences, rather than one-off perpetual licences. In FY 2021, the Board approved a three-year revenue growth plan, with increased planned spending on technology, sales and delivery capacity in order to effect a step change in revenue growth. As a result of this focus, recurring revenue in the period increased by 18% to £6.6m from £5.6m and the Group achieved organic growth in revenue of 11%. The revenue by type is shown below:

Revenue by type

	H1 2023	H1 2022	% change
Recurring revenue *	**6.62**	5.63	18%
Services	**6.44**	5.93	9%
Revenue (excluding perpetual licences)	**13.06**	11.56	13%
Perpetual licences	**0.97**	1.08	(10%)
Total revenue	**14.03**	12.64	11%

** Recurring revenue comprises term licences and support and maintenance revenue.*

Growth in term licence ARR

We are growing term licences from our proprietary solutions but we also sell third-party products on a standalone basis or to support our own solution sales. In the twelve-month period to 31 July 2022, we have increased the annualised value of term licences by 115% overall (141% for 1Spatial solutions), as shown in the table below.

	H1 2023	H1 2022*	Growth
ARR for term licences - owned	**4.07**	1.69	141%
ARR for term licences – third party	**1.09**	0.71	54%
ARR for term licences - total	**5.16**	2.40	115%

* ARR for H1 2022 has been restated at constant fx.

Annualised Recurring Revenue

The Annualised Recurring Revenue ("ARR") (annualised value at the period-end of committed recurring contracts for term licences and support and maintenance) increased by 29% (at constant currency) from £11.8m at 31 July 2021 to £15.2m as at 31 July 2022. The growth rates varied by region as shown in the table below with all regions growing total ARR and the UK growing at the fastest rate of 58%. The US and Australia also had excellent growth rates. Europe's ARR growth rate was modest at 6% reflecting a slower transition to recurring term licences in the region. The overall renewal rate remains high at around 94%.

ARR by region

	H1 2023	H1 2022*	**Growth**
UK/Ireland	**6.30**	4.00	58%
Europe	**5.09**	4.82	6%
US	**2.09**	1.65	27%
Australia	**1.72**	1.32	30%
Total ARR	**15.20**	11.79	29%

* ARR for H1 2022 has been restated at constant fx.

Committed services revenue

The level of committed services revenue, which has reduced since the start of the year as services revenue on our major projects won last year is recognised, nevertheless remains historically high at £11.6m and provides strong revenue visibility, underpinning the Group's strong financial footing.

The combination of growing ARR, committed services revenue backlog and a strong pipeline of prospects means that the business is on track to make 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 continue to invest with confidence.

Regional revenue

Revenue by region is shown in the table below:

Regional revenue

	H1 2023	H1 2022	Growth %	Growth % (constant fx)
UK/Ireland	**5.62**	4.45	26%	26%
Europe	**5.31**	5.31	0%	2%
US	**1.80**	1.55	16%	6%
Australia	**1.30**	1.33	(2)%	(5)%
	14.03	12.64	11%	11%

It was pleasing to achieve double-digit revenue growth overall, which was driven mainly by the strong growth in the UK and US following excellent contract wins last year, offset by the results in Europe and Australia. In Europe, revenue was impacted by the timing of closing a major contract and a slower transition to a recurring term licence model, resulting in only modest growth of 2% at constant currency. In Australia, where revenue is primarily derived from third party software deals, we experienced more competitive pricing pressure, combined with the transition from perpetual to term licences, which resulted in a 5% fall in revenue at constant currency. Going forward, all regions will continue to focus on increasing their sales of higher margin owned technology sold as term licences.

Gross profit margin

As we moved into a higher inflationary environment, the business increased its pricing and charge out rates to offset actual and expected cost increases. However, the gross margin reduced to 50% compared to 51% and this was partly due to the timing impact of cost increases being ahead of the effect of increased prices.

Cost management continues to be an important focus during FY 2023, although the business is incurring some planned increases in costs in order to support future revenue growth. The management team decided to increase employee salaries at a higher level than in the past with the aim of retaining and motivating our skilled team and this had an impact on gross margin and EBITDA margin. Going forward, the management team are focused on driving improvements to the gross margin levels, through revenue growth of higher margin term licences.

Adjusted EBITDA

The adjusted EBITDA increased by 10% to £2.0m from £1.8m in the prior period. The EBITDA margin was slightly lower than the prior period at 14.4% (H1 2022: 14.5%).

Operating profit and profit before tax

The Group recorded an operating profit of £0.4m compared to a loss of £0.2m in the prior year, continuing the improving financial trend of the business. Profit before tax was £0.3m (H1 2022: loss before tax £0.3m).

Taxation

The tax charge for the period was £0.1m (H1 2022: credit of £0.1m).

Balance sheet

The Group’s net assets increased to £15.7m at 31 July 2022 (H1 2022: £14.6m). Trade and other receivables increased year on year to £12.3m (H1 2022: £9.4m), mainly due to increased accrued income at period end following recent contract wins.

Cash flow

Operating cash flow inflow was £1.3m (H1 2022: £0.6m). This was higher than the prior year primarily due to the reversal of some Covid support and the cash impact of the European integration costs incurred in H1 FY 2022. Cash flow has also been impacted by the requirement for higher working capital on larger projects and the planned increase in R&D expenditure, which is incurred ahead of expected higher future licence revenue. Whilst the free cash flow* was negative in H1 2023 (H2 is typically stronger for cash generation than H1), there was nevertheless an improvement year on year, even after increased R&D spending, as shown in the table below:

Free cash flow	**H1 2023**	**H1 2022**
	£'000	**£'000**
Cash generated from operations	1,343	646
Net interest paid	(75)	(105)
Net tax paid	(26)	-
Expenditure on product development and intellectual property capitalised	(1,563)	(1,291)
Purchase of property, plant and equipment	(104)	(88)
Lease payments	(454)	(580)
Free cash flow *	**(879)**	**(1,418)**

* 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.

After the period end, £0.2m has been received in relation to R&D tax credit from HMRC. We also paid earlier in September 2022, €408k related to the remaining deferred consideration on the GI acquisition completed in 2019.

Investment in R&D

Development costs capitalised in the period amounted to £1.6m (H1 2022: £1.3m). Amortisation of development costs was £0.7m (H1 2022: £0.9m). The increased R&D expenditure primarily relates to the investment in cloud-based SaaS solutions.

Financing

As the number of higher value sales contracts has increased, the Board decided that it would be prudent to put in place a £3m Revolving Credit Facility to ensure that the Group's working capital position is strengthened. The resulting secured facility, arranged in June 2022, is committed for three years and priced on competitive terms. As at 31 July 2022 the facility was undrawn.

The Group repaid as scheduled £0.2m (H1 2022: £0.2m) in relation to its existing long-term bank loans. At the period-end the total loans outstanding were £2.2m (H1 2022: £2.7m). With a gross cash position of £4.5m at 31 July 2022 (H1 2022: £5.5m) and with a growing order backlog and pipeline, and with the revolving credit facility in place, the business is in a strong financial position, which gives the Board the confidence to continue to invest.

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

Andrew Fabian
Chief Financial Officer

Condensed consolidated statement of comprehensive income
Six months ended 31 July 2022

	Note	Unaudited Six months ended 31 July 2022	Audited Year ended 31 January 2022	Unaudited Six months ended 31 July 2021
		£'000	**£'000**	**£'000**
Revenue	**3**	**14,028**	**27,027**	**12,637**
Cost of sales		(7,078)	(13,078)	(6,237)
Gross profit		**6,950**	**13,949**	**6,400**
Administrative expenses		(6,589)	(13,534)	(6,556)
		361	**415**	**(156)**
Adjusted EBITDA*		**2,017**	**4,182**	**1,830**
Less: depreciation		(105)	(198)	(99)
Less: depreciation on right of use asset		(491)	(989)	(503)
Less: amortisation and impairment of intangible assets	**7**	(915)	(2,254)	(1,184)
Less: share-based payment charge		(145)	(326)	(200)
Operating profit/(loss)		**361**	**415**	**(156)**
Finance income		7	14	5
Finance cost		(101)	(209)	(110)
Net finance cost		(94)	(195)	(105)
Profit/(loss) before tax		**267**	**220**	**(261)**
Income tax (charge)/credit	**4**	(60)	(43)	61
Profit/(loss) for the period		**207**	**177**	**(200)**
Other comprehensive income				
Items that may subsequently be reclassified to profit or loss:				
Actuarial gains/(losses) arising on defined benefit pension, net of tax		-	113	-
Exchange differences on translating foreign operations		210	(246)	(166)
Other comprehensive income/(loss) for the period, net of tax		417	(133)	(166)
Total comprehensive gain/(loss) for the period attributable to the equity shareholders of the Parent		**417**	**44**	**(366)**

** Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(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*

Profit/(loss) per ordinary share from continuing operations attributable to the equity shareholders of the Parent during the period (expressed in pence per ordinary share):

		Unaudited Six months ended 31 July 2022	Audited Year ended 31 January 2022	Unaudited Six months ended 31 July 2021
Basic earnings/(loss) per share	**5**	0.2	0.2	(0.2)
Diluted earnings/(loss) per share	**5**	0.2	0.2	(0.2)

Condensed consolidated statement of financial position
As at 31 July 2022

	Note	Unaudited As at 31 July 2022 £'000	Audited As at 31 January 2022 £'000	Unaudited As at 31 July 2021 £'000
Assets				
Non-current assets				
Intangible assets including goodwill	7	15,940	15,003	14,994
Property, plant and equipment		376	350	376
Right-of-use assets		2,000	1,747	2,144
Total non-current assets		**18,316**	**17,100**	**17,514**
Current assets				
Trade and other receivables	8	12,305	12,271	9,353
Current income tax receivable		179	124	279
Cash and cash equivalents	9	4,529	5,623	5,493
Total current assets		**17,013**	**18,018**	**15,125**
Total assets		**35,329**	**35,118**	**32,639**
Liabilities				
Current liabilities				
Bank borrowings	9	(643)	(531)	(468)
Trade and other payables	10	(12,741)	(13,284)	(10,469)
Lease liabilities		(621)	(748)	(847)
Deferred consideration		(370)	(340)	-
Total current liabilities		**(14,375)**	**(14,903)**	**(11,784)**
Non-current liabilities				
Bank borrowings	9	(1,562)	(1,861)	(2,217)
Lease liabilities		(1,348)	(976)	(1,276)
Deferred consideration		-	(27)	(376)
Defined benefit pension obligation		(1,319)	(1,276)	(1,594)
Deferred tax		(1,058)	(970)	(823)
Total non-current liabilities		**(5,287)**	**(5,110)**	**(6,286)**
Total liabilities		**(19,662)**	**(20,013)**	**(18,070)**
Net assets		**15,667**	**15,105**	**14,569**
Share capital and reserves				
Share capital	11	20,150	20,150	20,150
Share premium account		30,479	30,479	30,479
Own shares held		(303)	(303)	(303)
Equity-settled employee benefits reserve		4,075	3,930	3,804
Merger reserve		16,465	16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)	(11,584)
Currency translation reserve		296	86	166
Accumulated losses		(43,434)	(43,641)	(44,131)
Purchase of non-controlling interest reserves		(477)	(477)	(477)
Equity attributable to shareholders of the Parent company		**15,667**	**15,105**	**14,569**
Total equity		**15,667**	**15,105**	**14,569**

Condensed consolidated statement of changes in equity
Period ended 31 July 2022

£'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 **31 January 2021 (Audited)**	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	**(477)**	**(43,931)**	**14,735**
Comprehensive income/(loss)										
Profit for the year	-	-	-	-	-	-	-	-	177	177
Other comprehensive income/(loss)										
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	113	113
Exchange differences on translating foreign operations	-	-	-	-	-	-	(246)	-	-	(246)
Total other comprehensive (loss)/income	-	-	-	-	-	-	(246)	-	113	(133)
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(246)**	**-**	**290**	**44**
Transactions with owners recognised directly in equity										
Recognition of share-based payments	-	-	-	326	-	-	-	-	-	326
	-	**-**	**-**	**326**	**-**	**-**	**-**	**-**	**-**	**326**
Balance at 31 January 2022 (Audited)	**20,150**	**30,479**	**(303)**	**3,930**	**16,465**	**(11,584)**	**86**	**(477)**	**(43,641)**	**15,105**
Comprehensive income/(loss)										
Profit for the period	-	-	-	-	-	-	-	-	207	207
Other comprehensive income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	210	-	-	210
Total other comprehensive income	-	-	-	-	-	-	210	-	207	417
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	210	-	207	**417**
Transactions with owners recognised directly in equity										
Recognition of share-based payments	-	-	-	145	-	-	-	-	-	145
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 July 2022 (Unaudited)	**20,150**	**30,479**	**(303)**	**4,075**	**16,465**	**(11,584)**	**296**	**(477)**	**(43,434)**	**15,667**

£'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 31 January 2021 (Audited)	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	**(477)**	**(43,931)**	**14,735**
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	-	(200)	(200)
Other comprehensive (loss)/income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	(166)	-	-	(166)
Total other comprehensive (loss)/income	-	-	-	-	-	-	(166)	-	(200)	(366)
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	(166)	-	(200)	**(366)**
Transactions with owners recognised directly in equity										
Recognition of share-based payments	-	-	-	200	-	-	-	-	-	200
	-	**-**	**-**	**200**	**-**	**-**	**-**	**-**	**-**	**200**
Balance at 31 July 2021 (Unaudited)	**20,150**	**30,479**	**(303)**	**3,804**	**16,465**	**(11,584)**	**166**	**(477)**	**(44,131)**	**14,569**

Condensed consolidated statement of cash flows
Period ended 31 July 2022

	Note	Unaudited Six months ended 31 July 2022 £'000	Audited Year ended 31 January 2022 £'000	Unaudited Six months ended 31 July 2021 £'000
Cash flows from operating activities				
Cash generated from operations	**9**	1,343	2,497	646
Interest received		6	12	5
Interest paid		(81)	(146)	(110)
Tax paid		(26)	(24)	-
Tax received		-	200	-
Net cash from operating activities		**1,242**	**2,539**	**541**
Cash flows from investing activities				
Purchase of property, plant and equipment		(104)	(164)	(88)
Expenditure on product development and intellectual property capitalised		(1,563)	(2,449)	(1,291)
Net cash used in investing activities		**(1,667)**	**(2,613)**	**(1,379)**
Cash flows from financing activities				
Repayment of borrowings		(206)	(423)	(218)
Repayment of obligations under leases		(454)	(1,088)	(580)
Net cash used in financing activities		**(660)**	**(1,511)**	**(798)**
Net decrease in cash and cash equivalents		**(1,085)**	**(1,585)**	**(1,636)**
Cash and cash equivalents at start of period		5,623	7,278	7,278
Effects of foreign exchange on cash and cash equivalents		(9)	(70)	(149)
Cash and cash equivalents at end of period	**9**	**4,529**	**5,623**	**5,493**

Notes to the Interim Financial Statements

1. Principal activity

1Spatial plc is a public limited company which is listed on the AIM London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, CB4 0WZ. The registered number of the Company is 5429800.

The principal activity of the Group is the development and sale of software along with related consultancy and support.

2. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 July 2022 has been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting. The interim report does not include all the information required for a complete set of IFRS financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 January 2022 and any public announcements made by 1Spatial Plc during the interim reporting period. The annual financial statements of the Group were prepared in accordance UK adopted international accounting standards.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended 31 January 2022.The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have a material impact on the interim financial statements of the Group.

The financial information for the six months ended 31 July 2022 and 31 July 2021 is neither audited nor reviewed and does not constitute statutory financial statements within the meaning of section 434(3) of the Companies Act 2006 for 1Spatial plc or for any of the entities comprising the 1Spatial Group. Statutory financial statements for the preceding financial year ended 31 January 2022 were filed with the Registrar and included an unqualified auditors' report.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 September 2022.

3. Revenue

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

Revenue by type

	H1 2023	H1 2022	
	£000	£000	
Term licences - own	1.14	0.61	87%
Term licences – third party	0.55	0.40	38%
Term licences - total	**1.69**	1.01	67%
Support & maintenance	**4.93**	4.62	7%
Recurring revenue	**6.62**	5.63	18%
Services	**6.44**	5.93	9%
Perpetual licences - own	0.27	0.31	(13%)
Perpetual licences – third party	0.70	0.77	(9%)
Perpetual licences - total	**0.97**	1.08	(10%)
Total revenue	**14.03**	12.64	11%
Percentage of recurring revenue	47%	45%	

4. Taxation

The tax charge on the result for the six months ended 31 July 2022 is based on the estimated tax rates in the jurisdictions in which the Group operates for the year ending 31 January 2023.

5. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period plus the €0.03m deferred shares to be satisfied in March 2023.

	Unaudited Six months ended 31 July 2022 £'000	Audited Year ended 31 January 2022 £'000	Unaudited Six months ended 31 July 2021 £'000
Profit/(loss) attributable to equity holders of the Parent	**207**	**177**	**(200)**

	Number 000s	Number 000s	Number 000s
Ordinary shares with voting rights	**110,486**	**110,486**	**110,486**
Deferred consideration payable in shares	56	58	72
Basic weighted average number of ordinary shares	**110,542**	**110,544**	**110,558**
Impact of share options/LTIPs	3,890	4,008	-
Diluted weighted average number of ordinary shares	**114,432**	**114,552**	**110,558**

	Unaudited Six months ended 31 July 2022 Pence	Audited Year ended 31 January 2022 Pence	Unaudited Six months ended 31 July 2021 Pence
Basic earnings/(loss) per share	0.2	0.2	(0.2)
Diluted earnings/(loss) per share	0.2	0.2	(0.2)

There is no material difference between basic earnings per share and diluted earnings per share.

For H1 FY 2022, 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.

6. Dividends

No dividend is proposed for the six months ended 31 July 2022 (31 January 2022: nil; 31 July 2021: nil).

7. Intangible assets including goodwill

	Goodwill £'000	Brands £'000	Customers and related contracts £'000	Software £'000	Development costs £'000	Intellectual property £'000	Total £'000
Cost							
At 1 February 2022	17,194	450	4,547	6,574	21,228	72	50,065
Additions	-	-	-	7	1,556	-	1,563
Effect of foreign exchange	284	2	28	27	106	-	447
At 31 July 2022	**17,478**	**452**	**4,575**	**6,608**	**22,890**	**72**	**52,075**
Accumulated impairment and amortisation							
At 1 February 2022	11,330	291	3,640	4,958	14,826	17	35,062
Amortisation	-	11	73	103	725	3	915
Effect of foreign exchange	23	-	20	17	98	-	158
At 31 July 2022	**11,353**	**302**	**3,733**	**5,078**	**15,649**	**20**	**36,135**
Net book amount at 31 July 2022	**6,125**	**150**	**842**	**1,530**	**7,241**	**52**	**15,940**

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 February 2021	17,447	464	4,764	6,757	19,285	72	48,789
Additions	-	-	-	22	1,269	-	1,291
Effect of foreign exchange	(214)	(8)	(130)	(125)	(285)	-	(762)
At 31 July 2021	**17,233**	**456**	**4,634**	**6,654**	**20,269**	**72**	**49,318**
Accumulated impairment and amortisation							
At 1 February 2021	11,548	252	3,641	4,696	13,454	11	33,602
Amortisation	-	23	79	223	856	3	1,184
Effect of foreign exchange	(131)	(2)	(90)	(56)	(183)	-	(462)
At 31 July 2021	**11,417**	**273**	**3,630**	**4,863**	**14,127**	**14**	**34,324**
Net book amount at 31 July 2021	**5,816**	**183**	**1,004**	**1,791**	**6,142**	**58**	**14,994**

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 February 2021	17,447	464	4,764	6,757	19,285	72	48,789
Additions	-	-	-	26	2,423	-	2,449
Effect of foreign exchange	(253)	(14)	(217)	(209)	(480)	-	(1,173)
At 31 January 2022	**17,194**	**450**	**4,547**	**6,574**	**21,228**	**72**	**50,065**
Accumulated impairment and amortisation							
At 1 February 2021	**11,548**	**252**	**3,641**	**4,696**	**13,454**	**11**	**33,602**
Amortisation	-	42	153	360	1,693	6	2,254
Effect of foreign exchange	(218)	(3)	(154)	(98)	(321)	-	(794)
At 31 January 2022	**11,330**	**291**	**3,640**	**4,958**	**14,826**	**17**	**35,062**
Net book amount at 31 January 2022	**5,864**	**159**	**907**	**1,616**	**6,402**	**55**	**15,003**
Net book amount at 31 January 2021	5,899	212	1,123	2,061	5,831	61	15,187

8. Trade and other receivables

	As at 31 July 2022	As at 31 January 2022	As at 31 July 2021
Current	£'000	£'000	£'000
Trade receivables	2,701	4,895	2,858
Less: provision for impairment of trade receivables	(25)	(25)	(59)
	2,676	4,870	2,799
Other receivables	1,618	1,413	1,573
Prepayments and accrued income	8,011	5,988	4,981
	12,305	**12,271**	**9,353**

9. Notes to the condensed consolidated statement of cash flows

a) Cash used in operations

	Unaudited Six months ended 31 July 2022 £'000	Audited Year ended 31 January 2022 £'000	Unaudited Six months ended 31 July 2021 £'000
Profit/(loss) before tax	267	220	(261)
Adjustments for:			
Net finance cost	94	195	105
Depreciation	596	1,187	602
Amortisation of acquired intangibles	190	561	328
Amortisation and impairment of development costs	725	1,693	856
Share-based payment charge	145	326	200
Decrease/(increase) in trade and other receivables	216	(1,784)	1,241
(Decrease)/increase in trade and other payables	(668)	206	(2,527)
Increase/(decrease) in defined benefit pension obligation	24	(108)	43
Net foreign exchange movement	(246)	1	59
Cash from operations	**1,343**	**2,497**	**646**

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

	Unaudited As at 31 July 2022 £'000	Audited As at 31 January 2022 £'000	Unaudited As at 31 July 2021 £'000
Decrease in cash in the period	(1,085)	(1,585)	(1,636)
Changes resulting from cash flows	**(1,085)**	**(1,585)**	**(1,636)**
Net cash outflow in respect of borrowings repaid	206	423	218
Effect of foreign exchange	(28)	127	(40)
Change in net funds	**(907)**	**(1,035)**	**(1,458)**
Net funds at beginning of period	3,231	4,266	4,266
Net funds at end of period	**2,324**	**3,231**	**2,808**
Analysis of net funds			
Cash and cash equivalents classified as:			
Current assets	4,529	5,623	5,493
Bank and other loans	(2,205)	(2,392)	(2,685)
Net funds at end of period	**2,324**	**3,231**	**2,808**

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

10. Trade and other payables

Current	As at 31 July 2022 £'000	As at 31 January 2022 £'000	As at 31 July 2021 £'000
Trade payables	2,242	2,227	1,789
Other taxation and social security	2,993	2,924	2,792
Other payables	492	534	430
Accrued liabilities	1,651	1,987	1,280
Deferred income	5,363	5,612	4,178
	12,741	**13,284**	**10,469**

11. Share capital

	As at 31 July 2022 £'000	As at 31 January 2022 £'000	As at 31 July 2021 £'000
Allotted, called up and fully paid			
110,805,795 (H1 and FY 2022: 110,805,795) ordinary shares of 10p each	11,082	11,082	11,082
226,699,878 (H1 and FY 2022: 226,699,878) deferred shares of 4p each	9,068	9,068	9,068
	20,150	**20,150**	**20,150**

There are 110,805,795 ordinary shares of 10p in issue, of which 319,635 ordinary shares are held in treasury. Consequently, the total number of voting rights is 110,486,160.

The deferred shares of 4p each do not carry voting rights or a right to receive a dividend. Accordingly, the deferred shares will have no economic value.