29 September 2021

1Spatial plc (AIM: SPA)

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

Interim Results for the six-month period ended 31 July 2021 ("H1 2022")

Strategic plan delivering an acceleration in revenue growth rates

H1 2022 highlights

- 80% increase in Term Licences revenue to £1.0m (H1 2021: £0.6m)
- 63% increase in Term Licences Annualised Recurring Revenue ("ARR") * to £2.1m (H1 2021: £1.3m at constant currency)
- Revenue growth in the US region accelerated to 34% (48% at constant currency) (H1 2021: 12%)
- 12% increase in total ARR * to £11.6m (H1 2021: £10.3m at constant currency)
- Recently announced two record value landmark contract wins, which are expected to drive further increase in longer-term revenue growth rate

Group financial highlights

	Half-year to 31 July 21 £m	Half-year to 31 July 20 £m	Change £m	Growth %
Revenue	12.6	11.7	+0.9	+8%
Adjusted EBITDA**	1.8	1.7	+0.1	+10%
Adjusted EBITDA** margin (%)	14.5	14.2	+0.3pp	
Operating loss	(0.2)	(0.8)	+0.6	
Loss before tax	(0.3)	(0.9)	+0.6	
Loss per share – basic and diluted (p)	(0.2)	(0.7)	+0.5p	
Operating cash generated ***	1.0	1.8	(0.8)	

** Term Licences Annualised Recurring Revenue ("ARR") is the annualised value at the period-end of committed recurring contracts for term licences. Total ARR is the annualised value at the period-end of committed recurring contracts for term licences and support & maintenance*
*** 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*
**** Excludes one-off cash costs on prior year restructuring*

Group operational highlights

- New customer wins in all regions, including multi-year contracts with HM Land Registry in the UK and VINCI Highways in France; software licences with three further US States for our repeatable 911 offering
- Land and expand strategy driving revenue growth from existing customers, including Google Real Estate and Workplace Services, the Department for Environment, Food and Rural Affairs, the US Federal Highways, Northern Gas Networks, Ordnance Survey Great Britain, and the Energy Networks Association
- Increased investment in R&D with successful release of 3D version of 1Integrate, and the planned beta version of Traffic Management Plan Automation (TMPA)
- Positive operating cash generation but lower than prior year mainly due to investment in sales and delivery capacity and non-recurring items (e.g. prior year restructuring costs); net cash at period-end of £2.8m (H1 FY21: £3.4m)

Current trading & Outlook

- Successful investment in partner collaboration resulted in substantial contract awards post period end, which are expected to deliver greater revenue growth in future years including:

    - Major Government contract - £8.0m contract over five years (announced on 27 September)
    - Geospatial Commission, National Underground Asset Register ("NUAR") - £6.5m contract over three years (announced on 13 September)
- The term licence Annualised Recurring Revenue ("ARR") increased to £3.8m (on a pro-forma basis), with the addition of the two recent major contract wins
- The level of ARR is building nicely and the committed services revenue is now at a record level for the Group of £11.8m
- The recently awarded major UK Government contract also allowed the Board to upgrade its expectations for FY 2023, as announced on 27 September 2021

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

"We are delighted to see such positive early indicators of the success of our strategic growth plan. The increase in our term licence revenue, strong growth in the US and significant recent multi-year contract wins point to a gear change in the growth prospects for 1Spatial.

"We believe we are just at the start of a major transformation of our market. As evidenced by our recent contract wins, we are increasingly seen across the globe as the specialists in the management of spatial data issues, sitting right at the heart of changes across multiple sectors, whether that be to facilitate infrastructure upgrades, the transition to green energy or new digital transformation strategies.

"*New business signed since the end of H1 has been excellent and we have a record level of committed services revenue.*

"The depth of the sales pipeline, positive market landscape, our expanding influential partner network and growing levels of recurring revenue, provide the Board with confidence in the expected outturn for the year and an exciting long-term future for 1Spatial."

The management team will host a presentation for analysts at 11am today. Analysts who wish to attend can register at 1Spatial@almapr.co.uk. The recording of the event will be made available on the website shortly thereafter.

The management team will host a presentation for retail investors on the Investor Meet Company platform at 1pm on 30 September 2021. Shareholders who already follow 1Spatial on the platform will automatically be invited, others are invited to register in advance via the following link: https://www.investormeetcompany.com/1spatial-plc/register-investor

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. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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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.

For more information visit www.1spatial.com

Half-year review

1Spatial has continued to make excellent progress against its three-year growth plan in the first half of the year, winning new customers in each of its markets and target industries, expanding its product offering and delivering growth in revenues, term licence revenue, ARR and adjusted EBITDA. While the double-digit revenue growth in the USA and Australia was particularly noteworthy, it is encouraging to see that all markets delivered a positive performance. COVID-19 continues to have some impact on the length of sales cycle, however we are seeing a gradual return to more normal timescales and an increased new business win rate.

We believe we are now just at the start of the transformation of our market. We continue to see increasing interest in our offerings, with 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 point of reference when connecting multiple systems. Our rules engine, 1Integrate, and cloud portal, 1Data Gateway, are recognised, both by our customers and a growing number of influential partners, as powerful tools to ensure good quality data and trust when sharing data.

The proof of the success of our strategy and the growth in our market can be seen in the recently announced strategic wins, secured post period end. These include the award of an £8m multi-year contract in partnership with a consortium to deliver a significant digital transformation programme for a department of the UK Government, and a £6.5m contract for the UK Government's Geospatial Commission supporting Atkins to deliver the National Underground Asset Register. These contracts provide £1.7m in annual recurring revenue and underline the quality of our world-class technology and geospatial expertise.

We continue to make positive progress both with our recently won accounts and new customers, including:

- a multi-year contract with the HM Land Registry in partnership with Landmark, to support the national digital Local Land Charges ("LLC") programme;
- further expansion with Google in the US;
- the addition of three further US States to our 911 Emergency Services offering;
- a contract with the Energy Networks Association ("ENA") and Ordnance Survey in the UK to build a digital map of the energy system;
- a multi-year contract with the Department for Environment, Food and Rural Affairs (Defra); and
- extensions with the US Federal Highways and Ordnance Survey Great Britain.

Successes such as these, and the considerable size of our sales pipeline, give us the confidence to continue to invest in the business, in line with revenue growth, to ensure we have the right structure to deliver on our opportunity, including additional delivery and pre-sales resource, partner enablement, and marketing and sales resource.

Delivering our strategy

We help customers make better business decisions and move forward to a smarter world by unlocking the value of location data. We are building our highly scalable business on three pillars: Innovation, Customer Relationships and Smart Partnerships.

1. **<u>Innovation</u>**

Innovation lies at the heart of 1Spatial. Our technology development hubs in the UK (Cambridge) and France (Paris) have been at the forefront of continually adapting to provide innovative solutions to manage location data for many years. R&D costs capitalised in H1 increased to £1.3m (H1 FY 2021: £1.0m) as we continued our investment in our core products, repeatable solutions and cloud platform.

<u>Launch of next generation LMDM cloud platform</u>

The 1Spatial platform is a comprehensive set of Location Master Data Management ("LMDM") software components, which ensure data management processes are automated and repeatable across the different technology platforms for the whole enterprise. Our patented technology also gives them the ability to solve complex and unique challenges in the management of their spatial and non-spatial data.

Over the last two years we have invested in the transition of our LMDM platform to the cloud, with the cloud platform on track for launch in the second half of the year. The 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 platform will be more cost effective for 1Spatial as we will be managing fewer deployments and the elastic nature of the platform architecture is more cost efficient.

We are also building targeted solutions on the platform, such as Traffic Management Plan Automation ("TMPA"), due for beta testing at select customer and partners in the second half of the year, providing the Group with potential exciting new "go to" market models, such as Validation as a Service ("VaaS") lowering the price point for new customers onto the platform.

Earlier in the year, we were granted a UK Patent for Modification and Validation of Spatial Data, recognising its power as a tool to ensure good quality data and facilitate trust when sharing data. The patent protects the use of 1Spatial's Rules Engine technology, which is used in 1Integrate, further strengthening the Group's international patent coverage, which includes a US patent for Modification and Validation of Spatial Data.

We continue to enhance our core products such as 1Integrate and 1Data Gateway. 1Integrate has recently been upgraded to include added support for 3D data, allowing our customers to integrate verified and accurate 3D data into their processes such as managing more accurately sunlight availability, noise propagation, building heat loss, solar panel capacity or building occupancy.

2. Customer Relationships

We want to be our customers' strategic partner and trusted advisor in LMDM in our chosen industries and geographies. The success of our customer focus, combined with ongoing transition to recurring term licence contracts, is evidenced by the 80% growth in term licence 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 period across all regions, including a number of strategic wins within our LMDM offering, with the US once again performing particularly well, but also strategic wins in the UK & Ireland and France. We now have a customer base of over 1,000 in total across the Group, the majority on recurring contracts, providing a strong basis for future expansion.

We continue to benefit from the release of our 1Data Gateway portal last year and are seeing an increasing number of coupled sales of 1Data Gateway and 1Integrate, 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.

The Group secured several new clients in the period, most notably:

- A multi-year contract with HM Land Registry ("HMLR"), in partnership with Landmark to support HM Land Registry's national digital Local Land Charges (LLC) programme: a three-year digital transformation programme of the land charges records that will deliver a single national digital register across England and Wales.
- A contract with the Energy Networks Association ("ENA") 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 the Department for Environment, Food and Rural Affairs (Defra) and the Rural Payments Agency ("RPA"). The contract will enable both organisations to deliver the Basic Payment schemes and transition to their new Environmental Land Management Scheme

as part of the UK Government's 25-year environment plan and commitment to net zero emissions by 2050.
- Three new contracts for next generation 911 solutions in the US, with the States of Georgia, Minnesota and Arizona, demonstrating the replicability of this solution.
- Our first multi-year term licence in France, with VINCI Highways, to supply 1Telecom, a 1Spatial app built on the Esri platform

The Group secured multiple customer expansion contracts in the period, including:

- A multi-year contract with Northern Gas Networks (NGN), to deliver the UK's first enterprise migration to Esri's new ArcGIS Utility Network model. 1Spatial's platform, including its 1Integrate tools, will be deployed to conduct the data quality audit, data cleanse and enhancement to ensure the data is fit for migration to the new model, which will be implemented in the ArcGIS Utility Network. We believe this to be another highly replicable solution and post period end we are pleased to have signed our first additional proof of concept with another water company for the solution.
- A significant contract extension with Google Real Estate and Workplace Services, a division of Google, Inc for the use of 1Data Gateway and 1Integrate in the management of their facilities.
- The award of a proof of concept contract alongside Ordnance Survey Great Britain for the Energy Networks Association to deliver a digital map of the UK energy network.

Other expansion contracts include the US Federal Highways Administration, Ordnance Survey Great Britain and Tours Metropole in France, an existing customer which has expanded to use arcOpole Pro Street Management.

In France, 11 existing customers have now completed their migration from the Group's legacy platform to the Esri platform, and a further 13 have commenced the migration process, paving the way for future expansion.

3. <u>Smart Partnerships</u>

We use smart partnerships to extend our market reach, providing additional scale to our capabilities. We target three types of partners: major technology consultancies, software platform providers, and domain industry specialists.

We continue to make good progress in adding new partnerships and strengthening existing relationships. We are increasingly being utilised by our partners as their data integrity provider, cleansing the data before passing it back through wider systems. The success of this approach can be seen in the recently announced wins, post period end with NUAR (in partnership with Atkins), and another major Government contract.

We were also delighted to receive a prestigious award at the global 2021 Esri Partner Conference. The 'Web GIS Transformation Award' was presented to 1Spatial for its innovative and extensive product integration within ArcGIS Enterprise and the provision of Esri-based business applications and solutions to customers with ArcGIS Online using a SaaS model.

Corporate activity

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

Strategic priorities for the second half

We will continue to focus on the three pillars of our growth strategy.
The successful launch of the cloud LMDM platform in the coming months is a key strategic focus for the Group. We believe this, alongside new SaaS solutions such as TMPA, can be transformational for the Group in future years.

We will continue to invest in the business to support our expanded customer base, while maintaining our focus on the financial goals of increased 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.

Current Trading & Outlook

We are delighted to see such positive early indicators of the success of our strategic growth plan. The increase in our term licence revenue, strong growth in the US and significant recent multi-year contract wins point to a gear change in the growth prospects of 1Spatial.

We believe we are just at the start of the transformation of our market. As evidenced by our recent contract wins, we are increasingly seen across the globe as the specialists in the management of spatial data issues, sitting right at the heart of changes across multiple sectors, whether that be to facilitate infrastructure upgrades, the transition to green energy or new digital transformation strategies.

New business signed since the end of H1 2022 has been excellent and as a result, the Board has upgraded its expectations for FY 2023, as announced on 27 September 2021.

The depth of the sales pipeline, positive market landscape, expanding influential partner network and growing levels of recurring revenue, provide the Board with confidence in the expected outturn for the year and an exciting long-term future for 1Spatial.

Claire Milverton
Chief Executive Officer

Financial performance

Summary

The Group delivered an excellent 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 aim to secure higher value contracts.

Revenue

Group revenue increased by 8% to £12.6m (11% at constant currency) from £11.7m in H1 2021. The business strategy is to grow revenue from repeatable business solutions on longer-term contracts, including recurring term licences, rather than one-off perpetual licences. The Board approved a three-year revenue growth plan, with increased spending on technology, sales and delivery capacity in order to effect a gear change in revenue growth. Pleasingly, as a result of this focus, revenue from term subscription licences in the period increased by 80% to £1.0m from £0.6m and the Group achieved organic growth in revenue of 8%. The revenue by type is shown below:

Revenue by type

	H1 2022	H1 2021	**% change**
Recurring revenue *	5.63	5.19	8%
Services	5.93	5.52	7%
Revenue (excluding perpetual licences)	11.56	10.71	8%
Perpetual licences	1.08	1.02	6%
Total revenue	12.64	11.73	8%

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

Committed revenue

The level of sales of committed revenue (revenue for future services, licences and support contracts committed contracted at the balance sheet date) increased in the period from the business focus of extending the duration of contracts and signing higher value service contracts.

Growth in term licence ARR

In the period since 31 July 2020, we have almost tripled the annualised value of term licences, with the inclusion of the contract wins recently announced, as shown in the table below.

	Pro-forma *	**H1 2022**	FY 2021**	H1 2021**
ARR for term licences	**3.82**	**2.12**	1.63	1.30

* This pro-forma ARR includes the impact of term licences of £1.7m signed after period end from two major contracts announced in September 2021.
** ARR for FY 2021 and H1 2021 have been restated at constant fx.

Total ARR Growth

The Annualised Recurring Revenue (“ARR”) (annualised value at the year-end of committed recurring contracts for term licences and support and maintenance) increased in the twelve months by 12% (at constant currency) from £10.3m to £11.6m as at 31 July 2021. The growth rates varied by region as shown in the table below with the US growing at the fastest rate of 45% and the overall renewal rate improved to 94% from 90%.

Following the recently announced major contact awards, the pro-forma Annualised Recurring Revenue increased to £13.3m.

ARR by region

	H1 2022	FY 2021*	H1 2021*	**Annual % growth**
UK/Ireland	**4.00**	3.86	3.45	16%
Europe	**4.91**	4.86	4.89	-%
US	**1.45**	1.22	1.00	45%
Australia	**1.21**	1.00	0.97	25%
Total ARR	**11.57**	10.94	10.31	12%

* ARR for FY 2021 and H1 2021 have been restated at constant fx.

Committed services revenue

Including the recently announced contract awards, the level of committed services revenue more than doubled from £5.7m at the start of the financial year to £11.8m, which underpins the Groups' strong financial footing.

The combination of growing ARR, committed services revenue and a strong and growing 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 growth by region is shown in the table below:

Regional revenue

	H1 2022	H1 2021	Growth %
UK/Ireland	**4.45**	4.34	3%
Europe	**5.31**	5.09	4%
US	**1.55**	1.16	34%
Australia	**1.33**	1.14	17%
	12.64	11.73	8%

Following a challenging year in FY 2021 in some regions, it was pleasing that revenue increased in all regions. Organic growth returned to Europe and the UK/Ireland regions, which represent the bulk of our current revenue. Revenue in the US, which represents 12% of Group revenue, had the highest growth rate, and increased at 34% (48% at constant currency), a higher rate than the prior year. Also, it was pleasing to have double digit revenue growth of 17% in Australia.

Gross profit margin

The gross margin reduced to 51% compared to 52% following the Board's decision to increase spending on innovation, sales and delivery capacity in order to aim to secure higher value contracts. Also, the prior year benefitted (within the cost of sales) from £0.3m of grants from overseas governments as part of business support schemes in relation to Covid-19. Excluding this benefit, on a like-for-like basis, the gross margin improved to 51% from an effective rate of 49%. 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 £1.8m from £1.7m in the prior period. The EBITDA margin was slightly higher than the prior period at 14.5% (H1 2021: 14.2% or 11.3% excluding the Covid support received in the prior period mentioned above). Cost management continues to be an important focus during FY 2022, although the businesses is incurring some increases in costs in order to ensure future revenue growth.

Strategic, integration and other non-recurring items

There were no strategic, integration and other non-recurring items incurred in the period. Cash costs of £0.3m relating to the provisions made in the prior year for costs for the final steps in the integration of Geomap-Imagis ("G-I") acquisition, impacted the cash flow for the period.

Operating loss and loss before tax

The Group recorded a significantly reduced operating loss of £0.2m compared to £0.8m in the prior period and the Group's loss before tax reduced to £0.3m from £0.9m for the comparable period.

Taxation

The net tax credit for the period was £0.1m (H1 2021: £0.1m).

Balance sheet

The Group's net assets reduced to £14.6m at 31 July 2021 (H1 2021: £15.3m). Trade and other receivables increased year on year to £9.4m (H1 2021: £9.0m), mainly due to increased accrued income at period end following contract wins in Q2. The reduction in trade and other payables from £10.9m to £10.5m was primarily driven by payments of exceptional and other items.

Cash flow

Operating cash flow inflow (before strategic, integration and other non-recurring items) was £1.0m (H1 2021: £1.8m). This was lower than the prior year primarily due to:

- the Board's decision to increase spend for future revenue growth;
- Covid support cash benefits received in the prior year (including some reversals in current period);
- The cash impact of the prior year's European integration.

The operating cash flow impacts of Covid support and non-recurring items are shown in the table below:

One-off impacts on cashflow

	H1 2022	H1 2021	Variance
	£'000	£'000	£'000
Covid support from overseas Governments	-	346	(346)
VAT deferral	(120)	265	(385)
Lease concession	-	88	(88)
Covid impact on cashflow	(120)	699	**(819)**
Cashflow on strategic, integration and other non-recurring items	(311)	(29)	(282)
Total one-off impacts on cashflow	(431)	670	**(1,101)**

Indeed, adjusting for the cash impact of Covid support, the normalised operating cash flow in the period was similar to the prior year as shown below:

Summarised cash flow	**H1 2022**	**H1 2021**
	£000	**£000**
Adjusted* EBITDA	**1,830**	**1,666**
Working capital adjustments	(1,184)	78
Cash generated from operations after strategic, integration and other non-recurring items	**646**	**1,744**
Add back: strategic, integration and other non-recurring items	311	29
Cash generated from operations before strategic, integration and other non-recurring items	**957**	**1,773**

Adjustments for: Covid cash support in H1 2021/reversal in H1 2022	120	(699)
Normalised * operating cash flow	**1,077**	**1,074**

Whilst H2 is typically stronger for cash generation than H1, the reduced operating cash flow impacted the free cash flow* in the period, as shown in the table below:

Free cash flow	**H1 2022** **£'000**	**H1 2021** **£'000**
Cash generated from operations before strategic, integration and other non-recurring items (see note 10)	957	1,773
Net interest paid	(105)	(72)
Net tax paid	-	(70)
Expenditure on product development and intellectual property capitalised	(1,291)	(965)
Purchase of property, plant and equipment	(88)	(102)
Lease payments	(580)	(598)
Free cash flow before strategic, integration and other non-recurring items	**(1,107)**	(34)
Cashflow on strategic, integration and other non-recurring items	(311)	(29)
Free cash flow *	**(1,418)**	(63)

* 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.

Investment in R&D

Development costs capitalised in the period amounted to £1.3m (H1 2021: £1.0m). Amortisation of development costs was £0.9m (H1 2021: £1.0m).

Financing

The Group repaid as scheduled £0.2m (H1 2021: £6,000) in relation to its bank loans. At the period-end the total loans outstanding were £2.7m. With a gross cash position of £5.5m at 31 July 2021 (H1 2021: £6.6m) and with a growing order backlog and pipeline, 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

Condensed consolidated statement of comprehensive income
Six months ended 31 July 2021

	Note	Unaudited Six months ended 31 July 2021	Audited Year ended 31 January 2021	Unaudited Six months ended 31 July 2020
	Note	**£'000**	**£'000**	**£'000**
Revenue	**3**	**12,637**	**24,600**	**11,726**
Cost of sales (net of government grants of nil (H1 2021: £346,000))		(6,237)	(11,451)	(5,655)
Gross profit		**6,400**	**13,149**	**6,071**
Administrative expenses		(6,556)	(14,395)	(6,861)
		(156)	(1,246)	(790)
Adjusted* EBITDA		**1,830**	**3,632**	**1,666**
Less: depreciation		(99)	(202)	(97)
Less: depreciation on right of use asset		(503)	(1,106)	(559)
Less: amortisation and impairment of intangible assets	**8**	(1,184)	(2,806)	(1,500)
Less: share-based payment charge		(200)	(272)	(175)
Less: strategic, integration and other non-recurring items	**7**	-	(492)	(125)
Operating loss		**(156)**	**(1,246)**	**(790)**
Finance income		5	39	13
Finance cost		(110)	(226)	(85)
Net finance cost		(105)	(187)	(72)
Loss before tax		**(261)**	**(1,433)**	**(862)**
Income tax credit	**4**	61	308	135
Loss for the period		**(200)**	**(1,125)**	**(727)**
Other comprehensive income				
Items that may subsequently be reclassified to profit or loss:				
Actuarial losses arising on defined benefit pension, net of tax		-	(15)	-
Exchange differences on translating foreign operations		(166)	148	381
Other comprehensive (loss)/income for the period, net of tax		(166)	133	381
Total comprehensive loss for the period attributable to the equity shareholders of the Parent		**(366)**	**(992)**	**(346)**

** Adjusted for strategic, integration and other non-recurring items (note 7) and share-based payments.*

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

Basic and diluted loss per share	**5**	(0.2)	(1.0)	(0.7)

Condensed consolidated statement of financial position
As at 31 July 2021

	Note	Unaudited As at 31 July 2021	Audited As at 31 January 2021	Unaudited As at 31 July 2020
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets including goodwill	**8**	14,994	15,187	15,590
Property, plant and equipment		376	392	415
Right-of-use assets		2,144	2,694	3,265
Total non-current assets		**17,514**	**18,273**	**19,270**
Current assets				
Trade and other receivables	**9**	9,353	10,890	8,951
Current income tax receivable		279	164	308
Cash and cash equivalents	**10**	5,493	7,278	6,569
Total current assets		**15,125**	**18,332**	**15,828**
Total assets		**32,639**	**36,605**	**35,098**
Liabilities				
Current liabilities				
Bank borrowings	**10**	(468)	(470)	(1,267)
Trade and other payables	**11**	(10,469)	(13,418)	(10,861)
Lease liabilities		(847)	(925)	(985)
Total current liabilities		**(11,784)**	**(14,813)**	**(13,113)**
Non-current liabilities				
Bank borrowings	**10**	(2,217)	(2,542)	(1,869)
Lease liabilities		(1,276)	(1,743)	(2,330)
Deferred consideration		(376)	(390)	(398)
Defined benefit pension obligation		(1,594)	(1,606)	(1,567)
Deferred tax		(823)	(776)	(537)
Total non-current liabilities		**(6,286)**	**(7,057)**	**(6,701)**
Total liabilities		**(18,070)**	**(21,870)**	**(19,814)**
Net assets		**14,569**	**14,735**	**15,284**
Share capital and reserves				
Share capital	**12**	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		3,804	3,604	3,507
Merger reserve		16,465	16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)	(11,584)
Currency translation reserve		166	332	565
Accumulated losses		(44,131)	(43,931)	(43,518)
Purchase of non-controlling interest reserves		(477)	(477)	(477)
Equity attributable to shareholders of the parent company		**14,569**	**14,735**	**15,284**
Total equity		**14,569**	**14,735**	**15,284**

Condensed consolidated statement of changes in equity
Period ended 31 July 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 2020	**20,150**	**30,479**	**(303)**	**3,332**	**16,465**	**(11,584)**	184	**(477)**	**(42,791)**	**15,455**
Comprehensive income/(loss)										
Loss for the year	-	-	-	-	-	-	-	-	(1,125)	(1,125)
Other comprehensive (loss)/income										
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	(15)	(15)
Exchange differences on translating foreign operations	-	-	-	-	-	-	148	-	-	148
Total other comprehensive income	-	-	-	-	-	-	148	-	(15)	133
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**148**	**-**	**(1,140)**	**(992)**
Transactions with owners recognised directly in equity										
Recognition of share-based payments	-	-	-	272	-	-	-	-	-	272
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**272**
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 income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	(166)	-	-	(166)
Total other comprehensive 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
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 July 2021 (Unaudited)	**20,150**	**30,479**	**(303)**	**3,804**	**16,465**	**(11,584)**	**166**	**(477)**	**(44,131)**	**14,569**

* Total equity attributable to the equity shareholders of the parent.

£'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 2020	**20,150**	**30,479**	**(303)**	**3,332**	**16,465**	**(11,584)**	**184**	**(477)**	**(42,791)**	**15,455**
Comprehensive income/(loss)										
Loss for the period	-	-	-	-	-	-	-	-	(727)	(727)
Other comprehensive (loss)/income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	381	-	-	381
Total other comprehensive income	-	-	-	-	-	-	381	-	-	381
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**381**	**-**	**(727)**	**(346)**
Transactions with owners recognised directly in equity										
Recognition of share-based payments	**-**	**-**	**-**	**175**	**-**	**-**	**-**	**-**	**-**	**175**
	-	**-**	**-**	**175**	**-**	**-**	**381**	**-**	**(727)**	**(171)**
Balance at 31 July 2020 (Unaudited)	**20,150**	**30,479**	**(303)**	**3,507**	**16,465**	**(11,584)**	**565**	**(477)**	**(43,518)**	**15,284**

* Total equity attributable to the equity shareholders of the parent.

Condensed consolidated statement of cash flows
Period ended 31 July 2021

	Note	Unaudited 31 July 2021 £'000	Audited 31 January 2021 £'000	Unaudited 31 July 2020 £'000
Cash flows from operating activities				
Cash generated from operations	**10**	646	3,983	1,744
Interest received		5	39	13
Interest paid		(110)	(218)	(85)
Tax (paid)/received		-	484	(70)
Net cash from operating activities		**541**	**4,288**	**1,602**
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired)		-	-	(585)
Purchase of property, plant and equipment		(88)	(192)	(102)
Expenditure on product development and intellectual property capitalised		(1,291)	(2,120)	(965)
Net cash used in investing activities		**(1,379)**	**(2,312)**	**(1,652)**
Cash flows from financing activities				
New borrowings		-	1,800	1,832
Repayment of borrowings		(218)	(146)	(6)
Repayment of obligations under leases		(580)	(1,069)	(598)
Payment of deferred consideration on acquisition		-	(585)	-
Net cash (used in)/generated from financing activities		**(798)**	**-**	**1,228**
Net (decrease)/increase in cash and cash equivalents		**(1,636)**	**1,976**	**1,178**
Cash and cash equivalents at start of period		7,278	5,108	5,108
Effects of foreign exchange on cash and cash equivalents		(149)	194	283
Cash and cash equivalents at end of period	**10**	**5,493**	**7,278**	**6,569**

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 2021 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 2021 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 2021.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 2021, 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 2021 and 31 July 2020 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 2021 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 28 September 2021.

3. Revenue

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

Revenue by type

	H1 2022	H1 2021	
	£000	£000	
Term licences	**1.01**	0.56	80%
Support & maintenance	**4.62**	4.63	-
Recurring revenue	**5.63**	5.19	8%
Services	**5.93**	5.52	7%
Perpetual licences	**1.08**	1.02	6%
Total revenue	**12.64**	11.73	8%
Percentage of recurring revenue	45%	44%	

4. Taxation

The tax credit on the result for the six months ended 31 July 2021 is based on the estimated tax rates in the jurisdictions in which the Group operates, for the year ending 31 January 2022.

5. Loss per share

Basic loss 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 period plus the €0.03m deferred shares to be satisfied in March 2023.

	Unaudited As at 31 July 2021 £'000	Audited As at 31 January 2021 £'000	Unaudited As at 31 July 2020 £'000
Loss attributable to equity holders of the Parent	**(200)**	**(1,125)**	**(727)**

	Number 000s	Number 000s	Number 000s
Ordinary shares with voting rights	**110,486**	**110,486**	**110,486**
Deferred consideration payable in shares	72	1,394	1,628
Basic weighted average number of ordinary shares	**110,558**	**111,880**	**112,114**
Impact of share options/LTIPs	3,986	2,495	1,355
Diluted weighted average number of ordinary shares	**114,544**	**114,375**	**113,469**

	Unaudited As at 31 July 2021 Pence	Audited As at 31 January 2021 Pence	Unaudited As at 31 July 2020 pence
Basic and diluted loss per share	(0.2)	(1.0)	(0.7)

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 2021 (31 January 2021: nil; 31 July 2020: nil).

7. 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 period:

	Six months ended 31 July 2021 £'000	Year ended 31 January 2021 £'000	Six months ended 31 July 2020 £'000
Costs associated with acquisitions and disposals	-	492	125
Total	**-**	**492**	**125**

8. 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 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	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	-	-	-	-	962	-	3	965
Effect of foreign exchange	351	16	251	258	471	-	-	1,347
At 31 July 2020	**17,642**	**468**	**4,830**	**6,745**	**18,365**	**30**	**69**	**48,149**
Accumulated impairment and amortisation								
At 1 February 2020	11,363	204	3,113	4,185	11,374	30	8	30,277
Amortisation	-	23	297	221	957	-	2	1,500
Effect of foreign exchange	249	1	154	94	284	-	-	782
At 31 July 2020	**11,612**	**228**	**3,564**	**4,500**	**12,615**	**30**	**10**	**32,559**
Net book amount at 31 July 2020	**6,030**	**240**	**1,266**	**2,245**	**5,750**	**-**	**59**	**15,590**

8. Intangible assets including goodwill (continued)

	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**

9. Trade and other receivables

	As at 31 July 2021	As at 31 January 2021	As at 31 July 2020
Current	£'000	£'000	£'000
Trade receivables	2,858	5,607	3,462
Less: provision for impairment of trade receivables	(59)	(80)	(44)
	2,799	5,527	3,418
Other receivables	1,573	1,497	1,445
Prepayments and accrued income	4,981	3,866	4,088
	9,353	**10,890**	**8,951**

10. Notes to the condensed consolidated statement of cash flows

a) Cash used in operations

	Unaudited As at 31 July 2021 £'000	Audited As at 31 January 2021 £'000	Unaudited As at 31 July 2020 £'000
Loss before tax	(261)	(1,433)	(862)
Adjustments for:			
Net finance cost	105	187	72
Depreciation	602	1,308	656
Amortisation and impairment	1,184	2,806	1,500
Share-based payment charge	200	272	175
Decrease/(Increase) in trade and other receivables	1,241	(655)	1,392
(Decrease)/Increase in trade and other payables	(2,527)	1,446	(1,177)
Increase in defined benefit pension obligation	43	86	46
Net foreign exchange movement	59	(34)	(58)
Cash from operations	**646**	**3,983**	**1,744**

Reconciliation of cash generated before and after impact of strategic, integration and other non-recurring items

	Unaudited As at 31 July 2021	Audited As at 31 January 2021	Unaudited As at 31 July 2020
Cash generated from/(used in) operations before strategic, integration and other non-recurring items	957	4,156	1,773
Cashflow on strategic, integration and other non-recurring items	(311)	(173)	(29)
Cash generated from/(used in) operations after strategic, integration and other non-recurring items	**646**	**3,983**	**1,744**

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

	Unaudited As at 31 July 2021 £'000	Audited As at 31 January 2021 £'000	Unaudited As at 31 July 2020 £'000
(Decrease)/Increase in cash in the period	(1,636)	1,976	1,178
Changes resulting from cash flows	**(1,636)**	**1,976**	**1,178**
Net cash inflow in respect of new borrowings	-	(1,800)	(1,832)
Net cash outflow in respect of borrowings repaid	218	146	6
Effect of foreign exchange	(40)	57	194
Change in net funds	**(1,458)**	**379**	**(454)**
Net funds at beginning of period	4,266	3,887	3,887
Net funds at end of period	**2,808**	**4,266**	**3,433**
Analysis of net funds			
Cash and cash equivalents classified as:			
Current assets	5,493	7,278	6,569
Bank and other loans	(2,685)	(3,012)	(3,136)
Net funds at end of period	**2,808**	**4,266**	**3,433**

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

11. Trade and other payables

Current	As at 31 July 2021 £'000	As at 31 January 2021 £'000	As at 31 July 2020 £'000
Trade payables	1,789	1,736	1,587
Other taxation and social security	2,792	3,496	2,829
Other payables	430	852	693
Accrued liabilities	1,280	1,464	1,137
Deferred income	4,178	5,870	4,615
	10,469	**13,418**	**10,861**

12. Share capital

	As at 31 July 2021 £'000	As at 31 January 2021 £'000	As at 31 July 2020 £'000
Allotted, called up and fully paid			
110,805,795 (H1 and FY 2021: 110,805,795) ordinary shares of 10p each	11,082	11,082	11,082
226,699,878 (H1 and FY 2021: 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, including 319,635 ordinary shares which are held in treasury. Consequently, the total issued share capital is 110,486,160, each share having equal voting rights.

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.