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1Spatial Plc
26 April 2023

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

26 April 2023

1Spatial plc

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

Final results for the year ended 31 January 2023

1Spatial, (AIM: SPA), a global leader in Location Master Data Management ('LMDM') software and solutions, is pleased to announce audited final results for the year ended 31 January 2023.

- Significant high-value contracts signed in FY 2023 combined with a strong pipeline of prospects.
- Organic revenue growth achieved from new customer wins and expansion contracts in all regions.
- A significant increase in Group profit before tax compared to FY 2022.

Financial highlights

	31 January 2023	31 January 2022	*Change*
	£m	£m	*%*
Group revenue	**30.0**	27.0	+11
Recurring revenue	14.8	12.2	+21
Term licences revenue	5.2	2.9	+79
Group total ARR*	**15.8**	13.4	+18
Term licences ARR*	5.6	4.1	+37
Group gross profit	**15.5**	13.9	+12
Adjusted EBITDA**	**5.0**	4.2	+19
Adjusted EBITDA** margin (%)	**16.7**	15.5	+1.2pp
Operating profit	**1.3**	0.4	+225
Profit before tax	**1.0**	0.2	+400
Earnings per share - basic (p)	**1.0**	0.3	+233
Earnings per share - diluted (p)	**0.9**	0.3	+200
Net cash***	**3.1**	3.2	(3)

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

** Adjusted EBITDA - 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 - Net cash is gross cash less bank borrowings.

Operational highlights

- Approximately 50% of revenue represented by recurring revenue with year-on-year term licence revenue growth of 79%.
- Continued R&D investment in innovative solutions creating market-leading Location Master Data Management ('LMDM') platform.
- Inflationary cost pressures across the business being well managed, with the increasing strength of the balance sheet providing the confidence to continue investment into people and offering.
- Named among the top 100 organisations featured in the 2023 UK's Most Loved Workplace® list, backed by Best Practice Institute ('BPI') research and analysis.

Outlook

- Trading in the current financial year has started positively with a significantly growing sales pipeline.
- Two new SaaS offerings in trials with customers, representing an additional avenue for growth.
- Increased investment to accelerate scale up of the sales team to capture the substantial opportunity presented.
- Continuing growth of ARR and revenue backlog provides comfort during challenging macro environment.
- While cognisant of inflationary cost pressures, the Board remains confident in delivering further progress in FY 2024.

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

"This year confirmed that 1Spatial sits right at the heart of numerous changes across multiple sectors. We secured a number of high-profile wins, invested in our technology and sales team, and expanded our customer and partner networks to position the business to serve a range of customers globally.

"Looking ahead, we continue to see multiple areas of significant opportunity, particularly in the US and for our new SaaS offerings. Through the launch of our cloud platform we are adding a new layer of potential growth, targeting niche areas of the location market where we have identified significant demand and low levels of competition. We believe these offerings have the

potential to be transformational for 1Spatial.

"Trading in the new financial year has begun positively. Our growing sales pipeline and increased levels of recurring revenue provide the Board with confidence in the Group's prospects. We will continue to invest in our sales team and offering in order to capture what we believe to be a considerable long-term growth opportunity."

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1Spatial plc's LEI Number is: 213800VG7OZYQES6PN67

About 1Spatial plc
1Spatial plc is a global leader in providing Location Master Data Management ('LMDM') software and solutions, primarily to the Government, Utilities and Transport sectors. Our global clients include national mapping and land management agencies, utility companies, transportation organisations, government and defence departments.

Today - as location data from smartphones, the Internet of Things and great lakes of commercial Big Data increasingly drive commercial decision-making - our technology drives efficiency and provides organisations with confidence in the data they use.

We unlock the value of location data by bringing together our people, innovative solutions, industry knowledge and our extensive customer base. We are striving to make the world more sustainable, safer and smarter for the future. We believe the answers to achieving these goals are held in data. Our 1Spatial Location Master Data Management (LMDM) platform incorporating our 1Integrate rules engine delivers powerful data solutions and focused business applications on-premise, on-mobile and in the cloud. This ensures data is current, complete, and consistent through the use of automated processes and always based on the highest quality information available.

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

Chairman's Report

1Spatial has delivered another year of solid growth, securing landmark new customers across our key geographies, many of which have the potential for further expansion. We have increased investment in the business, adding to our team and product and thereby enhancing the ability of the business to scale through the sale of repeatable business applications and software solutions.

Despite the current macro environment, digital transformation and government investment initiatives continue at pace and are driving a substantial need for data management tools, particularly those capable of managing complex location data. 1Spatial is increasingly being chosen as the provider for these projects sitting at the heart of this rapidly increasing demand.

Our key financial objectives for the year were to grow recurring revenues, while generating funds to be reinvested into the business. We are making meaningful progress against our strategic priorities and I am delighted to report that we achieved double-digit revenue and profit growth this year. Our focus on growing recurring revenue can be seen in the increasing proportion of recurring revenues we are now generating, which now account for approximately 50% of total revenue. The Group has successfully managed inflationary pressures, achieving adjusted EBITDA growth, resulting in our second year of operating profit and profit before tax.

Operational successes
We have won several new landmark customers across all regions, with particular success in the UK and the US, some of which provide us with secure long-term levels of annual recurring revenue ('ARR') and excellent references and opportunities to increase revenues within these accounts.

People
During FY 2023, we invested in the expansion of our senior leadership team to ensure we have the depth of management to deliver our growth strategy and have been encouraged by the immediate positive impacts the new team members have made. We were delighted to welcome Stuart Ritchie to the Board as CFO in December 2022; he will provide great financial leadership to the business alongside Claire and the team, as we seek to capture the considerable opportunity ahead of us. On behalf of the Board, I would like to thank Andrew Fabian for the role he has played as CFO in seeing 1Spatial safely into its next stage of growth, providing the business with a solid financial platform to support its evolving SaaS business model.

Environmental, Social and Governance ('ESG')
Like many businesses, ESG is very important to 1Spatial as we strive to make the world safer, smarter and more sustainable for the future. This year, we launched our ESG strategy and established an ESG steering committee. During the coming year, we also plan to undertake a detailed carbon assessment, starting with our UK operations, further details of which are set out in the Annual Report.

Summary and outlook
This year 1Spatial has become a more robust business with an increasing ability to capture the increasing demand for accurate and usable location data. We are successfully delivering against our three-year growth plan, improving profits and cash generation, whilst continuing to invest in our platform which will act as a catalyst for future expansion.

Looking ahead, we continue to see significant opportunities from the US, from our expanding partner network and from our investment in our market-leading cloud platform. Through the launch of our cloud platform, we are adding a new layer of potential growth, targeting niche areas of the location market where we have identified significant demand and low levels of competition, for example our automated solution for the creation of traffic management plans ('TMPA').

We enter the new financial year in a strong position and we believe the investments made over the past year in our people and technology position us well to take advantage of the huge opportunity that is ahead. With a strong sales backlog and increased levels of recurring revenue, I am confident the Group's success over the past 12 months is set to continue.

Andy Roberts
Non-Executive Chairman

CEO Review

This has been another year of progress for 1Spatial achieving growth despite a difficult economic backdrop, delivering across our strategic growth pillars of Innovation, Customer Relationships and Smart Partnerships.

Resilient financial performance

The Group achieved double-digit revenue growth in the year, with an increasing proportion of recurring revenues, which now account for approximately 50% of total revenue. Within that, high margin software term licence revenue increased by 79% to over £5 million.

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. Through our offering, we help over 1,000 customers, spanning key sectors such as government, utilities and transportation, make better business decisions and move towards a smarter world, through improved accuracy and sharing of location data.

We are global leaders in providing Location Master Data Management and this proposition is at the intersection of two global growing markets. Firstly, the global geographic information system ('GIS') market size reached US$ 10.1 billion in 2021. Looking forward, the IMARC Group expects the market to reach US$ 21.1 billion by 2027, a CAGR of 13.1% during 2022-2027. Similarly, the global master data management market was valued at US$16.68 billion in 2022 and is expected to grow to US$ 54 billion by 2030 at a CAGR of 15.8% during the forecast period according to Polaris Market Research.

US delivering strong growth

The US has been key to the Group's expansion, being the most significant contributor of recurring revenue with growth of 45% in annualised recurring revenue at constant currency. During the year, we successfully sold and implemented 1Integrate and 1Data Gateway in several clients, both new and expanding on existing contracts, building our annual recurring revenue from our repeatable solutions such as Next Generation 9-1-1.

US legislation requires all states to upgrade their emergency services and public safety systems. Building digital platforms and incorporating the use of location data to support Next Generation ('NG') 9-1-1 services and ensure a modern and safe emergency response system. Our NG-9-1-1 solution, now being implemented in eight US states, ensures that emergency services are using validated, integrated and up-to-date data and ultimately that the teams on the ground can respond to incidents more quickly.

The launch of our cloud platform in January 2023 also means we now offer a "light version" NG9-1-1 SaaS solution aimed at the counties and cities within each state, significantly increasing our addressable opportunity. We continue to invest in this solution and the trials are progressing as planned.

There is also sizeable opportunity for growth within each state by launching additional solutions, including Highway Performance Monitoring Systems ('HPMS') and Conflation. HPMS offers US highway agencies the ability to fully comply with reporting requirements on the use of the routes within their jurisdiction. The Conflation solution enables the aggregation of large quantities of data, the automatic selection of the best quality data points and the generation of an accurate, reliable whole data set. We have already seen success in California where we have doubled the initial annual term licence revenue through the upsell of additional solutions.

This all contributes to a high-margin medium-term opportunity, based around our own IP and channels to market that can transform the economics of our US operation. Further out we have the opportunity for expansion into Canada and Latin America.

Europe

In FY 2022, Europe was the most significant geographical component at a revenue level. However, year- on-year growth of 1% in FY 2023 led to this segment dropping behind the UK in FY 2023. Europe experienced some delays in FY 2023 transitioning its large customer base away from perpetual licences, but we are encouraged by the year-on-year increase of 15% in Europe's Annual Recurring Revenue ('ARR') as well as a significant increase in term licence revenue compared to last year. On 1 February 2023, we appointed a highly experienced European Sales Director to lead this transition and to focus our teams on sales of proprietary product.

UK

In the UK, we have delivered top and bottom-line growth through new multi-year contracts across different sectors. We signed our first contract with HS2, to build a data validation gateway, which has significant potential for further expansion. 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.

We are pleased that the first phase of the NUAR Project ('National Underground Asset Register') (also known as the MVP stage), has now been completed and launched by government on 5 April 2023. This first phase of NUAR contains data from public and private sector organisations which own pipes and cables in North East England, Wales and London including all of the major energy and water providers.

Successes such as these in the UK, and the considerable size of our sales pipeline, give us the confidence to continue to invest in the business. We have the right structure to deliver on the growing opportunity as we move into the final year of our three-year growth plan.

Strategic review

We are building our highly scalable business on three pillars: Innovation, Customer Relationships and Smart Partnerships and I am proud to report considerable progress against all three throughout the year.

Innovation

Innovation lies at the heart of 1Spatial and during the year we invested in our market-leading platform to ensure our patented software remains at the forefront of the expanding industry. Our software can handle huge volumes of complex data allowing our customers not only to ensure accuracy and security but also save significant amounts of time and money, giving them the ability to solve complex challenges in the management of their spatial and non-spatial data.

The 1Spatial Platform for Location Master Data Management can be split into two key areas, one of which is Data Management Solutions (managing data to ensure it is correct, consistent and compliant) which we continued to invest in throughout the year, including in our patented 1Integrate rules engine and our cloud-enabled portal 1Data Gateway, to improve the user experience. This innovation in both 1Integrate and 1Data Gateway facilitated further growth and accessibility of our solutions and the development team continue to assess the products against both customer and market needs.

The second key area is Business Applications where we have expanded our addressable market opportunity through the launch of new offerings and cloud-based versions of some core solutions, making our technology available to mid-tier organisations.

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

Applications plugged directly into the 1Spatial Platform

- *Specific Business Applications - term licences (cloud enabled)*
  We have targeted applications such as those for NG9-1-1 which are cloud enabled and can reside within a customer's own infrastructure, within their own private cloud or 1Spatial can offer a hosted solution.

- *Specific Business Applications - SaaS applications*
  This year, we continued the development of our Traffic Management Plan Automation ('TMPA') solution for production of traffic management within minutes. This is a UK application and is currently undergoing trials by selected customers.

- *Validation Applications (Validation as a Service - VaaS)*
  These applications validate data to a pre-defined set of rules and return a report and visual map-based representation of the errors. The first of these applications is NG9-1-1 which we have now launched and is undergoing trials. We have also identified a number of other VaaS solutions across our territories which we will be looking to trial during H2 of FY24.

Both the Specific Business Applications and Validation Applications provide the Group with potential exciting new "go to" market models, lowering the price point for new customers onto the platform, making our technology available to mid-tier organisations.

- *Launch of 1Spatial cloud platform*
  During the year, we finalised the majority of the development on the 1Spatial cloud platform which will allow us to sell the cloud solutions noted above. 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.

Applications using the benefits of Esri technology

To meet our customers' needs we also invested in our Esri based business applications, such as 1Water and 1Telecomms which manage water and telecom networks respectively. Whilst these applications are being sold to new customers they are also necessary to facilitate the migration from the Group's legacy Elyx platform to Esri-supported solutions.

Customer relationships

We continued to strengthen our relationships with existing customers throughout the year and secured landmark new customer wins across all territories, with particular growth in the UK and US, including high-profile national-level digital transformation initiatives. This has demonstrated 1Spatial's increasing ability to secure larger contracts across key geographies and to design, deliver and implement large-scale critical systems. We typically expand our customer relationships over time, as we identify additional areas in which our software and expertise can support our customers.

This year we undertook a customer satisfaction survey with our global key accounts and, although we recognise there are areas to address, compared to the 40+ industry average of B2B software and SaaS organisations, we are satisfied with the results of an overall 8.1 Net Promoter Score. (Source: Retently B2B sample of 10,000 B2B organisations)

The success of our customer focus, combined with ongoing transition to term licencing, can be seen in the 26% growth in Annualised Recurring Revenue driven both by new customer wins and expansion of existing customer accounts.

Land and expand

Key new customer wins include:

- **High Speed Two (HS2)** - supporting the UK's new high speed rail network to build a data validation gateway (£0.9m over two years with the potential for expansion for a further two years).

- Major multi-year contract with **a leading European aerospace agency -** for software licenses, including 1Telecomms and 1Integrate, for the implementation and subsequent annual recurring software and managed services. The total value of the contract over five years is approximately €3 million.

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

- Contract with the **state of New York** - for various proof-of-concept projects using 1Integrate and 1Data Gateway.

- **Seven year contract** with the **state of Arkansas** - for **NG9-1-1**, for US$1.2 million over the period and now the **eighth** US state to select the solution.

- 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.**
- Contract with the **state of Indiana** - for various proof-of-concept projects using 1Integrate and 1Data Gateway.

- Contract with **Highlander Tek** in the USA for licence fees for 1Integrate and 1Data Gateway, for US$90k, a geospatial platform that provides delivery-specific location information to streamline the shipping process from quote to delivery to payment.

These new clients provide secure long-term levels of ARR and excellent references and opportunities to increase revenues within these accounts.

Customer expansion contracts in the period, included:

- **Department of Environment, Food and Rural Affairs ('Defra')** to support the Land Management System, operated by

- **Department of Environment, Food and Rural Affairs ('Defra')** to support the Land Management System, operated by Defra's **Rural Payments Agency ('RPA')**, in partnership with Version 1 - **£1.2 million over five years.**

- Another contract win with **Defra** and **RPA** to support its field collection system - **£0.5 million (£0.4 million licence over two years).**

- Multi-year framework agreement with **Land and Property Services in Northern Ireland** in partnership with Version 1, to support the Department of Finance's ongoing programme of Digital Transformation.

- Managed service for a **major utility organisation in France** in support of the deployment of 1Water - **€0.3 million.**

- **US$1.4 million 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.

- Additional services and licences for **Google Real Estate and Workplace Services** - **US$0.9 million (US$0.3 million licence**).

- In France, 32 existing customers have completed or commenced migration from the Group's legacy Elyx platform to Esri-supported solutions, including 1Water.

Smart partnerships

Partnerships have played a critical role in enabling us to secure new customers in the year, demonstrating the credibility of these businesses.

Key focus areas have been to identify and extend our relationships with large global corporates, where location data management forms part of a larger customer bid, and to extend our technology partnerships with Esri and other geospatial vendors such as Hexagon Geospatial.

Key partnership highlights include the signing of 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. We also started working in partnership with ATOS, a global leader in digital transformation and Rizing (now part of Wipro), a global SAP partner. We secured a four-year contract with the California Department of Transportation ('Caltrans') which was won in conjunction with Rizing and is an indication that our strategic growth plan in the US continues to bear fruit.

Large global corporates

We are increasingly being selected as the data integrity provider within a consortium, cleansing the data before passing it back through wider systems. The depth of our data domain expertise and the enterprise grade of our software means we are one of the few technology partners able to work on the scale that our partners need.

New partners we have commenced work with this year include Atkins, Qinetiq and Landmark. We also strengthened our longstanding partnership with both Version1 and Ordnance Survey.

Technology partnership - Esri

Our long-term partnership with Esri is a key differentiator for us in many markets and provides a major opportunity as we build our own IP solutions. Esri is the global market leader in GIS with a network of over 2,700 partners around the world. We are engaging with our European contacts to showcase our Utility Network Migration Capabilities to different geographies across Europe.

Corporate activity

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

People

The success of our business is a tribute to our employees' commitment and knowledge. We continue to invest in our people, providing them with the tools and training to support and allow them to realise their potential. The success of this is evidenced through our selection as one of the top 100 organisations featured on the 2023 UK's Most Loved Workplace® list 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 employee satisfaction and sentiment, including the level of respect, collaboration, support, and sense of belonging they feel inside the Company.

We continue to roll out 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 held 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, Thanksgiving, Mental Health Awareness Week, Earth Day and Health and Happiness Month.

We continuously monitor the skills and expertise of the senior leadership teams across all of our regions. During the latter stages of FY23 and early part of FY24, we brought a highly experienced Sales Director into each of our European and US businesses. These individuals will enable us to deliver on the growing opportunities ahead of us and to ensure we have the ability to grow our sales pipeline across our key geographies.

During the year we carried out an employment engagement survey to determine employee satisfaction. We were delighted with the overall results and feel that we have developed a great team spirit as an organisation. The survey showed that over 80% of our people are happy with their line manager relationship and feel respected and trusted by their line manager and peers and 70% of colleagues felt that they were regularly informed with relevant 1Spatial news. We will continue to survey the team and strive to improve our scores each year.

The teams continue to show ingenuity and commitment day-to-day, and live our values as revised in 2021: We Respect, We Innovate, We Collaborate, We Trust and We Care. As a Board,we 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.

Strategic priorities for the year ahead

As we move into our final year of our three-year growth plan, we will continue to invest in the business to take advantage of the huge opportunity ahead. Through the launch of our cloud platform in January 2023, we have added a new layer of potential growth, targeting niche areas of the location market where we have identified significant demand and low levels of competition.

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

Current trading and outlook

This year confirmed that 1Spatial sits right at the heart of numerous changes across multiple sectors. We secured a number of high-profile wins, invested in our technology and sales team, and expanded our customer and partner networks to position the business to serve a range of customers globally.

Looking ahead, we see multiple areas of significant opportunity, particularly in the US and for our new SaaS offerings. Through the launch of our cloud platform we are adding a new layer of potential growth, targeting niche areas of the location market where we have identified significant demand and low levels of competition. We believe these offerings have the potential to be transformational for 1Spatial.

Trading in the new financial year has begun positively. Our growing sales pipeline and increased levels of recurring revenue provide the Board with confidence in the Group's prospects, and we will continue to invest in our sales team and offering to capture what we believe to be a considerable long-term growth opportunity.

Claire Milverton
Chief Executive Officer

CFO review

In FY 2023 the Group continued to build on foundations set in the previous year by delivering double-digit growth in annual revenues, future recurring revenues and adjusted EBITDA. The improvement in the financial performance, notably in operating profit and profit before tax, has resulted in an increase of 112% in cash generated from operations to £5.4 million (FY 2022: £2.5 million). Increases in these key financial metrics have allowed the Group to continue significant investment into development of its proprietary technology.

Revenue

Group revenue increased by 11% (9% at constant currency) to £30.0 million from £27.0 million in FY 2022.

Recurring revenue

The business strategy is to grow revenue from repeatable business solutions on long-term contracts by increasing sales of term licences (rather than one-off perpetual licences) and increasing the proportion of recurring revenue compared to services. As a result, excluding the impact of the reduction in perpetual licence revenue, the business achieved a year-on-year growth in total revenue of 15%. Recurring revenue, as a percentage of total revenue, increased to almost 50% (FY 2022: 45%).

Revenue by type is shown below:

Revenue by type

	FY 2023	FY 2022	
	£m	£m	**% change**
Recurring revenue	**14.76**	12.18	21%
Services	**13.52**	12.36	9%
Revenue (excluding perpetual licences)	**28.28**	24.54	15%
Perpetual licences	**1.72**	2.49	(31%)
Total revenue	**30.00**	27.03	11%
Percentage of recurring revenue	49%	45%	

Annualised Recurring Revenue

The Annualised Recurring Revenue ('ARR') increased by 17% from £13.4 million to £15.8 million as at 31 January 2023 with ARR attributable to term licences growing by £1.1 million. The growth rate varied by region with the US region growing at 59%, boosted by the several multi-year term licence sales. The overall renewal rate improved to 94% (FY 2022: 93%) providing a strong platform for the current year.

ARR by region

	FY 2023	FY 2022	
	£m	£m	**% growth**
UK/Ireland	**6.51**	5.93	10%
Europe	**5.49**	4.79	15%
US	**2.22**	1.40	59%
Australia	**1.56**	1.32	18%
Total ARR	**15.78**	13.44	17%

Committed revenue

The level of committed services revenue, which has reduced since the start of the year as services revenue on the major projects we won last year is recognised, nevertheless remains high at approximately £10 million 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, there is an increased level of revenue visibility, which allows the Board to continue to invest with confidence.

Regional revenue

Regional revenue

Regional revenue

	FY 2023 £m	FY 2022 £m	% change	% change (constant fx)
UK/Ireland	**11.92**	9.93	20%	20%
Europe	**11.01**	10.88	1%	1%
US	**4.30**	3.72	16%	3%
Australia	**2.77**	2.50	11%	6%
Total revenue	**30.00**	27.03	11%	9%

Revenue (at constant currency) grew organically in all regions, with overall revenue growth of 11%. The UK/Ireland region had a further year of double-digit growth, with a revenue increase of 20%. In Europe, revenue was impacted by the timing of closing contracts during the year and a slower transition to a recurring term licence model than anticipated. This resulted in modest growth of 1% at constant currency. The US had a strong year with a large increase in sales of term licences, increasing total ARR by 59%. Combined with a lower level of services, the revenue growth in the year in the US was more modest than in previous years at 16%. 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 only 6% growth in revenue at constant currency. Going forward, all regions will continue to focus on increasing sales of higher margin owned technology sold as term licences.

Gross profit margin

The gross margin grew by 11% but gross margin % was the same as the prior year at 52%. The Board approved expenditure increases in sales and delivery capacity in order to secure higher value contracts; and increased spending on R&D, which is included within the cost of sales, is expected to yield higher gross margins in future years. Going forward, the management team are also focused on driving improvements to gross margin through revenue growth of higher margin term licences and SaaS solutions.

Adjusted EBITDA

The adjusted EBITDA increased by 19% to £5.0 million from £4.2 million in the prior year resulting in a higher adjusted EBITDA margin of 16.7% (FY 2022: 15.5%). Cost management remains an important focus and expenses are constantly reviewed to ensure the level is appropriate for the structure of the business during this growth phase.

Strategic, integration and other non-recurring items

Included within strategic, integration and other non-recurring items are costs amounting to £0.2 million relating to the change of Chief Financial Officer ('CFO') in December 2022. Costs include all payments due to the outgoing CFO on exit together with professional services fees incurred in onboarding his replacement, drafting of contracts, share options and tax advice.

Operating profit and profit before tax

The Group achieved an operating profit of £1.3 million (FY 2022: £0.4 million) and profit before tax of £1.0 million (FY 2022: £0.2 million), representing a further year of significantly improved profitability for the Group compared to the prior year.

Taxation

The net tax credit for the period was £14k (FY 2022: £0.2 million). The 2022 tax credit is as restated following a prior year adjustment leading to the recognition of a deferred tax asset.

Balance sheet

The Group's net assets increased to £17.4 million at 31 January 2023 (2022: £15.5 million), mainly due to the overall profit after tax adjusted for currency differences in reserves.

Trade and other receivables increased in the year to £14.2 million (FY 2022: £12.3 million), mainly due to increased accrued income at year-end and timing of invoicing and payment receipts attributable to the increased level of revenue. Trade and other payables increased in the year to £15.8 million (2022: £13.3 million) due to timing of payments around year end and increases in the levels of recurring cost around the Group.

Cash flow

Operating cash inflow (before strategic, integration and other non-recurring items) increased significantly to £5.4 million (2022: £2.8 million) due to continued focus on improving working capital on larger projects, resulting in a significant improvement in free cash flow in the year. As part of the three-year growth plan, the Group has been investing in expanding the sales and delivery team and investment in product development and this impacted the operating cash flow and free cash flow as shown below.

Operating cash flow	**FY 2023 £'000**	**FY 2022 £'000**
Cash generated from operations	5,352	2,497
Add back: Cash flow on strategic, integration and other non-recurring items	48	294
Cash generated from operations before strategic, integration and other non-recurring items	**5,400**	**2,791**

Free cash flow	**FY 2023 £'000**	**FY 2022 £'000**
Cash generated from operations before strategic, integration and other non-recurring items	5,400	2,791
Net interest paid	(210)	(134)
Net tax received	179	176
Expenditure on product development and intellectual property capitalised	(3,854)	(2,449)
Purchase of property, plant and equipment	(163)	(164)
Lease payments	(1,099)	(1,088)

Free cash flow before strategic, integration and other non-recurring items	**253**	**(868)**
Cash flow on strategic, integration and other non-recurring items	(48)	(294)
Free cash flow	**205**	**(1,162)**

Investment in R&D

Development costs capitalised in the year increased to £3.9 million (FY 2022 £2.4 million) as the business has increased its investment in its technology and business solutions. The key areas where spending increased were on the cloud platform for solutions such as Traffic Management Plan in the UK and NG9-1-1 in the US, and other technology such as 1integrate, 1Data Gateway, 1Telecomms and 1Water. Amortisation of development costs was £1.6 million (FY 2022 £1.7 million).

Financing

The Group's financial position is supported by long-term bank loans. As the number of higher value sales contracts has increased, the Board decided to put in place a £3 million Revolving Credit Facility. The facility, arranged in June 2022, is committed for three years and priced on competitive terms. The facility was undrawn as at 31 January 2023 and 25 April 2023.

At the end of January 2023, the remaining principal balance outstanding on the long-term loans was £2.0 million (2022: £2.4 million). The amount repayable in FY 2024 is approximately €0.7 million (FY 2022: £0.6 million). With a gross cash position of £5.0 million at 31 January 2023 (FY 2022: £5.6 million), a growing adjusted EBITDA and positive operating cash generation, the business is in a healthy 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.

Alternative Performance Measures

Certain analyses include Alternative Performance Measures ("APMs") which are not defined by generally accepted accounting principles (GAAP) as defined under UK-adopted international accounting standards or other generally accepted accounting principles. We believe this information, along with comparable GAAP measurements, is useful to investors because it provides a basis for measuring our operating performance. Our management and Board of Directors uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our operating performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliation to relevant GAAP measures.

APMs have been provided for the following reasons:

- to present users of the financial statements with a clear view of what we consider to be the results of our underlying operations, aiding the understanding of management analysis and enabling consistent comparisons over time
- to provide additional information to users of the financial statements about our financial performance or financial position

The following APMs appear in this document:

#	APM	Explanation of APM
1	Recurring revenue (s)	Recurring Revenue is the value of committed recurring contracts for term licences and support & maintenance recorded in the year.
2	Annualised recurring revenue ("ARR")	Annualised Recurring Revenue ("ARR") is the annualised value at the year-end of committed recurring contracts for term licences and support & maintenance.
3	Adjusted EBITDA	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.
4	Operating cashflow	Operating cashflow is a company-specific measure which is calculated as cash generated from operations excluding cash flow on strategic, integration and other non-recurring items.
5	Free cashflow	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. But excludes lease liabilities.
6	Net cash	Net cash is gross cash less bank borrowings.

Stuart Ritchie
Chief Financial Officer

Consolidated statement of comprehensive income
For the year ended 31 January 2023

	Note	**2023** £'000	**2022 (restated)*** £'000

Revenue	3	**30,002**	**27,027**
Cost of sales		(14,504)	(13,078)
Gross profit		**15,498**	**13,949**
Administrative expenses		(14,244)	(13,534)
		1,254	**415**
Adjusted EBITDA		**4,997**	**4,182**
Less: depreciation		(253)	(198)
Less: depreciation on right of use asset	11	(1,056)	(989)
Less: amortisation and impairment of intangible assets	6	(2,048)	(2,254)
Less: share-based payment charge		(192)	(326)
Less: strategic, integration and other non-recurring items	4	(194)	-
Operating profit		**1,254**	**415**
Finance income		19	14
Finance costs		(229)	(209)
Net finance cost		(210)	(195)
Profit before tax		**1,044**	**220**
Income tax credit	5	14	163
Profit for the year		**1,058**	**383**
Profit for the year attributable to:			
Equity shareholders of the Parent		**1,058**	**383**
		1,058	**383**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Actuarial gains arising on defined benefit pension, net of tax		162	113
Exchange differences arising on translation of net assets of foreign operations		415	(246)
Other comprehensive income/(loss) for the year, net of tax		**577**	**(133)**
Total comprehensive gain for the year		**1,635**	**250**
Total comprehensive gain attributable to the equity shareholders of the Parent		**1,635**	**250**

	Note	**2023** **£'000**	**2022** **(restated)*** **£'000**
Earnings per ordinary share attributable to the owners of the Parent during the year (expressed in pence per ordinary share):			
Basic earnings per share	15	**1.0**	**0.3**
Diluted earnings per share	15	**0.9**	**0.3**

* The 2022 Consolidated statement of comprehensive income has been restated for the recognition of deferred tax.

Registered company number (England): 5429800

Consolidated statement of financial position
As at 31 January 2023

	Note	**2023** **£'000**	**2022** **(restated)**** **£'000**
Assets			
Non-current assets			
Intangible assets including goodwill	6	17,408	15,003
Property, plant and equipment		302	350
Right of use assets	11	1,609	1,747
Total non-current assets		**19,319**	**17,100**
Current assets			
Trade and other receivables	7	14,151	12,271
Current income tax receivable		35	124
Cash and cash equivalents	8	5,036	5,623
Total current assets		**19,222**	**18,018**
Total assets		**38,541**	**35,118**
Liabilities			
Current liabilities			
Bank borrowings	9	(660)	(531)
Trade and other payables	10	(15,797)	(13,284)
Lease liabilities	11	(608)	(748)
Deferred consideration	12	(28)	(340)
Total current liabilities		**(17,093)**	**(14,903)**
Non-current liabilities			
Bank borrowings	9	(1,322)	(1,861)

Lease liabilities	11	(1,077)	(976)
Deferred consideration	12	-	(27)
Defined benefit pension obligation		(1,154)	(1,276)
Deferred tax	13	(544)	(565)
Total non-current liabilities		**(4,097)**	**(4,705)**
Total liabilities		**(21,190)**	**(19,608)**
Net assets		**17,351**	**15,510**
Share capital and reserves			
Share capital	14	20,155	20,150
Share premium account	14	30,488	30,479
Own shares held	14	(139)	(303)
Equity-settled employee benefits reserve		4,122	3,930
Merger reserve		16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)
Currency translation reserve		501	86
Accumulated losses		(42,180)	(43,236)
Purchase of non-controlling interest reserve		(477)	(477)
Total equity		**17,351**	**15,510**

** The 2022 Consolidated statement of financial position has been restated for the recognition of deferred tax.

Consolidated statement of changes in equity

For the year ended 31 January 2023 £'000	**Share capital**	**Share premium account**	**Own shares held**	**Equity-settled employee benefits reserve**	**Merger reserve**	**Reverse acquisition reserve**	**Currency translation reserve**	**I co**
Balance at 31 January 2021 as previously reported	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	
Prior year adjustment	-	-	-	-	-	-	-	
Balance at 31 January 2021 as restated	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	
Comprehensive profit								
Profit for the year	-	-	-	-	-	-	-	
Other comprehensive loss								
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	
Exchange differences on translating foreign operations	-	-	-	-	-	-	(246)	
Total other comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(246)**	
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(246)**	
Transactions with owners								
Recognition of share-based payment expense	**-**	**-**	**-**	**326**	**-**	**-**	**-**	
	-	**-**	**-**	**326**	**-**	**-**	**-**	
Balance at 31 January 2022 as restated	**20,150**	**30,479**	**(303)**	**3,930**	**16,465**	**(11,584)**	**86**	
Comprehensive profit								
Profit for the year	-	-	-	-	-	-	-	
Other comprehensive income								
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	
Exchange differences on translating foreign operations	-	-	-	-	-	-	415	
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**415**	
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**415**	
Transactions with owners								
Recognition of share-based payment expense	-	-	-	192	-	-	-	
Issue of share capital	5	9						
Transfer of treasury shares			164					
	5	**9**	**164**	**192**	**-**	**-**	**-**	
Balance at 31 January 2023	**20,155**	**30,488**	**(139)**	**4,122**	**16,465**	**(11,584)**	**501**	

Consolidated statement of cash flows
For the year ended 31 January 2023

	Note	**2023 £'000**	**2022 £'000**

Cash flows from operating activities

Cash flows from operating activities			
Cash generated from operations	8 (a)	5,352	2,497
Interest received		19	12
Interest paid		(229)	(146)
Tax paid		(-)	(24)
Tax received		179	200
Net cash generated from operating activities		**5,321**	**2,539**
Cash flows from investing activities			
Purchase of property, plant and equipment		(163)	(164)
Expenditure on development costs and other intangibles	6	(3,854)	(2,449)
Net cash used in investing activities		**(4,017)**	**(2,613)**
Cash flows from financing activities			
Proceeds from loans and borrowings		500	-
Repayment of loans and borrowings		(1,043)	(423)
Repayment of lease obligations	11	(1,099)	(1,088)
Payment of deferred consideration on acquisition	12	(352)	-
Net proceeds from share issue		14	
Net cash used in financing activities		**(1,980)**	**(1,511)**
Net decrease in cash and cash equivalents		(676)	(1,585)
Cash and cash equivalents at start of year		5,623	7,278
Effects of foreign exchange on cash and cash equivalents		89	(70)
Cash and cash equivalents at end of year	8 (b)	**5,036**	**5,623**

Notes to the financial statements

For the year ended 31 January 2023

1. Basis of preparation

The preliminary information of 1Spatial plc has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention.

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

The results shown for the year ended 31 January 2023 and 31 January 2022 are audited. The consolidated financial information contained in this announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts of the Company in respect of the financial year ended 31 January 2023 were approved by the Board of directors on 25 April 2023 and will be delivered to the Registrar of Companies in due course. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph nor any statement under Section 498 of the Companies Act 2006.

2. Going concern

The Board used as its basis for the going concern review the budget for the FY 2024 year, rolled out to 31 July 2024 using part of its forecast for FY 2025, so that a full 12-month period from the date of signing the FY 2023 Annual Report and Accounts is considered. In addition to applying the normal sensitivities to cash flows, the going concern review included a reverse-stress test to demonstrate that even if new business and renewals are severely impacted, the finances of the Group remain robust.

The year ended 31 January 2023 saw a record year for revenues and profits for the Group with a strong performance in all regions. FY 2023 was a year of increased revenue, operating profit, profit before tax as well as double-digit growth in recurring revenue, increased adjusted EBITDA and a significant increase in the operating cash conversion to approximately 106% (FY 2022: 60%). Metrics for future years are positive with Annualised Recurring Revenue ("ARR") increasing to approximately £16m (FY 2022: approximately £13m) driven primarily by term licence in the US. Additionally, the value of committed service orders going into FY 2024 remains strong at approximately £10m. We anticipate that revenue on these orders will be recognised in FY 2024. We entered the current year with a record level of contracted future revenue, a wide range of customers in stable industry segments of Government, Utilities and Transport and growing proof of delivery in all regions.

The operating cash flow generated in FY 2023 was positive but was impacted by working capital requirements on larger projects and the Group's decision to continue to invest in growing the business. The Group entered into a Revolving Credit Facility ("RCF") in June 2022 denominated in GBP with a limit of £3m and an expiry date of 22 June 2025.

The Group started the current financial year on 1 February 2023 with cash of £5.0m and debt of £1.9m, giving net funds (before lease liabilities) of £3.1m. Including the new RCF facility, the Group's liquidity is approximately £6.1m.

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

3. Segmental information

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

presented as Group results only.

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

Revenue by type

	2023 £'000	2022 £'000
Term licences	5,167	2,940
Support and maintenance - own	6,727	7,350
Support and maintenance - third party	2,861	1,890
Recurring revenue	**14,755**	**12,180**
Services	13,601	12,357
Perpetual licences - own	393	800
Perpetual licences - third party	1,253	1,690
Total revenue	**30,002**	**27,027**

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

Revenue by region

	2023 £'000	2022 £'000
UK	10,454	8,903
Europe	12,173	11,583
US	4,325	3,721
Rest of World	3,050	2,820
Total revenue	**30,002**	**27,027**

The Board assesses the performance of the Group based on adjusted EBITDA. Adjusted EBITDA is a company-specific measure which is calculated as operating profit before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items (see note 4). As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

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

	2023 £'000	2022 £'000
UK/Ireland	**11,921**	**9,926**
At a point in time	2,185	2,257
Over time	9,736	7,669
Europe	**11,011**	**10,875**
At a point in time	2,011	1,796
Over time	9,000	9,079
United States	**4,303**	**3,721**
At a point in time	2,159	1,286
Over time	2,144	2,435
Australia	**2,767**	**2,505**
At a point in time	1,070	1,040
Over time	1,697	1,465
	30,002	**27,027**

As at 31 January 2023, costs to obtain and fulfil a contract of £109,000 were included in other receivables (2022: £169,000). Amortisation of costs to obtain and fulfil a contract for the year ended 31 January 2023 were £75,000 (2022: £54,000). The Group has no significant concentration risk with no major customers representing more than 10% of Group revenue (2021: nil).

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

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

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

	2023 £'000	2022 £'000
UK/Ireland	7,790	6,800
Europe	7,869	7,645
United States	3,656	2,650
Rest of World	4	5
Total	**19,319**	**17,100**

4. Strategic, integration and other non-recurring items

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

	2023 £'000	2022 £'000
Amounts paid relating to change of CFO	194	-
Total	**194**	**-**

The cash impact in FY 2023 relating to the strategic, integration and other non-recurring items was £48,000 (2022: £294,000).

Amendments to Geomap-Imagis Share Purchase Agreement (SPA)
The final step in the integration of Geomap-Imagis ("G-I"), which was acquired in May 2019, was completed in March 2021. As part of the restructuring, two of the G-I founders and former directors left the business and the parties amended the original SPA as explained below.

Under the original terms, the Group agreed to pay the vendors consideration, which included €1,166,999 to be satisfied by the issue by 1Spatial of ordinary shares (the "Consideration Shares").

Of the consideration to be satisfied by the issue of the Consideration Shares, €726,459 was satisfied immediately upon Completion, with the balance of €440,540 originally to be satisfied on 30 March 2023 (the "Deferred Share Consideration Amount"). Accordingly, on Completion the Company issued to the vendors 1,902,686 new ordinary shares (the "Initial Consideration Shares"), subject to a lock up obligation until 31 December 2021.

In connection with completion of the integration of G-I, the Group entered into an Amendment Agreement with two GI founders and former directors in March 2021 to amend the terms of the original agreement primarily as follows:

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

The balance of consideration €31,839 was issued in shares on 31 March 2023.

5. Income tax credit

	2023 £'000	2022 (restated) £'000
Current tax		
UK corporation tax on income for year	(57)	(172)
Foreign tax	79	40
Adjustments in respect of prior years	(15)	(19)
Total current tax credit	**7**	**(151)**
Deferred tax		
Origination and reversal in temporary differences	(58)	(83)
Effect of tax rate change on opening balance	38	71
Adjustments in respect of prior years	(1)	-
Total deferred tax	**(21)**	**(12)**
Total tax credit	**(14)**	**(163)**

Factors affecting the tax credit for the year:
The differences between the standard rate of corporation tax in the UK and the actual tax credit are explained below:

	2023 £'000	2022 (restated) £'000
Profit on ordinary activities before tax	**1,044**	**220**
Profit/(loss) on ordinary activities before tax multiplied by the effective rate of corporation tax in the UK of 19% (2022: 19%)	198	42
Effect of:		
Expenses not deductible for tax purposes	96	55
Adjustment in respect of R&D tax credits	(312)	(238)
Effect of movement in deferred tax rate	38	71
Utilisation of losses not previously recognised for tax purposes	(66)	(348)
Deferred tax not recognised on losses carried forward	110	212
Adjustments in respect of prior years	(15)	(19)
Differences in tax rates applicable to overseas subsidiaries	(47)	37
Other differences	(16)	25
Total tax credit for the year	**(14)**	**(163)**

The relevant deferred tax balances have been measured at 25% for the current year-end, being the tax rate enacted by the reporting date (2022: 25%).

6. 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	-	-	-	39	3,815	-	3,854
Effect of foreign							

exchange	478	12	191	186	554	-	1,421
At 31 January 2023	**17,672**	**462**	**4,738**	**6,799**	**25,597**	**72**	**55,340**
Accumulated impairment and amortisation							
At 1 February 2022	11,330	291	3,640	4,958	14,826	17	35,062
Amortisation	-	22	149	227	1,644	6	2,048
Effect of foreign exchange	187	5	144	109	377	-	822
At 31 January 2023	**11,517**	**318**	**3,933**	**5,294**	**16,847**	**23**	**37,932**
Net book amount at 31 January 2023	**6,155**	**144**	**805**	**1,505**	**8,750**	**49**	**17,408**
Net book amount at 31 January 2022	**5,864**	**159**	**907**	**1,616**	**6,402**	**55**	**15,003**

The net book amount of development costs includes £8,750,000 (2022: £6,402,000) internally generated capitalised software development costs that meet the definition of an intangible asset. The amortisation charge of £2,048,000 (2022: £2,254,000) is included in the administrative expenses in the statement of comprehensive income.

The key assumptions used in the value in use calculation were the pre-tax discount rate applied (14% (FY 2022: 13%)), revenue growth rates of 9.5% per annum and cost growth rates of 7% per annum for the five-year period from 1 February 2023 to the year ending 31 January 2028. The Board approved budget for the year ending 31 January 2024 was used as the basis for the Group's value in use calculation. Results for the next four years were calculated using the above assumptions to derive the Group's value in use. No impairment is required as no individual asset has a higher carrying value than its value in use.

	Goodwill	**Brands**	**Customers and related contracts**	**Software**	**Development costs**	**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
Written-off	-	-	-	-	-	-	(30)
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
Written-off	-	-	-	-	-	-	-
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**

Impairment tests for goodwill

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

	2023	**2022**
	Total £'000	**Total £'000**
Goodwill		
Opening carrying value	**5,864**	**5,899**
Effect of foreign exchange	**291**	**(35)**
Closing carrying value	**6,155**	**5,864**

Basis for calculation of recoverable amount

The Group has prepared a five-year plan for its CGU (based on a formally approved 1-year plan extended for four more projected years). The detailed plan put together by the management team and the Board makes estimates for revenue and gross profit expectations. This is from both contracted and pipeline revenue streams. It also takes account of historical success of winning new work and has been prepared in accordance with IAS 36: 'Impairment of Assets'.

The key assumptions used in the value in use calculations were the pre-tax discount rates applied (14%) and the growth assumptions. Growth in sales and corresponding costs for the five-year period has been forecast at 9.5% and 7% per annum respectively and the EBITDA to cash conversion is assumed to be 60% or greater.

The rates used in the above assumptions are consistent with management's knowledge of the industry and strategic plans going forward. The assumptions noted above have been given in terms of revenue and overhead percentage growth. For 2024 and subsequent years, the assumption has been provided in terms of growth on the prior year EBITDA. The terminal growth rate of 2% does not exceed the long-term growth rate for the business in which the CGUs operate. The discount rate used is pre-tax and reflects specific risks relating to the Group. The forecasts are most sensitive to changes in revenue and overhead assumptions (taken together as the EBITDA). However, there are no major changes to the key assumptions which would cause the goodwill to be impaired.

There would have to be a reduction in forecast EBITDA by 14% for each year of the five-year period ending 31 January 2028 for the headroom to be removed.

January 2023 for the headroom to be removed.

7. Trade and other receivables

Current	2023 £'000	2022 £'000
Trade receivables	4,992	4,895
Less: provision for impairment of trade receivables	(29)	(25)
	4,963	**4,870**
Other receivables	2,044	1,413
Prepayments and accrued income	7,144	5,988
	14,151	**12,271**

Below is a reconciliation of the movement in accrued income:

	2023 £'000	2022 £'000
At 1 February 2022	**5,075**	**2,950**
Accrued revenue invoiced in the year	(5,075)	(2,950)
Revenue accrued in the year	5,947	5,188
Foreign exchange difference	57	(113)
At 31 January 2023	**6,004**	**5,075**

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

At 31 January 2023, trade receivables of £3,698,000 (2022: £3,650,000) were fully performing. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

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

At 31 January 2023, trade receivables of £1,269,000 (2022: £1,220,000) were past due but not impaired. The ageing analysis of these customers is set out below. There has been no change in the credit quality of these balances; they relate to customers where there is no history of default and are still considered fully recoverable.
The ageing of these receivables is as follows:

	2023 £'000	Weighted average loss rate	Impairment loss allowance £'000
Current	3,698	0.1%	4
Up to 3 months overdue	1,029	0.5%	5
3 to 6 months overdue	98	2.0%	2
6 to 12 months overdue	10	5.0%	1
> 12 months overdue	157	10.0%	17
	4,992		**29**

	2022 £'000	Weighted average loss rate	Impairment loss allowance £'000
Current	3,653	0.1%	3
Up to 3 months overdue	853	0.5%	4
3 to 6 months overdue	242	2.0%	5
6 to 12 months overdue	36	5.0%	2
> 12 months	111	10.0%	11
	4,895		**25**

As of 31 January 2023, trade receivables of £29,000 were impaired (2022: £25,000) and provided for.
The trade receivables above include performance retentions on long-term contracts.

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

	2023 £'000	2022 £'000
At 1 February	25	80
Increase/(decrease) in provision	4	(55)
At 31 January	**29**	**25**

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

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

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

	2023	2022

	£'000	£'000
Cash at bank and in hand	**5,036**	**5,623**
	5,036	**5,623**

The fair value of the Group's cash and cash equivalents is the same as its book value stated above.
Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	Note	2023 £'000	2022 £'000
Profit before tax		1,044	220
Adjustments for:			
Finance income		(19)	(14)
Finance cost		229	209
Depreciation		1,309	1,187
Amortisation of acquired intangibles		386	561
Amortisation and impairment of development costs		1,662	1,693
Share-based payment charge		192	326
Net foreign exchange movement		-	1
Increase in trade and other receivables		(1,426)	(1,784)
Increase in trade and other payables		1,963	206
Increase/(decrease) in defined benefit pension obligation		12	(108)
Cash generated from operations		**5,352**	**2,497**

	2023 £'000	2022 £'000
Cash generated from operations before strategic, integration and other non-recurring items	5,400	2,791
Cash flow on strategic, integration and other non-recurring items (note 4)	(48)	(294)
Cash generated from operations	**5,352**	**2,497**

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

	2023 £'000	2022 £'000
(Decrease) in cash in the year	**(676)**	**(1,585)**
Changes resulting from cash flows	(676)	(1,585)
Net cash outflow in respect of borrowings repaid	543	423
Effect of foreign exchange	(44)	127
Change in net funds	(177)	(1,035)
Net funds at beginning of year	3,231	4,266
Net funds at end of year	**3,054**	**3,231**
Analysis of net funds		
Cash and cash equivalents classified as:		
Current assets	5,036	5,623
Bank loans	(1,982)	(2,392)
Net funds at end of year	**3,054**	**3,231**

Net funds is defined as cash and cash equivalents net of bank loans (and excluding lease liabilities).

c) Reconciliation of movement in liabilities from financing activities

	Bank borrowings and leases due within 1 year £'000	Bank borrowings and leases due after 1 year £'000	Total £'000
Total debt (including lease liabilities) as at 1 February 2022	**1,279**	**2,837**	**4,116**
Borrowings at 1 February 2022	531	1,861	2,392
Repayment of borrowings	(543)	-	(543)
Foreign exchange difference	12	121	133
Borrowings before transfer	**-**	**1,982**	**1,982**
Transfer from due after 1 year to due within 1 year	660	(660)	-
Borrowings as at 31 January 2023	**660**	**1,322**	**1,982**
Lease liability at 1 February 2022	**748**	**976**	**1,724**
Cash movements:			
Lease payments	(1,099)	-	(1,099)
Non-cash movements:			
Additions in the year	779	-	779
Interest cost	88	-	88
Reclassifications	(516)	709	193
Lease liability before transfer	**-**	**1,685**	**1,685**
Transfer from due after one year to due within one year	608	(608)	-
Lease liability as at 31 January 2023	**608**	**1,077**	**1,685**
Total debt (including lease liabilities) as at 31 January 2023	**1,268**	**2,399**	**3,667**

9. Bank borrowings

	2023 £'000	2022 £'000

Current bank borrowings	660	531
Non-current bank borrowings	1,322	1,861
	1,982	**2,392**

Bank borrowings
Bank borrowings relate to bank loans in 1Spatial France totalling €2.25m (2022: €2.87m). Bank loan interest is charged on a fixed rate basis with interest rates ranging between 0% and 3.6%, included the related guarantee costs.

The loans are due for repayment over the period to FY 2028, with a broadly even repayment pattern with approximately €0.7m (£0.6m) due for repayment in FY 2024. New borrowings in the year amounted to nil (2022: nil). There are no financial covenants attached to the loans, nor is there any security applied. All long-term loans are denominated in €.

Revolving credit facility
There are covenants associated with the Revolving Credit Facility ("RCF") in relation to the maximum gearing of the Group. The RCF is denominated in GBP, the facility limit is £3m with an expiry date of 22 June 2025. The interest rate for any drawn amounts is 2.95% per annum over the Bank of England Sterling Overnight Index Average ("SONIA"). There is a commitment fee of 1.15% per annum of any undrawn part of the Facility. This facility was undrawn as at 31 January 2023.

10. Trade and other payables

Current

	2023 £'000	**2022 £'000**
Trade payables	2,861	2,227
Other taxation and social security	3,653	2,924
Other payables	506	534
Accrued liabilities	1,229	1,987
Deferred income	7,548	5,612
	15,797	**13,284**

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

Below is a reconciliation of the movement in deferred income:

	2023 £'000	**2022 £'000**
At 1 February	**5,612**	**5,870**
Revenue recognised in the year	(5,612)	(5,870)
Revenue deferred at year end	7,460	5,636
Foreign exchange difference	88	(24)
At 31 January	**7,548**	**5,612**

11. Leases

Right of use assets	**Total £'000**
At 1 February 2022	1,747
Additions	893
Depreciation	(1,056)
Foreign exchange difference	26
At 31 January 2023	**1,609**

	2023 £'000	**2022 £'000**
Buildings	1,490	1,522
Cars	82	185
Others	37	40
	1,609	**1,747**

Lease liabilities	**Total £'000**
At 1 February 2022	1,724
Additions	779
Interest cost	88
Cash paid	(1,099)
Other adjustments	163
Foreign exchange difference	30
At 31 January 2023	**1,685**

	2023 £'000	**2022 £'000**
Current	608	748
Non-current	1,077	976
	1,685	**1,724**

Amounts recognised in profit or loss:

Depreciation charge of right of use assets	**2023 £'000**	**2022 £'000**
Buildings	955	866
Cars	88	96
Others	13	27
	1,056	**989**

12. Business combinations

On 7 May 2019, the Company entered into share purchase agreements to acquire the entire issued share capital of Geomap-Imagis Participations ("Geomap-Imagis") for a total consideration of €7.0m (the "Consideration"). Full details of the acquisition were provided in the Annual Report for the year ended 31 January 2020. As disclosed in note 4, there were some minor changes to the terms of the Share Purchase agreement. The remaining balance payable at 31 January 2022 of €440,540 (equivalent to £380,000) was satisfied mainly in cash (£352,000) in September 2022, with the balance settled by an issue of 57,685 ordinary shares of £0.10 on 31 March 2023. These shares had a market value of €31,839 (£28,000) at the date of issue. There are no further elements of deferred consideration due to the former shareholders of Geomap-Imagis Participations ("Geomap-Imagis").

13. Deferred tax

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

	Tax losses £'000	Accelerated tax depreciation £'000	Intangibles £'000	Other temporary differences £'000	Total £'000
At 31 January 2021 as previously reported	**(562)**	**-**	**1,355**	**(17)**	**776**
Prior year adjustment	(199)	-	-	-	(199)
At 31 January 2021 as restated	**(761)**	**-**	**1,355**	**(17)**	**577**
Deferred tax (credit)/charge for year in profit or loss - restated	(189)	-	188	(11)	(12)
DT credit OCI	-	-	-	(25)	(25)
Foreign exchange difference	-	-	-	25	25
At 31 January 2022	**(950)**	**-**	**1,543**	**(28)**	**565**
Deferred tax (credit) / charge for year in profit or loss	(77)	-	76	(20)	(21)
DT charge OCI	-	-	-	54	54
Foreign exchange difference	-	-	-	(54)	(54)
At 31 January 2023	**(1,027)**	**-**	**1,619**	**(48)**	**544**

Deferred income tax assets are recognised against tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable benefits is probable. The Group did not recognise potential deferred tax assets of £3,243,000 (2022: £4,027,000) in respect of losses amounting to £13,133,300 (2022: £16,044,500) that can be carried forward against future taxable income, on the grounds that at the balance sheet date their utilisation is not considered probable. Losses have no expiry date.

The deferred tax balance is analysed as follows:

	Deferred tax asset £'000	Deferred tax liability £'000	Total £'000
Recoverable within 12 months	-	235	235
Recoverable after 12 months	-	1,384	1,384
Settled within 12 months	(48)	-	(48)
Settled after 12 months	(1,027)	-	(1,027)
	(1,075)	**1,619**	**544**

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

Allotted and fully paid	2023 Number	2022 Number
Ordinary shares of 10p each	110,859,545	110,805,795
Deferred shares of 4p each	226,699,878	226,699,878

Rights of shares

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

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

Voting Rights
1Spatial Plc has 110,859,545 (2022: 110,805,795) ordinary shares of 10p in issue, of which a total of 147,084 (2022: 319,635) ordinary shares are held in treasury. Therefore, the total number of ordinary shares with voting rights is 110,712,461* (2022: 110,486,160).
* In addition, deferred consideration shares with an approximate value of €0.03 million (€0.4m at 31 January 2021) which were issued on 31st March 2023, in relation to the Geomap-Imagis acquisition.

Number of	Allotted, called up	Share premium	Own shares

	shares	and fully paid shares £'000	premium account £'000	held £'000
At 31 January 2022	**337,505,673**	**20,150**	**30,479**	**(303)**
Issue of new shares	53,750	5	9	-
Transfer of treasury shares		-	-	164
At 31 January 2023	**337,559,423**	**20,155**	**30,488**	**(139)**

On the 24th January 2023, 53,750 new ordinary shares of 10p each were issued for consideration of £14,244 in settlement of share options exercised.

Own shares

The Group has 147,084 (FY 2022: 319,635) ordinary shares of 10p each and 3,500,000 deferred shares with a nominal value of 4p each held in treasury. The original consideration paid was £0.3m. During the year 172,551 shares were transferred out of treasury to satisfy employee share awards.

15. Earnings per ordinary share

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

	2023 £'000	**2022 (restated) £'000**
Profit attributable to equity shareholders of the Parent	1,058	383

	2023 Number 000s	**2022 Number 000s**
Ordinary shares with voting rights	110,712	110,486
Deferred consideration payable in shares	55	58
Basic weighted average number of ordinary shares	**110,807**	**110,544**
Impact of share options/LTIPS	2,845	4,008
Diluted weighted average number of ordinary shares	**113,652**	**114,552**

	2023 Pence	**2022 (restated) Pence**
Basic earnings/ per share	**1.0**	**0.3**
Diluted earnings/ per share	**0.9**	**0.3**

16. Prior year adjustment

The Group has a deferred tax liability in relation to temporary differences on intangibles assets in 1Spatial Group Limited. This deferred tax liability is partially offset by the recognition of a deferred tax asset in 1Spatial Group Limited.

In preparation of the consolidated financial statements for the year ended 31 January 2023, an error was noted in that a deferred tax asset in 1Spatial plc should have been recognised on consolidation to offset this deferred tax liability, as required by IAS12,*Income taxes*. This is because the taxable temporary differences associated with the intangible assets relates to the same tax authority (UK) as the 1Spatial plc deferred tax asset, and as such the asset meets the criteria for recognition. In addition, the offset criteria of IAS 12 are also met and therefore the deferred tax amounts are presented net in the consolidated statement of financial position.

The error has been corrected by restating each of the affected financial statement line items as follows:

Consolidated statement of financial position

A third consolidated statement of financial position has not been presented as the impact as of 1 February 2021 was not deemed to be material.

	2021 £'000	Adjustment £'000	2021 Restated £'000
Non-current liabilities: Deferred tax	776	(199)	577
Accumulated losses	43,931	(199)	43,732
Net assets / Total equity	14,735	199	14,934

	2022 £'000	Adjustment £'000	2022 Restated £'000
Non-current liabilities: Deferred tax	970	(405)	565
Accumulated losses	43,641	(405)	43,236
Net assets / Total equity	15,105	405	15,510

Consolidated statement of comprehensive income

	2022 £'000	Adjustment £'000	2022 Restated £'000
Income tax charge /	43	(206)	(163)

(credit)			
Profit for the year	177	206	383

Refer to note 13, Deferred tax, for the adjusted disclosure of deferred tax.

Earnings per share and diluted earnings per share adjusted disclosure is included in note 15.

17. Availability of annual report and financial statements

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

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

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