

Certain 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 ("MAR") as applied in the United Kingdom. Upon publication of this Announcement, this information is now considered to be in the public domain.

30 April 2024

Smarttech247 Group PLC

("Smarttech247", the "Group" or the "Company")

Interim results

Smarttech247 (AIM: S247), a multi-award-winning provider of AI-enhanced cybersecurity services providing automated managed detection and response for a portfolio of international clients, today announces its unaudited interim results for the six months ending 31 January 2024.

Operational highlights

- Continued growth of the customer base in the UK, Europe and the USA
- New multi-year contracts secured:
 - Two-year agreement with a global aviation company worth circa €360,000 in total
 - New two-year agreement with an existing Government of Ireland department customer, worth circa €400,000 in total
 - Extension of agreement with AutoNation, an established customer, for another three years
 - Three-year agreement with a global pharmaceutical solutions organisation, based in the USA, worth circa €900,000 in total
- Technology partnerships established with global software and technology companies including Amazon and Splunk
- Further development of the Group's technology and product offering
- Sale operations are now well-established leading to a growing sales pipeline
- Numerous awards and industry recognition
- Appointment of Sascha Maier, CISO at SV Group to the Advisory Board

Post-period end

- New multi-year contracts secured:
 - Three-year agreement with a global packaging company, worth circa €1 million in total
 - Three-year contract with a large banking and insurance organisation worth €720,000 in total
 - A new additional three-year agreement with an existing global pharmaceutical solutions client, based in the USA, worth circa \$2.1 million in total
- New technology partnerships with Google and Cisco
- Launch of NoPhish features for Google Mail and Threathub 2.0
- Successful Zero Day Con 2024 conference held in March 2024 with over 600 senior security executives and speakers from the FBI, NCIS and other industry leaders
- Launched new AI features in VisionX
- Appointment of Jason Rice, VP of Sales, Forcepoint to the Advisory Board
- New products released, including MDR for the Mid-Market and a Managed Data Detection and Response product

Financial highlights

- Revenues increased by 17.4% to €5.4 million (six months to 31 January 2023: €4.6 million)
- Adjusted EBITDA of €125K (see note 4) which is lower than the prior period due to investments made to support future growth (six months to 31 January 2023: €1,146K)

- Growing sales pipeline
- Significant cash balance of €4.5 million available at the period end to fund growth (31 July 2023: €6.0 million)
- Increasing institutional shareholder base

Raluca Saceanu, Chief Executive Officer of Smarttech247, commented:

"I am pleased to update the market on Smarttech247's continued revenue growth and performance for the six months to 31 January 2024. As the cybersecurity landscape continues to evolve and we see new threats daily, we are signing new contracts, expanding our business pipeline and adapting our product offerings and technology to ensure we can meet our clients' vital cybersecurity needs.

"Furthermore, we are well funded to support our expansion strategy. We are actively progressing the delivery of our new products and traction with international customers is continuing to develop as evidenced by our growing sales pipeline. I am therefore positive about the prospects for the second half of FY2024 and for the year as a whole.

"The Board remains committed to delivering value to our shareholders and I look forward to updating the market in due course as we progress through this financial year."

- Ends -

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About Smarttech247

Smarttech247 is a multi-award winning automated MDR (Managed Detection & Response) company. Its platform is trusted by international organisations and provides threat intelligence with managed detection and response to provide actionable insights, 24/7 threat detection, investigation and response.

The Company's services are geared towards proactive prevention, and it achieves this by utilising the latest in cloud, big data analytics and machine learning, along with an experienced incident response team. Smarttech247's offices are located in Ireland, United Kingdom, Romania, Poland and the USA. The Company was admitted to trading on AIM on 15 December 2022.

For further information please visit www.smarttech247.com

Chief Executive Officer's statement

Introduction

During the period under review, Smarttech247 has continued to make significant progress, focusing on building out its platform and developing new products.

Operational review

Contracts

It has been a successful start to the Company's 2024 financial year with multiple new contracts signed as highlighted below.

In August 2023, as part of Smarttech247's new partnership with Abnormal Security, which is discussed further below, a multi-year contract worth circa €360,000, over two years, was won with a global organisation within the aviation industry sector.

In October 2023, the Company also won a contract from an existing Government of Ireland department customer, worth €400,000 over two years. As part of this contract, Smarttech247 is leveraging its strategic partnership with IBM to provide its IBM QRadar Security Information and Event Management (SIEM) solution. The technology is designed to provide security teams with centralised visibility into enterprise-wide security data. This resource empowers Smarttech247 clients with actionable insight into the most critical threats, enabling more effective threat management, near real-time visibility and the production of detailed data access and user activity reports.

AutoNation, an existing client of Smarttech247, which is also the largest automotive retailer in the United States, extended its existing partnership with the Group for a further three years which is a testament to the success of the ongoing relationship. Furthermore, AutoNation's Vice President and CISO, Chip Regan, recently explained in a case study why Smarttech247 was the obvious choice when it came to its cybersecurity needs and, specifically, how partnering with Smarttech247 has allowed AutoNation to achieve a granular level of security and monitoring on a scale that suits such a large, global enterprise.

In November 2023, Smarttech247 secured a new contract with a global pharmaceutical solutions organisation, based in the USA, worth circa €900,000 over three years to deploy its AI-enhanced VisionX platform that will help the client strengthen its security structure.

Post-period end, Smarttech247's email security tool NoPhish tool was expanded to users of Google Mail. Previously only available on Microsoft Outlook, NoPhish is designed to empower users in the fight against phishing and other email-based threats. By integrating with Google Mail this expansion provides comprehensive email security solutions for a wider audience.

Also, in March 2024, the Group announced a new contract with a global packaging company, worth approximately €1 million over three years. This contract utilises both Smarttech247's VisionX platform as well as its email security tool NoPhish, underscoring their versatility and advanced capabilities. In April 2024, a new additional three-year contract with an existing global pharmaceutical solutions client, based in the USA, worth circa \$2.1 million in total was announced.

In summary, the Group continues to win a number of multi-year contracts with prestigious organisations, often in competition with much larger global organisations. These contracts both provide validation of the service that Smarttech247 can provide and clear reference points for new customers whilst expanding the Group's global market presence. Combining the VisionX MDR platform with the managed services offering creates competitive differentiation for the Group and major new customers have highlighted such factors as the reason for selecting Smarttech247.

The majority of new contracts are also multi-year thereby providing certainty of recurring revenue. In addition, a high percentage of product related revenue, whilst shorter term in nature and not technically recurring, are regularly renewed.

Partnerships

During the period, the Group has established a number of significant strategic partnerships with some of the world's leading software and technology companies.

In August 2023, the Group was approved to list its VisionX platform on the Amazon Web Services ("AWS") Marketplace. This listing is expected to provide a host of benefits such as exposure to a large customer base, streamlined purchasing processes and scalability.

Smarttech247 also announced a strategic partnership with Abnormal Security, a leading behavioural AI-based email security platform. Unlike traditional secure email gateways, Abnormal Security takes a different approach to stopping email attacks. The cloud-native API architecture ingests thousands of signals across multiple platforms to build a baseline of the known-good behaviour of every employee and vendor in an organisation based on communication patterns, sign-in events and thousands of other attributes. It then

applies advanced AI models including natural language processing ("NLP") and behavioural analytics to detect abnormalities in email behaviour that indicate a potential threat and prevent attacks from reaching end users.

Abnormal Security will be integrated into Smarttech247's comprehensive MDR service, VisionX, to provide a unified and proactive security solution. The Company has already signed its first contract, as a result of this partnership, with a global aviation organisation.

In October 2023, Smarttech247 secured a partnership with Splunk Inc. (NASDAQ: SPLK), a cybersecurity and observability leader. This partnership utilises Smarttech247's VisionX platform and this collaboration will leverage its capabilities alongside Splunk's solutions to offer unparalleled security efficiencies.

Post-period end in March 2024, the Group announced a strategic partnership with Google with a view to extending Smarttech247's existing suite of solutions by integrating cutting-edge technologies from Google Chronicle into its flagship platform, VisionX, as part of its comprehensive MDR offering. As part of this arrangement, Google's advanced SIEM (Security Information and Event Management) and SOAR (Security Orchestration, Automation, and Response) capabilities will be available on Smarttech247's VisionX platform.

Google Chronicle is a cybersecurity company which forms part of the Google Cloud Platform. It is a cloud-native, AI-powered service that is designed to help businesses analyse, retain, and search large volumes of data to detect cyber threats. By integrating Google Chronicle's SIEM and SOAR capabilities, organisations will have access to threat detection, response, and automation functionalities, leveraged by Google's technology, ensuring proactive defence against sophisticated cyber threats, enabling swift and effective incident response.

Also post period end, Smarttech247 has partnered with Cisco Systems Inc. (NASDAQ: CSCO) ("Cisco") to deliver a complete security solution for threat prevention, detection, investigation and response. Cisco delivers software-defined networking, cloud and security solutions to companies worldwide and recently completed its acquisition of cybersecurity firm Splunk Inc., with which Smarttech247 already has a strategic partnership agreement. This new partnership will see Smarttech247 integrate Cisco's security technologies into its AI-enhanced cybersecurity services, offering clients an even more comprehensive and robust defence against evolving cyber threats.

Cisco's range of security technologies for network, device, user and cloud security will integrate with Smarttech247's existing suite of cybersecurity solutions. These technologies, combined with Splunk's cybersecurity capabilities gained in the recent acquisition, will enhance Smarttech247's VisionX platform, allowing organisations to proactively secure their digital assets and mitigate risks effectively.

Smarttech247 continues to work with several leading industry players whose products can be incorporated within its MDR platform as required. These partners include Forcepoint, Microsoft, IBM and CrowdStrike.

Technology platform

Smarttech247 has continued to enhance and progress its technology platform and product offering.

Towards the end of 2023, the Group launched a new version of VisionX, the Company's managed detection and response platform. This new version offers a very different functionality in that it is multi-tenancy and has a completely new User Interface - this is a very important element of the VisionX platform as it is heavily relied upon by product users to enable them to assess the effectiveness of their security operations in real-time. This new design offers users an intuitive approach that simplifies complex security operations. With improved functionality, advanced analytics, threat hunting and customisable dashboards, customers will gain unprecedented insights into their organisation's security posture.

In January 2024, the Company announced the launch of Aio, its VisionX AI assistant, which will provide enhanced AI features including risk analysis and more rapid incident responses enabling organisations to leverage AI and intelligent automation to enhance their security operations.

Also in January 2024, the Company launched a version of VisionX dedicated to mid-sized businesses with a view to expanding the Group's addressable market and to enable mid-sized businesses to benefit from the same level of security which is often only available to larger enterprises.

Post-period end, Smarttech247's email security tool NoPhish tool was extended to users of Google Mail.

Previously only available on Microsoft Outlook, NoPhish is designed to empower users in the fight against phishing and other email-based threats. By integrating with Google Mail this expansion provides comprehensive email security solutions for a wider audience.

NoPhish employs advanced analysis algorithms to evaluate the content and legitimacy of the reported emails, offering instant feedback to the user. In cases where an email is identified as suspicious or malicious, NoPhish takes proactive measures by automatically removing the email from the user's inbox, thereby mitigating the risk of accidental exposure to harmful content.

The Group has also continued to develop its threat and vulnerability software, Threathub. Threathub allows organisations to manage their risk continuously by providing them with automated threat modelling and dynamic risk governance capabilities. The Group is currently building a sales pipeline for this product.

People and platform

The Group has continued to increase its headcount to provide the necessary capacity for future revenue growth and support continued product development. This in itself is a significant achievement given the demand for suitably qualified high-quality personnel in the sector. Furthermore, the Company now has a new highly experienced sales team in place which will support the Group's revenue growth going forward.

During the period, Sascha Maier was appointed to the Group's Advisory Board. Sascha is currently the Group Chief Information and Security Officer at SV Group, a leading hospitality and catering group in Europe. In this role, he oversees the Cyber Resilience strategy for the entire group, including all brands, subsidiaries, and the foundation.

Post-period end, Jason Rice, Vice President of Sales at Forcepoint, was appointed to the Group's Advisory Board. Jason has over 20 years of enterprise software experience supporting Fortune 2000 organisations to identify the appropriate technology that improves service, secures data and reduces risk.

Industry awards and profile

In October 2023, Smarttech247 was awarded the 'Email Security Solution of the Year' title at The Computing Security Awards 2023 for its product NoPhish. This cutting-edge solution operates in real-time, detecting and responding to phishing attempts. By analysing reported emails and identifying malicious elements, such as attachments or URLs, NoPhish enables organisations to stay ahead of cyber threats. Phishing remains a critical concern for companies globally and NoPhish offers clients a defence through its proactive approach and intelligence.

Other award nominations during this period include being named as a Deloitte Fast 50 Technology Company for 2023, becoming a finalist for the 'Scale Up of the Year' award at the Tech Industry Alliance Awards and a nomination for the 'Cyber Security Solution Provider of the Year' at the 2023 EU Cyber Awards.

In December 2023, the Group published its cybersecurity report, "Global Cybersecurity: Perspectives and Trends for 2024". This document reported that there had been a 50% increase in cyber-attacks during 2023 and highlighted critical issues in cybersecurity, offering strategic perspectives on emerging threats, industry trends, and the geopolitical dynamics expected to shape the threat landscape throughout 2024. The report also finds that external malicious actors account for 83% of data breaches and financial motives are still the driving force behind over 94% of actual breaches.

Post-period end on 6 March 2024, Smarttech247 hosted its Zero Day Con 2024 conference for the third time. This event brings together leading technology firms, industry experts and government officials to allow business leaders to learn more about the latest cybersecurity trends. This year was again a very successful conference with over 600 international cybersecurity industry participants attending, including senior security executives and speakers from the FBI, NCIS and other industry leaders.

Financial review

In terms of financial performance, revenues have increased by 17.4% over the prior comparable period to 31 January 2023 as a result of the winning of several new contracts and the full-period impact of contracts won in the previous period. Annual revenue is generally more weighted towards the second half of the year as demonstrated by the results for FY2023. For example, where product sales are made and there is an expectation that these products will be renewed, the expected renewals are more heavily weighted towards the second half of the year. Gross profit has increased as a result of increased sales and stable profit margins.

Operating costs have increased compared to the prior period, principally as a result of the significant growth in headcount as part of the build out of the platform, investment in the sales team and the increased costs associated with being an AIM-quoted company. Furthermore, this period includes additional amortisation of certain products that have been developed internally and have been carried as intangible assets. This amortisation cycle only commenced in the second half of FY2023 in line with the Group's accounting policies so there was no comparable amortisation charge in the comparable period of H1 FY2023. Certain of the Group's costs continue to be capitalised as they relate to product development, in accordance with the Group's accounting policies. This period also includes a higher non-cash charge in connection with last year's option awards as a result of the awards made to employees in April and May 2023.

Adjusted EBITDA and operating loss have been calculated in order to exclude one off charges relating to the Group's IPO in December 2022. Also, items such as the costs associated with the issue of options have also been added back given that they are one off non-cash items (see note 4).

As a result of investment being made now to achieve future growth, adjusted EBITDA for this current period is lower and operating loss higher than for the previous period. However, in considering the likely impact of this on the year as a whole, it should be noted that operating costs are relatively evenly spread over the year, whereas as described above, revenues tend to be weighted towards the second half of the year thereby leading to a lower operating result in the first half of the financial period compared to the second.

Cash has reduced over the period due to the small positive EBITDA generated during the period offset by the continued investment in the development of products and technologies which is clearly necessary and important for a company in this sector. Whilst the cash has reduced during the period, the Group still retains a substantial balance at the period end and is therefore very well positioned to fund its continued growth going forward.

During the period and post-period end, the Group's institutional shareholder base has been growing and currently includes investors such as Premier Miton Group plc and William Currie Investments Limited.

Outlook

Cyber-attacks are on the increase with serious consequences for the companies involved. Smarttech247's combination of artificial intelligence-led managed detection and response capabilities can help to significantly reduce the impact and help manage the situation. With the threat landscape growing in complexity, exacerbated by geopolitical tensions, the Company is well positioned at the intersection of three major evolving growth markets; security threat incidents, cloud adoption and cyber-security data generation. Cloud mitigation is causing companies to redesign its systems, leading to new cyber-security requirements which Smarttech247 can provide. There are therefore clear opportunities for the future growth of the Group using the platform that has been established.

The Group has continued its positive momentum into the 2024 financial year with increasing revenues in the first half of the year. Furthermore, with multiple new partnerships and contract wins, management is positive about the prospects for the second half of FY2024 and the year as a whole.

Raluca Saceanu
Chief Executive Officer
 30 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **For the six months ended 31 January 2024**

	Note	Unaudited Six months to 31 Jan 2024 €'000	Unaudited Six months to 31 Jan 2023 €'000
Continuing operations			
Revenue		5,350	4,622
Cost of sales		(1,819)	(1,397)
Gross profit		3,531	3,225
Operating expenses	4	(4,110)	(2,587)
IPO associated costs		-	(1,058)
Other operating income		-	48
Operating loss		(579)	(372)

Investment income		-	1
Other losses		-	(4)
Finance costs	5	(22)	(75)
Loss before taxation		(601)	(450)
Income tax		(52)	(118)
Loss for the year from continuing operations		(653)	(568)
Total profit for the year attributable to equity holders of the parent			
Other comprehensive income		(6)	(148)
Total comprehensive income for the year attributable to equity holders of the parent		(659)	(716)
<hr/>			
Basic and diluted earnings per share - euro	6	(0.53)	(0.86)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2024

	Note	Unaudited 31 Jan 2024 €'000	31 July 2023 €'000
Non-current assets			
Intangible assets	7	5,312	3,934
Property, plant and equipment		195	153
Right-of-use asset	9	298	331
Financial assets		1,164	1,162
Total non-current assets		6,969	5,580
Current assets			
Trade and other receivables	8	3,467	6,423
Cash and cash equivalents		4,509	6,062
Total current assets		7,976	12,485
TOTAL ASSETS		14,945	18,065
Equity attributable to owners of the parent			
Share capital	11	1,436	1,436
Share premium	11	6,365	6,365
Share based payment reserve	12	982	554
Other reserves	13	(1,215)	(1,215)
Foreign exchange reserve		28	34
Retained earnings		3,656	4,309
Total equity		11,252	11,483
Non-current liabilities			
Lease liability	9	218	260
Total non-current liabilities		218	260
Current liabilities			
Trade and other payables	10	3,384	6,231
Lease liability	9	91	91
Total current liabilities		3,475	6,322
Total liabilities		3,693	6,582
TOTAL EQUITY AND LIABILITIES		14,945	18,065

CONSOLIDATED STATEMENT OF CASHFLOWS
For the six months ended 31 January 2024

	Unaudited Six months to 31 Jan 2024 €'000	Unaudited Six months to 31 Jan 2023 €'000
Cash flow from operating activities		
Loss for the period	(653)	(568)
<i>Adjustments for:</i>		
Interest payable	5	63
Lease liability finance charge	17	11
Share based payments	428	334
Impact of foreign exchange	-	190
Depreciation and amortisation	276	121
IPO costs settled in shares	-	826
CLN settlement costs	-	126
Fair value loss on revaluation of shares	-	3
<i>Changes in working capital:</i>		
(Increase) / decrease in trade and other receivables	2,992	3,045
Increase / (decrease) in trade and other payables	(2,887)	(1,352)
Net cash inflow from operating activities	178	2,799
Cash flow from investing activities		
Purchase of intangible fixed assets	(1,588)	(1,144)
Purchase of tangible fixed assets	(79)	(59)
Purchase of financial assets	-	(1)
Net cash outflow from investing activities	(1,667)	(1,204)
Cash flows from financing activities		
Proceeds from the issue of shares	-	3,072
Repayment of lease liabilities	(59)	(22)
Net cash inflow/ (outflow) from financing activities	(59)	3,050
Net increase in cash and cash equivalents	(1,548)	4,645
Cash and cash equivalents at beginning of period	6,062	2,358
Foreign exchange impact on cash	(5)	-
Cash and cash equivalents at the end of the period	4,509	7,003

Significant non-cash items in the prior period comprised:

- Settlement of convertible loan note through issue of shares of €2,716,060
- Issue of shares to the EBT to value of €122,036

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2024

	Share Capital €'000	Share Premium €'000	SBP Reserve €'000	Other Reserve €'000	Foreign Exchange Reserve €'000	Retained Earnings €'000	Total €'000
At 1 August 2023	-	-	-	23	34	4,476	4,533
Loss for the period	-	-	-	-	-	(167)	(167)
Total comprehensive loss for the period	-	-	-	-	-	(167)	(167)
Transaction with owners							
Capital reorganisation	1,012	-	-	(1,012)	-	-	-

Issue of shares to settle acquired CLN	159	2,577	-	-	-	-	2,736
Issue of shares	265	4,108	-	-	-	-	4,373
Acquisition of Smart Securities	-	-	-	(226)	-	-	(226)
Share based payments	-	-	554	-	-	-	554
Share issue costs	-	(320)	-	-	-	-	(320)
Total transactions with owners	1,436	6,365	554	(1,238)	-	-	7,117
Balance at 31 July 2023 - (audited)	1,436	6,365	554	(1,215)	34	4,309	11,483
Profit for the period	-	-	-	-	-	(653)	(653)
Other comprehensive loss	-	-	-	-	(6)	-	(6)
Total comprehensive loss for the period	-	-	-	-	(6)	(653)	(659)
Transaction with owners							
Share based payments	-	-	428	-	-	-	428
Total transactions with owners	-	-	428	-	-	-	428
Balance at 31 January 2024 - (unaudited)	1,436	6,365	982	(1,215)	28	3,656	11,252

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 31 January 2024

1. GENERAL INFORMATION

Smarttech247 Group plc is a public company incorporated in the United Kingdom and listed on the Alternative Investment Market. The registered address is 165 Fleet Street, London, United Kingdom, EC4A 3DF. The principal activity of the company (the "Company") and its subsidiaries (the "Group") is the provision of threat intelligence with managed detection and response to provide actionable insights, 24/7 threat detection, investigation and response.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements for the six months ended 31 January 2023 and 31 January 2024 have been prepared in accordance with IFRS accounting policies as applied at 31 July 2023, including IAS 34 'Interim Financial Reporting'.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 July 2023, which was prepared under UK adopted international accounting standards (IFRS), and any public announcements made by Smarttech247 Group plc during the interim reporting period and since.

There are no new standards, interpretations and amendments which are not yet effective in these financial statements, that are expected to have a material effect on the Group's future financial statements.

The financial information does not contain all of the information that is required to be disclosed in a full set of IFRS financial statements. The financial information for the six months ended 31 January 2023 and 31 January 2024 is unaudited and does not constitute the Group or Company's statutory financial statements for those periods.

The interim financial information has been prepared under the historical cost convention. The financial information and the notes to the historical financial information are presented in euros, the functional and presentation currency of the Group, and presented to the nearest €'000, except where otherwise indicated.

Merger accounting and consolidated financial statements

The Company was incorporated on 29 September 2022 with one £0.01 ordinary share and on 18 November 2022, became the parent company of the Group when it issued 87,499,999 £0.01 ordinary shares in exchange for 100% of the ordinary shares in Zefone Limited. This is not considered to be a business combination within the scope of IFRS3 as the transaction was between entities under common control. This is a key judgement and, as a transaction where there was no change in the shareholders or holdings, is accordingly accounted for using merger accounting with no change in the book values of assets and liabilities and no fair value accounting applied.

Intercompany transactions and balances between group companies are therefore eliminated in full. The equity presented is that of Smarttech247 Group plc with the difference on elimination of Zefone Limited's capital being shown as a merger reserve.

A subsidiary is an entity over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte Carlo valuation model to derive a value for the share-based payments. These assumptions are described in more detail in note 12.

Share premium

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Going concern

The Directors have considered the principal risks and uncertainties facing the business, along with the Group's objectives, policies and processes for managing its exposure to financial risk. In making this assessment the directors have prepared cash flows for the foreseeable future, being a period of at least 12 months from the date of approval of this financial information.

The Group's forecasts and projections based on the current trends in trading and after taking account of the funds held at the period end of €4.5 million, show that the Group will be able to operate within the level of its cash reserves.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and consider the going concern basis to be appropriate.

3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the executive Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the periods ended 31 January 2024 and 31 January 2023 the Group operated in the single business segment of Managed Detection and Response capabilities to global organisations.

4. OPERATIONAL EXPENSES

The operating loss for the period is after charging:

	Unaudited Six months to 31 Jan 2024 €'000	Unaudited Six months to 31 Jan 2023 €'000
Amortisation of intangible fixed assets	(210)	(79)
Depreciation of right-of-use assets	(33)	(25)
Depreciation of tangible fixed assets	(33)	(18)
Share based payments – employee options	(128)	(260)

Share based payments - employee options	(1420)	(1200)
CLN settlement cost	-	(126)
	(704)	(508)

In the prior period, included within operational expenses or separately disclosed as IPO associated costs are certain one-off costs that principally relate to IPO costs, issue of share options and CLN settlement costs.

	2024 €'000	2023 €'000
Operating loss	(579)	(372)
Add back:		
IPO costs	-	1,058
Share based payments	428	260
CLN settlement costs	-	126
Total one-off costs	428	1,072
Less Other operating income	-	(48)
Adjusted operating profit/(loss)	(151)	1,024
Add back depreciation and amortisation	276	122
Adjusted EBITDA	125	1,146

The charge for share based payments relates to the issue of share options to employees as part of the Group share option scheme. Also, as part of the listing, the outstanding convertible loan notes were converted into equity which incurred a one-off associated cost in the comparative period.

5. FINANCE COSTS

	Unaudited Six months to 31 Jan 2024 €'000	Unaudited Six months to 31 Jan 2023 €'000
Interest on financial liabilities	5	63
Finance charge on lease liabilities	17	12
	22	75

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	Six months to 31 Jan 2024 (unaudited)	Six months to 31 Jan 2023 (unaudited)
Loss for the period from continuing operations - €'000	(653)	(568)
Weighted number of ordinary shares in issue	124,078,982	66,082,356
Basic and diluted earnings per share from continuing operations - euro	(0.53)	(0.86)

The weighted average number of ordinary shares in issued for the prior year has been used as the total number of shares issued for the purchase of Zefone Limited as if those shares were on issue during the prior period.

There is no difference between the diluted loss per share and the basic loss per share as there were no securities in issue at 31 January 2023 that would have a dilutive effect on earnings per share.

7. INTANGIBLE ASSETS

	Website & Software licences €'000	Development costs €'000	Total €'000
Cost			
At 31 August 2022 (audited)	1,227	1,533	2,760
Additions	-	2,625	2,625
At 31 July 2023 (audited)	1,227	4,158	5,385
Additions	-	1,588	1,588

At 31 January 2024 (unaudited)	1,227	5,746	6,973
Amortisation			
At 31 July 2022 (audited)	912	109	1,021
Charge for the year	241	189	430
At 31 July 2023 (audited)	1,153	298	1,451
Charge for the period	24	186	210
At 31 January 2024 (unaudited)	1,177	484	1,661
Net book value			
31 July 2023 (audited)	74	3,860	3,934
31 January 2024 (unaudited)	50	5,262	5,312

8. TRADE AND OTHER RECEIVABLES

	31 January 2024 (unaudited) €'000	31 July 2023 (audited) €'000
Trade receivables	2,290	5,194
Accrued revenue	17	53
Tax and other receivables	440	278
Director's current account	63	57
Prepayments	657	841
	3,467	6,423

9. LEASES

The Group had the following lease assets and liabilities:

	31 January 2024 (unaudited) €'000	31 July 2023 (audited) €'000
<i>Right-of-use assets</i>		
Properties	298	331
	298	331
<i>Lease liabilities</i>		
Current	91	91
Non-current	218	260
	309	351

10. TRADE AND OTHER PAYABLES

	31 January 2024 (unaudited) €'000	31 July 2023 (audited) €'000
Trade creditors	485	3,183
Corporation tax	263	220
Other taxation and social security	293	753
Accruals	79	56
Deferred income	2,061	1,869
Other payables	203	150
	3,384	6,231

11. SHARE CAPITAL

	Number of £0.01 shares	Share Capital €'000	Share premium €'000
One £0.01 share issued on incorporation	1	-	-
Shares issued on exchange for Zefone Limited shares	87,499,999	1,012	-
Shares issued on incorporation of Zefone Ltd			

Shares issued on conversion of convertible loan note at £0.1760	13,646,441	158	2,577
Shares subscribed for by EBT	10,546,713	122	-
Placing shares issued at £0.2966	12,385,828	144	4,108
Share issue costs	-	-	(320)
Balance at 31 July 2023	124,078,982	1,436	6,365
Balance at 31 January 2024	124,078,982	1,436	6,365

The shares with a nominal value of €1,012,462 (£875,000) issued in exchange for 2 £1 shares in Zefone Limited with a nominal value of £2 results, on elimination of the difference, in a credit to a merger reserve (within other reserves) of €1,012,462 (£875,000) in accordance with the merger accounting principles as set out in note 2.

During the prior period, the Company established an Employee Benefit Trust ("EBT") and issued 10,546,713 shares to the EBT at nominal value.

12. SHARE BASED PAYMENT RESERVE

	31 January 2024 (unaudited) €'000	31 July 2023 (audited) €'000
Advisor warrants issued		
Opening balance	107	
Issued during the period ¹	-	107
Closing balance	107	107
Employee options issued		
Opening balance	447	-
Issued during the period ^{2, 3}	428	447
Closing balance	875	447
	982	554

¹ On 15 December 2022, 863,115 warrants were issued to advisors and have been fair valued in accordance with IFRS 2. The warrants have an exercise price of £0.2966 and a time to expiry of 4 years from grant.

² On 30 November 2022, 4,541,290 employee options were granted under the Group's LTIP. These options have different vesting conditions based on performance milestones that can be viewed below.

³ On 28 April 2023 and 23 May 2023 2,425,291 and 177,195 employee options were granted under the Group's LTIP. These options have different vesting conditions based on performance milestones as outlined below.

13. MERGER RESERVES

	31 January 2024 (unaudited) €'000	31 July 2023 (audited) €'000
Merger reserve	(1,215)	(1,215)
	(1,215)	(1,215)

On 18 November 2022, the Company became the parent company of the Group when it issued 87,499,999 £0.01 ordinary shares in exchange for 100% of the ordinary shares in Zefone Limited. Zefone Limited has been shown as the continuing entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The equity presented is that of Smarttech247 Group plc with the difference on elimination of Zefone Limited's capital of €1,012,462 (£875,000) being shown as a merger reserve.

In the prior period, Zefone Limited acquired Smart Systems Security Limited for €1,190 (£1,000) with the total identifiable net liabilities acquired being €225,000, resulting in €226,000 being recorded to the merger reserve.

14. EVENTS SUBSEQUENT TO PERIOD END

There were no events subsequent to the period end that require disclosure.

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