

14 October 2024

1Spatial plc (AIM: SPA)

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

Interim Results for the six-month period ended 31 July 2024 ("H1 2025")

Positive financial performance underpinned by achievement of significant milestones

1Spatial, (AIM: SPA), a global leader in Location Master Data Management (LMDM) software and solutions, is pleased to announce its interim results for the six months ended 31 July 2024.

H1 2025 highlights

- Group revenue up 5% to £16.2m (H1 2024: £15.5m) driven by:
 - 9% increase in recurring revenue to £8.9m (H1 2024: £8.2m), representing 55% of total revenue (H1 2024: 53%)
 - 26% increase in Term Licences revenue to £4.3m (H1 2024: £3.4m), driven by new business wins in the United States
- Group Annualised Recurring Revenue (ARR) growth of 7% with a Term Licence ARR growth of 30%
- Group gross profit margin consistent at 52% with careful management of inflationary cost increases
- Adjusted EBITDA increased 18% to £2.0m (H1 2024: £1.7m)
- Growing pipeline for 1Streetworks, with notification of an award of £1m (subject to contract) with a County Council, post-period-end
- Strong new business and renewals pipeline provides the Board with confidence in achieving results for FY 2025 in line with market expectations

Financial highlights

	Half-year to 31 July 24	Half-year to 31 July 23	Change
	£m	£m	%
Group revenue	16.2	15.5	+5
Recurring revenue	8.9	8.2	+9
Term licences revenue	4.3	3.4	+26
Group Total ARR	17.9	16.7	+7
Term licences ARR	8.5	6.6	+30
Group gross profit	8.5	8.0	+6
Group gross profit margin (%)	52.2	51.8	+0.4pp
Adjusted EBITDA	2.0	1.7	+18
Adjusted EBITDA margin (%)	12.3	11.0	+1.3pp
Operating profit/(loss)	0.1	(0.3)	+120
(Loss)/profit before tax	(0.2)	(0.5)	-60
(Loss)/earnings per share - basic and diluted (p)	(0.2)	(0.5)	-60
Net (borrowings)/cash	(0.9)	0.5	-280

Strategic highlights

Executing on the Group's **1Streetworks** opportunity:

- Strengthened leadership team with the appointment of an experienced Business Development Director.
- 1Spatial's flagship customer, UKPN, has successfully deployed 1Streetworks across multiple divisions. Working in partnership towards their budget submission for 2025.
- 1Streetworks prospects continue to increase, driving pipeline growth. Notification of an award of £1m (subject to contract) with a major County Council, post-period-end.

Setting up the **US organisation** for further success:

- Expanded the Group's geographic footprint to 21 US States (from 18 in H1 2024), each with significant expansion opportunity.
- Recruited an NG9-1-1 subject matter expert to lead our strategic expansion in the emergency services sector and position our SaaS solution as a preferred choice within this critical market.
- Investment in the team with dedicated support for key accounts, including the State of California.

- Secured strategic positions on multiple statewide frameworks.

Land and expand momentum including:

- UK Enterprise: Wins with Welsh Water through 1Spatial's partner, Enzen Global, and inclusion in the Cabinet Office's Strategic Delivery Partner ecosystem. Strengthened existing relationship with Yorkshire Water and secured a contract renewal with HS2.
- US Enterprise: significant contracts with the Departments of Transport in Virginia and Georgia, the Group's first utilities win with the City of Irving through the Texas framework contract and key renewals for State departments.
- Europe: new contracts secured with prominent French cities, the French government and Belgian utilities.
- Australia: new contracts awarded by government departments, including the Department of Energy, Environment, and Climate Action.

Outlook

- The second half has started well with a significant contract renewal with a French government agency, a new customer win with the US Forest Service and good progress on contract renewals.
- Notification of a £1m award (subject to contract) with a new major County Council post-period-end.
- Committed services revenue at period end has increased by 37% to £14.5m, up from £10.6m at H1 2024 following significant contract awards in Europe.
- The Group has a substantial number of prospects across all geographies, driving pipeline expansion within its target markets of government, utilities, transport and street works.
- The Board remains confident in meeting market expectations for FY 2025.

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

"We have enjoyed a positive first half of the year, successfully executing on our key strategic initiatives. Notable achievements include the timely deployment of 1Streetworks within UK Power Networks, strategic expansion into new US states and sectors and strategic hires to set the business up for further growth. Looking forward, our primary focus will be on accelerating the momentum of our SaaS offerings, converting our expanding pipeline and further penetrating the substantial US market. The notification of the award of a second major 1Streetworks deal for £1m (subject to contract), coupled with a growing NG9-1-1 pipeline, reinforces our confidence in continued progress throughout the remainder of the year."

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Alternative Performance Measures ('APMs')

The Group uses certain Alternative Performance Measures to enable the users of the Group's financial statements to understand and evaluate the performance of the Group consistently over different reporting periods. APMs are non-GAAP company specific measures. As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of non-GAAP measures may not be comparable to other similarly titled measures reported by other companies. A description of the measures set out above is included below with a reconciliation to the closest GAAP measure included in the notes to the consolidated condensed interim financial report.

APM	Explanation of APM
Recurring Revenue (s)	Recurring Revenue is the value of committed recurring contracts for term licences and support & maintenance recorded in the year.
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/(borrowings)	Net cash/(borrowings) is gross cash less bank borrowings.

About 1Spatial plc

1Spatial plc is a global leader in providing Location Master Data Management (LMDM) software, solutions and business applications, primarily to the Government, Utilities and Transport sectors via the 1Spatial platform and SaaS offerings. Our solutions ensure data governance, facilitating the efficient, effective and sustainable operation of

customers around the world. It allows them to master their data on any device, anywhere, anytime and can be deployed as SaaS in the cloud, on-premise, or as a hybrid of both. Our global clients include national mapping and land management agencies, utility companies, transportation organisations, government and defence departments.

We have two SaaS offerings for which we see considerable potential - NG9-1-1 and 1Streetworks. 1Streetworks automates the production of traffic management plans, diversion routing and asset inventory lists in the UK, producing a comprehensive, site-specific traffic management plan in just a few minutes. Our Public Safety NG-9-1-1 solution combines a powerful rules engine and data aggregator with a self-service cloud platform to support public safety entities with their data readiness needs.

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

www.1spatial.com

Half-year review

We've had a positive first half of the year with good sales momentum, increasing levels of recurring licence revenue, whilst continuing to execute on our strategic priorities. The Group remains focused on expanding its US operations and SaaS businesses, including 1Streetworks, by leveraging the strength of its Enterprise business. During the period we have allocated further investment into sales within our US and 1Streetworks operations and the calibre of the team we are building positions us well for future success.

We are encouraged by the 26% growth in software term licence revenue in the period, contributing to a 9% increase in recurring revenues and a steadily improving gross margin, reflecting the increasing quality of revenue generated. Our geographic diversification has proven to be a strategic advantage, mitigating the impact of government contracting delays in the UK through stronger performances in the US, Europe and Australia.

We have had a promising start to the second half of the year, securing contract extensions, renewals and new contract wins, including receiving notification of the award of a £1m contract for our 1Streetworks SaaS offering (subject to contract), validating its market potential and driving industry awareness. Continued progress with our flagship 1Streetworks customer, UK Power Networks, coupled with new 1Streetworks trials and a growing NG9-1-1 pipeline, positions us to build a significantly higher run rate of recurring SaaS licence revenue.

The positive momentum generated in the second half, combined with our robust order book of contracted revenue and H2 weighted term licence renewals and service revenue, provides the Board with confidence in achieving a strong performance in the second half of the year and meeting full year market forecasts.

SaaS solutions

1Streetworks

We are pleased to have been notified, post period end, of the award of a second major deal for 1Streetworks valued at £1m with a large County Council (subject to contract).

Concurrently, we have made excellent progress with our flagship customer, UK Power Networks. We have proven multiple benefits from the use of the system including cost and time efficiencies, customer satisfaction and societal and governmental impacts. The most significant KPI was a 40% reduction in road closures. Our current engagement represents a small proportion of the total opportunity within UKPN but provides the company sufficient data to support the development of the budget submission for the upcoming financial year, aligning with our anticipated growth from the account.

Several further trials of the software are underway across utilities and Tier 1 street works contractors, positioning us favourably to achieve our growth targets.

We have expanded our 1Streetworks team, including the appointment of Steve Hanks as Business Development Director, from 1 September 2024. Steve will lead and develop a high-performing sales team to drive sales growth and capitalise the substantial £400m market opportunity from low-speed roads.

We are committed to continuously enhancing the 1Streetworks platform through the integration of valuable new data and features. Recent additions include road-specific information, such as special designations and details highlighting engineering difficulty. Additionally, the platform now allows users to incorporate road traffic light diagrams which automates a previously manual and time-consuming process. These enhancements have demonstrated the platform's ability to improve the efficiency of works and reduce the risk of job aborts through more accurate survey data. We will continue to introduce enhancements to the platform based on customer feedback.

In September we were honoured to be nominated as finalists in two categories of the Highways Magazine Industry Awards: Product of the Year and Best Use of Technology for the Year. This recognition highlights our commitment to innovation and collaboration with the street works ecosystem.

NG9-1-1

Our NG9-1-1 SaaS solution is designed to meet the NG9-1-1 data requirements of the 23,000 cities and counties across the US. Given the scope of this opportunity, we have adopted a partner-centric approach collaborating with industry leaders such as Esri and other selected global systems integrators. These strategic alliances are yielding a promising pipeline of opportunities, enabling our team to concentrate on driving sales of the Enterprise NG9-1-1 solution at a State level.

We have been encouraged by progress made in recent months, driven in part by the valuable contributions of our NG9-1-1 subject matter specialist, who joined the team in May. Her extensive domain expertise and strong network of contacts within the sector have been instrumental to our advancement.

The Federal Communications Commission ("FCC") recently established new federal regulations which set the first-ever guidelines for telecommunications providers transitioning to NG9-1-1. Effective 25 November 2024, upon receiving a request from a 911 authority, providers will have six to 12 months to comply with the requirements which involve substantial changes to the current maintenance of 911 location and GIS data. 1Spatial's suite of solutions are well-positioned to bridge this significant gap, offering support to state and local 911 authorities as well as to the telecommunications providers to meet these new data requirements.

Enterprise business expansion

Enterprise business expansion

US

The United States presents a substantial market opportunity for the Group, driven by the exceptional quality of our product offering, our strong existing customer relationships and the significant market size at both a State and Federal level. The industry is actively seeking solutions like ours, providing us with a competitive advantage across the sector. This is evidenced by the United States being the most significant contributor to our ARR growth, with a 25% increase compared to the prior period.

We have strategically expanded our team in the United States, including the addition of an NG9-1-1 specialist, an account executive for the West Coast region and planned further additions to the sales team in the second half of the year. Concurrently, we are strengthening our relationships with key partners, such as Rizing Geospatial (a Wipro company), and consistently seeing partner-sourced opportunities enter our pipeline.

Significant wins and renewals in the period:

- Secured positions on two additional frameworks, with the State of Texas and State of Tennessee, in partnership with Rizing Geospatial. We now have contracts or framework agreements with 21 US States, up from 18 at H1 2024. Each one provides expansion potential.
- Secured a contract with the City of Irving, via the Texas framework, for the 1Spatial Utility Network application. This marks our first major utilities customer in the US, a key focus sector for the Group given our strength in utilities in other geographies.
- Acquired two new Departments of Transport (DOT) customers for the automated traffic conflation solution, the State of Virginia and State of Georgia, bringing our total number of DOT customers to 6.
- Renewed a two-year enterprise NG-9-1-1 contract with an existing customer, the State of Minnesota.
- Secured a five-year contact with the US Forest Service post period end.

UK

While growth in the UK has been tempered by restrictions on government activity leading up to the general election in July, we have achieved notable wins and expansion opportunities. We believe this momentum will translate into accelerated growth in the second half the year.

We were delighted to welcome Nabil Lodey to the team, post period end, as Managing Director for the UK and Ireland. Nabil will focus on building a high-performing team to drive long-term, profitable growth. While investing for growth, we remain committed to optimising our operational efficiency. Following the successful rationalisation of our French operations in the previous year, we have completed a similar process in the UK and anticipate realising the benefits in the second half of the year.

Significant wins and renewals in the period:

- In the Utility Network migration space: our first engagement with Welsh Water, through our partner Enzen Global and expanded our engagement with Yorkshire Water.
- Secured a further one-year agreement with HS2 for our data management software 1Integrate and 1Datagateway. This enables HS2 to pull together data from their supply chain of contractors, to create a Digital Twin to plan, build and eventually maintain the HS2 rail network in the UK.
- Continued our collaboration with Atkins Realis on the National Underground Asset Register (NUAR). The platform has expanded significantly, now incorporating data from over 200 asset owners and was recently won the Digital Innovation in Productivity at the Digital Construction Awards, highlighting the exceptional quality and impact of our work on this project.
- Continuation of work on a large government contract with Qinetiq which, once delivered in 2025, will drive significant incremental ARR from licences.
- We were selected by our long-standing partner CGI for inclusion in the Cabinet Office Strategic Delivery Partner ecosystem. Alongside CGI, we will be working with the Cabinet Office over a five-year period to deliver a range of digital, data and technology services and products in support of Cabinet Office Business Units.

Europe

The European business differs slightly from other parts of the Group, specialising sales of software applications compatible with the Esri suite of products such as 1Telecomms and 1Water. Having overcome a period of low growth, the European business has achieved a 11% increase in revenue and enhanced profitability. This growth was driven by successful contract conversion and cost optimisation initiatives implemented in the previous year.

Two significant multi-year contracts secured with two large Belgian utilities for €3m and €9m respectively that were announced in the previous year, coupled with new wins in the first half of the year, provide a strong foundation for sustained revenue growth in the second half and beyond. We are confident in double-digit revenue growth this year and the sustained impact of cost savings, combined with revenue increases, is expected to drive increased profitability within this segment of the business.

During the first half, the Company secured the following contracts:

- A four-year renewal with the French Cadastre (French national mapping agency)
- Two significant contracts with two new customers, Paris Est and Hydracos, utilising our data services team in Tunisia
- Continued expansion on our 1Telecomm contract with Airbus and additional work on our contracts with our Belgian utility customers

Australia

The Australian business achieved 23% increase in revenue compared to the same period in the prior year, driven by increased services activity and contract renewals at higher values. Notable renewals include the recent signing of a three-year Enterprise License Agreement (ELA) with the Department of Energy, Environment, and Climate Action (DEECA), and the extension of the 1Integrate license to Hunter Water through the end of the half-year and beyond. Positive feedback from this initial customer has enabled us to actively pursue expansion opportunities within the

Positive feedback from this initial customer has enabled us to actively pursue expansion opportunities within the sector.

Innovation

We implemented several enhancements to our products and solutions, encompassing feature improvements and overall system improvements. A notable achievement was the successful development of an ArcGIS Pro 'add-in', enabling the seamless integration of 1DataGateway with the latest Esri platform. We have received initial orders for this add-in, including from the US Forest Service, and it will serve as a key enabling technology for the NG9-1-1 SaaS offering and partnership strategy.

Within our core 1Integrate platform, we continued to enhance its functionality and competitive strength, by introducing native support for CAD (Computer Aided Design) file formats from Autodesk and Bentley. This enhancement facilitates the integration of spatial data, CAD drawings, and non-spatial data (e.g., CSV files). The Google REWS Facilities Management solution leverages this improvement to effectively manage complex facilities data. The NUAR project also benefits from 1Integrate's increased capability to transform and ingest CAD data demonstrating its versatility in handling different data formats.

ESG and People

We are pleased to report good progress on our ESG initiatives during the first half of the year, prioritising employee well-being and sustainability. We have identified a number of critical success factors to achieving our ambitious ESG goals, with a strong focus on People and Culture. To foster community and support our employees, we implemented initiatives such as hosting fireside chats led by senior management.

During the period we revamped our 1Awards program, which recognises team members who demonstrate and live the company's values. The awards will now be given out at a dedicated global awards event and everyone from the company will understand why the team member achieved success as well as celebrating with them.

Over the next six months, we are hosting a number of sales and market events. Instead of printing out certain collateral we will be donating the cost of this to charities chosen by the team whilst also reducing our carbon footprint. In addition, to further reduce our environmental impact and boost employee engagement, we signed a contract for a new shared office space in the UK with a smaller footprint, aligning with our hybrid working model.

In May, I was honoured to be named Business Leader of the Year at the Geospatial World Forum Leadership Awards, which recognise individuals and organisations driving remarkable innovation and positive societal impact. At 1Spatial, we are passionate about making the world safer, smarter and more sustainable and I thank the incredible team we have at 1Spatial for their unwavering efforts as we continue our growth journey.

Current trading and outlook

The second half has started positively with the securing of a second major 1Streetworks deal (subject to contract) valued at £1m, a major contract renewal with a French government agency, a new customer win with the US Forest Service and substantial progress on other significant expansion opportunities and renewals. Given these factors, including the weighting of term licence renewals and services revenue in H2, the Board remains confident in our ability to meet market expectations for FY 2025.

Through the expansion of our offering, increasing collaboration with partners and growing direct sales team, the Group now has a significant and varied new business pipeline, across offerings, sectors and geographies.

Looking forward, our primary focus will be on accelerating the momentum of our SaaS offerings, effectively converting our expanding pipeline and further penetrating the substantial US market. The recent appointments of two experienced sales leaders within our UK and Ireland enterprise business and our 1Streetworks offering provide us with enhanced capabilities to capitalise on our market opportunities. We look ahead with confidence.

Claire Milverton
Chief Executive Officer

Financial performance

Summary

The financial performance in the period reflects continued growth in recurring revenues coupled with disciplined cost management. Enhanced sales capabilities contributed to increased revenues with further investment in sales resource planned to secure higher-value, long-term recurring contracts and pipeline growth.

Revenue

Group revenue grew by 5% to £16.24m in H1 2025, up from £15.53m in the same period last year. The Group's strategic focus is on transitioning to a recurring revenue model, prioritising term licence sales from repeatable business solutions over perpetual licences and services. The Group's execution of this strategy has resulted in notable improvement in recurring revenue increasing by 9% to £8.9m from £8.2m, now representing approximately 55% of Group revenues (H1 2024: 53%). The revenue by type is shown below:

Revenue by type	H1 2025	H1 2024	% change
Recurring revenue (term licences, SaaS + S&M)	8.91	8.18	9%
Services	<u>6.85</u>	<u>6.65</u>	<u>3%</u>
Revenue (excluding perpetual licences)	15.76	14.83	6%
Perpetual licences	<u>0.48</u>	<u>0.70</u>	<u>(31%)</u>
Total revenue	16.24	<u>15.53</u>	<u>5%</u>

Growth in term licence ARR

While we primarily focus on growing term licenses for our proprietary solutions, we also offer third-party products on a standalone basis or to complement our own solution sales. In the twelve months ending 31 July 2024, we achieved a 30% overall increase in the annualised value of term licenses, with 1Spatial solutions contributing 33% to this growth, as illustrated in the table below.

	H1 2025	H1 2024	Growth
ARR for term licences - owned	6.67	5.01	33%
ARR for term licences - third party	1.87	1.55	21%
ARR for term licences - total	8.54	6.56	30%

Annualised Recurring Revenue

The Annualised Recurring Revenue ("ARR") increased by 7% from £16.65m at 31 July 2023 to £17.92m as at 31 July 2024. The growth rates varied by region as shown in the table below, with the US growing at the fastest rate of 25%. The overall renewal rate remains high at around 94%.

ARR by region

	H1 2025	H1 2024	Growth
UK/Ireland	7.07	6.95	2%
Europe	5.80	5.56	4%
US	3.21	2.56	25%
Australia	1.84	1.58	16%
Total ARR	17.92	16.65	7%

Committed services revenue

Committed services revenue has increased by 37% to £14.5m, up from £10.6m at H1 2024 following certain significant contract awards in Europe. This provides strong revenue visibility.

The combination of expanding ARR, a backlog of committed services revenue and a strong pipeline of prospects positions the business for continued progress in achieving its revenue growth objectives. The Company's strategic focus on developing and selling repeatable software solutions enhances revenue visibility, enabling the Board to continue to invest with confidence.

Regional revenue

Revenue by region is shown in the table below:

Regional revenue

	H1 2025	H1 2024	Growth %	Growth % (constant fx)
UK/Ireland	5.86	6.37	(8%)	(8%)
Europe	5.69	5.12	11%	14%
US	2.53	2.29	10%	13%
Australia	2.16	1.75	23%	28%
	16.24	15.53	5%	6%

We are pleased to report a 5% increase in revenue driven by double-digit growth in Europe, the US and Australia following significant contract wins in the previous year. While the UK region experienced a decline of 8% compared to the prior year, we anticipate continued growth in all regions through increased sales of higher-margin, proprietary technology sold under term license agreements.

Gross profit margin

Despite inflationary increases, we maintained a gross profit margin of 52.2% (H1 FY24: 51.8%) through strategic increases to subscription pricing and charge-out rates.

Cost management continues to be a key priority. While the business is making planned investments to support future revenue growth, the management team continue to focus on driving improvements to gross margin levels through sale of higher-margin term licences.

Adjusted EBITDA

Adjusted EBITDA increased by 18% to £2.0m from £1.7m in the prior period, with EBITDA margin higher than the prior period at 12.3% (H1 2024: 11.0%). The increase in gross profit contribution compared to last year was partially offset by the continued investment in our sales resource. As a sales-led organisation, targeted investment in people is critical to ensure that we achieve our strategic sales objectives, and we will continue to invest to execute our strategy. The second half of the year is expected to see a higher EBITDA contribution due to a larger proportion of term licence renewals and increased revenue from significant European projects. Our expanded sales teams will be well-positioned to drive sales of our SaaS products in the second half.

Operating profit/(loss)

The Group recorded an operating profit of £0.1m representing an improvement from the £0.3m loss incurred in the previous year. Increased Adjusted EBITDA in the current period was offset primarily by a higher amortisation charge on the 1Streetworks product.

Taxation

The tax charge for the period was £0.1m (H1 2024: £0.1m).

Balance sheet

The Group's net assets increased to £18.2m at 31 July 2024 (H1 2024: £16.7m). The primary driver of this increase was a rise in intangible assets to £20.5m (H1 2024: £18.5m). This growth was primarily due to increased R&D

was a rise in intangible assets to £29.5m (H1 2024: £19.5m). This growth was primarily due to increased R&D investments during the second half of last year. Following the successful launch of the 1Streetworks product, R&D spending has been significantly reduced since the end of FY 2024. The rationalisation of our product portfolio, largely completed after the European reorganisation last year, is expected to result in a decrease in R&D spending on an annual basis compared to the previous full year.

Cash flow

As at 31 July 2024, the Group had net borrowings of £0.9m. This represents a decline from a net cash position of £1.1m on 31 January 2024, and £0.5m on 31 July 2023. Although net cash has decreased by £2.0m since 31 January 2024, cash inflows of £0.6m in the second half of fiscal year 2024 mitigated the overall cash outflow to £1.4m for the past twelve months.

The main components of the cash flows in the first half of the year are attributable to the following movements:

- Cash generated from operations increased to £1.3m in the first half of 2024, up from £0.7m in the same period last year. This was primarily driven by higher EBITDA and favourable working capital movements due to the timing of payments and receipts.
- Expenditure on software, product development, and intellectual property amounted to £2.1m for the first half of the year compared to £2.6m for the same period last year. This decrease is attributable to the effect of the European R&D restructure last year together with the completion of the core 1Streetworks product. While we continue to invest in product development, we expect lower capitalised R&D spending in the current year due to product rationalisation completed.
- Expenditure on PPE, lease payments and net tax payments remained broadly consistent with last year at approximately £0.6m while interest paid increased to £0.2m due to the drawn RCF.
- In H1 FY 2025, a contract with a major European customer necessitated the deposit of £0.4m in escrow. This amount is scheduled to be repaid in instalments throughout the contract term, with a full refund anticipated by the end of FY 2028.

The first six months are typically cash-consumptive due to the timing of renewals and investments in research and development. Conversely, cash generation in the second half is positively impacted by the concentration of renewals in the fourth quarter. As a result, we anticipate free cash inflows in H2 consistent with previous years.

Free cash flow	H1 2025 £'000	H1 2024 £'000
Cash generated from operations	1,259	683
Expenditure on software, product development and intellectual property capitalised	(2,096)	(2,565)
Lease payments	(391)	(384)
Purchase of property, plant and equipment	(133)	(35)
Net interest paid	(228)	(138)
Net tax paid	(34)	(59)
Bank guarantee	(385)	-
Free cash flow	(2,008)	(2,498)

Financing

The Group maintains a £5.4m Revolving Credit Facility to support its working capital needs. The secured facility, renewed in May 2024, has a three-year commitment period and is priced on competitive terms. As at 31 July 2024, £3.0m was drawn from the facility. The Group forecast for H2 assumes a net cash inflow in the second half of the year consistent with previous periods.

Condensed consolidated statement of comprehensive income Six months ended 31 July 2024

		Unaudited Six months ended 31 July 2024	Unaudited Six months ended 31 July 2023	Audited Year ended 31 January 2024
	Note	£'000	£'000	£'000
Revenue	4	16,246	15,537	32,315
Cost of sales		(7,759)	(7,496)	(14,389)
Gross profit		8,487	8,041	17,926
Administrative expenses		(8,421)	(8,359)	(16,514)
		66	(318)	1,412
Adjusted EBITDA	3	2,009	1,686	5,479
Less: depreciation		(71)	(86)	(180)
Less: depreciation on right of use asset		(342)	(394)	(787)
Less: amortisation and impairment of intangible assets	8	(1,484)	(1,120)	(2,440)
Less: share-based payment charge		(46)	(14)	33
Less: strategic, integration and other non-recurring items		-	(390)	(693)
Operating profit/(loss)		66	(318)	1,412
Finance income		9	9	52
Finance cost		(237)	(147)	(407)
Net finance cost		(228)	(138)	(355)
(Loss)/profit before tax		(162)	(456)	1,057
Income tax (charge)/credit	5	(34)	(59)	123

(Loss)/profit for the period	(196)	(515)	1,180
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Actuarial gains/(losses) arising on defined benefit pension, net of tax	-	-	(43)
Exchange differences on translating foreign operations	(70)	(189)	(196)
Other comprehensive (loss)/income for the period, net of tax	(70)	(189)	(239)
Total comprehensive (loss)/gain for the period attributable to the equity shareholders of the Parent	(266)	(704)	941

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

		Unaudited Six months ended 31 July 2024	Unaudited Six months ended 31 July 2023	Audited Year ended 31 January 2024
Basic (loss)/earnings per share	6	(0.2)	(0.5)	1.1
Diluted (loss)/earnings per share	6	(0.2)	(0.5)	1.0

Condensed consolidated statement of financial position
As at 31 July 2024

		Unaudited As at 31 July 2024 £'000	Audited As at 31 January 2024 £'000	Unaudited As at 31 July 2023 £'000
	Note			
Assets				
Non-current assets				
Intangible assets including goodwill	8	20,451	19,951	18,531
Property, plant and equipment		257	192	265
Right-of-use assets		1,003	1,306	1,621
Restricted cash		460	75	-
Total non-current assets		22,171	21,524	20,417
Current assets				
Trade and other receivables	9	12,556	12,770	12,322
Current income tax receivable		-	-	44
Cash and cash equivalents	10	3,111	4,260	3,250
Total current assets		15,667	17,030	15,616
Total assets		37,838	38,554	36,033
Liabilities				
Current liabilities				
Bank borrowings	10	(319)	(647)	(1,745)
Trade and other payables	11	(12,992)	(14,004)	(13,196)
Current income tax payable		(25)	(99)	
Lease liabilities		(363)	(584)	(523)
Total current liabilities		(13,699)	(15,334)	(15,464)
Non-current liabilities				
Bank borrowings	10	(3,647)	(2,534)	(962)
Lease liabilities		(737)	(820)	(1,178)
Defined benefit pension obligation		(1,238)	(1,222)	(1,178)
Deferred tax		(337)	(337)	(547)

		(5,959)	(4,913)	(3,865)
Total non-current liabilities				
Total liabilities		(19,658)	(20,247)	(19,329)
Net assets		18,180	18,307	16,704

Share capital and reserves

Share capital	12	20,179	20,155	20,161
Share premium account		30,577	30,508	30,497
Own shares held		(14)	(14)	(28)
Equity-settled employee benefits reserve		4,135	4,089	4,136
Merger reserve		16,465	16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)	(11,584)
Currency translation reserve		235	305	312
Accumulated losses		(41,336)	(41,140)	(42,778)
Purchase of non-controlling interest reserves		(477)	(477)	(477)
Equity attributable to shareholders of the Parent company		18,180	18,307	16,704
Total equity		18,180	18,307	16,704

Condensed consolidated statement of changes in equity Period ended 31 July 2024

£'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve	Accumulated losses
Balance at 31 January 2023 (Audited)	20,155	30,488	(139)	4,122	16,465	(11,584)	501	(477)	(42,778)
Comprehensive income/(loss)									
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss)									
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-	-	(196)	-	-
Total other comprehensive (loss)/income	-	-	-	-	-	-	(196)	-	-
Total comprehensive (loss)/income	-	-	-	-	-	-	(196)	-	-
Transactions with owners recognised directly in equity									
Recognition of share-based payments	-	-	-	(33)	-	-	-	-	-
Issue of shares held in treasury (including exercise of share options)	-	20	125	-	-	-	-	-	-
	-	20	125	(33)	-	-	-	-	-
Balance at 31 January 2024 (Audited)	20,155	30,508	(14)	4,089	16,465	(11,584)	305	(477)	(41,140)
Comprehensive income/(loss)									
Profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(70)	-	-
Total other comprehensive (loss)/income	-	-	-	-	-	-	(70)	-	-
Total comprehensive (loss)/income	-	-	-	-	-	-	(70)	-	-
Transactions with owners recognised directly in equity									
Recognition of share-based payments	-	-	-	46	-	-	-	-	-
Issue of share capital	24	69	-	46	-	-	(70)	-	-
	24	69	-	46	-	-	(70)	-	-
Balance at 31 July 2024 (Unaudited)	20,179	30,577	(14)	4,135	16,465	(11,584)	235	(477)	(41,140)

£'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve

Balance at 31 January 2023 (Audited)	20,155	30,488	(139)	4,122	16,465	(11,584)	501
Comprehensive loss							
Profit for the period	-	-	-	-	-	-	-
Other comprehensive (loss)/income							
Exchange differences on translating foreign operations	-	-	-	-	-	-	(189)
Total other comprehensive (loss)/income	-	-	-	-	-	-	(189)
Total comprehensive (loss)/income	-	-	-	-	-	-	(189)
Transactions with owners recognised directly in equity							
Recognition of share-based payments	-	-	-	14	-	-	-
Issue of share capital	6	9					
Transfer of treasury shares			111				
	6	9	-	14	-	-	(189)
Balance at 31 July 2023 (Unaudited)	20,161	30,497	(28)	4,136	16,465	(11,584)	312

Condensed consolidated statement of cash flows
Period ended 31 July 2024

		Unaudited	Unaudited	Audited
		Six months ended	Six months ended	Year ended
		31 July 2024	31 July 2023	31 January 2024
	Note	£'000	£'000	£'000
Cash flows from operating activities				
Cash generated from operations	10	1,259	683	4,674
Interest received		9	9	52
Interest paid		(237)	(147)	(407)
Tax paid		(34)	(59)	(35)
Tax received		-	-	175
Restricted cash		(385)	-	(75)
Net cash from operating activities		612	486	4,384
Cash flows from investing activities				
Purchase of property, plant and equipment		(133)	(35)	(67)
Expenditure on product development and intellectual property capitalised		(2,096)	(2,565)	(5,295)
Net cash used in investing activities		(2,230)	(2,600)	(5,362)
Cash flows from financing activities				
Proceeds from loans and borrowings		1,120	1,100	1,900
Repayment of loans and borrowings		(318)	(313)	(639)
Repayment of lease obligations		(391)	(384)	(904)
Payment of deferred consideration on acquisition		-	(27)	-
Net proceeds from share issue		93	16	19
Net cash used in financing activities		504	392	376
Net decrease in cash and cash equivalents		(1,114)	(1,722)	(602)
Cash and cash equivalents at start of period		4,260	5,036	5,036
Effects of foreign exchange on cash and cash equivalents		(35)	(64)	(174)
Cash and cash equivalents at end of period	10	3,111	3,250	4,260

Notes to the Interim Financial Statements

1. Principal activity

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

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

2. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 July 2024 has been prepared in accordance with IFRS as adopted IAS 34 Interim Financial Reporting. The interim report does not

been prepared in accordance with UK adopted IAS or interim financial reporting. The interim report does not include all the information required for a complete set of IFRS financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 January 2024 and any public announcements made by 1Spatial Plc during the interim reporting period. The annual financial statements of the Group were prepared in accordance UK adopted international accounting standards.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended 31 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have a material impact on the interim financial statements of the Group.

The financial information for the six months ended 31 July 2024 and 31 July 2023 is neither audited nor reviewed and does not constitute statutory financial statements within the meaning of section 434(3) of the Companies Act 2006 for 1Spatial plc or for any of the entities comprising the 1Spatial Group. Statutory financial statements for the preceding financial year ended 31 January 2024 were filed with the Registrar and included an unqualified auditors' report.

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

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 October 2024.

3. Alternative Performance Measures ('APMs')

The Group uses certain Alternative Performance Measures to enable the users of the Group's financial statements to understand and evaluate the performance of the Group consistently over different reporting periods. APMs are non-GAAP company specific measures. As these are non-GAAP measures, they should not be considered as a replacements for IFRS measures. The Group's definition of non-GAAP measures may not be comparable to other similarly titled measures reported by other companies. A description of the measures set out above is included below with a reconciliation to the closest GAAP measure included in the notes to the consolidated condensed interim financial report.

APM	Explanation of APM
Recurring Revenue (s)	Recurring Revenue is the value of committed recurring contracts for term licences and support & maintenance recorded in the year.
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.
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.
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.
Net cash/(borrowings)	Net cash/(borrowings) is gross cash less bank borrowings.

Recurring Revenue	H1 2025	H1 2024	FY2024
Total Revenue	16,246	15,537	32,315
Adjustments:			
Services	(6,851)	(6,653)	(12,935)
Perpetual Licences - own	(51)	(188)	(397)
Perpetual Licences - third party	(436)	(508)	(876)
Recurring Revenue	8,908	8,188	18,107

Annualised Recurring Revenue	H1 2025	H1 2024	FY2024
Recurring Revenue	8,908	8,188	18,107
Adjustments:			
Timing differences on Net New Revenue in period	9,014	8,457	(1,643)

Annualised Recurring Revenue	17,922	16,645	16,899
Adjusted EBITDA	H1 2025	H1 2024	FY2024
(Loss)/profit before tax	(162)	(456)	1,057
Adjustments:			
Depreciation	413	480	967
Amortisation and impairment of intangible assets	1,484	1,120	2,440
Share-based payment charge	46	14	(33)
Strategic, integration and other one-off items	-	390	693
Net finance cost	228	138	355
Adjusted EBITDA	2,009	1,686	5,479
Operating Cashflow	H1 2025	H1 2024	FY2024
Cash generated from operations	1,259	683	4,674
Adjustments:			
Cash flow on strategic, integration and other non-recurring items	-	516	667
Cash generated from operations before strategic, integration and other non-recurring items	1,259	1,199	5,341
Free cash flow	H1 2025	H1 2024	FY2024
Cash generated from operations before strategic, integration and other non-recurring items	1,259	1,199	5,341
Adjustments:			
Net interest paid	(228)	(138)	(355)
Net tax (paid)/received	(34)	(59)	140
Expenditure on product development and intellectual property capitalised	(2,096)	(2,565)	(5,295)
Purchase of property, plant and equipment	(133)	(35)	(67)
Lease payments	(391)	(384)	(904)
Free cash flow before strategic, integration and other non-recurring items	(1,623)	(1,982)	(1,140)
Cash flow on strategic, integration and other non-recurring items	-	(516)	(667)
Free cash flow	(1,623)	(2,498)	(1,807)
Net Cash	H1 2025	H1 2024	FY2024
Cash and cash equivalents	3,111	3,250	4,260
Adjustments:			
Bank Borrowings - current	(319)	(1,745)	(647)
Bank Borrowings - non-current	(3,647)	(962)	(2,534)
Net Borrowings/(cash)	(855)	543	1,079

4. Revenue

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

Revenue by type

	H1 2025	H1 2024	
	£000	£000	
SaaS Solutions	0.52	0.09	477%
Term licences - own	2.62	2.45	7%
Term licences - third party	1.15	0.90	27%
SaaS and Term licences - total	4.29	3.44	25%
Support & maintenance	4.62	4.74	(3%)
Recurring revenue	8.91	8.18	9%
Services	6.85	6.65	3%
Perpetual licences - own	0.05	0.19	(73%)

Perpetual licences - third party	0.43	0.51	(14%)
Perpetual licences - total	0.48	0.70	(30%)
Total revenue	16.24	15.53	5%
Percentage of recurring revenue	55%	53%	

5. Taxation

The tax charge on the result for the six months ended 31 July 2024 is based on the estimated tax rates in the jurisdictions in which the Group operates for the year ending 31 January 2025.

6. (Loss)/earnings per share

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

	Unaudited Six months ended 31 July 2024 £'000	Unaudited Six months ended 31 July 2023 £'000	Audited Year ended 31 January 2024 £'000
(Loss)/profit attributable to equity holders of the Parent	(196)	(515)	1,180

	Number 000s	Number 000s	Number 000s
Ordinary shares with voting rights	110,889	110,829	110,860
Deferred consideration payable in shares	-	-	-
Basic weighted average number of ordinary shares	110,859	110,859	110,860
Impact of share options/LTIPs	4,569	3,264	1,842
Diluted weighted average number of ordinary shares	115,459	114,123	112,702

	Unaudited Six months ended 31 July 2024 Pence	Unaudited Six months ended 31 July 2023 Pence	Audited Year ended 31 January 2024 Pence
Basic (loss)/earnings per share	(0.2)	(0.5)	1.1
Diluted (loss)/earnings per share	(0.2)	(0.5)	1.0

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

7. Dividends

No dividend is proposed for the six months ended 31 July 2024 (31 January 2024: nil; 31 July 2023: nil).

8. 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 2024	17,449	455	4,630	6,695	30,508	83	59,820
Additions	-	-	-	23	2,096	-	2,119
Effect of foreign exchange	(91)	(3)	(44)	(43)	(175)	-	(356)
At 31 July 2024	17,358	452	4,586	6,675	32,429	83	61,583
Accumulated impairment and amortisation							
At 1 February 2024	11,409	338	3,997	5,465	18,631	29	39,869
Amortisation	-	11	74	114	1,283	2	1,484
Effect of foreign exchange	(44)	(1)	(36)	(30)	(110)	-	(221)
At 31 July 2024	11,365	348	4,035	5,549	19,804	31	41,132
Net book amount at 31 July 2024	5,993	104	551	1,126	12,625	52	20,451

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 February 2023	17,672	462	4,738	6,799	25,597	72	55,340
Additions	-	-	-	383	2,172	10	2,565
Effect of foreign exchange	(233)	(6)	(93)	(97)	(316)	-	(745)
At 31 July 2023	17,439	456	4,645	7,085	27,453	82	57,160
Accumulated impairment and amortisation							
At 1 February 2023	11,517	318	3,933	5,294	16,847	23	37,932
Amortisation	-	11	76	116	914	3	1,120
Effect of foreign exchange	93	2	73	52	203	-	423
At 31 July 2023	11,424	327	3,936	5,358	17,558	26	38,629
Net book amount at 31 July 2023	6,015	129	709	1,348	10,274	56	18,531

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 February 2023	17,672	462	4,738	6,799	25,597	72	55,340
Additions	-	-	-	1	5,283	11	5,295
Effect of foreign exchange	(223)	(7)	(108)	(105)	(372)	-	(815)
At 31 January 2024	17,449	455	4,630	6,695	30,508	83	59,820
Accumulated impairment and amortisation							
At 1 February 2023	11,517	318	3,933	5,294	16,847	23	37,932
Amortisation	-	23	151	237	2,023	6	2,440
Effect of foreign exchange	(108)	(3)	(87)	(66)	(239)	-	(503)
At 31 January 2024	11,409	338	3,997	5,465	18,631	29	39,869
Net book amount at 31 January 2024	6,040	117	633	1,230	11,877	54	19,951
Net book amount at 31 January 2023	6,155	144	805	1,505	8,750	49	17,408

9. Trade and other receivables

	As at 31 July 2024 £'000	As at 31 January 2024 £'000	As at 31 July 2023 £'000
Current			
Trade receivables	3,892	4,423	4,173
Less: provision for impairment of trade receivables	(19)	(19)	(22)
	3,873	4,404	4,151
Other receivables	1,403	1,338	1,747
Prepayments and accrued income	7,280	7,028	6,424
	12,556	12,770	12,322

10. Notes to the condensed consolidated statement of cash flows

a) Cash used in operations

Unaudited Six months ended 31 July 2024	Unaudited Six months ended 31 July 2023	Audited Year ended 31 January 2024
--	--	--

	£'000	£'000	£'000
Profit/(loss) before tax	(162)	(456)	1,057
Adjustments for:			
Net finance cost	228	138	355
Depreciation	413	480	967
Amortisation of acquired intangibles	192	206	391
Amortisation and impairment of development costs	1,292	914	2,049
Share-based payment charge	46	14	(33)
Decrease/(increase) in trade and other receivables	98	1,580	1,196
(Decrease)/increase in trade and other payables	(882)	(2,226)	(1,314)
Increase/(decrease) in defined benefit pension obligation	34	33	6
Net foreign exchange movement	-	-	-
Cash from operations	1,259	683	4,674

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

	Unaudited As at 31 July 2024 £'000	Unaudited As at 31 July 2023 £'000	Audited As at 31 January 2024 £'000
Decrease in cash in the period	(1,113)	(1,722)	(602)
Changes resulting from cash flows	(1,113)	(1,722)	(602)
Net cash inflow in respect of new borrowings	(1,120)	(1,100)	(1,900)
Net cash outflow in respect of borrowings repaid	318	313	639
Effect of foreign exchange	(19)	(2)	(112)
Change in net funds	(1,934)	(2,511)	(1,975)
Net funds at beginning of period	1,079	3,054	3,054
Net funds at end of period	(855)	543	1,079

Analysis of net funds

Cash and cash equivalents classified as:

Current assets	3,111	3,250	4,260
Bank and other loans	(3,966)	(2,707)	(3,181)
Net funds at end of period	(855)	543	1,079

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

11. Trade and other payables

	As at 31 July 2024 £'000	As at 31 January 2024 £'000	As at 31 July 2023 £'000
Current			
Trade payables	3,392	2,788	2,760
Other taxation and social security	2,846	2,907	2,671
Other payables	387	364	410
Accrued liabilities	1,087	1,071	1,307
Deferred income	5,279	6,874	6,048
	12,992	14,004	13,196

12. Share capital

	As at 31 July 2024 £'000	As at 31 January 2024 £'000	As at 31 July 2023 £'000
Allotted, called up and fully paid			
111,197,329 (H1 FY 2025: FY 2024: 110,859,545) ordinary shares of 10p each	11,211	11,087	11,093
226,699,878 (H1 FY 2025 and FY 2024: 226,699,878) deferred shares of 4p each	9,068	9,068	9,068
	20,179	20,155	20,161

There are 111,197,329 ordinary shares of 10p in issue, of which 15,399 ordinary shares are held in treasury. Consequently, the total number of voting rights is 111,181,930.

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



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