RNS Number : 3627G
Smarttech247 Group PLC
28 April 2025

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.

28 April 2025

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 ended 31 January 2025.

Financial highlights

- Revenues increased by 21.4% to €6.49 million (six months to 31 January 2024: €5.35 million)
- Recurring revenue in the period has increased by 32% compared to H1 2024, reflecting strong demand and continued expansion of our customer base. Annual recurring revenue ("ARR") has increased to €9.4 million by the end of the period compared to 31 July 2024. ARR is expected to increase further as a result of new contracts being won post period end.
- Adjusted EBITDA of €128K (six months to 31 January 2023: €125K) - see note 5. This excludes any income in relation to R&D tax credits which would be expected in the full year
- The sales pipeline as at the period end has increased compared to the sales pipeline at the end of H1 2024
- Cash balance of €1.9 million available at the period end - this does not include the proceeds from the sale of the Group's shareholding in Visibility Blockchain Limited ("Getvisibility") of €1.8 million which was received in April 2025 (31 July 2023: €3.3 million)

Operational highlights

- Continued growth of the customer base in the UK, Europe and the USA
- New multi-year contracts and additional sales secured:
  - three-year agreement with an Irish public sector agency, worth €860,000 in total, with the potential to extend by a further two years
  - an existing US pharmaceutical customer renewed its current contract for another year worth €300,000 per annum.
  - a new MDR contract over three years with a hospital in Ireland worth €150,000
  - the renewal for five additional years of a contract with a leading Irish university worth, in total, over €1 million
  - additional sales to an existing US pharmaceutical customer worth €150,000 over the next year
  - a new additional contract with an existing automotive client worth US 925,000 over three years.
- Further development of the Group's technology and product offering, including VisionX, with a focus on enhancing its risk management features which will increase the value for customers
- Implementation of an enhanced sales strategy with a focus on channel and strategic partnerships. The sales pipeline is continuing to build in the Middle East and Switzerland
- Appointment of Cavendish Capital Markets Limited as new corporate brokers
- Numerous awards and industry recognition, including being shortlisted for the Best Managed Security Service at the SC Awards Europe, demonstrating excellence in managed security services. Smarttech247 also won two ESG awards

Post-period end

- New multi-year contracts secured:
  - the extension of an existing contract with a major hospital in Ireland worth circa €500,000 over four years
  - appointed to a multi-year cybersecurity framework agreement with a major international London airport with a potential value of up to £7 million across all four suppliers over its five-year term
- Successful Zero Day Con 2025 conference, organised and hosted by Smarttech247, was held in March 2025 with over 600 senior security executives and speakers from the FBI, National Cybersecurity Centre and other industry leaders
- Sale of the Group's shareholding in Getvisibility to Forcepoint for €1.8 million in March 2025
- Winner of the Most Socially Responsible Cybersecurity Firm and the Gender Equality Excellence Awards at the

- Winner of the Most Socially Responsible Cybersecurity Firm and the Gender Equality Excellence Awards at the AI Magazine CSR awards

Raluca Saceanu, Chief Executive Officer of Smarttech247, commented:

"Smarttech247 has continued to execute its strategy in the six months to 31 January 2025, winning new multi-year contracts and contract extensions and growing recurring revenue by 32% compared to the prior period and increasing ARR to €9.4 million.

As the cybersecurity landscape continues to evolve and we see new threats daily, we are adapting our product offerings and technology to ensure we can meet our clients' vital cybersecurity needs.

We are also actively progressing the delivery of our new products and continue to build traction with international customers as evidenced by our growing sales pipeline. Importantly, we are also well funded to support our expansion strategy and the outlook for the remainder of the year is encouraging.

The Board remains committed to delivering shareholder value and I look forward to updating the market on our further progress."

- 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 good progress, focusing on building out its platform and developing new products.

Operational review

Contracts

It has been a good start to the Company's 2025 financial year with multiple new contracts signed as highlighted below.

In August 2024, the Group signed a three-year contract, worth €860,000, with an Irish public sector agency, with the potential to extend the contract for a further two years.

In September 2024, a public tender worth €100,000 over three years was won and in November 2024, an existing US pharmaceutical customer renewed its current contract for another year, worth €300,000 per annum.

December 2024 was particularly busy and included a new MDR contract over three years with a hospital in Ireland worth €150,000 over the life of the contract, the renewal for five additional years of a contract with a leading Irish university worth, in total, over €1 million and additional sales to an existing US pharmaceutical customer worth €150,000 over the next year.

In January 2025, the Group entered into an additional contract with an existing automotive client worth US 925,000 over three years. This new contract will see an Endpoint Detection & Response (EDR) solution integrated into the existing Managed Detection and Response (MDR) service already supplied to Smarttech247's automotive client. This new EDR solution is designed to detect, investigate and respond to threats on endpoint devices such as computers, laptops, and servers, enhancing the client's existing cybersecurity resilience.

Post-period end in March 2025, the Group announced the significant extension of an existing contract with a major hospital in Ireland worth circa €500,000 over four years which will involve the implementation of an EDR solution into the hospital's existing VisionX MDR platform.

In April 2025, the Group announced that it had been appointed to a multi-year cybersecurity framework agreement (the

"Agreement") with a major international London airport. The Agreement has a total potential value of up to £7 million across all four suppliers over its five-year term, with a further one-year extension available. While the Agreement does not guarantee minimum spend, it establishes Smarttech247 as a trusted provider to one of the UK's most high-profile transport hubs, offering a significant opportunity to generate meaningful revenues over the life of the agreement.

Smarttech247's success in winning these multi-year contracts reaffirms our position as a leader in cybersecurity services. These partnerships showcase the strength of our technology, especially the VisionX MDR platform, and the trust our clients place in our capabilities. By focusing on providing recurring revenue through multi-year contracts and high renewal rates for short-term projects, we ensure financial stability and growth for the Group. These achievements not only validate our service quality but also serve as strong reference points for future clients, supporting our continued global expansion and competitive differentiation.

Partnerships

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 and innovation

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

People and platform

In September 2024, Smarttech247 announced an enhanced sales strategy designed to accelerate growth by introducing a new channel-based route to market. This approach will broaden our market reach and is a key component of our ambitious growth plans. To support this strategy, we have been investing in increasing headcount across our key geographical markets, strengthening our presence and capacity to serve clients worldwide. In particular, good progress is being made in building a presence in Switzerland and the Middle East.

This strategic shift will see Smarttech247 place greater emphasis on channel and strategic partnerships to target rapid expansion whilst enhancing customer value across its global customer base. In parallel with this initiative, the Company is also launching its Partnership Programme with incentives designed to empower partners and drive mutual growth, with a key focus on efforts to enhance Smarttech247's sales and service delivery with core strategic partners. Previously, the Company's strategy focused on direct sales to customers, but this new strategic shift will allow Smarttech247 to leverage the successful partnerships the Company has curated.

Smarttech247 is in advanced discussions with leading systems integrators and distributors to bring a range of its cybersecurity solutions, including VisionX MDR, to a broader market, aiming to strengthen the Company's presence in key regions and scaling operations to meet the growing global demand. This new programme will provide Smarttech247's partners with the tools, resources and support to help partners maximise revenue potential and deliver value to customers via incentives including financial rewards, co-marketing opportunities and access to training and certifications programmes.

To support this strategy, Smarttech247 has already been building out its platform and expects to increase its headcount further in Ireland and across other key markets over the next 12 months, expanding the Company's operations in technical support, sales, marketing and partner support.

Industry awards and profile

Post-period end on 11 March 2025, Smarttech247 hosted its Zero Day Con 2025 conference for the fourth 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 international cybersecurity industry participants from a range of industries attending, including senior professionals from the FBI, the Director of the National Cyber Security Centre, the CISO for the Americas at Louis Vuitton, the CISO of the Health Service Executive, as well as other industry leaders.

Financial review

In terms of financial performance, revenues have increased by 21.4% over the prior comparable period to 31 January 2024 as a result of the winning of several new contracts and the full-period impact of contracts won in the previous period.

The Group continues to make good progress with its strategy to build ARR which has increased to €9.4 million over the period. This is expected to increase further as a result of new contracts being won post period end. The recurring revenue component in the period has increased by 32% compared to H1 2024. Annual revenue is still generally weighted more towards the second half of the year as demonstrated by past results.

Gross profit has increased as a result of increased sales, although gross margins have reduced slightly as a result of lower margins associated with third-party product sales within Group revenue.

Operating costs have increased compared to the prior period, principally as a result of the growth in headcount as part of the build out of the platform. Also, the amortisation charge associated with the Group's intangible assets has increased during the period to reflect the completion of certain product development work. Certain of the Group's costs continue to be capitalised as they relate to product development, in accordance with the Group's accounting policies.

Adjusted EBITDA and operating loss have been calculated in order to exclude one off charges relating to items such as the costs associated with the issue of share options. These charges have been added back given that they are one off non-cash items (see note 5).

It should be noted that operating costs are relatively evenly spread over the year, whereas as described above, historically, revenues tend to be weighted towards the second half of the year which has historically led to a lower operating result in the first half of the financial period compared to the second half.

Cash has reduced over the period due to the positive EBITDA generated during the period being 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 Group's cash balance has reduced during the period, the Group still retains a substantial balance at the period end and this figure excludes the cash inflow of €1.8 million from the sale of the Group's investment in Getvisibility, which was received in April 2025.

During the period, the Group appointed a new broker Cavendish Capital Markets Limited, to help build the Group's profile with the market and investors. The Group has also increased its level of shareholder engagement through a series of investor meetings and an investor webinar.

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 2025 financial year with increasing revenues in the first half of the year compared to the previous comparable period. Furthermore, with multiple new partnerships and contract wins, management is positive about the prospects for the second half of FY2025 and the year as a whole.

Raluca Saceanu

Chief Executive Officer

28 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2025

	Note	Unaudited Six months to 31 Jan 2025 €'000	Unaudited Six months to 31 Jan 2024 Restated * €'000
Continuing operations			
Revenue		6,494	5,350
Cost of sales	4	(4,190)	(3,249)
Gross profit		2,304	2,101
Operating expenses	5	(2,687)	(2,680)
Other operating income		16	-
Operating loss		(367)	(579)
Finance costs	6	(16)	(22)
Loss before taxation		(383)	(601)
Income tax		(85)	(52)
Loss for the year from continuing operations		(468)	(653)
Total profit for the year attributable to equity holders of the parent			
Other comprehensive income		46	(6)
Total comprehensive income for the year attributable to equity holders of the parent		(422)	(659)
Basic and diluted earnings per share - euro	7	(0.38)	(0.53)

* See Note 4 for details on restatement made to cost classifications in the prior period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2025

	Note	Unaudited 31 Jan 2025 €'000	Audited 31 July 2024 €'000
Non-current assets			
Intangible assets	8	8,113	6,910
Property, plant and equipment		162	177
Right-of-use asset	10	248	265
Financial assets		1,181	1,175
Total non-current assets		9,704	8,527
Current assets			
Trade and other receivables	9	3,793	5,928

Trade and other receivables	9	3,793	5,928
Cash and cash equivalents		1,926	3,344
Total current assets		5,719	9,272
TOTAL ASSETS		**15,423**	**17,799**
Equity attributable to owners of the parent			
Share capital	12	1,436	1,436
Share premium	12	6,365	6,365
Share based payment reserve	13	1,196	1,108
Other reserves	14	(1,215)	(1,215)
Foreign exchange reserve		177	131
Retained earnings		3,974	4,442
Total equity		11,933	12,267
Non-current liabilities			
Lease liability	10	227	241
Total non-current liabilities		227	241
Current liabilities			
Trade and other payables	11	3,235	5,263
Lease liability	10	28	28
Total current liabilities		3,263	5,291
Total liabilities		3,490	5,532
TOTAL EQUITY AND LIABILITIES		**15,423**	**17,799**

CONSOLIDATED STATEMENT OF CASHFLOWS
For the six months ended 31 January 2025

	Unaudited Six months to 31 Jan 2025 €'000	Unaudited Six months to 31 Jan 2024 €'000
Cash flow from operating activities		
Loss for the period	(468)	(653)
Adjustments for:		
Interest payable	2	5
Lease liability finance charge	14	17
Share based payments	88	428
Impact of foreign exchange	-	-
Depreciation and amortisation	423	276
Fair value loss on revaluation of shares	(6)	-
Changes in working capital:		
(Increase) / decrease in trade and other receivables	2,189	2,992
Increase / (decrease) in trade and other payables	(2,017)	(2,887)
Net cash inflow from operating activities	225	178
Cash flow from investing activities		
Purchase of intangible fixed assets	(1,582)	(1,588)
Purchase of tangible fixed assets	(18)	(79)
Net cash outflow from investing activities	(1,600)	(1,667)
Cash flows from financing activities		
Repayment of lease liabilities	(27)	(59)
Net cash inflow/ (outflow) from financing activities	(27)	(59)
Net increase in cash and cash equivalents	(1,402)	(1,548)
Cash and cash equivalents at beginning of period	3,344	6,062
Foreign exchange impact on cash	(16)	(5)
Cash and cash equivalents at the end of the period	**1,926**	**4,509**

Cash and cash equivalents at the end of the period	**1,920**	**4,309**

Significant non-cash items in the period comprised:

- Vesting of employee share options to the value of €88,000 (31 January 2024: €428,000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2025

	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							
(audited)	**1,436**	**6,365**	**554**	**(1,215)**	**34**	**4,309**	**11,483**
Profit for the year	-	-	-	-	-	(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**
At 1 August 2024 (audited)	**1,436**	**6,365**	**1,108**	**(1,215)**	**131**	**4,442**	**12,267**
Loss for the period	-	-	-	-	-	(468)	(468)
Other comprehensive loss	-	-	-	-	46	-	46
Total comprehensive loss for the period	-	-	-	-	**46**	**(468)**	**(422)**
Transaction with owners							
Share based payments	-	-	88	-	-	-	88
Total transactions with owners	-	-	**88**	**-**	**-**	**-**	**88**
Balance at 31 January 2025 - (unaudited)	**1,436**	**6,365**	**1,196**	**(1,215)**	**177**	**3,974**	**11,933**

NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the six months ended 31 January 2025

1. GENERAL INFORMATION

Smartttech247 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 2DY. The principal activity of 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 has been prepared in accordance with IFRS accounting policies as applied at 31 July 2024, 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 is to be read in conjunction with the annual report for the year ended 31 July 2024, which was prepared under UK adopted international accounting standards (IFRS), and any public announcements made by Smartech247 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

There are no new standards, interpretations and amendments which are not yet effective in these financial statements, 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 2024 and 31 January 2025 is unreviewed and 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 presentational currency of the Group, and presented to the nearest €'000, except where otherwise indicated.

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 expected date of approval of these financial statements.

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 €1.9 million, show that the Group will be able to operate within the level of its cash reserves. Furthermore, the Group received an additional cash inflow of €1.8 million in April 2025 from the sale of its shareholding in Getvisibility which was announced in March 2025.

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 2025 and 31 January 2024 the Group operated in the single business segment of Managed Detection and Response capabilities to global organisations.

4. RESTATEMENT OF COST OF SALES / OPERATIONAL EXPENSES

	Unaudited Six months to 31 Jan 2025 €'000	**Unaudited Six months to 31 Jan 2024 Restated * €'000**
Cost of sales - purchases	2,282	1,819
Cost of sales - direct costs	1,908	1,430
	4,190	3,249

During the prior period ended 31 January 2024, certain costs, principally wages and salaries, that were incurred in Poland and Romania were included under general administration expenses. However, management have reviewed these costs and believe they should be treated as cost of sales as they relate to the costs of providing MDR services and so have been included in cost of sales in the period ended 31 January 2025. Whilst this adjustment had been made and described in the full year audited accounts for the period to 31 July 2024 and the previous comparable period, this adjustment was not included in the interim results for the six months to 31 January 2024 when they were originally published. For the two interim periods to be properly comparable, the prior period has therefore been restated. This is purely a reclassification between cost of sales and administration expenses with no net change to the results of the prior period. The reclassification is believed to give a more accurate position of gross margins within the financial statements.

The impact of the reclassification adjustment to the cost of sales and administrative expenses is set out below:

	Unaudited Six months to 31 Jan 2024 Previous period €'000	**Reclassification adjustment €'000**	**Unaudited Six months to 31 Jan 2024 Restated €'000**
Cost sales - purchases	1,819	-	1,819
Cost sales - direct costs	-	1,430	1,430
	1,819	1,430	3,249

Within the restated figures for the period ended 31 January 2024, cost of sales - purchases have reduced slightly and certain of the prior year's costs included in administration expenses, principally wages and salaries have been moved to cost of sales - direct costs resulting in a net increase of €1,430,000.

	Unaudited Six months to 31 Jan	**Reclassification adjustment €'000**	**Unaudited Six months**

	2024 Previous period €'000		to 31 Jan 2024 Restated €'000
Administrative expenses	4,110	(1,430)	2,680
	4,110	(1,430)	2,680

Within the restated figures for the period ended 31 January 2024, administration costs have reduced by €1,430,000, equivalent to the movement in total cost of sales.

5. OPERATIONAL EXPENSES

The operating loss for the period is after charging:

	Unaudited Six months to 31 Jan 2025 €'000	Unaudited Six months to 31 Jan 2024 €'000
Amortisation of intangible fixed assets	(379)	(210)
Depreciation of right-of-use assets	(16)	(33)
Depreciation of tangible fixed assets	(28)	(33)
Share based payments - employee options	(88)	(428)
	(511)	(704)

Included within operational expenses are certain one-off costs that principally relate to the issue of share options.

	2025 €'000	2024 €'000
Operating loss	(367)	(579)
Add back:		
Share based payments	88	428
Total one-off costs	88	428
Less other operating income	(16)	-
Adjusted operating loss	(295)	(151)
Add back depreciation and amortisation	423	276
Adjusted EBITDA	128	125

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.

6. FINANCE COSTS

	Unaudited Six months to 31 Jan 2025 €'000	Unaudited Six months to 31 Jan 2024 €'000
Interest on financial liabilities	2	5
Finance charge on lease liabilities	14	17
	16	22

7. 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 2025 (unaudited)	Six months to 31 Jan 2024 (unaudited)
Loss for the period from continuing operations - €'000	(468)	(653)
Weighted number of ordinary shares in issue	124,078,982	124,078,982
Basic and diluted earnings per share from continuing operations - euro	(0.38)	(0.53)

Share options and warrants could potentially dilute basic earnings per share in the future. These were not included in the calculation and no diluted earnings per share presented as the Group is loss making and additional equity instruments are anti-dilutive for the periods presented.

8. INTANGIBLE ASSETS

	Website & Software licences €'000	Development costs €'000	Total €'000
Cost			
At 31 August 2023 (audited)	1,227	4,158	5,385
Additions	85	3,323	3,408
At 31 July 2024 (audited)	1,312	7,481	8,793
Additions	48	1,534	1,582
At 31 January 2025 (unaudited)	1,360	9,015	10,375
Amortisation			
At 31 July 2023 (audited)	1,153	298	1,451
Charge for the year	58	374	432
At 31 July 2024 (audited)	1,211	672	1,883
Charge for the period	37	342	379
At 31 January 2025 (unaudited)	1,248	1,014	2,262
Net book value			
31 July 2024 (audited)	101	6,809	6,910
31 January 2025 (unaudited)	112	8,001	8,113

9. TRADE AND OTHER RECEIVABLES

	31 January 2025 (unaudited) €'000	31 July 2024 (audited) €'000
Trade receivables	2,567	4,066
Accrued revenue	58	387
Tax and other receivables	606	898
Director's current account	68	65
Prepayments	494	512
	3,793	5,928

10. LEASES

The Group had the following lease assets and liabilities:

	31 January 2025 (unaudited) €'000	31 July 2024 (audited) €'000
Right-of-use assets		
Properties	248	265
	248	265
Lease liabilities		
Current	28	28
Non-current	227	241
	255	269

11. TRADE AND OTHER PAYABLES

	31 January 2025 (unaudited) €'000	31 July 2024 (audited) €'000
Trade creditors	946	2,477
Other taxation and social security	356	609
Accruals	137	339
Deferred income	1,525	1,623
Other payables	269	215
	3,235	5,263

12. SHARE CAPITAL

	Number of £0.01 shares	Share Capital €'000	Share premium €'000
Balance at 31 July 2024	124,078,982	1,436	6,365
Balance at 31 January 2025	124,078,982	1,436	6,365

13. SHARE BASED PAYMENT RESERVE

	31 January 2025 (unaudited) €'000	31 July 2024 (audited) €'000
Advisor warrants issued [1]	107	107
Employee options issued [2, 3]	1,089	1,001
	1,196	**1,108**

[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.

14. MERGER RESERVES

	31 January 2025 (unaudited) €'000	31 July 2024 (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 2023, Zefone 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.

In 2022, Zefone acquired SmartTech247 SP Z.O.O. for €2,112 (10,000 Polish Zloty) with the total identifiable net assets acquired being €26,000, resulting in the €23,000 being recorded to other reserves.

15. EVENTS SUBSEQUENT TO THE PERIOD END

Other than the sale of the Group's shareholding in Getvisibility to Forcepoint for €1.8 million in March 2025, there were no other events subsequent to the period end that require disclosure.