

**26 October 2021**

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.*

**SmartSpace Software Plc**  
(“SmartSpace”, the “Group” or the “Company”)

**Interim Results for the Six Months Ended 31 July 2021**

SmartSpace Software Plc, (AIM:SMRT) the leading provider of 'Integrated Space Management Software' for smart buildings and commercial spaces 'visitor reception, desks and meeting rooms', announces its unaudited Interim Results for the six months ended 31 July 2021. This follows on from a recent Trading Update, which was announced on 22 October 2021.

**Financial Highlights:**

- Total Group revenues up 8.8% to £2.52 million (FY21 H1 £2.32 million)
- Annual recurring revenue (“ARR”) up 53% year on year to £3.78m at 31 July 2021 (FY21 H1: £2.46m). This momentum has continued into H2 with ARR of £4.11m as at 30 September
- Recurring revenues up 52% to £1.59m (FY21 H1: £1.05m)
- Gross margin on continuing operations continued to improve to 71% (FY21 H1: 51%), reflecting an increased mix of higher margin SaaS revenues, in-line with stated strategy
- Group Adjusted LBITDA of £1.29 million (FY21 H1: £0.87 million)
- Loss per share 5.49p (FY21 H1: Loss per share 3.47p)
- Cash balance at the period end of £3.37 million (FY21 H1: £1.56 million) and a net cash position of £2.97 million (FY21 H1: £1.14 million)
- The Group had cash of £3.25 million at 20 October 2021

**Operational Highlights including post review period**

**SwipedOn**

- SwipedOn ARR increased by 43% year-on-year to £3.21m at 31 July (FY21 H1: £2.25m) with this growth continuing during August and September to £3.47m at 30 September
- Monthly average revenue per user (“ARPU”) increased by 32% year on year to £56 at 31 July (FY21 H1: £43) and has advanced further to £61 at 30 September
- SwipedOn locations increased to 7,003 at 31 July (FY 21: 6,741) with customer numbers at 4,747 (FY21: 4,735) as SwipedOn targets higher value, multi-location customers
- Customer churn at lower levels than expected and focussed on single site customers, often on lower value price plans. Customer churn in the six-month period averaged 14% whilst revenue churn was 9%
- SwipedOn Desks now available to entire customer base with positive feedback received to date

**Space Connect**

- ARR up 157% to £0.41m in the six-month period to 31 July and has progressed further to £0.49m at 30 September
- At 31 July, Space Connect had 41 customers, an increase of 28 new customers in the six month period. Subsequently increased by a further 18 customers to 59 in total at 30 September
- 43 reseller agreements now in place with 14 partners delivering revenue to date. Of the 29 partners who have yet to deliver revenue, 18 have deals in the pipeline. First partners signed in the USA.

- Sales of Evoko Naso below expectation; impacted by Covid-19 as offices in Evoko's key markets not yet fully back to normal working capacity leading to delayed investment decision making

#### **Anders & Kern (A+K)**

- A+K revenue for the 6 months to 31 July 2021 down 27% to £0.96m (H1 FY21 £1.32m) mainly due to the impact of the UK lockdown during the period resulting in a hesitation in returning to the office

#### **Board changes**

As announced on 26 May 2021:

- Kris Shaw appointed as Chief Financial Officer
- Philip Wood appointed as Independent Non-Executive Director

#### **Commenting on outlook, Frank Beechinor, CEO of SmartSpace, said:**

*"As indicated in our recent Trading Update, our primary objective is to build a high growth SaaS business with strong recurring revenues. The results outlined above for SwipedOn and Space Connect illustrate that these key objectives are being achieved. While Evoko Naso sales continue to be slower than anticipated, we share Evoko's confidence in the medium and long-term potential of Naso. Our business operations continue to focus on a highly attractive sector, evidenced by a number of major competitors consolidating at high ARR multiples. Our priorities remain focused in continuing to deliver strong growth in ARR and to maximise value for shareholders over the coming years."*

A copy of these interim results together with a results presentation with further information on the Company will be posted on the Company's website at: [www.smartspaceplc.com](http://www.smartspaceplc.com).

#### **Investor Meet Company Presentation**

Frank Beechinor, CEO and Kris Shaw, CFO will provide a live presentation on the 'Investor Meet Company' ("IMC") platform at 12.00 midday today.

Investors can sign up for free via: <https://www.investormeetcompany.com/smart-space-software-plc/register-investor>

Questions can be submitted pre-event through the platform or at any time during the live presentation. Management may not be in a position to answer every question it receives but will address those it can while remaining within the confines of information already disclosed to the market.

Those who have already registered and requested to meet SmartSpace will be automatically invited.

Enquiries:

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## Chairman's Statement

We have continued to execute our SaaS growth strategy, completing the development of SwipedOn Desks, advancing our indirect sales channel for Space Connect adding 27 new partners, and growing our customer base and revenue per user. The benefit of these successes will mostly come in future periods, however we continue to see excellent results in our key performance indicators (KPIs) with annual recurring revenues increasing by 43% year on year to £3.78m, and group average revenue per user ("ARPU") increasing by 44% year on year to £63.

The investments we have made in developing software features in past periods have allowed us to reduce the price gap with our competitors, therefore increasing ARPU. The effects of this will take time to fully realise and will therefore contribute to continued growth in ARR and ARPU over coming periods. Our channel sales network has also shown success with growth in recurring revenues through our new partners. We will continue to add more partners and see revenue growth become more consistent and predictable.

As we emerge from the pandemic, the Group has experienced continued global uncertainty surrounding when and how businesses will require staff to return to the office on a more permanent basis. The various geographic markets in which we operate have all been affected at different points, leading to lower growth than in normal times. This was expected to be the case in the first quarter of the financial year and was therefore reflected in our plans. However, as recently announced in our trading update on 22 October, a return to a more normal business environment is taking longer than we anticipated and therefore resulting in continued uncertainty from customers in their investment decision making. As a result, revenue growth will be lower than the Board had originally expected for the full year.

### Group Key performance indicators

Metric	30 September 2021	31 July 2021	31 January 2021	31 July 2020
Annual recurring revenue (£m)	4.11	3.78	2.93	2.46
Monthly average revenue per user (£)	69	63	49	44
Customers	4,806	4,788	4,748	4,379

### Strategy update

We have made good progress towards our goal of expanding our SaaS revenues, with the following strategic initiatives facilitating growth:

- Over the last 18 months SwipedOn has been developing functionality which is offered primarily to our highest value customers on the Business or Enterprise plans. This additional functionality justifies an increase in subscription fees, bringing in line our pricing structure to that of our competitors and therefore increasing ARPU and ARR.
- We have completed the development work required to allow SwipedOn to offer a feature-rich desk booking product based on our Space Connect technology. This creates the opportunity to sell desk booking solutions to our existing SwipedOn customer base with the potential to rapidly accelerate ARPU. SwipedOn Desks is more sophisticated than the functionality offered by our visitor management competitors, giving us a strategic advantage in future sales opportunities.
- We have strengthened our channel partner network for Space Connect. Once onboarded, we focus on a targeted promotion campaign using marketing material provided by our partner management team.
- We are actively working on strategies to enter new geographic markets. This includes development work required to be able to offer SwipedOn to customers in languages other than English. We will consider acquisition opportunities in new geographies where a local presence may be beneficial to establishing a broader foothold faster in that market.
- Our software development team for Space Connect has been re-located to New Zealand bringing together the Group's entire software development capability into one location under the management of a Group CTO. This will ensure we benefit from knowledge exchange and expertise sharing between teams.

## Operational update

### SwipedOn

Our 'land and expand' strategy of increasing ARPU from existing customers, by focusing on clients with potential to use more of our products and across multiple locations continues to positively impact SwipedOn and remains the key driver for growth over the coming years. Our sales team have been focussed on attracting high value, multisite customers who comprise an increasing proportion of our customer base. The development work which has taken place over the last 18 months has enhanced the functionality of SwipedOn justifying reducing the price differential with our competitors, whilst still remaining one of the most cost effective offerings in the market. From February 2021 all new customers have been enrolled on our new price plans, and gradually we have implemented the price increase to our existing customer base. The average ARPU of new customers has been £85 since the beginning of the financial year. The full effects of this price increase will be realised over coming periods.

In implementing the price increase we anticipated an increase in customer churn. This has been borne out but at lower levels than expected and also focussed on single site customers often on our starter plans. Customer churn in the six month period averaged at 14% whilst revenue churn was 9%.

The number of new SwipedOn customers has been lower than historical average rates. However, with a higher number of locations per customer and a higher revenue per user, the ARR from new customers in the six-month period is comparable to the average achieved by SwipedOn since its acquisition. We have seen an increase in the cost of online marketing during the period which, together with a lower number of new customers, has led to an increase in customer acquisition costs. Our expansion into new geographical markets, particularly in the Far East where competition is less and with lower marketing costs, is expected to rebalance the cost of acquisition to historical levels.

The development work to allow the launch of SwipedOn Desks was completed during the period and we have been promoting this new offering to our customer base.

### SwipedOn KPIs

Metric	30 September 2021	31 July 2021	31 January 2021	31 July 2020
Annual recurring revenue (£m)	3.47	3.21	2.62	2.25
Monthly average revenue per user (£)	61	56	46	43
Customers	4,747	4,747	4,735	4,372
Locations	7,061	7,003	6,741	6,018

### Space Connect

We have focussed on expanding our channel partner distribution network for Space Connect. We signed 14 new partners in Poland, Ireland, Belgium, Canada and the USA. Through these new partnerships and our existing relationships with the likes of Softcat we have increased our ARR by 157% in the six month period to £0.41m. The pipeline of new customer opportunities from new partners has grown quickly, reinforcing the momentum seen in the business and underpinning our confidence in the opportunity for Space Connect, its product capabilities and the potential market.

Our new Space Connect Mapping module which was developed inhouse and released in July, further streamlines the customer on-boarding process. The mapping tool enhances our self-provisioning proposition and has replaced a third-party service provider, therefore reducing cost of sales.

Sales of our strategic partner's meeting room panel (the "Evoko Naso") for which Space Connect receives both licence fees and SaaS revenues were below management expectations. This is a continued result of Covid-19, with offices in Evoko's key markets not fully back to normal working capacity. As a result, many have delayed investment

decisions for new hardware. The Board remains convinced by the medium-term growth opportunity for Naso and expects that, once businesses return to normal, sales will accelerate.

#### Space Connect key performance indicators

Metric	30 September 2021	31 July 2021	31 January 2021	31 July 2020
Annual recurring revenue (£m)	0.49	0.41	0.16	0.06
Customers	59	41	13	7

#### Anders and Kerr (A+K)

With the UK under lock down for a significant part of the trading period, a large number of A+K's customers were not in the office. As a result, investment decisions have been delayed and revenues were lower than expected from April to June. Whilst since July there has been an uptick both in revenues and in near-term sales pipeline A+K remains below historical revenue levels. During the period A+K continued to furlough a small number of employees taking advantage of the UK Government's job retention scheme. Whilst we remain confident that the business will return to pre-pandemic levels, we cannot predict with certainty when this will take place.

#### Financial review

Group revenue from continuing operations for the period was £2.52m representing an increase of 8.8% on the prior period revenues of £2.32m.

The breakdown of revenue by type is:

	Six months to 31 July 2021 Unaudited £000	Six months to 31 July 2020 Unaudited £000	Year ended 31 January 2021 Audited £000
<b>Recurring revenue</b>			
- SwipedOn	1,383	926	2,124
- Space Connect	135	45	119
- Anders & Kern	68	74	151
<b>Total recurring revenue</b>	<b>1,586</b>	<b>1,046</b>	<b>2,394</b>
<b>Hardware revenue</b>			
- SwipedOn	5	15	17
- Space Connect	-	-	-
- Anders & Kern	824	1,163	1,994
<b>Total hardware revenue</b>	<b>829</b>	<b>1,177</b>	<b>2,011</b>
<b>Other revenue</b>	<b>109</b>	<b>97</b>	<b>224</b>
<b>Total revenue</b>	<b>2,524</b>	<b>2,320</b>	<b>4,629</b>

Recurring revenues continue to show strong growth with a 52% increase to £1.59m (H1 FY21 £1.05m).

SwipedOn's recurring revenue growth of 49% has been generated by increased locations at which SwipedOn is deployed together with an increase in average revenue per user. Space Connect recurring revenue growth of 197% occurs as we see more of our partners sell Space Connect. In total 14 partners have now made sales of Space Connect, taking our total customer numbers to 41 at 31 July 2021 (H1 FY21: 7). A+K continued to be impacted by Covid-19 resulting in a 27% decrease in hardware revenues to £0.82m (H1 FY21 £1.16m). This is a result of many of our customers being closed during the lockdown periods.

As SaaS recurring revenues continue to make up a greater proportion of total revenues, gross margin has continued to improve and now sits at 71% (H1 FY21 51%) giving an increased gross profit of £1.80m (H1 FY21 £1.18m) which is 52% above H1 FY21. Gross margin for our software businesses averages around 90% whilst A+K is normally approximately 30%. A sale of previously fully written down inventory led to an increased gross margin for A+K to 38% in the period to 31 July 2021.

Administrative expenses increased by 40% to £3.63m (H1 FY21 £2.41m). The increase includes £0.61m of additional staff costs, a large part of which comes from the team we now have in place at Space Connect which was not fully established in the comparative period. We have also added strength to our sales team at SwipedOn. We do not intend to dramatically increase the headcount from this point and the remaining hires are incremental heads in key technical roles. A further £0.16m of the increase results from SwipedOn direct marketing spend returning to normal levels following the cut in H1 FY21 as an initial response to the pandemic. First time amortisation of capitalised Space Connect development costs in H1 FY22 also results in a £0.16m increase in administration costs and one-time re-organisational costs contributed the remaining £0.16m of increased spend.

Group Adjusted LBITDA was a loss of £1.29m (H1 FY21: loss £0.87m) reflecting the increased revenues and gross margin offset by increased operating costs referred to above. The loss per share is 5.49p (H1 FY21: Loss per share 3.47p).

### **Cash flow**

Cash used in operations amounted to £1.33m (H1 FY21: £0.8m). The net cash outflow for continuing operations relates primarily to the trading loss less non-cash items such as amortisation and share based payments. A £0.3m positive cash contribution from increased deferred revenue in SwipedOn and Space Connect were offset by increased trade receivables which result from higher customer billings.

Cash inflows from investing activities of £0.22m (H1 FY21 outflow £0.54m) result from the final SmartSpace Global disposal consideration receipt of £0.33m which was received in May 2021. Offset against this amount are investments in property, plant and equipment and capitalised development costs.

Cash outflows from financing activities of £34K (H1 FY21 £54K) primarily relate to the repayment of lease liabilities and mortgage repayments for the Group's offices.

The above cash flows resulted in a cash balance at the period end of £3.37 million (H1 FY21: £1.56 million) and a net cash position of £2.97 million (H1 FY21: £1.14 million) excluding lease liabilities under property leases which would previously have been classified at operating leases prior to the introduction of IFRS16 for accounting periods beginning on or after 1 January 2019.

### **Board changes**

As announced on 26 May 2021, SmartSpace undertook a number of changes to the Board to ensure that the Company had the requisite Board composition and skill sets for the next stage of evolution as a pure play SaaS business. Philip Wood was appointed as independent NED and Chair of the Audit Committee. Philip brings extensive public company experience and is currently the Deputy CEO and CFO of Aptitude Software Group plc, a specialist provider of powerful financial management software to large global businesses. Further, Kris Shaw moved to the position of Group CFO.

### **Outlook**

Whilst the pandemic has caused immense disruption to businesses over the past 18 months it has also spawned new ways of working which we believe will lead to a more technology led workspace. The change in working practices which had slowly started before the pandemic has now been fast tracked with staff expecting to work from home more regularly and businesses seeing the productivity benefits of flexible working. This will allow workspaces to become more dynamic environments where management of space and analytical information will become key to taking advantage of the reduced overhead available through these changes. SmartSpace aims to ensure that their products are at the forefront of this, with solutions that are feature rich and easy to implement, whilst also offering good value for money.

Our easily configurable software and channel partner sales network allows us to maintain a lean overhead with limited need for expansion as our sales grow. Since the 31 July we have continued to see excellent growth in our

core software businesses with ARR having grown by 40% since the beginning of the year to £4.11m at 30 September. This has been led by a 41% increase in group ARPU to £69 at 30 September, together with new customers at SwipedOn and Space Connect.

SwipedOn is now consistently cash generative and continues to grow often through multi-location customers which form an increasing part of our customer base. Looking forward, we see opportunity within SwipedOn Desks which has recently been launched. SwipedOn is well established in English speaking markets such as the US, UK, Canada, New Zealand and Australia but we also see significant growth potential in non-English speaking markets. We are well underway with the development work required to allow us to target customers in these new geographies.

As more channel partners for Space Connect are onboarding and commence selling Space Connect, we expect further growth in revenues in the next financial year.

Whilst we remain confident in the revenue growth prospects of our products, the continuing impacts of Covid-19 mean that growth will not be as strong as we had originally hoped. In particular we had expected sales of Naso to accelerate in the autumn, however this has not been reflected in September sales or initial indications for October. Whilst Evoko remains optimistic regarding the future sales trajectory of Naso, we have decided to adopt a more cautious stance surrounding our own forecasts as a result of the ongoing challenges of Covid-19. We remain convinced by the medium-term growth opportunity for Naso and expect that once business environments return to normal, stronger growth rates will resume.

## **People**

On behalf of the Board, I would like to thank all my colleagues for their hard work and efforts over the first half. The pandemic continued to present challenges both professional and personal, and I am deeply grateful for the commitment, resilience and energy our teams have shown through this difficult period.

**Frank Beechinor**  
Chief Executive  
25 October 2021

**Consolidated Income Statement**  
**For the six months ended 31 July 2021**

Note	Six months to 31 July 2021 Unaudited £000	Six months to 31 July 2020 Unaudited £000	Year ended 31 January 2021 Audited £000
<b>Continuing operations</b>			
Revenue from contracts with customers	2,524	2,320	4,629
Costs of sale of goods	(564)	(999)	(1,695)
Cost of providing services	(165)	(140)	(283)
<b>Gross profit</b>	<b>1,795</b>	<b>1,181</b>	<b>2,651</b>
Administrative expenses	(3,628)	(2,407)	(5,426)
Net impairment losses on financial and contract assets	(7)	(4)	(72)
Other income	17	152	130
<b>Operating loss</b>	<b>(1,823)</b>	<b>(1,078)</b>	<b>(2,717)</b>
<b>Adjusted LBITDA *</b>	<b>(1,285)</b>	<b>(873)</b>	<b>(2,120)</b>
Reorganisation and transactional items	(65)	-	-
Depreciation	(55)	(48)	(103)
Amortisation	(259)	(97)	(272)
Impairment of financial assets	(7)	(4)	(72)
Share based payments charge	(152)	(56)	(150)
<b>Operating loss</b>	<b>(1,823)</b>	<b>(1,078)</b>	<b>(2,717)</b>
Finance income	-	1	1
Finance costs	(13)	(13)	(27)
<b>Loss before tax</b>	<b>(1,836)</b>	<b>(1,090)</b>	<b>(2,743)</b>
Taxation	266	111	612
<b>Loss for the period after tax</b>	<b>(1,570)</b>	<b>(979)</b>	<b>(2,131)</b>
Loss for the period from discontinued operations	-	-	(124)
<b>Loss for the period</b>	<b>(1,570)</b>	<b>(979)</b>	<b>(2,255)</b>
Other comprehensive income			
Exchange differences on translation of foreign operations	(392)	387	643
<b>Total comprehensive loss</b>	<b>(1,962)</b>	<b>(592)</b>	<b>(1,612)</b>
<b>Basic loss per share</b>			
Continuing operations	(5.49p)	(3.47p)	(7.54p)
Discontinued operations	0.00p	0.00p	(0.44p)
<b>Total</b>	<b>(5.49p)</b>	<b>(3.47p)</b>	<b>(7.98p)</b>
<b>Diluted loss per share</b>			
Continuing operations	(5.49p)	(3.47p)	(7.54p)
Discontinued operations	0.00p	0.00p	(0.44p)
<b>Total</b>	<b>(5.49p)</b>	<b>(3.47p)</b>	<b>(7.98p)</b>

\* Loss for the period from continuing operations before net finance costs, tax, depreciation, amortisation, reorganisation and transactional items, impairment charges and share based payment charge

**Consolidated Balance Sheet**  
**As at 31 July 2021**

	31 July 2021 Unaudited £000	31 July 2020 Unaudited £000	31 January 2021 Audited £000
Note			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	681	683	683
Right-of-use assets	121	146	156
Intangible assets	10,619	10,990	11,222
Deferred tax assets	1,658	949	1,389
<b>Total non-current assets</b>	<b>13,079</b>	<b>12,768</b>	<b>13,450</b>
<b>Current assets</b>			
Inventories	163	235	89
Contract assets	-	22	4
Trade and other receivables	887	526	550
Other financial assets at amortised cost	-	135	328
Current tax receivable	70	33	101
Prepayments	144	89	114
Cash and cash equivalents	3,370	1,562	4,516
	<b>4,634</b>	<b>2,602</b>	<b>5,702</b>
<b>Assets classified as held for sale</b>	<b>-</b>	<b>7,351</b>	<b>-</b>
<b>Total current assets</b>	<b>4,634</b>	<b>9,953</b>	<b>5,702</b>
<b>Total assets</b>	<b>17,713</b>	<b>22,721</b>	<b>19,152</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	341	-	355
Lease liabilities	73	113	110
<b>Total non-current liabilities</b>	<b>414</b>	<b>113</b>	<b>465</b>
<b>Current liabilities</b>			
Trade and other payables	1,149	692	826
Contract liabilities	1,368	800	1,129
Other tax liabilities	205	538	341
Borrowings	57	419	58
Lease liabilities	63	49	63
	<b>2,842</b>	<b>2,498</b>	<b>2,417</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>-</b>	<b>2,851</b>	<b>-</b>
<b>Total current liabilities</b>	<b>2,842</b>	<b>5,349</b>	<b>2,417</b>
<b>Total liabilities</b>	<b>3,256</b>	<b>5,462</b>	<b>2,882</b>
<b>NET ASSETS</b>	<b>14,457</b>	<b>17,259</b>	<b>16,270</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity shareholders</b>			
Share capital	2,894	2,826	2,826
Share premium	3,839	3,830	3,830
Other reserves	(2,426)	(2,374)	(2,087)
Retained earnings	10,150	12,977	11,701
<b>Total equity</b>	<b>14,457</b>	<b>17,259</b>	<b>16,270</b>

**Consolidated Statement of Cash Flows**  
**For the six months ended 31 July 2021**

	Six months to 31 July 2021 Unaudited £000	Six months to 31 July 2020 Unaudited £000	Year ended 31 January 2021 Audited £000
<b>Note</b>			
<b>Cash from operating activities</b>			
Cash generated from operations	(1,332)	(824)	(1,791)
Interest received	-	20	1
Interest paid	(13)	(28)	(42)
Income taxes refunded	30	399	394
<b>Net cash outflow from operating activities</b>	<b>(1,315)</b>	<b>(433)</b>	<b>(1,438)</b>
<b>Cash flows from investing activities</b>			
Payments for the acquisition of subsidiary	-	-	-
Payments for property, plant and equipment	(24)	(15)	(44)
Payment of software development costs	(86)	(529)	(682)
Proceeds from disposal of subsidiary	327	-	4,167
<b>Net cash from investing activities</b>	<b>217</b>	<b>(544)</b>	<b>3,441</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	10	-	-
Proceeds from borrowings	-	29	31
Repayment of borrowings	(14)	(12)	(19)
Payment of lease liabilities	(30)	(71)	(98)
<b>Net cashflow from financing activities</b>	<b>(34)</b>	<b>(54)</b>	<b>(86)</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,132)</b>	<b>(1,031)</b>	<b>1,917</b>
Cash and cash equivalents the beginning of the period	4,516	2,587	2,587
Effects of foreign exchange rate changes	(14)	6	12
<b>Cash and cash equivalents at end of period</b>	<b>3,370</b>	<b>1,562</b>	<b>4,516</b>

**Consolidated Statement of Changes in Equity  
For the six months ended 31 July 2021**

<b>Unaudited</b>	<b>Share capital £000</b>	<b>Share premium £000</b>	<b>Other reserves £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 1 February 2021</b>	<b>2,826</b>	<b>3,830</b>	<b>(2,087)</b>	<b>11,701</b>	<b>16,270</b>
Loss for the period	-	-	-	(1,570)	(1,570)
Other comprehensive loss for the period	-	-	(392)	-	(392)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(392)</b>	<b>(1,570)</b>	<b>(1,962)</b>
Issue of ordinary shares in relation to deferred business combination consideration	67	-	(67)	-	-
Issue of ordinary shares to share option holders	1	9	(3)	3	10
Lapse of share options	-	-	(16)	16	-
Share based payment charge	-	-	139	-	139
<b>At 31 July 2021</b>	<b>2,894</b>	<b>3,839</b>	<b>(2,426)</b>	<b>10,150</b>	<b>14,457</b>

<b>Unaudited</b>	<b>Share capital £000</b>	<b>Share premium £000</b>	<b>Other reserves £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 1 February 2020</b>	<b>2,826</b>	<b>3,830</b>	<b>(2,832)</b>	<b>13,956</b>	<b>17,780</b>
Loss for the period	-	-	-	(979)	(979)
Other comprehensive income for the period	-	-	387	-	387
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>387</b>	<b>(979)</b>	<b>(592)</b>
Share based payment – continuing operations	-	-	56	-	56
Share based payment – discontinue operations	-	-	15	-	15
<b>At 31 July 2021</b>	<b>2,826</b>	<b>3,830</b>	<b>(2,374)</b>	<b>12,977</b>	<b>17,259</b>

<b>Audited</b>	<b>Share capital £000</b>	<b>Share premium £000</b>	<b>Other reserves £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 1 February 2020</b>	<b>2,826</b>	<b>3,830</b>	<b>(2,832)</b>	<b>13,956</b>	<b>17,780</b>
Loss for the period	-	-	-	(2,255)	(2,255)
Other comprehensive income for the period	-	-	643	-	643
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>643</b>	<b>(2,255)</b>	<b>(1,612)</b>
Share based payment– continuing operations	-	-	150	-	150
Share based payment – discontinued operations	-	-	(48)	-	(48)
<b>At 31 January 2021</b>	<b>2,826</b>	<b>3,830</b>	<b>(2,087)</b>	<b>11,701</b>	<b>16,270</b>

## Notes to the Interim Financial Statements

### 1. Basis of Preparation

The unaudited interim report for the six months to 31 July 2021 does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 January 2021 are extracted from the statutory financial statements which have been reported on by the Company's auditor, RSM UK Audit LLP. The report of the auditor on those accounts was unqualified and did not contain statements under Section 498 to 502 of the Companies Act 2006.

The consolidated interim financial information has been prepared in accordance with International Financial Reporting Standards and on the historical cost basis and using generally recognised accounting principles consistent with those used in the annual report and accounts for the year ended 31 January 2021 and expected to be used for the year ending 31 January 2022.

This interim report for the six months to 31 July 2021, which complies with IAS 34 'Interim Financial Reporting', was approved by the Board on [12] October 2021.

Hard copies of the interim report are available from the Company at its registered office at Norderstedt House James Carter Road, Mildenhall, Bury St. Edmunds, England, IP28 7RQ. This interim report will also be made available on the Company's website, [www.smartspaceplc.com](http://www.smartspaceplc.com).

### 2. Significant Accounting Policies

The accounting policies and methods of computation applied in this interim report are consistent with those of the annual financial statements for the year ended 31 January 2021, as described in those annual financial statements.

### 3. Segmental Analysis

#### Six months ended 31 July 2021

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Anders & Kern Unaudited £000	Central costs Unaudited £000	Total Unaudited £000
Revenue from contracts with customers	165	1,398	961	-	2,524
Costs of sale of goods	(1)	(3)	(560)	-	(564)
Cost of providing services	(15)	(118)	(32)	-	(165)
<b>Gross profit</b>	149	1,277	369	-	1,795
Administrative expenses	(918)	(1,550)	(411)	(749)	(3,628)
Net impairment losses on financial and contract assets	(3)	(3)	(1)	-	(7)
Other income	-	17	-	-	17
<b>Operating loss</b>	(772)	(259)	(43)	(749)	(1,823)
<b>Adjusted (LBITDA)/EBITDA*</b>	(552)	(180)	34	(587)	(1,285)
Reorganisation and transactional items included within administrative expenses	-	-	(27)	(38)	(65)
Depreciation	(4)	(36)	(11)	(4)	(55)
Amortisation	(209)	(40)	(10)	-	(259)
Impairment of financial asset	(3)	(3)	(1)	-	(7)
Share based payments charge	(4)	-	(28)	(120)	(152)
<b>Operating loss</b>	(772)	(259)	(43)	(749)	(1,823)
Finance income	-	-	-	-	-
Finance costs	-	(5)	(6)	(2)	(13)
Loss profit before tax	(772)	(264)	(49)	(751)	(1,836)

Six months ended 31 July 2020

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Anders & Kern Unaudited £000	Central costs Unaudited £000	Total Unaudited £000
Revenue from contracts with customers	53	951	1,316	-	2,320
Costs of sale of goods	1	(14)	(986)	-	(999)
Cost of providing services	-	(102)	(38)	-	(140)
<b>Gross profit</b>	<b>54</b>	<b>835</b>	<b>292</b>	<b>-</b>	<b>1,181</b>
Administrative expenses	(426)	(1,046)	(322)	(613)	(2,407)
Net impairment losses on financial and contract assets	-	(4)	-	-	(4)
Other income	-	152	-	-	152
<b>Operating loss</b>	<b>(372)</b>	<b>(63)</b>	<b>(30)</b>	<b>(613)</b>	<b>(1,078)</b>
<b>Adjusted (LBITDA)/EBITDA*</b>	<b>(324)</b>	<b>10</b>	<b>(2)</b>	<b>(557)</b>	<b>(873)</b>
Depreciation	(1)	(30)	(12)	(5)	(48)
Amortisation	(47)	(39)	(11)	-	(97)
Impairment of financial asset	-	(4)	-	-	(4)
Share based payments charge	-	-	(5)	(51)	(56)
<b>Operating loss</b>	<b>(372)</b>	<b>(63)</b>	<b>(30)</b>	<b>(613)</b>	<b>(1,078)</b>
Finance income	-	-	-	1	1
Finance costs	-	(6)	(6)	(1)	(13)
<b>Loss before tax</b>	<b>(372)</b>	<b>(69)</b>	<b>(36)</b>	<b>(613)</b>	<b>(1,090)</b>

Year ended 31 January 2021

	Space Connect Audited £000	SwipedOn Audited £000	Anders & Kern Audited £000	Central costs Audited £000	Total Audited £000
Revenue from contracts with customers	192	2,161	2,271	5	4,629
Costs of sale of goods	1	(16)	(1,680)	-	(1,695)
Cost of providing services	(4)	(196)	(83)	-	(283)
<b>Gross profit</b>	<b>189</b>	<b>1,949</b>	<b>508</b>	<b>5</b>	<b>2,651</b>
Administrative expenses	(1,011)	(2,441)	(648)	(1,326)	(5,426)
Net impairment losses on financial assets	-	(18)	-	(54)	(72)
Other income	-	130	-	-	130
<b>Operating loss</b>	<b>(822)</b>	<b>(380)</b>	<b>(140)</b>	<b>(1,375)</b>	<b>(2,717)</b>
<b>Adjusted LBITDA *</b>	<b>(646)</b>	<b>(195)</b>	<b>(84)</b>	<b>(1,195)</b>	<b>(2,120)</b>
Depreciation	(3)	(66)	(22)	(12)	(103)
Amortisation	(171)	(80)	(21)	-	(272)
Impairment of financial assets	-	(18)	-	(54)	(72)
Share based payments charge	(2)	(21)	(13)	(114)	(150)
<b>Operating loss</b>	<b>(822)</b>	<b>(380)</b>	<b>(140)</b>	<b>(1,375)</b>	<b>(2,717)</b>
Finance income	-	1	-	-	1
Finance costs	(102)	(12)	(12)	99	(27)
<b>Loss before tax</b>	<b>(924)</b>	<b>(391)</b>	<b>(152)</b>	<b>(1,276)</b>	<b>(2,743)</b>

\* Loss / profit for the period from continuing operations before net finance costs, tax, depreciation, amortisation, reorganisation and transactional items, impairment charges and share based payment charge

#### 4. Revenue

##### Six months ended 31 July 2021

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Anders & Kern Unaudited £000	Total Unaudited £000
Segment revenue	165	1,398	961	2,524
Timing of revenue:				
At a point in time	30	14	894	938
Over time	135	1,384	67	1,586
Total	165	1,398	961	2,524

##### Six months ended 31 July 2020

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Anders & Kern Unaudited £000	Total Unaudited £000
Segment revenue	53	951	1,316	2,320
Timing of revenue:				
At a point in time	8	25	1,241	1,274
Over time	45	926	75	1,046
Total	53	951	1,316	2,320

##### Year ended 31 January 2021

	Space Connect Audited £000	SwipedOn Audited £000	Anders & Kern Audited £000	Central Audited £000	Total Audited £000
Segment revenue	192	2,161	2,271	5	4,629
Timing of revenue:					
At a point in time	74	36	2,120	5	2,235
Over time	118	2,125	151	-	2,394
Total	192	2,161	2,271	5	4,629

#### 5. Equity

##### Movement in ordinary shares

	Shares issued Number	Price (p)	Share capital £'000	Share premium £'000	Merger reserve £'000	Total £'000
At 31 January 2020	28,255,823		2,826	3,830	844	7,500
At 31 July 2020	28,255,823		2,826	3,830	844	7,500
At 31 January 2021	28,255,823		2,826	3,830	844	7,500
Shares issued as deferred consideration for business acquisition	675,411	72.50	67	-	422	489
Shares issued to employee share option holders	10,000	101.25	1	9	-	10
At 31 July 2021	28,941,234		2,894	3,839	1,266	8,000

Movement in other reserves 6 months ended 31 July 2021	Merger reserve £'000	Reverse acquisitio n reserve £'000	Translatio n reserve £'000	Acquisition deferred consideratio n reserve £'000	Share option reserve £'000	Total other reserves £'000							
							At 31 January 2021	844	(4,236)	473	489	343	(2,087)
							Currency translation differences	-	-	(392)	-	-	(392)
<b>Total other comprehensive loss</b>	-	-	(392)	-	-	(392)							
Settlement of acquisition deferred consideration	422	-	-	(489)	-	(67)							
Exercise of share options	-	-	-	-	(3)	(3)							
Lapse of share options	-	-	-	-	(15)	(15)							
Share based payments charge	-	-	-	-	138	138							
<b>At 31 July 2021</b>	<b>1,266</b>	<b>(4,236)</b>	<b>81</b>	<b>-</b>	<b>463</b>	<b>(2,426)</b>							

Movement in other reserves 6 months ended 31 July 2020	Merger reserve £'000	Reverse acquisitio n reserve £'000	Translatio n reserve £'000	Acquisition deferred consideratio n reserve £'000	Share option reserve £'000	Total other reserves £'000							
							At 31 January 2020	844	(4,236)	(170)	489	241	(2,832)
							Currency translation differences	-	-	387	-	-	387
<b>Total other comprehensive loss</b>	-	-	387	-	-	387							
Lapse of share options	-	-	-	-	56	56							
Share based payments charge	-	-	-	-	16	16							
<b>At 31 July 2020</b>	<b>844</b>	<b>(4,236)</b>	<b>217</b>	<b>489</b>	<b>312</b>	<b>(2,374)</b>							

Movement in other reserves 6 months ended 31 January 2021	Merger reserve £'000	Reverse acquisitio n reserve £'000	Translatio n reserve £'000	Acquisition deferred consideratio n reserve £'000	Share option reserve £'000	Total other reserves £'000							
							At 31 January 2020	844	(4,236)	(170)	489	241	(2,832)
							Currency translation differences	-	-	643	-	-	643
<b>Total other comprehensive loss</b>	-	-	643	-	-	643							
Lapse of share options	-	-	-	-	150	150							
Share based payments charge	-	-	-	-	(48)	(48)							
<b>At 31 January 2021</b>	<b>844</b>	<b>(4,236)</b>	<b>473</b>	<b>489</b>	<b>343</b>	<b>(2,087)</b>							

6. Loss per share

	Six months ended 31 July 2021 Unaudited £000	Six months ended 31 July 2020 Unaudited £000	Year ended 31 January 2021 Audited £000
Loss attributable to ordinary equity holders of the Company			
From continuing operations	(1,570)	(979)	(2,131)
From discontinued operations	-	-	(124)
<b>Total</b>	<b>(1,570)</b>	<b>(979)</b>	<b>(2,255)</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of shares used as denominator in calculating earnings per share	28,606,062	28,255,823	28,255,823
Adjustment for calculation of diluted earnings per share	-	-	-
Weighted average number of shares used as denominator in calculating diluted earnings per share	28,606,062	28,255,823	28,255,823
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
<b>Basic loss per share:</b>			
From continuing operations	(5.49p)	(3.47p)	(7.54p)
From discontinued operations	0.00p	0.00p	(0.44p)
<b>Total</b>	<b>(5.49p)</b>	<b>(3.47p)</b>	<b>(7.98p)</b>
<b>Diluted loss per share:</b>			
From continuing operations	(5.49p)	(3.47p)	(7.54p)
From discontinued operations	0.00p	0.00p	(0.44p)
<b>Total</b>	<b>(5.49p)</b>	<b>(3.47p)</b>	<b>(7.98p)</b>

## 7. Cash flow information

	Six months to 31 July 2021 Unaudited £000	Six months to 31 July 2020 Unaudited £000	Year ended 31 January 2021 Audited £000
<b>Loss before income tax from continuing operations</b>	<b>(1,835)</b>	<b>(1,090)</b>	<b>(2,743)</b>
<b>Adjustments for:</b>			
Depreciation and amortisation	312	145	375
Non-cash employee benefit expense	152	56	150
Net gain on sale of non-current assets	2	-	2
Finance costs – net	13	12	25
Credit losses	7	3	72
Net exchange differences	(2)	(5)	3
Change in operating assets and liabilities of continuing operations			
Movement in trade and other receivables	(358)	(76)	(14)
Movement in contract assets	4	10	29
Movement in inventories	(73)	110	157
Movement in prepayments	(33)	(21)	(43)
Movement in trade creditors	291	(206)	(371)
Movement in other creditors	(94)	201	280
Movement in contract liabilities	282	137	439
Movement in other provisions	-	-	-
<b>Cash generated from continuing operations</b>	<b>(1,332)</b>	<b>(724)</b>	<b>(1,639)</b>
<b>Loss before income tax from discontinued operations</b>	-	-	(166)
<b>Adjustments for:</b>			
Depreciation and amortisation	-	-	-
Impairment of intangible assets	-	(1,408)	(1,470)
Non-cash employee benefit expense	-	16	(47)
Finance costs – net	-	(4)	16
Credit losses	-	(46)	(46)
Loss on sale of non-current assets	-	9	9
Net exchange differences	-	1	2
Loss on sale of discontinued operations	-	-	124
Change in operating assets and liabilities of discontinued operations			
Movement in trade and other receivables	-	647	697
Movement in contract assets	-	512	437
Movement in prepayments	-	(368)	(407)
Movement in trade creditors	-	166	274
Movement in other creditors	-	149	248
Movement in contract liabilities	-	226	177
<b>Cash generated from discontinued operations</b>	-	<b>(100)</b>	<b>(152)</b>
<b>Cash used in operations</b>	<b>(1,332)</b>	<b>(824)</b>	<b>(1,791)</b>