



**16 August 2022**

*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")

**Trading Update**  
**For the six month period ended 31 July 2022**

SmartSpace Software plc, (AIM:SMRT) the leading provider of 'Integrated Space Management Software' for smart buildings and commercial spaces, is pleased to announce a trading update for the six month period ending 31 July 2022.

**Key Highlights:**

- Group half year revenues expected to be approximately £3.6m up 46% year on year (31 July 2021: £2.5m)
- Group recurring revenue expected to be approximately £2.4m up 49% year on year (31 July 2021: £1.6m)
- The Group had gross cash of £2.3m as at 31 July 2022 (30 April 2022: £2.3m, 31 January 2022: £2.8m) and net cash position of £2.0m (30 April 2022: £1.9m, 31 January 2022: £2.4m)
- Strong organic growth in Group Annual Recurring Revenue\* ("ARR") to £5.2m at 31 July 2022 up 32% year on year on a constant currency basis (31 January 2022: £4.6m; 31 July 2021: £3.9m)
- **SwipedOn**
  - Revenue for the six month period expected to be approximately £2.0m (31 July 2021: £1.4m)
  - ARR\* increased by 35% year on year to £4.5m at 31 July 2022 (31 January 2022: £3.9m, 31 July 2021: £3.3m)
  - Monthly average revenue per paying user\* ("ARPU") increased by 44% year on year to £84 at 31 July 2022 on a constant currency basis (31 January 2022: £68, 31 July 2021: £59)
  - SwipedOn desks signs its first large multi-site customer, now live in over 16 locations
- **Space Connect**
  - Revenue for the six month period expected to be approximately £0.3m (31 July 2021: £0.2m)
  - ARR\* increased by 35% year on year to £0.6m at 31 July 2022 (31 January 2022: £0.6m, 31 July 2021: £0.4m)
  - Evoko Naso sales beginning to show growth with billings ahead of management expectations for the six months to 31 July 2022
  - Bundling deal with Yealink announced and released to their partner channel
- **Anders & Kern ("A&K")**
  - Growth in revenue as a result of good sales momentum in the six months to 31 July 2022 with revenue for the six month period expected to be approximately £1.3m, an increase of 36% year on year

\* ARR and ARPU calculation methodology has been updated and is now based on customers' latest charges. For customers invoiced in currencies other than GBP the charges are translated at the applicable period end exchange rate. Comparative period ARR is provided on a constant currency basis by retranslating foreign currency amounts at the current period end exchange rate. Previously ARR and ARPU was calculated based upon charges which can be invoiced at a customer's renewal date when existing discounts are due to expire.

Comparatives and growth rates have been recalculated based on the new more prudent methodology. ARR at 31 July 2022 of £5.2m under the new methodology is £0.4m below the figure which would have been disclosed under the prior methodology.

### **SwipedOn**

SwipedOn has continued to trade well with key metrics continuing to increase.

An extension to the Thermo Fisher account (which is not included in our ARR) was confirmed recently, which will run to the end of October 2022, with the ongoing option for the client to extend further into 2023.

SwipedOn signed its largest client for 'Desks', during the period with the order coming from an Australian-headquartered consulting business with 200 offices and 10,000 employees worldwide. This first phase for 2,000 desks across multiple locations in the APAC region was successfully rolled out.

The recent launch of the Android version of SwipedOn in the South Korean market means we can accelerate promotion in that market over the coming months. Our first customer is now live and with the Android app we will be able to engage with others. The Android version of SwipedOn for ROW is nearing completion and will be released in early September 2022.

Our focus continues to be building our base of higher value customers for SwipedOn. To help accelerate this strategy, we aim to trial a 'freemium' offering which will allow us to build a wider base of prospective customers who can assess SwipedOn, without a time restriction. We will put systems in place ensuring that our sales team's efforts are focused on active users with premium revenue spend.

### **Space Connect**

During the half year our room panel partner, Evoko, launched new pricing models and showcased Naso at key trade shows. This activity has resulted in increased sales of Naso with strong billings being recorded in May, June, and July. We continue to remain cautious in our forecasts for Naso, but are encouraged by this recent acceleration of the sales trajectory.

We indicated in the last trading update announced on 5 July 2022 that sales in the first three months for Space Connect were slower than expected. This is a reflection of the switch in customer needs from Covid-19 risk control to work space optimisation. This has resulted in longer decision-making cycles. Despite the slow start to H1 we saw increased sales momentum, resulting in stronger sales performance in May, June and July. During the period, we have seen a small number of customers who joined us during the pandemic for Covid-19 risk management, changing their needs, through expansion, contraction, and, in a small number of cases, churn. As a result, this has meant that the ARR for Space Connect has not grown materially during the period.

In July, Space Connect became an 'Elite' vendor at Softcat, one of our leading UK partners, making Space Connect the only workplace software solution provider offered to the Softcat sales team.

We have also formalised our relationship with Yealink, the fast-growing manufacturer of video conferencing, telephony and meeting room systems. The agreement allows Space Connect software to be bundled with Yealink's hardware offerings and a joint marketing promotion is currently underway.

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

As businesses continue to return to normal and certainty over the how workspaces will be used develops, we have seen a number of large hardware orders and implementations being placed through A&K. This has allowed us to return to pre-Covid revenue levels for the period. The Board anticipates that this momentum will continue into H2 2022.

### **Outlook**

We finished the period with strong revenue growth, and £2.3m of cash, the same level disclosed at the end of April 2022. This was helped by the increase in cash inflows from Naso, as sales grew and continued cash generation within SwipedOn. We remain focused on continuing this momentum over the next period both in terms of sales growth and cost control as we implement our plans to transition into a profitable and cash generative business. The Board expects to deliver revenue and profitability results in-line with current market

expectations for the full year, whilst ARR is expected to be lower than market expectations reflecting the updated ARR calculation methodology and performance to date.

**Frank Beechinor, CEO of SmartSpace, commented:**

*“It is great to see the continuing momentum in SwipedOn. After our launch in Korea it became apparent that having the Android version of SwipedOn was critical to succeed in that market and it is good news that this is now available, with a worldwide release in the coming month.*

*Following the reopening of the New Zealand border in May, I made my first trip to see its founder and Managing Director, Hadleigh Ford and his team since before the outbreak of Covid in early 2020. It was great to see everyone so energised and focused and to see first-hand the exciting initiatives we have underway. We had some challenges around recruitment during Lockdown but that has now eased and we are fortunate to have a great team based in New Zealand. My trip also confirmed to me and our Board, that we made the right decision in centralising our product development in New Zealand.*

*I am particularly delighted at the distinct uptick in revenues from Evoko Naso since May 2022. We remain cautious, but initial indications are positive. We expressed our frustration about the slow first three months of this HY for Space Connect but that seems to have turned a corner and we have seen new customer acquisition grow month on month since May. Importantly, becoming the only workplace software with ‘Elite’ status at Softcat, ensures our offering is the only option available to the Softcat sales team, when they are proposing workplace optimisation solutions to their clients.*

*The return to pre-Covid levels of revenue at A&K is encouraging and a number of projects have been unlocked during the first half of this year.*

*We look forward to providing further details on all aspects of trading when we announce our Interim results in October.”*

Enquiries:

**SmartSpace Plc**  
Frank Beechinor (CEO)  
Kris Shaw (CFO)

via Lisa Baderoon

Lisa Baderoon (Head of Investor Relations)  
[lbaderoon@smartspaceplc.com](mailto:lbaderoon@smartspaceplc.com)

+44 (0) 7721 413 496

**Singer Capital Markets**(NOMAD and Joint Broker)  
Shaun Dobson  
Tom Salvesen  
Jen Boorer  
Alex Bond

+ 44 (0) 20 7496 3000

**Canaccord Genuity** (Joint Broker)  
Adam James  
Gerel Bastin

+44 (0) 20 7523 8000

**About SmartSpace Software Plc**

SmartSpace Software Plc is a SaaS-based technology business, designing and building smart software solutions. The Company's software solutions help transform employee engagement with modules which include visitor management, desk management, meeting room management and analytics.

The three operating companies in the Group comprise:

- Space Connect - SaaS meeting room and desk booking ([www.spaceconnect.co](http://www.spaceconnect.co))
- SwipedOn - SaaS visitor management, desk booking ([www.SwipedOn.com](http://www.SwipedOn.com))
- Anders & Kern - distribution and technical support ([www.anders-kern.co.uk](http://www.anders-kern.co.uk))

For more information go to: [www.smartspaceplc.com](http://www.smartspaceplc.com)