

22 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")

Trading Update

Notice of Investor Meet Company Presentation

In advance of the Company's Interim Results Statement which will be announced on Tuesday 26 October, the Board provides the following update on current trading.

Financial Highlights:

- Annual recurring revenue ("ARR") up 53% year on year to £3.78m at 31 July 2021 (FY21 H1: £2.46m). This momentum has continued in to H2 with ARR of £4.11m as at 30 September
- 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
- Revenue for the year ended 31 January 2022 now expected to be not less than £5.2m (FY2021: £4.6m) with an adjusted EBITDA loss of not more than £2.7m (FY21 adjusted EBITDA loss: £2.1m)
- The Group had net cash of £3.25m as at 20 October 2021 (31 July 2021: £3.37m)

Operational Highlights:

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 7,061 at 30 September (FY21: 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
- 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

Outlook

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 times, leading to lower growth than anticipated, as a result of companies delaying investment decisions.

In particular, the Board 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, the Board has decided to adopt a more cautious stance surrounding the Company's own forecasts, in light of a more gradual return to the office, as a result of the ongoing challenges of Covid-19.

The Board remains convinced by the medium-term growth opportunity for Naso and expects once business environments return to normal, that stronger growth rates will resume. However, based on current trading, the Board has made the decision to lower growth assumptions for the current and subsequent financial year. As a result, Group revenues for the year ended 31 January 2022 are now expected to be not less than £5.2m, and EBITDA losses not more than £2.7m.

Frank Beechinor, CEO of SmartSpace, commented:

"Our primary objective is to build a high growth SaaS business with strong recurring revenues. The results outlined above for Space Connect and SwipedOn show we are achieving this. Whilst we share Evoko's confidence in the medium and long term potential of Naso, the uncertainties around the global return to office, together with the Naso sales trend for September and October, have led us to conclude that it is prudent to adjust down expectations for the full year. Our market continues to be a very attractive sector, even more so when you consider the recent acquisitions of our major competitors at high ARR multiples. Our priorities remain in continuing to deliver growth in ARR and to maximise value for shareholders over the coming years."

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 on Tuesday 26 October 2021 following the release of the Interim Results which will be released at 7.00 a.m. on the same day.

Investors can sign up for free via: <https://www.investormeetcompany.com/smartspace-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.

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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)
- SwipedOn - SaaS visitor management, desk booking (www.SwipedOn.com)
- Anders & Kern - distribution and technical support (www.anders-kern.co.uk)

For more information go to: www.smartspaceplc.com