

17 October 2023

SmartSpace Software Plc
("SmartSpace", the "Group" or the "Company")

Interim Results for the Six Months Ended 31 July 2023

SmartSpace Software Plc, (AIM:SMRT) the leading provider of 'Integrated Space Management Software' for smart buildings and commercial spaces, announces its unaudited Interim Results for the six months ended 31 July 2023. This follows on from a recent Trading Update announced on 8 August 2023.

Financial Highlights:

- Total Group revenues up 16% to £2.74 million (31 July 2022: £2.37 million**)
- Recurring revenue comprises 99% of total revenue (31 July 2022: 97%**)
- Annual Recurring Revenue ("ARR") up 21% year-on-year to £5.8 million at 31 July 2023 on a constant currency basis (31 July 2022: £5.0 million or £4.8 million on constant currency basis*; 31 Jan 2023: £5.6 million or £5.4 million on constant currency basis*)
- Monthly Average Revenue per User ("ARPU") increased by 9% year on year to £94* (31 July 2022: £90 or £86 on constant currency basis*)
- Improved Adjusted EBITDA loss*** of £0.06 million (31 July 2022: £0.50 million**) as high margin recurring revenue continues to grow
- Disposal of Anders + Kern U.K. Limited ("A+K") during the period, with net cash proceeds of approximately £1.1 million, contributing to overall profit from discontinued operations of £0.27 million
- Loss per share from continuing operations of 2.43p (31 July 2022: Loss per share 3.77p**) and profit per share from discontinued operations of 0.92p (31 July 2022: 0.00p**), resulting in overall Loss per share of 1.51p (31 July 2022: Loss per share 3.77p**)
- Cash balance at 31 July 2023 of £2.21 million (31 July 2022: gross cash £2.32 million) with no debt (net cash at 31 July 2022: £1.97 million)
- Group ARR* £6.0 million at 30 September 2023 and ARPU £96
- Cash balance at 30 September 2023 of £2.0 million

Operational Highlights including post review period

- 5,112 customers at 30 September 2023, with 872 new customers added since the beginning of the financial year, contributing £0.8 million of new ARR
- SwipedOn Spaces, which extends the platform to incorporate bookings of desks, parking spaces, EV charging points, bike parking spaces and other assets into a single fully integrated platform, launched and first paying customers signed up
- Fully localised versions of SwipedOn released into Taiwan, China and Germany

Outlook

- Our primary markets continue to demonstrate resilience, propelled by fundamental shifts to hybrid working, together with an increasing emphasis on productivity
- The Board remains confident that the business can continue to deliver strong growth in ARR
- On a 31 January 2023 constant currency basis, the Board continues to expect full year results to be in line with its expectations

* For customers invoiced in currencies other than pounds sterling, ARR and ARPU is calculated by translating charges at the applicable 31 July 2023 exchange rate (with the exception of the 30 September 2023 ARR which is set at exchange rates on that date). Comparative period ARR is provided on a constant currency basis by

retranslating foreign currency amounts at the 31 July 2023 exchange rate. Relevant percentage comparisons are calculated against the constant currency figures.

** Comparative figures have been restated on a like-for-like basis to exclude A+K.

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

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

“As highlighted in our recent Trading Update, our foremost goal is continuing robust growth, particularly in recurring revenues. The positive results outlined above, demonstrate that we are making progress toward these key objectives. The introduction of our new ‘Spaces’ platform has opened up opportunities for revenue expansion, as well as offering an increased number of touchpoints into new customers as well as more effective upselling within our existing customer base. As we progress into the upcoming years, this will allow us to focus on driving substantial Annual Recurring Revenue growth, to enhance shareholder value.”

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.

Investor Meet Company Presentation

Frank Beechinor, CEO and Kris Shaw, CFO will provide a live presentation on the interim results via the ‘**Investor Meet Company**’ (“IMC”) platform on 18 October 2023 at 1200 noon (BST) .

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

Questions can be submitted at any time during the live presentation.

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

Enquiries:

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

via Lisa Baderoon

Lisa Baderoon (Head of Investor Relations)
lbaderoon@smartspaceplc.com

+44 (0) 7721 413 496

Canaccord Genuity (NOMAD and Broker)
Adam James
Harry Rees

+44 (0) 20 7523 8000

Introduction

Our focus remains to structure the business to capitalise on the significant opportunities for integrated workplace software, empowering our customers to maximise the efficiency of their workspaces. As businesses adapt to hybrid work models in response to the evolving workplace, flexibility and efficiency are paramount. Our software is fast to deploy with highly customisable functionality, enhancing visitor and employee satisfaction, whilst optimising office space utilisation, and reducing real estate costs. Overall, our offering plays a pivotal role in creating a seamless hybrid work experience from the carpark to reception, to the office floor and meeting rooms.

Our software development has been focussed on expanding the SwipedOn platform to encompass the booking of desks, parking spaces, EV charging points, and equipment. Referred to as ‘Spaces’, this enhancement represents the team’s most ambitious project thus far. This recent release signifies a transformation for SwipedOn, moving us

from a silo solution centred on visitor management, into a comprehensive workplace management platform. With this update, SwipedOn users now possess the capability to book a diverse range of business assets, including desks, parking spaces, bicycle storage, lockers, EV charging stations, and various equipment. The platform's adaptability enables users to customise their unique requirements without any restrictions on the type of asset. To engage with the platform's new features, users will utilise a new app as part of this release, empowering them to create and manage reservations from their mobile device. In addition to this new booking functionality, the release also features a completely updated user interface, which has garnered positive feedback from customers who have received it since its recent launch.

This newly introduced functionality presents a promising avenue for increasing revenue within SwipedOn's extensive customer base. The pricing model has shifted from a 'per reception' approach for visitor management to a 'per asset/per month' model, offering SmartSpace a substantial opportunity to boost Average Revenue Per User ("ARPU"). By expanding customer engagement with our software, we will strengthen both customer loyalty and enhance revenue retention. SwipedOn has also introduced a revised pricing structure that enhances the differentiation between its tiers, facilitating more effective upselling to customers.

The growth in customer numbers has gained significant momentum since the beginning of the year, reaching levels not seen since before the pandemic, a time when the Average Revenue Per User was approximately half of where it stands at today. This acceleration in new customer acquisition is attributed to the enhanced efficiency of our marketing activity, which was brought in-house last year. This strategic shift has yielded improvements in both the quality and quantity of customer leads. Despite this surge in customer growth, our overall marketing expenditure has only moderately increased, resulting in a considerable decrease in the cost per lead and customer acquisition cost. Customer acquisition costs since the start of the current financial year have averaged £1,050, compared to £1,670 during the comparative period. This generated £0.8 million of new ARR from 872 new customers in the first eight months of the year (8 months FY23: £0.4 million from 518 new customers).

We allocate the bulk of our marketing budget to target five English-speaking markets: the United States, the United Kingdom, Canada, Australia, and New Zealand. Our influence is most substantial in the United States where we maintain a local sales team based out of Austin and Chicago. While we consistently achieve strong results in these markets, we also recognise the potential for additional strategic advantages by expanding our presence into non-English speaking regions. We have therefore introduced fully localised language versions of SwipedOn in three new markets, Taiwan, China and Germany. Each country variant encompasses a dedicated local language website, tailored marketing campaigns, product adaptations, and localised sales and customer support.

Evoko Naso billings were at levels seen during H1 FY23, but down when compared to the second half of FY23. The recent introduction of an updated Naso version is anticipated to bolster sales in the latter part of the year. This updated Naso iteration marks a significant development, by integrating room and desk booking into one unified app, along with delivering improved functionality and performance.

The Company made steady progress towards achieving cash flow breakeven, with positive cash flow generated from continuing operations. When we factor in capitalised development expenses and operating lease payments, the cash outflow for the six-month period totalled £0.37 million, compared to £0.72 million for the comparative period to 31 July 2022.

Group Key performance indicators

Metric	30 September 2023	31 July 2023	31 January 2023	31 July 2022
ARR* (£m)	6.0	5.8	5.4	4.8
Monthly average revenue per user* (£)	96	94	92	86
Customers	5,112	4,991	4,722	4,548

Financial review

In July 2023 the Group completed the disposal of A+K. As a result this business segment has been classified as a disposal group with the financial performance for both the current and all comparative periods being included within discontinued activities in the income statement.

The Group delivered 17% growth in recurring revenues during the period. The breakdown of revenue by type is as follows:

	Six months to 31 July 2023 Unaudited £000	Six months to 31 July 2022 Unaudited £000	Year ended 31 January 2023 Audited £000
Recurring revenue	2,704	2,303	4,898
Hardware revenue	13	26	41
Other revenue	24	39	117
Total revenue	2,741	2,369	5,056

Revenue increased as customer numbers grew and existing customers expanded their usage of our products. Growth in customer numbers in the first half of the year reached levels not seen since prior to the pandemic. Added to this, expansion from existing customers continued, as customers added more locations and moved to higher tier price plans. Revenue churn remained stable averaging at 12.8% (FY23: 11.5%). Revenue growth was despite movements in exchange rates having a weakening impact on growth.

Revenue generated from the white label version of our software which is bundled with Evoko's Naso meeting room panel, remained at similar levels seen in H1 FY23, but was down on H2 FY23. Both Smartspace and Evoko have been working on enhancements to the Naso product offering which were released towards the end of H1, with a view of increasing latter in the year. The recent acquisition of Evoko by Biamp, should broaden the reach of Evoko through the extensive Biamp sales channel. We expect the impact of this to take a few months to flow through.

Group administrative expenses fell by 3% to £3.10 million (31 July 2022: £3.19 million) due to increased capitalised development which was heavily focussed on SwipedOn Spaces. Administration expenses prior to depreciation, amortisation, and share based payments, with capitalised development added back, showed an increase of 10%. This reflects a combination of inflation-based wage increases and reduced staff vacancies when compared to the prior period.

Adjusted EBITDA loss for the six-month period was £63K (H1 FY23: £497K loss).

A taxation charge of £116K was recorded relating to profits generated in the Group's New Zealand based subsidiary, SwipedOn. This charge was recognised as a release of accumulated tax loss deferred tax assets, which will be utilised to offset against the profit generated in the current reporting period. Research and development undertaken in New Zealand generated cashed out tax credits of £20K during the period.

Profit for the period from discontinued activities relates to a combination of the disposal of A+K and the final strike-off of two Australian subsidiaries that had accumulated foreign currency translation differences. Total consideration for the disposal of A+K amounted to £1.38 million, net assets disposed of were £1.55 million, and costs of £0.12 million were incurred, resulting in an overall loss on disposal of £0.23 million. The profit recognised on the strike off of the Australian subsidiaries amounts to £0.50 million, which is a non-cash transaction that is recycled through other comprehensive income. By utilising accumulated losses held within the Group, no tax was incurred on the disposal, therefore allowing the release of deferred tax liabilities of £0.07 million, which is included in the result from discontinued activities.

Cash flow

Cash generated from continuing operations amounted to £0.16 million (31 July 2022: £0.48 million consumed). The transition to positive cashflow has occurred by the growth in high margin recurring revenues, together with a net positive movement in working capital, primarily generated by increased deferred revenue.

Cash inflow from investing activities of £0.62 million (31 July 2022: £0.22 million outflow) have been generated from the net disposal proceeds of A+K of £1.14 million, offset by the investment in software development of £0.51 million (31 July 2022: £0.21 million).

Cash outflows from financing activities of £0.36 million (31 July 2022: £0.08 million) relate to the repayment of the mortgage held on the groups former freehold building in Mildenhall that has now been sold, together with lease liability payments for the Group's offices in Cambridgeshire and Tauranga.

The above cash flows resulted in a cash balance at the period end of £2.21 million (31 July 2022: £2.32 million).

Outlook

As a SaaS-based software company focused on pure subscription revenue, we find ourselves in a sizable market with untapped potential. As hybrid working has been accepted as the norm for many businesses and with growing momentum of employers reducing their real estate footprint, without reducing their headcount, businesses can now plan their long-term strategies accordingly with the help of products such as those offered by SmartSpace. Consequently, our confidence in both our short-term and long-term business prospects remains unwavering. Despite the ongoing challenges and uncertainties, particularly with rising costs, we maintain our belief in achieving our goals of being a profitable high-growth SaaS enterprise. On a 31 January 2023 constant currency basis, the Board continues to expect full year results to be in line with its expectations and maintains a positive outlook for future growth.

People

On behalf of the Board, I extend my appreciation to all my colleagues for their diligent efforts in achieving the successes we've seen in the first half of the year.

Frank Beechinor

Chief Executive

16 October 2023

Consolidated Income Statement
For the six months ended 31 July 2023

	Six months to 31 July 2023 Unaudited £000	Six months to 31 July 2022 Unaudited £000	Year ended 31 January 2023 Audited £000
Continuing operations			
Revenue from contracts with customers	2,741	2,368	5,056
Costs of sale of goods	(13)	(21)	(32)
Cost of providing services	(211)	(238)	(527)
Gross profit	2,517	2,109	4,497
Administrative expenses	(3,095)	(3,187)	(6,369)
Net impairment losses on financial assets	(1)	1	3
Other income	2	3	10
Operating loss	(577)	(1,074)	(1,859)
Adjusted EBITDA *	(63)	(497)	(765)
Reorganisation and transactional items	-	(27)	(81)
Depreciation	(44)	(43)	(88)
Amortisation	(352)	(310)	(646)
Impairment of financial assets	(1)	1	3
Share based payments charge	(117)	(198)	(282)
Operating loss	(577)	(1,074)	(1,859)
Finance income	1	-	1
Finance costs	(13)	(3)	(7)
Loss before tax	(589)	(1,077)	(1,865)
Taxation	(116)	(13)	(215)
Loss for the period after tax	(705)	(1,090)	(2,080)
Profit / (loss) for the period from discontinued operations	267	(1)	(658)
Loss for the period	(438)	(1,091)	(2,738)
Other comprehensive income			
Exchange differences reclassified to income statement	(495)	-	-
Exchange differences on translation of foreign operations	(385)	262	330
Total other comprehensive income / (loss)	(880)	262	330
Total comprehensive loss	(1,318)	(829)	(2,408)
Basic profit / (loss) per share			
Continuing operations	(2.43p)	(3.77p)	(7.19p)
Discontinued operations	0.92p	(0.00p)	(2.27p)
Total	(1.51p)	(3.77p)	(9.46p)
Diluted profit / (loss) per share			
Continuing operations	(2.43p)	(3.77p)	(7.19p)
Discontinued operations	0.92p	(0.00p)	(2.27p)
Total	(1.51p)	(3.77p)	(9.46p)

* 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 2023

	31 July 2023 Unaudited £000	31 July 2022 Unaudited £000	31 January 2023 Audited £000
ASSETS			
Non-current assets			
Property, plant and equipment	51	743	54
Right-of-use assets	286	68	277
Intangible assets	9,434	10,806	9,782
Deferred tax assets	2,118	2,476	2,263
Total non-current assets	11,889	14,093	12,376
Current assets			
Inventories	-	80	-
Contract assets	-	1	-
Trade and other receivables	400	592	480
Prepayments	81	137	37
Cash and cash equivalents	2,213	2,315	1,962
	2,694	3,125	2,479
Assets classified as held for sale	-	-	1,731
Total current assets	2,694	3,125	4,210
Total assets	14,583	17,218	16,586
LIABILITIES			
Non-current liabilities			
Lease liabilities	233	6	233
Total non-current liabilities	233	6	233
Current liabilities			
Trade and other payables	1,074	1,337	1,115
Contract liabilities	2,719	2,116	2,615
Other tax liabilities	47	212	90
Borrowings	-	341	334
Lease liabilities	67	73	52
	3,907	4,079	4,206
Liabilities directly associated with assets classified as held for sale	-	-	506
Total current liabilities	3,907	4,079	4,712
Total liabilities	4,140	4,085	4,945
NET ASSETS	10,443	13,133	11,641
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	2,894	2,894	2,894
Share premium	3,839	3,839	3,839
Other reserves	(2,503)	(1,665)	(1,670)
Retained earnings	6,213	8,065	6,578
Total equity	10,443	13,133	11,641

Consolidated Statement of Cash Flows
For the six months ended 31 July 2023

	Six months to 31 July 2023 Unaudited £000	Six months to 31 July 2022 Unaudited £000	Year ended 31 January 2023 Audited £000
Cash from operating activities			
Cash generated / (consumed) by operations	17	(217)	(99)
Interest received	1	-	1
Interest paid	(13)	(9)	(22)
Income taxes refunded	20	68	67
Net cash inflow/ (outflow) from operating activities	25	(158)	(53)
Cash flows from investing activities			
Payments for property, plant and equipment	(8)	(12)	(26)
Payment of software development costs	(511)	(212)	(686)
Proceeds from disposal of subsidiary	304	-	65
Proceeds from sale of property, plant and equipment	838	-	-
Net cash from investing activities	623	(224)	(647)
Cash flows from financing activities			
Proceeds from issue of share capital	-	-	-
Repayment of borrowings	(334)	(44)	(51)
Payment of lease liabilities	(24)	(34)	(68)
Net cashflow from financing activities	(358)	(78)	(119)
Net change in cash and cash equivalents	290	(460)	(819)
Cash and cash equivalents the beginning of the period	1,962	2,758	2,758
Effects of exchange rate changes on cash and cash equivalents	(39)	17	23
Cash and cash equivalents at end of period	2,213	2,315	1,962

Consolidated Statement of Changes in Equity
For the six months ended 31 July 2023

Unaudited	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
At 1 February 2023	2,894	3,839	(1,670)	6,578	11,641
Loss for the period	-	-	-	(437)	(437)
Other comprehensive loss for the period	-	-	(880)	-	(880)
Total comprehensive loss for the period	-	-	(880)	(437)	(1,317)
Reallocation of revaluation reserve on disposal	-	-	(73)	73	-
Share based payment– continuing operations	-	-	118	-	118
Share-based payment expense - discontinued operations	-	-	2	-	2
At 31 July 2023	2,894	3,839	(2,503)	6,213	10,443

Unaudited	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
At 1 February 2022	2,894	3,839	(2,133)	9,156	13,756
Loss for the period	-	-	-	(1,091)	(1,091)
Other comprehensive income for the period	-	-	262	-	262
Total comprehensive loss for the period	-	-	262	(1,091)	(829)
Share-based payment expense - continuing operations	-	-	206	-	206
At 31 July 2022	2,894	3,839	(1,665)	8,065	13,133

Audited	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
At 1 February 2022	2,894	3,839	(2,133)	9,156	13,756
Loss for the period	-	-	-	(2,738)	(2,738)
Other comprehensive income for the period	-	-	330	-	330
Total comprehensive loss for the period	-	-	330	(2,738)	(2,408)
Lapsed share options	-	-	(160)	160	-
Share-based payment expense - continuing operations	-	-	290	-	290
Share-based payment expense - discontinued operations	-	-	3	-	3
At 31 January 2023	2,894	3,839	(1,670)	6,578	11,641

Notes to the Interim Financial Statements

1. Basis of Preparation

The unaudited interim report for the six months to 31 July 2023 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 2023 are extracted from the statutory financial statements which have been reported on by the Company's auditor, Cooper Parry Group Limited. 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 2023 and expected to be used for the year ending 31 January 2024.

This interim report for the six months to 31 July 2023, which complies with IAS 34 'Interim Financial Reporting', was approved by the Board on 16 October 2023.

Hard copies of the interim report are available from the Company at its registered office at 4 Fordham House Court, Fordham House Estate, Fordham, CB7 5LL. This interim report will also be made available on the Company's website, 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 2023, as described in those annual financial statements.

3. Disposal of subsidiaries

On 14 July 2023, SmartSpace Software Plc completed the sale of the freehold asset and the business of Anders + Kern U.K. Limited ("A&K") for an aggregate consideration of £1,375,000. The sale was effected through an initial asset disposal of the Group's freehold building in Mildenhall, Norderstedt House, along with a subsequent disposal of the remaining business of A&K as a share sale.

The freehold building was carried on the Group's balance sheet at a value of £662,000. A mortgage of £334,000 on the freehold building was repaid in February 2023 and gross disposal proceeds from the sale of the building totalled £860,000, in cash, which was received on completion. Costs of £22,000 were incurred on the disposal generating net disposal proceeds of £838,000.

The remaining business of A&K was sold through a sale and purchase agreement for the entire issued share capital of A&K for gross consideration of £515,000, payable in cash following completion. Cash of £114,000 remained with the disposed business and costs of £99,000 were incurred on the disposal generating net disposal proceeds of £304,000.

In February 2023 the Group completed the voluntary strike off of its Australian subsidiaries which were acquired in November 2019 as part of Space Connect. The trade and assets of these entities had been previously transferred to the Group's UK operating entity. As a result £495,000 of accumulated exchange differences on the foreign currency investment, have been recycled from the translation reserve to profit and loss.

The profit on disposal and net book value of the assets disposed of are summarised below.

	Six months to 31 July 2023	Six months to 31 July 2022	Year ended 31 January 2023
Financial performance and cashflow information from discontinued operations	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Revenue from contracts with customers	1,024	1,304	2,094
Costs of sale of goods	(710)	(888)	(1,406)
Cost of providing services	(7)	(39)	(67)
Gross profit	307	377	621
Administrative expenses	(320)	(404)	(790)
Impairment of discontinued operations	-	-	(558)
Disposal contingent consideration	-	29	27
Loss before tax	(13)	2	(700)
Tax	2	2	42
Loss after tax	(11)	4	(658)
Net cash outflow from operating activities	(147)	255	(234)
Net cash inflow from investing activities	1,142	(7)	56
Net cash outflow from financing activities	(334)	(14)	(20)
	661	234	(198)

Details of Sale	A&K Trading £'000	Norderstedt House disposal £'000	Space Connect Australia £'000	Total £'000
Proceeds from sale of A&K	515	-	-	515
Proceeds from sale of Norderstedt House	-	860	-	860
Total Consideration	515	860	-	1,375
Carrying value of net assets sold	(884)	(662)	-	(1,546)
Disposal costs	(99)	(22)	-	(121)
Taxation	-	75	-	75
Exchange differences on translation of discontinued operations	-	-	495	495
Profit / (loss) on disposal	(468)	251	495	278
Profit to date of disposal (see above table)	(11)	-	-	(11)
Total result from discontinued activities	(479)	251	495	267

Carrying value of assets disposed	A&K Trading £'000	Norderstedt House disposal £'000	Space Connect Australia £'000	Total £'000
Goodwill	586	-	-	586
Intangible Assets	78	-	-	78
Property, plant and equipment	3	662	-	665
Deferred tax assets	132	-	-	132
Inventories	112	-	-	112
Trade and other receivables	205	-	-	205
Cash and cash equivalents	114	-	-	114
Trade and other payables	(346)	-	-	(346)
	884	662	-	1,546

4. Segmental Analysis

Six months ended 31 July 2023

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Central costs Unaudited £000	Total Unaudited £000
Revenue from contracts with customers	310	2,431	-	2,741
Costs of sale of goods	-	(13)	-	(13)
Cost of providing services	(2)	(209)	-	(211)
Gross profit	308	2,209	-	2,517
Administrative expenses	(701)	(1,859)	(535)	(3,095)
Net impairment losses on financial assets	-	(1)	-	(1)
Other income	-	2	-	2
Operating profit / (loss)	(393)	351	(535)	(577)
Adjusted EBITDA*	(143)	554	(474)	(63)
Reorganisation and transactional items included within administrative expenses	-	-	-	-
Depreciation	(5)	(37)	(2)	(44)
Amortisation	(240)	(112)	-	(352)
Impairment of financial asset	-	(1)	-	(1)
Share based payments charge	(5)	(53)	(59)	(117)
Operating profit / (loss)	(393)	351	(535)	(577)
Finance income	-	1	-	1
Finance costs	-	(13)	-	(13)
Profit / (loss) profit before tax	(393)	339	(535)	(589)

Six months ended 31 July 2022

	Space Connect Unaudited £000	SwipedOn Unaudited £000	Central costs Unaudited £000	Total Unaudited £000
Revenue from contracts with customers	305	2,063	-	2,368
Costs of sale of goods	-	(21)	-	(21)
Cost of providing services	(2)	(236)	-	(238)
Gross profit	303	1,806	-	2,109
Administrative expenses	(938)	(1,563)	(686)	(3,187)
Net impairment losses on financial assets	-	1	-	1
Other income	-	3	-	3
Operating loss	(635)	247	(686)	(1,074)
Adjusted EBITDA*	(360)	364	(501)	(497)
Reorganisation and transactional items included within administrative expenses	(27)	-	-	(27)
Depreciation	(3)	(38)	(2)	(43)
Amortisation	(230)	(80)	-	(310)
Impairment of financial asset	-	1	-	1
Share based payments charge	(15)	-	(183)	(198)
Operating loss	(635)	247	(686)	(1,074)
Finance income	-	-	-	-
Finance costs	-	(3)	-	(3)
Profit / (loss) before tax	(635)	244	(686)	(1,077)

Year ended 31 January 2023

	Space Connect Audited £000	SwipedOn Audited £000	Central costs Audited £000	Total Audited £000
Revenue from contracts with customers	636	4,420	-	5,056
Costs of sale of goods	-	(32)	-	(32)
Cost of providing services	(3)	(524)	-	(527)
Gross profit	633	3,864	-	4,497
Administrative expenses	(1,722)	(3,346)	(1,301)	(6,369)
Net impairment losses on financial assets	-	3	-	3
Other income	-	10	-	10
Operating profit / (loss)	(1,089)	531	(1,301)	(1,859)
Adjusted EBITDA *	(515)	879	(1,129)	(765)
Reorganisation and transactional items included within administrative expenses	(81)	-	-	(81)
Depreciation	(7)	(79)	(2)	(88)
Amortisation	(464)	(182)	-	(646)
Impairment of financial assets	-	3	-	3
Share based payments charge	(22)	(90)	(170)	(282)
Operating profit / (loss)	(1,089)	531	(1,301)	(1,859)
Finance income	-	1	-	1
Finance costs	-	(7)	-	(7)
Profit / (loss) before tax	(1,089)	525	(1,301)	(1,865)

* 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

5. Revenue

Six months ended 31 July 2023	Space Connect Unaudited £000	SwipedOn Unaudited £000	Total Unaudited £000
Segment revenue	310	2,431	2,741
Timing of revenue:			
At a point in time	24	13	37
Over time	286	2,418	2,704
Total	310	2,431	2,741

Six months ended 31 July 2022	Space Connect Unaudited £000	SwipedOn Unaudited £000	Total Unaudited £000
Segment revenue	305	2,063	2,368
Timing of revenue:			
At a point in time	31	35	66
Over time	274	2,028	2,302
Total	305	2,063	2,368

Year ended 31 January 2023	Space Connect Audited £000	SwipedOn Audited £000	Total Audited £000
Segment revenue	636	4,420	5,056
Timing of revenue:			
At a point in time	99	60	159
Over time	537	4,360	4,897
Total	636	4,420	5,056

6. Loss per share

	Six months ended 31 July 2023 Unaudited £000	Six months ended 31 July 2022 Unaudited £000	Year ended 31 January 2023 Audited £000
Loss attributable to ordinary equity holders of the Company			
From continuing operations	(705)	(1,090)	(2,080)
From discontinued operations	267	(1)	(658)
Total	(438)	(1,091)	(2,738)
	Number	Number	Number
Weighted average number of shares used as denominator in calculating earnings per share	28,941,234	28,941,234	28,941,234
Adjustment for calculation of diluted earnings per share	-	-	-
Weighted average number of shares used as denominator in calculating diluted earnings per share	28,941,234	28,941,234	28,941,234
	Pence	Pence	Pence
Basic loss per share:			
From continuing operations	(2.43p)	(3.77p)	(7.19p)
From discontinued operations	0.92p	(0.00p)	(2.27p)
Total	(1.51p)	(3.77p)	(9.46p)
Diluted loss per share:			
From continuing operations	(2.43p)	(3.77p)	(7.19p)
From discontinued operations	0.92p	(0.00p)	(2.27p)
Total	(1.51p)	(3.77p)	(9.46p)

7. Cash flow information

	Six months to 31 July 2023 Unaudited £000	Six months to 31 July 2022 Unaudited £000	Year ended 31 January 2023 Audited £000
Loss before income tax from continuing operations	(589)	(1,091)	(1,865)
Adjustments for:			
Depreciation and amortisation	396	353	734
Non-cash employee benefit expense	117	198	282
Finance costs – net	12	3	6
Credit losses	1	(1)	(3)
Net exchange differences	(4)	31	23
Change in operating assets and liabilities of continuing operations			
Movement in trade and other receivables	49	(133)	(138)
Movement in contract assets	-	4	5
Movement in prepayments	(47)	6	71
Movement in receivables from discontinued operations	-	-	141
Movement in trade creditors	(19)	(87)	(40)
Movement in other creditors	(16)	(59)	111
Movement in deferred income	264	280	793
Movement in intercompany	-	20	-
Cash generated from continuing operations	164	(476)	120
Profit before income tax from discontinued operations	190	2	(700)
Adjustments for:			
Profit on sale of discontinued operations	-	-	(65)
Depreciation and amortisation	18	21	41
Impairment of intangible assets	-	-	558
Non-cash employee benefit expense	2	-	3
Finance costs – net	-	6	15
Loss on sale of non-current assets	(177)	-	-
Net exchange differences	-	(2)	-
Loss on sale of discontinued operations	(29)	-	-
Change in operating assets and liabilities of discontinued operations			
Movement in trade and other receivables	73	(44)	(113)
Movement in inventories	(7)	122	98
Movement in prepayments	(6)	21	45
Movement in trade creditors	(121)	94	37
Movement in other creditors	(5)	75	(32)
Movement in contract liabilities	(56)	-	35
Movement in payables due to continuing operations	-	-	(141)
Movement in deferred income	(29)	(16)	-
Movement in intercompany	-	(20)	-
Cash generated from discontinued operations	(147)	259	(219)
Cash used in operations	17	(217)	(99)