30 September 2020

1Spatial plc (AIM: SPA)

("**1Spatial**", the "**Group**" or the "**Company**")

Interim Results for the six-month period ended 31 July 2020

Robust performance, delivering revenue growth and positive operating cash flow

1Spatial, a global leader in providing Location Master Data Management (LMDM) software and solutions, is pleased to announce interims results for the year six months ended 31 July 2020.

Financial Highlights

- Solid progress against a backdrop of Covid-19, with Group revenues up 8% to £11.7m (H1 2020: £10.9m), including full six-month contribution from Geomap-Imagis
- Solutions revenues up 21% to £10.1m (H1 2020: £8.3m)
- Adjusted EBITDA steady at £1.7m (H1 2020: £1.7m)
- Positive operating cashflow of £1.7m (H1 2020: outflow £1.9m)
- Net cash position of £3.4m at 31 July 2020 (31 January 2020: £3.9m) following the payment of £0.6m deferred consideration for the acquisition of Geomap-Imagis

£m	**Half-year to 31 July 20**	**Half-year to 31 July 19**	**% change**
Revenue	11.7	10.9	8%
Gross profit	6.1	5.7	6%
Adjusted EBITDA *	1.7	1.7	1%
Operating loss	(0.8)	(0.6)	23%
Loss after tax	(0.7)	(0.6)	16%
Operating cash inflow/(outflow)	1.7	(1.9)	n/a

** Adjusted for strategic, integration, other irregular items and share-based payments*

Operational Highlights

- US$2.6m 5-year contract with the US State of Michigan
- Further wins across all geographic markets, including the Environment Agency and Greater London National Underground Asset Register in the UK
- Expansion contracts with existing customers, including Google and Northern Gas Networks
- Migrations from Elyx to Esri platform commenced in France with seven projects now underway
- Launched 1Data Gateway, the first 1Spatial cloud-based offering
- Some delay to customer decision making due to Covid-19, but overall the business remained resilient

Current trading and Outlook

- Trading in H2 has begun in line with management's expectations, including winning new contract with the US Geological Survey
- We are seeing an increased number of sales opportunities, both from our direct sales activities and via partners
- While decision-making may continue to be protracted in the short-term, the breadth of our opportunity, combined with the quality of our offering and people, mean we are increasingly confident with regards to the long-term future of 1Spatial
- The Board has reinstated full year guidance, expecting H2 revenues to be at a similar level to H1

Commenting on the results, 1Spatial CEO, Claire Milverton, said:

"We continued to make progress with our strategy in the first half of the year, delivering a robust trading performance against the backdrop of Covid-19, expanding our existing customer relationships, winning new strategic accounts and continuing to enhance the capabilities of our Location Master Data Management offering. We are pleased to present these results, where we have delivered positive free cash flow in the first six months, demonstrating the Group's strengthening financial position.

"We have entered the second half of the year with an increased order book of contracted revenues, providing us with a good level of revenue visibility. The breadth of our opportunity combined with the quality of our offering and people, mean we are increasingly confident with regards to the long-term future of 1Spatial."

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The Company will host an analyst presentation at 11am today and for those wishing to register, please email 1spatial@almapr.co.uk

For further information, please contact:

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About 1Spatial plc

1Spatial plc is a global leader in providing Location Master Data Management (LMDM) software and solutions, primarily to the Government, Utilities and Transport sectors. Our global clients include national mapping and land management agencies, utility companies, transportation organisations, government and defence departments.

Today - as location data from smartphones, the Internet of Things and great lakes of commercial Big Data increasingly drive commercial decision-making - our technology drives efficiency and provides organisations with confidence in the data they use.

We unlock the value of location data by bringing together our people, innovative solutions, industry knowledge and our extensive customer base. We are striving to make the world more sustainable, safer and smarter for the future. We believe the answers to achieving these goals are held in data. Our 1Spatial Location Master Data Management (LMDM) platform incorporating our 1Integrate rules engine delivers powerful data solutions and focused business applications on-premise, on-mobile and in the cloud. This ensures data is current, complete, and consistent through the use of automated processes and always based on the highest quality information available.

1Spatial plc is AIM-listed, headquartered in Cambridge, UK, with operations in the UK, Ireland, USA, France, Belgium, Tunisia and Australia.

For more information visit www.1spatial.com

Half-year review

We have continued to progress our strategy in the first half of the year, delivering a robust trading performance against the backdrop of Covid-19, expanding our existing customer relationships, winning exciting new strategic accounts and continuing to enhance the capabilities of our Location Master Data Management offering.

We delivered positive free cash flow in the first six months, demonstrating the Group's strengthening financial position and providing us with the increased flexibility as we implement our growth strategy.

Our Location Master Data Management solutions business delivered revenue growth of 21% overall, benefitting from a full six-month contribution from Geomap-Imagis and continued uptake of our data management solutions and business applications.

We enter the second half of the year with an increased order book of contracted future revenue and a growing sales pipeline. While sales cycles continue to be protracted, our expanded business provides us with a strong platform to capitalise on the growing demand for usable location-based data in our target industries and geographic markets. Given the Board's confidence in the business, we have reinstated full year guidance.

Delivering our strategy

We help customers make better business decisions and move forward to a smarter world by unlocking the value of location data. We are building our highly scalable business on three pillars: Innovation, Customer Relationships and Smart Partnerships.

1. **Innovation**

Innovation lies at the heart of 1Spatial. Our technology development hubs in the UK (Cambridge) and France (Paris) have been at the forefront of continually adapting to provide innovative solutions to manage location data for over 50 years. We help organisations build strong spatial data infrastructures, leading to better business decisions. We do this using our automated, rules-based approach to data validation, integration and enhancement. We have continued our development work in the period across the three areas of our Location Master Data Management offering.

Data Management Solutions – 1Integrate and 1Data Gateway
The landscape within the public sector is increasingly dominated by the need to establish higher levels of geospatial data integrity and assurance. The Geospatial Commission published its 5-year national Geospatial Strategy, the "Power of Place", in May 2020, advocating greater exploitation of geospatial data. The rise of Digital Twins has also reinforced the need for greater trust in data and the revived motivation for developing an Information Management Framework. These developments place greater importance on the capabilities of 1Spatial's core Location Master Data Management technology and products, like 1Integrate, which has helped us secure key wins.

Development work in the period included the addition of 3D capability to the 1Integrate rules engine, with early pre-beta releases enabling pre-sales and marketing engagements with customers, providing the ability for increased engagement with national mapping agencies and the Building Information Modelling (BIM)/construction sector.

We launched 1Data Gateway in March 2020, supporting the cloud platform. This product enables customers to validate data throughout the data supply chain and was a key component of State of Michigan win in the US.

We launched an internal training programme within our Tunisian operation in the period, upskilling the team in the Location Master Data Management products, starting with 1Integrate. This will expand our capacity and speed to implement rules for projects within our data digitisation business.

Business Applications

The Group continues to review and develop its portfolio of Business Applications and is prioritising investment based on repeatable solutions driven by market needs.

We continue to invest in the 1Water solution, built on the Esri technology platform, including use of the new Utility Network Model. This brings together the expertise of 1Spatial's water network management and Esri's platform. It is being rolled out in incremental releases in H2 2021 and beyond.

We continue to develop our Traffic Management Plan Automation (TMPA) Business Application, which uses the 1Integrate rules engine to automate the complex manual process of designing traffic control layouts following the traffic management rulebook.

Other innovations at an earlier stage include ecology survey and machine learning capabilities for water leakage detection.

Cloud platform

Product and technology evolution continue to underpin the cloud platform. Architectural changes such as the 1Data Gateway portal and docker containerised deployments have been completed or are underway. Additional capabilities such as remote data access services will continue to be added through H2 2021. This will result in a scalable cloud deployment to underpin TMPA and other solutions, as well as SaaS product delivery for those components.

2. Customer Relationships

We want to be our customers' strategic partner and trusted advisor in Location Master Data Management in our chosen industries and geographies.

Land

We continued to secure new customers across our geographies and markets. In the UK, the Environment Agency selected 1Spatial to develop their new Digital Asset Data and Information system for developing digital twins of key assets. We secured the second phase of the Greater London National Underground Asset Register project, and Laing Murphy JV invested in 1Data Gateway as they roll out their HS2 supply chain data quality process.

In France, new wins include a 4-year framework agreement with Seine Grand Lac, which manages flood prevention in the City of Paris, a contract with Etablissement Public Foncier d'Ile de France, who manage the public properties in the Paris Region and several local authorities. In the US, the Michael Baker partnership, underpinned by 1Integrate, continues to win business, with 10 new clients added to date in the year. We also secured a new 1integrate licence sale to Farm Credit Services.

Expand

We continued to expand sales to existing customers in the period, with continued investment in 1Spatial products and services demonstrating clients' trust in our people and technology.

In the UK, 1Spatial delivered two new enterprise mobile applications across Northern Gas Networks for field reporting of emergency incidents and asset maintenance. RPA (Land Management System) and DAERA (FARMAP) have both extended their service management and software contracts with 1Spatial, as well as continued software upgrades at PRAI in Ireland and Ordnance Survey Ireland. Our expertise in building practical business solutions is becoming more deeply integrated at OSGB as we help develop their new generation of open source products under the PSMA.

In France, seven existing customers have commenced migration from the Group's legacy platform, to the Esri platform, paving the way for future expansion. The Group secured four expansion contracts in the French utility and government sectors. We also extended a key support and maintenance contract for a European national cadastre agency for four years with a total contract value of €1.3m.

The highlight in the US was the significant contract secured with the State of Michigan to deliver the second phase of their Geographic Framework. This is a five-year contract with an expected total contract value of at least $2.6m. We have continued to win new work with Google Inc., the Federal Highways and US Census, and expansion wins with LA County, Ventura County and the State of Minnesota.

3. Smart Partnerships

We use smart partnerships to extend our market reach, providing additional scale to our capabilities. We target three types of partners: major technology consultancies, software platform providers, and adjacent industry specialists.

A new partnership agreement with global engineering firm Black & Veatch has led to early success in the UK with potential to expand this technology collaboration overseas. Our strong partnership with Esri France is generating increasing interest in the local authority and utility market and our Michael Baker relationship in the US continues to bring new customers. We continue to work on new partnership opportunities in all geographic markets.

Covid-19

Coronavirus (Covid-19) continues to have an unprecedented impact globally and our business continuity plans remain robust. Most sites continue to work on a remote basis, providing outstanding support to our customers, with some beginning a phased return to the office.

We have seen some lengthening of sales cycles across all territories but continue to see new opportunities entering our pipeline. As described in the update provided at the time of the AGM, our French business saw the greatest impact, with the suspension of local government contracting activity impacting both licence and service revenue generation. However, the suspension has now been lifted.

We chose to maintain all of our skilled workforce during the Covid-19 period, receiving no support under the UK Government job retention scheme, although, we did utilise financial support in some overseas territories, where there was a greater impact.

As flagged in our Final Results announced on 11 June 2020, we increased our funding from corporate lenders in H1 2021 by £1.8m to provide extra resources as we entered a period of uncertainty. We have controlled expenditure tightly through the deferment of some discretionary spending. If we were to see a slow-down in our customer win rate and activities, we would take appropriate action. However, our extensive customer base, healthy levels of recurring revenue and growing contracted order book provide us with confidence in the resilience of the business.

Current Trading & Outlook

We have entered the second half of the year with an increased order book of contracted revenues, providing us with a good level of revenue visibility. Trading in the second half of the year has begun in line with management's expectations, including new contract wins, such as with the US Geological Survey, and we expect H2 revenues to be at a similar level to H1. We are seeing an increased number of sales opportunities, both from our direct sales activities and via partners, and both the breadth and size of opportunity continues to increase. While decision-making may continue to be protracted in the short-term due to Covid-19, the breadth of our opportunity combined with the quality of our offering and people, mean we are increasingly confident with regards to the long-term future of 1Spatial.

Claire Milverton
Chief Executive Officer

Financial performance

Summary

The Group delivered a robust financial performance in the first half of the year, growing revenues, maintaining adjusted EBITDA profit levels and, importantly, generating positive cash flow. Although the business reported an overall loss before tax (which was impacted by a number of non-cash charges), with the positive free cash flow and increased order book of committed revenue, the Board believes the business is in a much stronger financial position than in the prior period.

Revenue

Group revenue increased by 8% to £11.7m compared to £10.9m in H1 2020. Whilst this included the full six months of the acquisition of Geomap-Imagis (GI), compared to 3 months in the prior year, it was a solid result against the backdrop of the Covid-19 pandemic. The core Solutions revenue stream (now around 86% of Group revenues) increased by 21% year on year, as the business focuses on developing and selling repeatable software solutions under a SaaS model.

Core revenue growth

	H1 2021	H1 2020	**% change**
Solutions	**6.63**	6.39	4%
GI acquisition	**3.47**	1.94	79%
Total solutions	**10.10**	8.33	21%
GIS	**1.63**	2.53	(36%)
Total revenue	**11.73**	10.86	8%

In the prior period, we had only three months' benefit of the GI acquisition in Europe and the table below shows the change in Solutions revenue on a like for like basis (i.e. including only Q2 revenue in H1 2021 for the acquisition). Whilst there was a revenue drop compared to the prior period, mainly due to Covid-19-related project delays following the postponement of the French local elections, the overall profitability of the acquisition was maintained at a similar level.

Core revenue growth – on like for like basis

	H1 2021	H1 2020	**% change**
Solutions	**6.63**	6.39	4%
GI acquisition (Q2)	**1.75**	1.94	(10%)
Total Solutions	**8.38**	8.33	1%

The business is transitioning towards selling term subscription licences rather than perpetual licences, and the level of revenue from perpetual licences is expected to continue to decrease as a percentage of revenue. Non-core Geographic Information Systems ("GIS") revenue decreased as expected, (although the decline was also impacted by project delays due to Covid-19) to £1.6m from £2.5m, and now accounts for only c. 14% of Group revenues.

As part of this transition, recurring revenue increased by 15% compared to H1 2020 and is now 44% of total revenues, up from 42% in the comparative period.

Revenue by type

	H1 2021	H1 2020	**% change**
Recurring revenue*	**5.19**	4.52	15%
Services	**5.52**	4.95	12%
Perpetual licences	**1.02**	1.39	(27%)
Total revenue	**11.73**	10.86	8%
Percentage of recurring revenue	44%	42%	

* Recurring revenue comprises term licences and support and maintenance revenue.

Revenue in the European business was lower on a like for like basis due to both the reduction in the GIS revenue (all within Europe) and also the lower solutions revenue from the GI acquisition, although overall revenues in Europe grew by 14%, benefitting from three additional months of acquired revenues. Revenue increased in all other regions compared to H1 2020, and in the US, which represents 10% of Group revenue, the growth was 12% compared to the prior year.

Regional revenue

	H1 2021	H1 2020	**% change**
UK/Ireland	**4.34**	4.28	1%
Europe	**5.09**	4.48	14%
US	**1.16**	1.04	12%
Australia	**1.14**	1.06	8%
Total revenue	**11.73**	10.86	8%

Committed revenue

The levels of both contracted revenue and revenue expected from recurring support contracts increased compared to last year. This increased level of visibility allows the Board to plan future investment with confidence.

Gross profit margin

The gross margin was down slightly year on year to 52% from 53% and this is mainly attributable to lower levels of new licences due to the impact of Covid-19 delaying some decisions and a lower level of utilisation realised on services. Offsetting this in the cost of sales, the Group received £0.3m of grants from overseas governments as part of business support schemes in relation to Covid-19. Going forward, the management team are focused on driving improvements to the gross margin levels.

Adjusted EBITDA

The adjusted EBITDA was at a similar level to the prior year at £1.7m with a margin of 14.2%. Whilst lower than H1 2020, the EBITDA margin was marginally ahead of FY 2020 of 13.8%. Cost management has been an important focus during H1 2021 and expenses are constantly reviewed to ensure the level is appropriate for the structure of the business. Administrative expenses increased over the comparable period mainly because of the additional three months of the acquired business.

The Board is focused on improving the Group's profitability and cash generation going forward whilst balancing the needs for further investment in sales infrastructure (for example, in the US region), marketing initiatives (such as the new website launch) and product development (improvements to existing and new repeatable solutions) to grow the business.

Operating loss and loss before tax

The Group recorded an operating loss of £0.8m compared to £0.6m in the prior period being impacted by increases in non-cash items such as amortisation of acquired intangibles. This resulted in the Group's loss before tax increasing to £0.7m from £0.6m for the comparable period.

Taxation

The net tax credit for the period was £0.1m (H1 2020: £40k).

Balance sheet

The Group's net assets reduced to £15.3m from £15.5m at 31 January 2020 (and £16.6m at 31 July 2019). The reduction was mainly due to the overall loss after tax offset by currency gains in reserves.

Cash flow

Operating cash flow improved significantly to an inflow of £1.7m in H1 2021 compared to an outflow of £1.9m in H1 2020. Indeed, the focus on cash flow has also resulted in free cash flow being £0.5m positive even after irregular one-off items, as shown in the table below:

Free cash flow	**H1 2021**	**FY 2020**	**H1 2020**
	£'000	**£'000**	**£'000**
Cash generated from/(used in) operations before strategic, integration and other irregular items	1,773	1,861	(1,275)
Net interest	(72)	(144)	(62)
Net tax	(70)	313	149
Expenditure on product development and intellectual property capitalised	(965)	(2,188)	(874)
Purchase of property, plant and equipment	(102)	(132)	(70)
Free cash flow before strategic, integration and other irregular items	**564**	(290)	(2,132)
Cashflow on strategic, integration and other irregular items	(29)	(1,289)	(652)
Free cash flow	**535**	(1,579)	(2,784)

Within investing activities, the deferred consideration of €0.7m (£0.6m) on the acquisition of Geomap Imagis, was paid as planned in H1 2021. The level of R&D increased slightly to £1.0m from £0.9m in H1 2020; the level of R&D for the full year is expected to be at a similar level to last year.

The business took advantage of available bank loans offered on reasonable commercial terms as part of the Covid-19 support initiatives in Europe and this has boosted the Group’s gross cash position to £6.6m. With a net cash position of £3.4m at 31 July 2020 and positive operating cash flow, the business is in a much stronger financial position than in the prior period and this gives the Board the confidence to continue to invest in its three-pillared strategy for growth.

Andrew Fabian
Interim CFO

Condensed consolidated statement of comprehensive income
Six months ended 31 July 2020

		Unaudited Six months ended 31 July 2020	Audited Year ended 31 January 2020	Unaudited Six months ended 31 July 2019
Continuing operations	**Note**	**£'000**	**£'000**	**£'000**
Revenue		**11,726**	**23,385**	**10,861**
Cost of sales (net of government grants of £346,000 (H1 2020: nil))		(5,655)	(11,123)	(5,138)
Gross profit		**6,071**	**12,262**	**5,723**
Administrative expenses		(6,861)	(13,800)	(6,363)
		(790)	(1,538)	(640)
Adjusted* EBITDA		**1,666**	**3,226**	**1,655**
Less: depreciation		(97)	(152)	(48)
Less: depreciation on right of use asset		(559)	(878)	(458)
Less: amortisation and impairment of intangible assets	**7**	(1,500)	(2,169)	(974)
Less: share-based payments		(175)	(398)	(222)
Less: strategic, integration and other irregular items	**6**	(125)	(1,167)	(593)
Operating loss		**(790)**	**(1,538)**	**(640)**
Finance income		13	40	36
Finance cost		(85)	(235)	(62)
Net finance cost		(72)	(195)	(26)
Loss before tax		**(862)**	**(1,733)**	**(666)**
Income tax credit		135	248	40
Loss for the period		**(727)**	**(1,485)**	**(626)**
Other comprehensive income				
Items that may subsequently be reclassified to profit or loss:				
Actuarial gains arising on defined benefit pension, net of tax		-	40	-
Exchange differences on translating foreign operations		381	(120)	358
Other comprehensive income/(loss) for the period, net of tax		381	(80)	358
Total comprehensive loss for the period		**(346)**	**(1,565)**	**(268)**

** Adjusted for strategic, integration and other irregular items (note 6) and share-based payments.*

Loss per ordinary share from continuing operations attributable to the owners of the parent during the year (expressed in pence per ordinary share):

Basic loss per share	**4**	(0.65)	(1.37)	(0.60)
Diluted loss per share	**4**	(0.65)	(1.37)	(0.60)

Condensed consolidated statement of financial position
As at 31 July 2020

	Note	Unaudited As at 31 July 2020	Audited As at 31 January 2020	Unaudited As at 31 July 2019
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets including goodwill	**7**	15,590	15,560	16,331
Property, plant and equipment		415	374	442
Right-of-use assets		3,265	3,272	3,365
Total non-current assets		**19,270**	**19,206**	**20,138**
Current assets				
Trade and other receivables	**8**	8,951	9,930	9,431
Current income tax receivable		308	233	156
Cash and cash equivalents	**10**	6,569	5,108	4,001
Total current assets		**15,828**	**15,271**	**13,588**
Total assets		**35,098**	**34,477**	**33,726**
Liabilities				
Current liabilities				
Bank borrowings	**10**	(1,267)	(135)	(732)
Lease liabilities		(985)	(957)	(931)
Trade and other payables	**9**	(10,861)	(11,439)	(9,641)
Deferred consideration	**12**	-	(599)	(613)
Provisions		-	-	(81)
Total current liabilities		**(13,113)**	**(13,130)**	**(11,998)**
Non-current liabilities				
Bank borrowings	**10**	(1,869)	(1,086)	-
Lease liabilities		(2,330)	(2,340)	(2,432)
Deferred consideration	**12**	(398)	(370)	(380)
Defined benefit pension obligation		(1,567)	(1,417)	(1,504)
Deferred tax		(537)	(679)	(836)
Total non-current liabilities		**(6,701)**	**(5,892)**	**(5,152)**
Total liabilities		**(19,814)**	**(19,022)**	**(17,150)**
Net assets		**15,284**	**15,455**	**16,576**
Share capital and reserves				
Share capital	**11**	20,150	20,150	20,150
Share premium account		30,479	30,479	30,479
Own shares held		(303)	(303)	(303)
Equity-settled employee benefits reserve		3,507	3,332	3,156
Merger reserve		16,465	16,465	16,465
Reverse acquisition reserve		(11,584)	(11,584)	(11,584)
Currency translation reserve		565	184	662
Accumulated losses		(43,518)	(42,791)	(41,972)
Purchase of non-controlling interest reserves		(477)	(477)	(477)
Equity attributable to shareholders of the parent company		**15,284**	**15,455**	**16,576**
Total equity		**15,284**	**15,455**	**16,576**

Condensed consolidated statement of changes in equity
Period ended 31 July 2020

£'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve	Accumulated losses	Total equity
Balance at 1 February 2019	**18,971**	**28,661**	**(303)**	**2,934**	**16,030**	**(11,584)**	**304**	**(477)**	**(41,346)**	**13,190**
Comprehensive loss										
Loss for the year	-	-	-	-	-	-	-	-	(1,485)	(1,485)
Other comprehensive (loss)/income										
Actuarial gains arising on defined benefit pension	-	-	-	-	-	-	-	-	40	40
Exchange differences on translating foreign operations	-	-	-	-	-	-	(120)	-	-	(120)
Total other comprehensive (loss)/income	-	-	-	-	-	-	(120)	-	40	80
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(120)**	**-**	**(1,445)**	**(1,565)**
Transactions with owners recognised directly in equity										
Issue of share capital, net of share issue costs	1,179	1,818	-	-	435	-	-	-	-	3,432
Recognition of share-based payments	-	-	-	398	-	-	-	-	-	398
	1,179	**1,818**	**-**	**398**	**435**	**-**	**-**	**-**	**-**	**3,830**
Balance at 31 January 2020 (Audited)	**20,150**	**30,479**	**(303)**	**3,332**	**16,465**	**(11,584)**	**184**	**(477)**	**(42,791)**	**15,455**
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	-	(727)	(727)
Other comprehensive income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	381	-	-	381
Total other comprehensive income	-	-	-	-	-	-	381	-	-	381
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	381	**-**	**(727)**	**(346)**
Transactions with owners recognised directly in equity										
Issue of share capital	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	175	-	-	-	-	-	175
	-	**-**	**-**	**175**	**-**	**-**	**381**	**-**	**(727)**	**(171)**
Balance at 31 July 2020 (Unaudited)	**20,150**	**30,479**	**(303)**	**3,507**	**16,465**	**(11,584)**	**565**	**(477)**	**(43,518)**	**15,284**

£'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve	Accumulated losses	Total equity
Balance at 1 February 2019	**18,971**	**28,661**	**(303)**	**2,934**	**16,030**	**(11,584)**	**304**	**(477)**	**(41,346)**	**13,190**
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	-	(626)	(626)
Other comprehensive income										
Exchange differences on translating foreign operations	-	-	-	-	-	-	358	-	-	358
Total other comprehensive income	-	-	-	-	-	-	358	-	-	358
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**358**	**-**	**(626)**	**(268)**
Transactions with owners recognised directly in equity										
Issue of share capital	**1,179**	**1,818**	**-**	**-**	**435**	**-**	**-**	**-**	**-**	**3,432**
Recognition of share-based payments	**-**	**-**	**-**	**222**	**-**	**-**	**-**	**-**	**-**	**222**
	1,179	**1,818**	**-**	**222**	**435**	**-**	**-**	**-**	**-**	**3,654**
Balance at 31 July 2019 (Unaudited)	**20,150**	**30,479**	**(303)**	**3,156**	**16,465**	**(11,584)**	**662**	**(477)**	**(41,972)**	**16,576**

Condensed consolidated statement of cash flows
Period ended 31 July 2020

	Note	Unaudited 31 July 2020 £'000	Audited 31 January 2020 £'000	Unaudited 31 July 2019 £'000
Cash flows from operating activities				
Cash generated from/(used in) operations	a)	1,744	572	(1,927)
Interest received		13	40	-
Interest paid		(85)	(184)	(62)
Tax (paid)/received		(70)	313	149
Net cash from/(used) in operating activities		**1,602**	**741**	**(1,840)**
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired)		(585)	(2,151)	(2,151)
Purchase of property, plant and equipment		(102)	(132)	(70)
Expenditure on product development and intellectual property capitalised		(965)	(2,188)	(874)
Net cash used in investing activities		**(1,652)**	**(4,471)**	**(3,095)**
Cash flows from financing activities				
New borrowings		1,832	672	-
Repayment of borrowings		(6)	(133)	-
Repayment of obligations under leases		(598)	(792)	(431)
Net proceeds of share issue		-	2,805	2,915
Net cash generated from financing activities		**1,228**	**2,552**	**2,484**
Net increase/(decrease) in cash and cash equivalents		**1,178**	**(1,178)**	**(2,451)**
Cash and cash equivalents at start of period		5,108	6,358	6,358
Effects of foreign exchange on cash and cash equivalents		283	(72)	94
Cash and cash equivalents at end of period		**6,569**	**5,108**	**4,001**

Notes to the condensed consolidated statement of cash flows

a) Cash used in operations

	Unaudited As at 31 July 2020 £'000	Audited As at 31 January 2020 £'000	Unaudited As at 31 July 2019 £'000
Loss before tax	(862)	(1,733)	(666)
Adjustments for:			
Net finance cost	72	144	62
Depreciation	656	1,030	506
Amortisation and impairment	1,500	2,169	974
Share-based payment charge	175	398	222
Decrease/(Increase) in trade and other receivables	1,392	(2,377)	(1,366)
(Decrease)/Increase in trade and other payables	(1,177)	702	(1,498)
Increase in provisions	-	-	38
Increase in defined benefit pension obligation	46	72	-
Net foreign exchange movement	(58)	167	(199)
Cash from/(used) in operations	**1,744**	**572**	**(1,927)**

Reconciliation of cash generated before and after impact of strategic, integration and other irregular items

	Unaudited As at 31 July 2020	Audited As at 31 January 2020	Unaudited As at 31 July 2019
Cash generated from/(used in) operations before strategic, integration and other irregular items	1,773	1,861	(1,275)
Cashflow on strategic, integration and other irregular items	(29)	(1,289)	(652)
Cash generated from/(used in) operations after strategic, integration and other irregular items	**1,744**	**572**	**(1,927)**

b) Reconciliation of net cash flow to movement in net funds

	Unaudited As at 31 July 2020 £'000	Audited As at 31 January 2020 £'000	Unaudited As at 31 July 2019 £'000
Increase/(Decrease) in cash in the period	1,178	(1,178)	(2,451)
Changes resulting from cash flows	**1,178**	**(1,178)**	**(2,451)**
Net cash inflow in respect of new borrowings	(1,832)	(672)	-
Changes in net funds due to borrowings acquired	-	(731)	(732)
Net cash inflow in respect of borrowings repaid	6	133	-
Effect of foreign exchange	194	(23)	94
Change in net funds	**(454)**	**(2,471)**	**(3,089)**
Net funds at beginning of period	3,887	6,358	6,358
Net funds at end of period	**3,433**	**3,887**	**3,269**
Analysis of net funds			
Cash and cash equivalents classified as:			
Current assets	6,569	5,108	4,001
Bank and other loans	(3,136)	(1,221)	(732)
Net funds at end of period	**3,433**	**3,887**	**3,269**

Notes to the Interim Financial Statements

1. Principal activity

1Spatial plc is a public limited company which is listed on the AIM London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, CB4 0WZ. The registered number of the Company is 5429800.

The principal activity of the Group is the development and sale of software along with related consultancy and support.

2. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 July 2020 has been prepared in accordance with Accounting Standard 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 January 2020 and any public announcements made by 1Spatial Plc during the interim reporting period.

The financial information for the six months ended 31 July 2020 and 31 July 2019 is neither audited nor reviewed and does not constitute statutory financial statements within the meaning of section 434(3) of the Companies Act 2006 for 1Spatial plc or for any of the entities comprising the 1Spatial Group. Statutory financial statements for the preceding financial year ended 31 January 2020 were filed with the Registrar and included an unqualified auditors' report.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated financial statements.

3. Taxation

The tax credit on the result for the six months ended 31 July 2020 is based on the estimated tax rates in the jurisdictions in which the Group operates, for the year ending 31 January 2021.

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period plus the deferred shares to be issued in March 2023 in relation to the Geomap-Imagis acquisition completed in May 2019 (see note 12).

	Unaudited	**Audited**	**Unaudited**
	As at 31 July 2020	**As at 31 January 2020**	**As at 31 July 2019**
	£'000	**£'000**	**£'000**
Loss attributable to equity holders of the Parent	**(727)**	**(1,485)**	**(626)**

	Number	**Number**	**Number**
	000s	**000s**	**000s**
Basic weighted average number of ordinary shares	**112,114**	**108,438**	**104,332**
Diluted weighted average number of ordinary shares	**113,469**	**110,181**	**106,179**

	Unaudited	**Audited**	**Unaudited**
	As at 31 July 2020	**As at 31 January 2020**	**As at 31 July 2019**
	Pence	**Pence**	**pence**
Basic and diluted loss per share	(0.65)	(1.37)	(0.60)

Basic loss per share and diluted loss per share are the same because the options are anti-dilutive. Therefore, they have been excluded from the calculation of diluted weighted average number of ordinary shares.

5. Dividends

No dividend is proposed for the six months ended 31 July 2020 (31 January 2020: nil; 31 July 2019: nil).

6. Strategic, integration and other irregular items

In accordance with the Group's policy for strategic, integration and other irregular items, the following charges were included in this category for the period:

	Six months ended 31 July 2020 £'000	Year ended 31 January 2020 £'000	Six months ended 31 July 2019 £'000
Costs associated with the acquisition and integration of the Geomap-Imagis Group	125	1,167	593
Total	**125**	**1,167**	**593**

7. Intangible assets including goodwill

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Website costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 February 2020	17,291	452	4,579	6,487	16,932	30	66	45,837
Additions	-	-	-	-	962	-	3	965
Effect of foreign exchange	351	16	251	258	471	-	-	1,347
At 31 July 2020	**17,642**	**468**	**4,830**	**6,745**	**18,365**	**30**	**69**	**48,149**
Accumulated impairment and amortisation								
At 1 February 2020	11,363	204	3,113	4,185	11,374	30	8	30,277
Amortisation	-	23	297	221	957	-	2	1,500
Effect of foreign exchange	249	1	154	94	284	-	-	782
At 31 July 2020	**11,612**	**228**	**3,564**	**4,500**	**12,615**	**30**	**10**	**32,559**
Net book amount at								
31 July 2020	**6,030**	**240**	**1,266**	**2,245**	**5,750**	**-**	**59**	**15,590**

7. Intangible assets including goodwill (continued)

	Goodwill	Brands	Customers and related contracts	Software	Development costs	Website costs	Intellectual property	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 February 2019	16,161	232	2,843	4,421	15,012	30	66	38,765
Arising on acquisition	1,338	226	1,847	2,164	-	-	-	5,575
Additions	-	-	-	-	2,188	-	-	2,188
Effect of foreign exchange	(208)	(6)	(111)	(98)	(268)	-	-	(691)
At 31 January 2020	**17,291**	**452**	**4,579**	**6,487**	**16,932**	**30**	**66**	**45,837**
Accumulated impairment and amortisation								
At 1 February 2019	11,533	165	2,754	3,850	10,232	30	7	28,571
Amortisation	-	40	433	385	1,197	-	3	2,058
Impairment	-	-	-	-	111	-	-	111
Effect of foreign exchange	(170)	(1)	(74)	(50)	(166)	-	(2)	(463)
At 31 January 2020	**11,363**	**204**	**3,113**	**4,185**	**11,374**	**30**	**8**	**30,277**
Net book amount at								
31 January 2020	**5,928**	**248**	**1,466**	**2,302**	**5,558**	**-**	**58**	**15,560**

8. Trade and other receivables

	As at 31 July 2020	As at 31 January 2020	As at 31 July 2019
Current	**£'000**	**£'000**	**£'000**
Trade receivables	3,462	5,012	4,634
Less: provision for impairment of trade receivables	(44)	(68)	-
	3,418	4,944	4,634
Other taxes and social security	-	-	168
Other receivables	1,445	1,431	1,739
Prepayments and accrued income	4,088	3,555	2,890
	8,951	**9,930**	**9,431**

9. Trade and other payables

Current	As at 31 July 2020 £'000	As at 31 January 2020 £'000	As at 31 July 2019 £'000
Trade payables	1,587	2,143	2,295
Other taxation and social security	2,829	2,477	2,571
Other payables	693	996	498
Accrued liabilities	1,137	905	455
Deferred income	4,615	4,918	3,822
	10,861	**11,439**	**9,641**

10. Cash and borrowings

Analysis of net funds	As at 31 July 2020 £'000	As at 31 January 2020 £'000	As at 31 July 2019 £'000
Cash and cash equivalents classified as:			
Current assets	6,569	5,108	4,001
Bank and other loans	(3,136)	(1,221)	(732)
Net funds at end of period	**3,433**	**3,887**	**3,269**

During the period new loans of £1.83m were arranged to strengthen the Group's financial position.

11. Share capital

	As at 31 July 2020 £'000	As at 31 January 2020 £'000	As at 31 July 2019 £'000
Allotted, called up and fully paid			
110,805,795 (Jan 2020: 110,805,795) ordinary shares of 10p each	11,082	11,082	11,082
226,699,878 (Jan 2020: 226,699,878) deferred shares of 4p each	9,068	9,068	9,068
	20,150	**20,150**	**20,150**

There are 110,805,795 ordinary shares of 10p in issue, of which a total of 319,635 ordinary shares are held in treasury. Therefore, the total number of ordinary shares with voting rights is 110,486,160.

The deferred shares of 4p each do not carry voting rights or a right to receive a dividend. Accordingly, the deferred shares will have no economic value.

12. Business combinations

In May 2019, the Company entered into two share purchase agreements to acquire the entire issued share capital of Geomap-Imagis Participations ("Geomap-Imagis") for a total consideration of €7.0m. The transaction was completed in the last financial year. In H1 2021, deferred consideration of €0.7m (£0.6m) was paid as planned. The remaining balance of €0.4m of the consideration to be satisfied by the issue of shares will be satisfied on 30 March 2023. Further details of this business combination were disclosed in note 18 of the Group's annual financial statements for the year ended 31 January 2020.

The business is now largely integrated from an operational perspective although there is some rationalisation of internal systems in order to improve operational efficiencies being implemented that are expected to be completed during H2 2021.