

# **INTERIM RESULTS**

## **TO 31 JULY 2022 (H1 FY23)**

**Claire Milverton - CEO**

**Andy Fabian - CFO**

# Transformational growth opportunity for 1Spatial



**Customer and partner credibility**



**Significantly growing market**



**Market leading software platform**

# 1Spatial plc: Overview

## Who we are

- Software and solutions company helping our customers to make **critical decisions** from **data** with a specialism in **location data**
- Solutions address agendas such as health & safety and sustainability
- Market leading software platform for **Location Master Data Management (LMDM)**

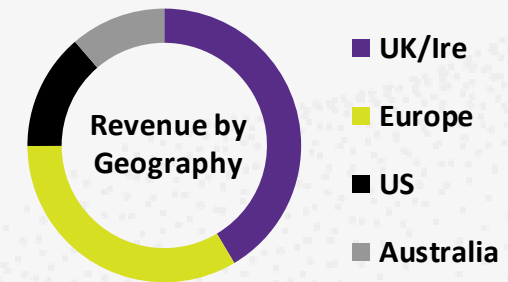
## Revenues H1 FY23



## Powerful Partners



## Over 1,000 Customers



# Why we are needed

# HS2



The Chipping Warden Green Tunnel construction site in Northamptonshire

- Europe's largest infrastructure project
- Data needs to be pulled together
  - Different types
  - Different contractors
- HS2 needs a view of all assets for **planning, maintenance and ESG** – Common Data Environment (CDE)
- **Initial contract WIN** to automate creation of CDE (£0.9m over 2 years)
  - Won because we are becoming recognised leader in the field
  - 1Data Gateway (portal for data sharing)
  - Patented 1Integrate - check data quality, consistency and compliance HS2 Standards
  - Keep data up to date – **long term**
- Land and expand strategy with common engagement model
  - Prove concept
  - Scale up the system in phase 1 and further phases
  - Further use in global supply chain e.g. Tiers 2 and 3
  - Provider of choice Globally for National Platforms where location data and supply chain is key

# Evidencing our transformational growth opportunity

## Group Highlights

- ▶ Year 2 of our 3 year growth plan - investing in our business
  - ▶ Growth in revenue to £14m (+11%), EBITDA to £2m (+10%)
  - ▶ Term licence ARR increase to £5.2m (**115%**)
- ▶ A number of new **long term** contracts signed in H1 with **high levels of ARR** and **expansion opportunities** for future years
- ▶ Engagement with a number of new partners
- ▶ Investment in LMDM platform particularly Cloud and **SaaS** solutions (TMPA and NG911)
- ▶ Investment our people (1Team) - Launched **new people values** and **Certified as Most Loved Workplace®**, backed by Best Practice Institute

## New Customer wins

£6.4m committed of which £4.6m (72%) is Recurring Revenue




Department  
for Environment  
Food & Rural Affairs



Major Aerospace Co.  
Based in Europe



THE EASTERN  
TRANSPORTATION  
COALITION



## New Partners in the period



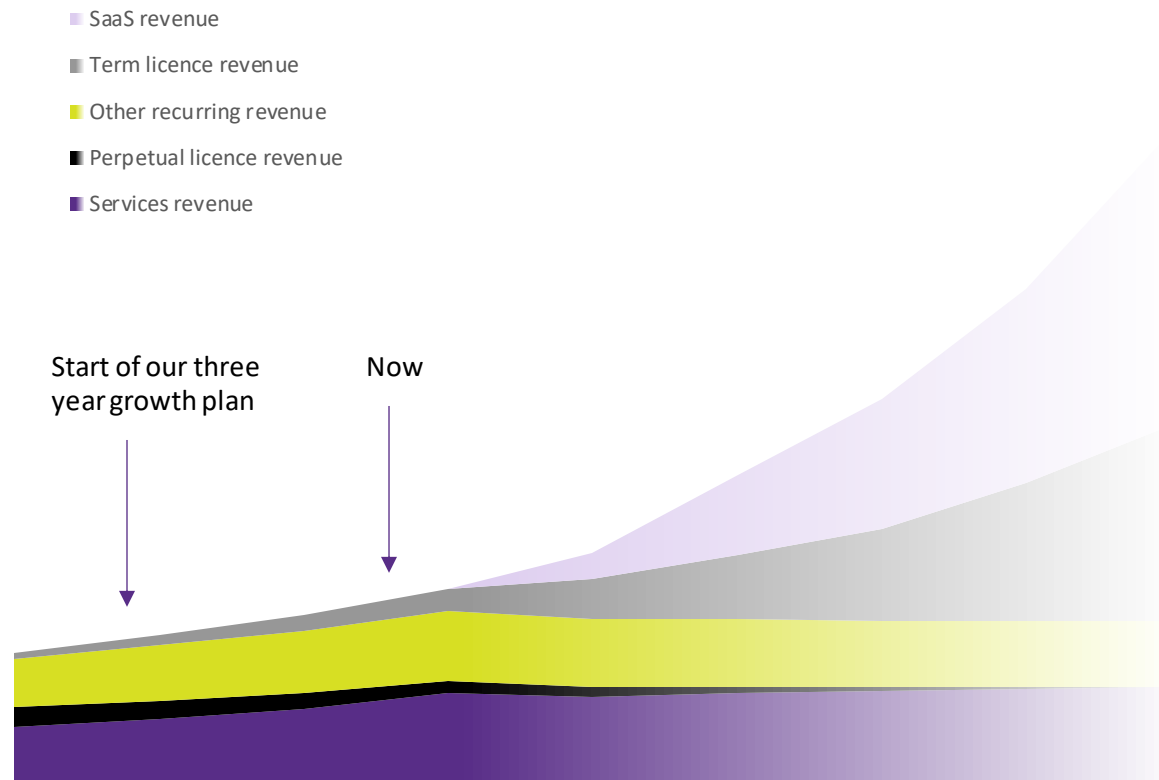


# FINANCIAL REVIEW

**HY23**

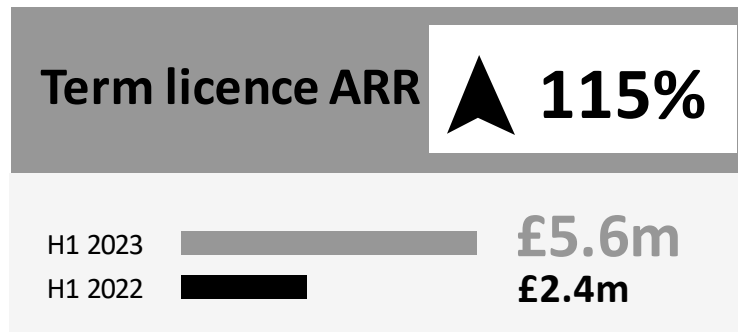


# Continued progress on the evolution of our business model



- Focus is on transitioning towards a full **SaaS cloud-based revenue model**
- Aiming for higher proportion of **recurring SaaS and term licence revenue**
- Building a **scalable business** with repeatable solutions
- **Driving margin expansion** from SaaS cloud solutions

# H1 FY 2023 Financial highlights



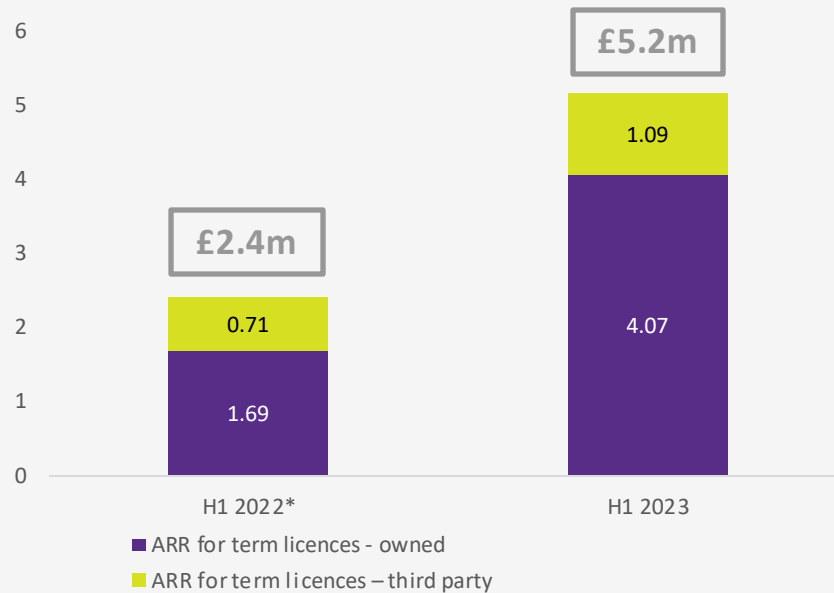
\* Annualised Recurring Revenue at constant currency



# Growth in annualised recurring revenues (ARR)

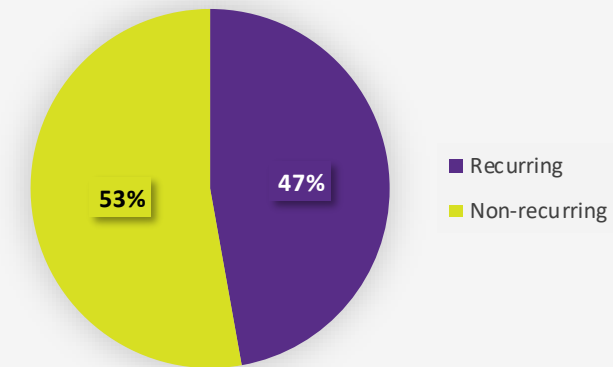
*Term licence ARR up 115%*

## Term licence ARR (£m)



- **Term licence ARR\*** has grown significantly
- Strong growth from US and UK wins

## Recurring Revenue



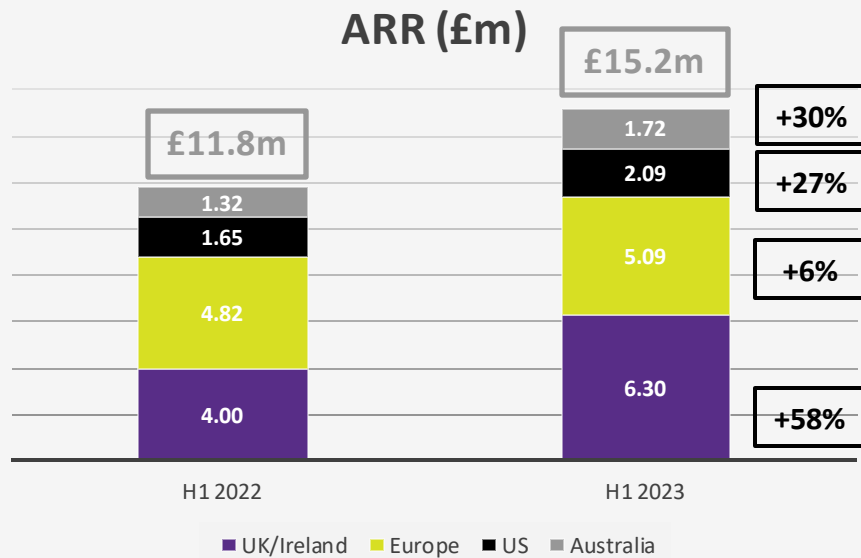
- **Total ARR up 29% to £15.2m**
- **High renewal rate of 94% (FY22: 94%)**
- **Committed services revenue (backlog) still high at £11.6m (FY22: £12.5m)**
- **Growth in ARR and high levels of services backlog provides strong support to FY 2023 revenue**

\* Term Licence Annualised Recurring Revenue ("ARR") is the annualised value at the year-end of committed recurring contracts for licences at constant currency

# Regional revenue growth

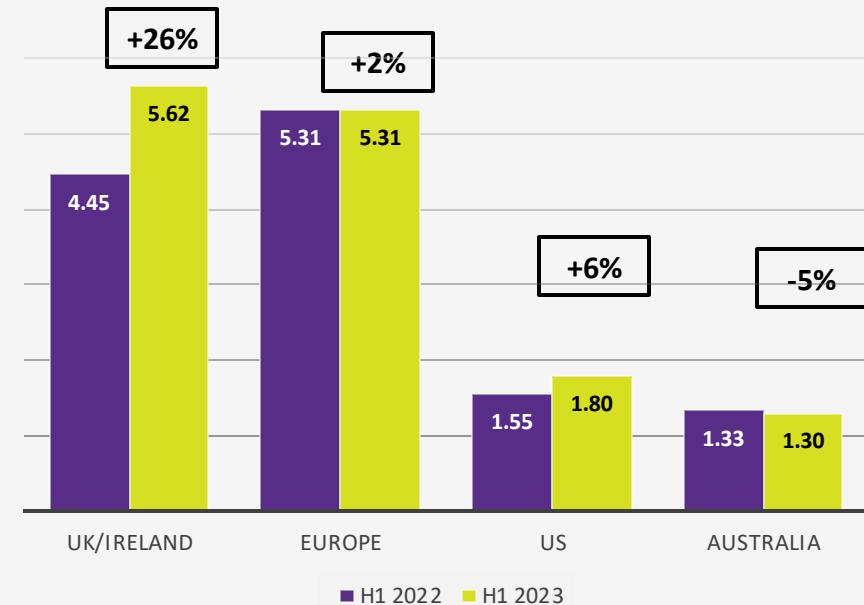
*Solid organic growth*

### Total ARR by Region H1 2023



- ARR growth in all regions, with strongest growth in **UK/Ireland**
- Excellent growth in **US and Australia**

### Revenue by Region



- **Europe revenue** growth impacted by timing of major contract signing and slower adoption of term license model
- Competitive pricing pressures in **Australia** for 3<sup>rd</sup> party software

Revenue growth at constant currency

# Summary profit and loss account/margin

## *Robust financial performance*

- ▶ Increased spending on **innovation, pre-sales and delivery capacity** to continue to secure higher value longer-term recurring contracts
- ▶ **Gross margin 50%** (H1 2022: 51%) partly due to the timing impact of cost increases being ahead of the effect of increased prices
- ▶ **Adjusted EBITDA\*** margin **14.4%** (H1 2022: 14.5%)
- ▶ **Operating profit of £0.4m** compared to a loss of £0.2m in the prior year

SUMMARISED P&L	H1 2023	H1 2022
	£000	£000
<b>Revenue</b>	<b>14,028</b>	<b>12,637</b>
<b>Gross Profit</b>	<b>6,950</b>	<b>6,400</b>
<b>Adjusted EBITDA*</b>	<b>2,017</b>	<b>1,830</b>
Less: depreciation and amortisation	(1,511)	(1,786)
Less: share-based payment charge	(145)	(200)
Less: strategic, integration and other non-recurring items	-	-
<b>Operating Profit/(loss)</b>	<b>361</b>	<b>(156)</b>

\* Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(loss) before depreciation (including right of use asset depreciation), amortization and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items.

# Cash flow

## Positive operating cash generated

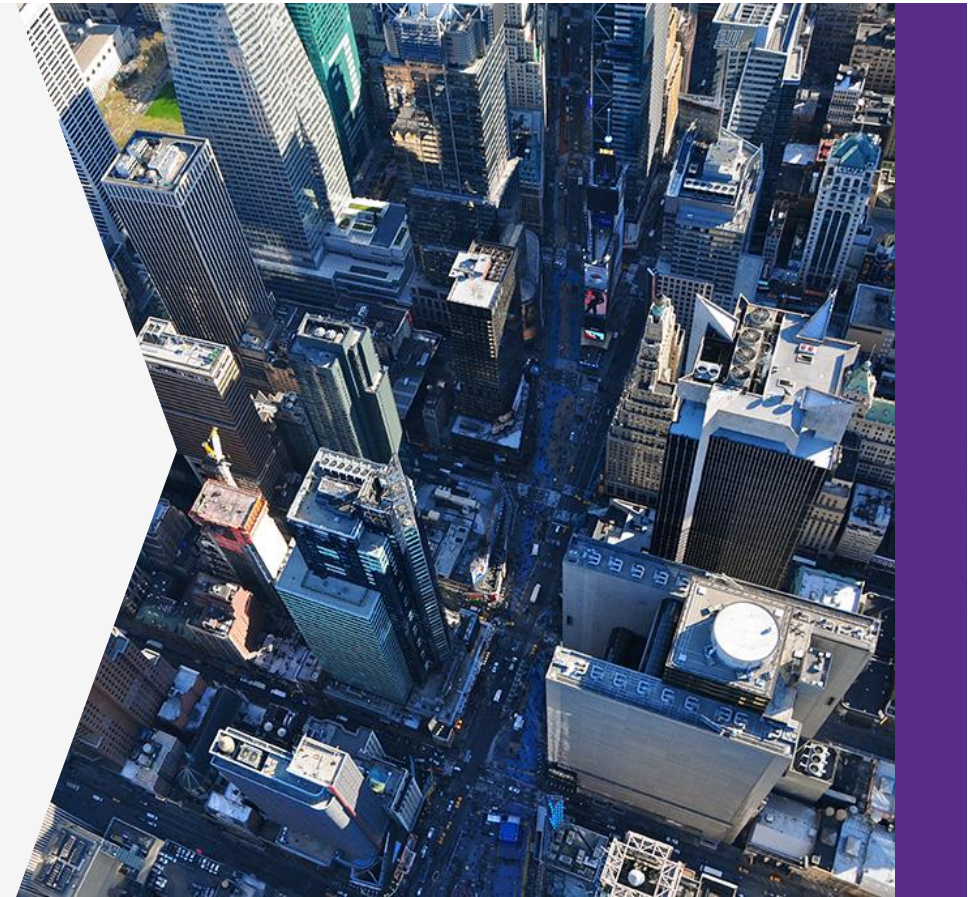
- ▶ **Cash generated from operations** of **£1.3m** (HY22: £0.6m):
- ▶ **Free Cash Flow (£0.9m)** negative but £0.5m improvement on HY22
- ▶ Increased **investment in R&D** to **£1.6m** (HY22: £1.3m)
- ▶ More **working capital** required due to larger contracts
- ▶ Additional **banking facilities** in place - **£3m RCF**, secured to June 2025 providing headroom
- ▶ **Net cash** at 31 July 2022 of **£2.3m** (HY22: £2.8m)

FREE CASH FLOW	H1 2023	H1 2022
	£000	£000
Cash generated from operations	1,343	646
Net interest paid	(75)	(105)
Net tax paid	(26)	
Expenditure on product development and intellectual property capitalised	(1,563)	(1,291)
Purchase of property, plant and equipment	(104)	(88)
Lease payments	(454)	(580)
<b>Free cash flow</b>	<b>(879)</b>	<b>(1,418)</b>

# Continued progress on strategic financial goals

*Contract momentum driving increasing quality of revenues*

- ▶ **Term licence ARR up 115% to £5.2m** following focus on recurring licence growth
- ▶ **29% growth in total ARR and 11% growth in total revenue**
- ▶ Generated an **operating profit**
- ▶ **Improved operating cash flow**, allowing increased R&D spend to capitalise on opportunity

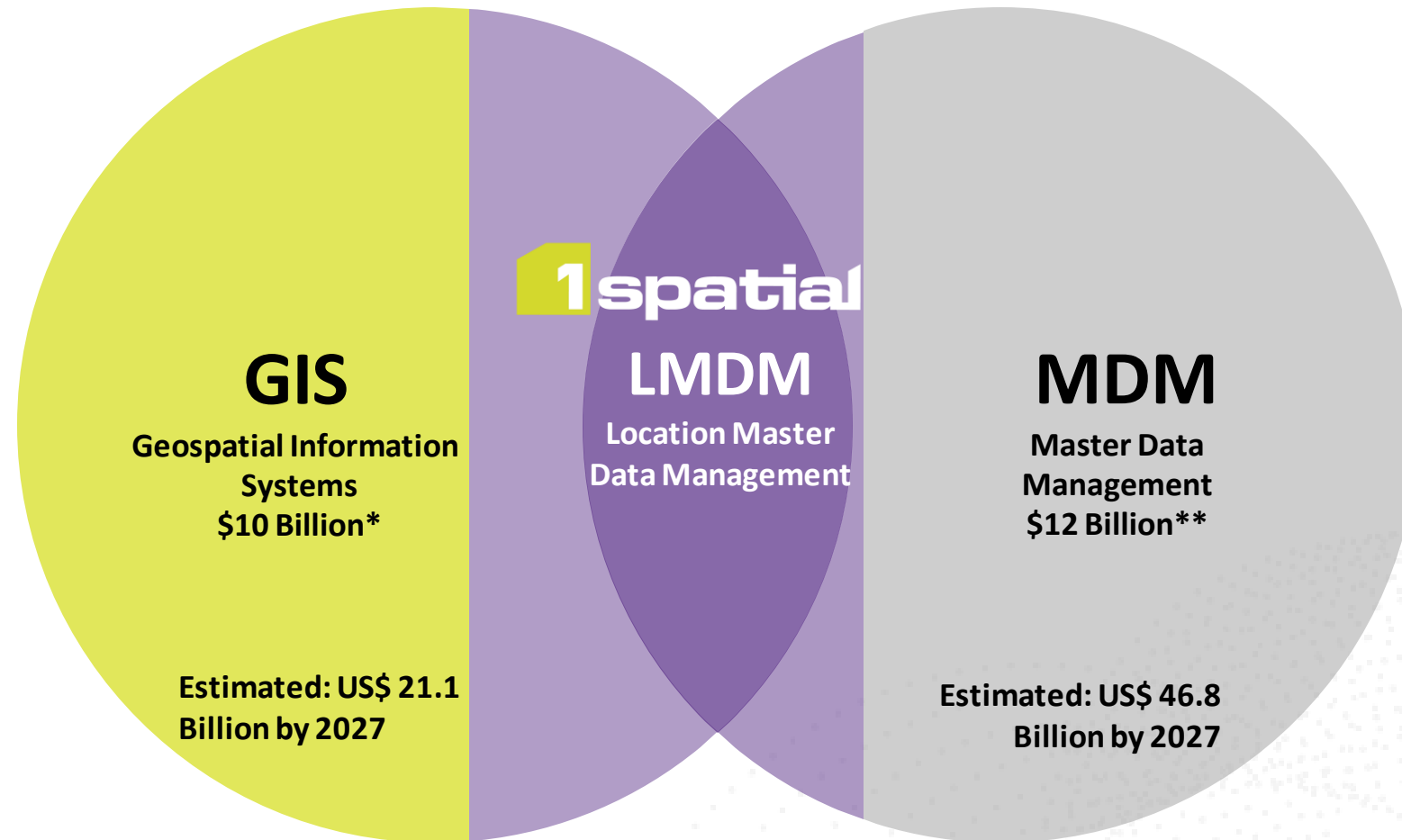


# OUR MARKET, GROWTH STRATEGY & PROGRESS



# Our Market

**A unique proposition - Location master data management is the future**



\*Source: Geographic Information System (GIS) Market Size, Report 2022-2027 (imarcgroup.com)

\*\*Source: Master Data Management Software Market 2021

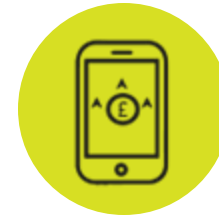
# Significantly growing market opportunity

## Key Market Drivers Growth



### Government Investment Initiatives

- US\$1.2 trillion infrastructure investment - USA
- £600 billion investment – Build Back Better – UK
- €750 billion stimulus fund – European Commission
- US\$500 million funding for Next Generation 911 projects



### Digital Economy

- Drive for digital representation of assets (digital twins)
- Greater need to share data across organisations and the public sector
- Increasing demand for Cloud First and SaaS-enabled solutions



### Environmental, Social and Governance (ESG)

- 169 targets to measure and achieve
- Mapping and location data playing a significant role
- A need for improved data quality, driven by the UN



# Our three-pillar growth strategy



## Customer Relationships

We will grow our customer base and strengthen customer relationships. We want to be our customers' strategic partner and trusted advisor and adopt a Land and Expand Strategy for sales growth.



## Smart Partnerships

We will use smart partnerships to extend our market reach and scalability.



## Innovation

Innovation lies at the heart of 1Spatial. We will build repeatable solutions that use data to help our customers solve their problems.

# Growth strategy underpinned by 1Team

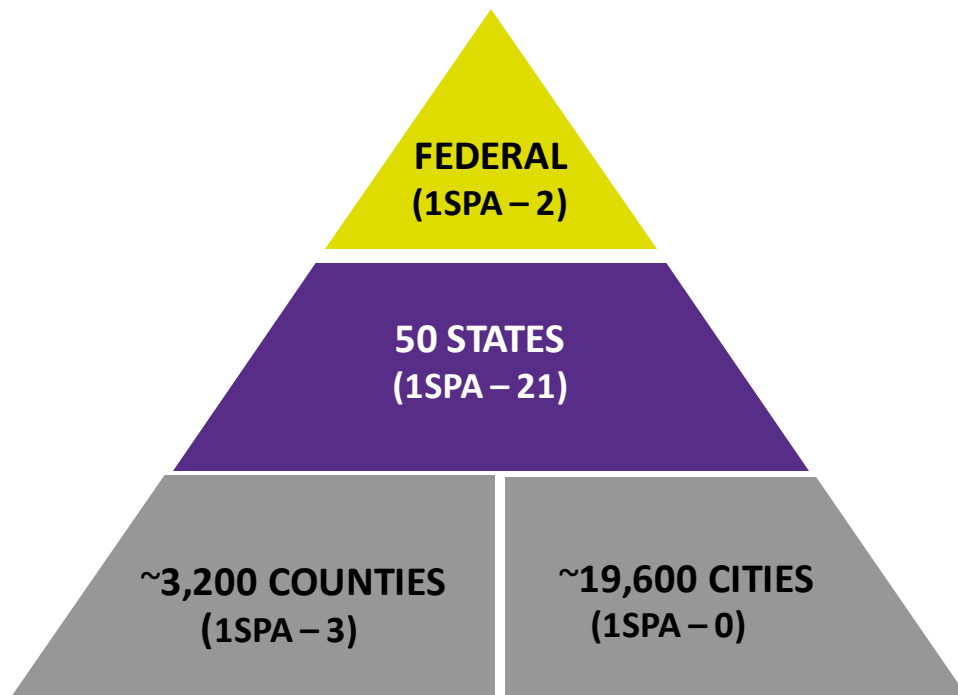
- ▶ Certified as '**Most Loved Workplace® 2022**', backed by Best Practice Institute research and analysis
- ▶ **Embedding new values** – we respect, innovate, collaborate, trust and care
- ▶ **Global wellbeing month Sept/Oct 2022**
- ▶ Significant progress made towards refining our **ESG strategy** (stakeholder involvement)



# Customers focus with US opportunity

*Addressable market*

*In 2017 we had only 1 client in the USA (US Census)  
We now have 23 and many in the pipeline*



*Number of 1Spatial customers & market size of each tier*

## Scalable Opportunity for Existing solutions

### US States – Existing enterprise repeatable solutions (includes NG 9-1-1)

- With 50 states the addressable market is US\$50m (US\$1m per state)
- Engagements with 3 new States won in the period including Arkansas with NG 9-1-1

### US Counties and Cities – NG 9-1-1 SaaS based solution

- With 23,000 cities and counties the addressable market US\$100million+
- Pilot trials starting at end of H2

# Growth in US – Building to at least \$1m of ARR in each state

\$3.7m contracted

c70% of contract value is ARR



**\$1.4m expansion contract with the State of California over four years** - secured in partnership with Rizing

Expansion in California and transportation (Building ARR)



**New Five-year contract with University of Maryland CATT Labs** - initial value over the five years of \$0.6m

Win in Maryland (Building ARR)



First contract with the State of Arkansas with a seven-year contract for **NG9-1-1** \$1.2m contract over the period.

**Eighth** US State to select the solution.

8/8 competitive wins for NG 9-1-1 proving our credentials (Building ARR)



Framework contract with the **Eastern Transportation Coalition** – estimated **\$15m** over eight years. Initial deal with **Massachusetts** of **\$0.4m (\$0.8m inc. option)**

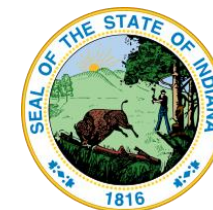
Ability to sell our tech to transport dept. in 18 states (Building ARR)

## Proving concept - services



**First contract with the State of New York**

Proof of Concept to understand the power of our technology



**First contract with the State of Indiana**

Proof of Concept to understand the power of our technology

# Growth with partners

## Engagement with existing partners

### GIS/Location – Technology and location data



### Major IT/MDM consulting partners



## Engagement with new partners

**RIZING**

IT Consulting specialising in SAP

**CGI**

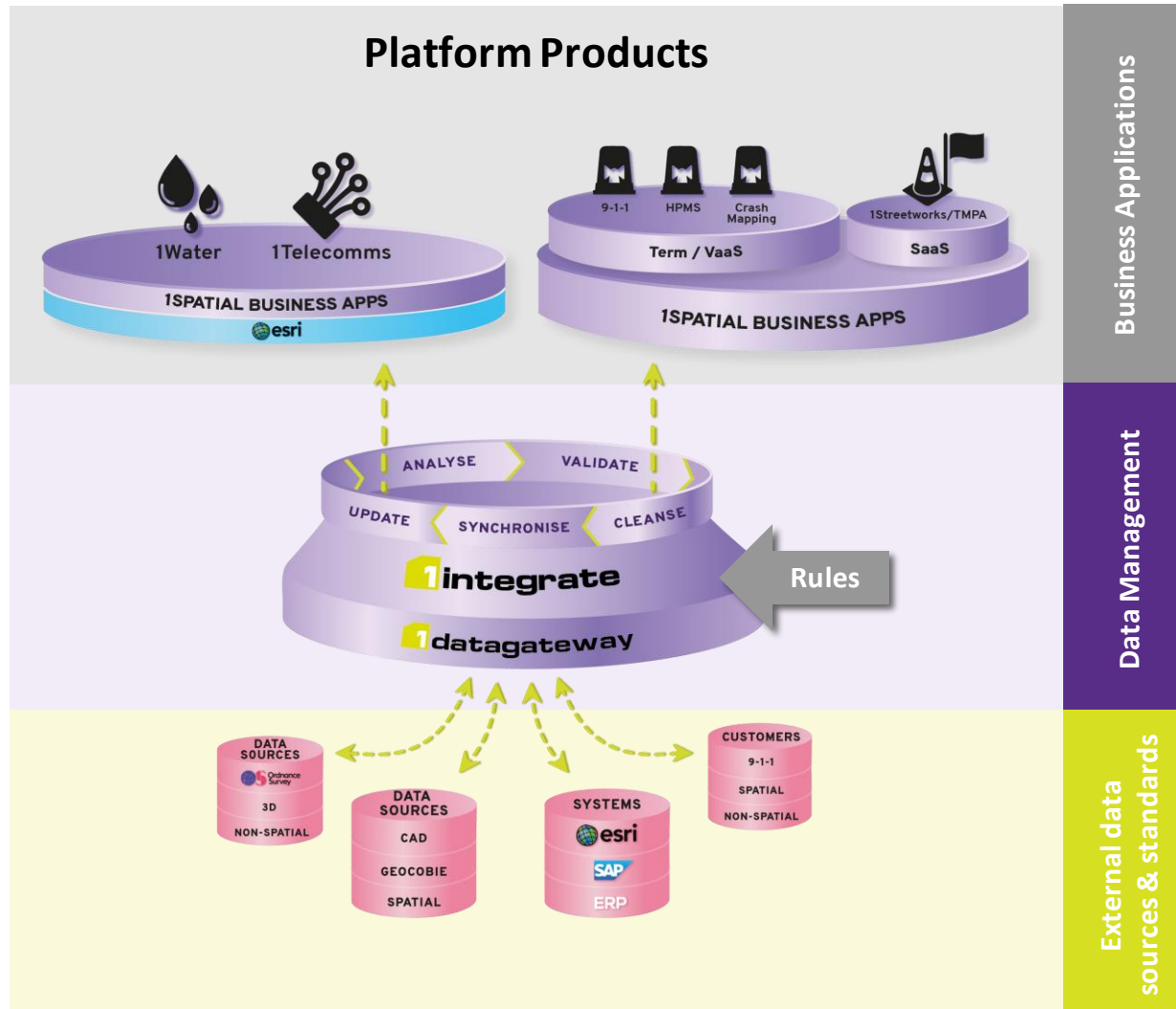
Global IT Consulting and Systems  
Integration

**Atos**

Global IT Consulting and Digital  
Solutions

1Spatial UK digital marketing campaign Oct/Nov

# Innovation: Our market leading platform and progress



## Benefits and Uniqueness of our Platform



### Data sharing/Collaboration

- Data/system Agnostic
- Enabler in the Ecosystem
- Create new data sets from existing data



### Automated approach to data validation

- Consistent, accurate data which is up to date
- Process huge quantities of complex data at speed including 3D data
- Self service validation



### Drives Efficiencies

- Save time and money
  - Automation
  - Self-service portal
  - Create new data sets out of existing data

# Innovation – SaaS solutions

*Using our unique technology to power scalable solutions*

- Investment in our cloud platform ready for the launch of **multi-tenancy cloud-based solutions** at the end of H2 to increase addressable market
  - **NG911** in USA for cities and counties
  - **Traffic Management Plans** in UK
- **Traffic Management Plans in UK**
  - **First solution in the market** to fully automate the production of traffic management plans in the UK
  - Ensures **compliance** with rules, saves **time, money** (including fines) and addresses workforce **resource** and **skills** issues
  - **£250m** market opportunity in low speed roads (currently costing at least £500m to do this ‘manually’)
  - Starting field trials with major traffic management provider in **October 2022** and showcasing at Highways UK event in November 2022
  - **Pure SaaS** - No Services revenue, quick to access, one platform to maintain, Gross margin **80-90%**

Inventory of Equipment			
Symbol	Equipment Type	Qty	Equipment Type
	Pedestrians Left Ref: 7018	1	Cone
	Pedestrians Right Ref: 7018	1	Traffic Barrier
	Roadworks Ref: 7001	4	Pedestrian Barrier
	Narrower Left Ref: 517		
	Narrower Right Ref: 517		
	Traffic Signals Ref: 643		
	Work AHEAD Ref: 7011		
	Keep Left Ref: 610		
	End Ref: 645		
	Single File Ref: 618		

Plan name:	Ravensthorpe Network Installation
Reference:	raven-1234
Plan location:	Ravensthorpe, Peterborough
Statutory undertaker:	UTILITIES BOREALIS LIMITED
SWA Code:	UT-1234

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SWA Code:	UT-1234

Plan auto-created:	13 Oct 2021, 08:43:57
Created by:	Admin
This copy generated:	13 Oct 2021, 08:49:28

Note:  
This traffic management plan is for some planned works by Utilities Borealis to replace a valve. This work is part of a 5-year routine maintenance schedule for the mains in this area.

Produced using:

This plan is to be used only for the purpose for which it is intended.  
Page 1 of 3  
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## H2 objectives & outlook



Launch initial SaaS offerings at the end of H2, to increase our addressable market



Increase sales and marketing capacity in US to capture the opportunity



Expand our partnership strategy in all key geographies



Grow recurring revenue, EBITDA margins and increase cash conversion over the long-term

- Solid H1 performance, with significant **new wins** in key geographies providing **confidence for future growth**
- Positive future given **market landscape** and increasing levels of **ARR and committed revenue**
- Board is confident in delivering **FY 2023 results in line** with management expectations



# Transformational growth opportunity for 1Spatial



**Customer and partner credibility**



**Significantly growing market**



**Market leading software platform**

# Q&A

# APPENDIX



# Why we are needed



- **No register** of all the pipes and cables
- Fatalities and cost to UK economy **£1.2bn p.a.**
- UK Gov. creating register – **National Underground Asset Register**
- **650+ asset providers** (utilities, local authorities)
- **Contract WIN** for 1Spatial software platform for £6.5m
  - Sharing data
  - Different systems
  - Formats
  - Data quality
  - Update
- **Replicable** across other infrastructure projects and geographies

# Evidence of our winning strategy: US NG-911

Next Generation 9-1-1 (NG911) - Accurate data for emergency services to improve response times



Map showing overlap in PSAP data

## Problem we are solving

- Ensuring compliance with NENA standards in the USA for NG911 which includes accuracy of data (Spatial and non-spatial)
- Ensuring mirror image of data held by the State and the counties, cities and **Public Safety Answering points (PSAPS)**
- Critical **spatial data** issues include boundary **overlaps** between Public Safety Answering points
- 1Spatial solution – Validates data for accuracy and compliance with standards. Data needs to be validated regularly to check for changes.

## Evidence we are winning

- Won 8 NG911 State Tenders in the last 24 months with a pipeline of future deals
- We are gaining significant credibility in this space with our NG911 Business Application
- US\$500 million funding for Next Generation 911 projects

# Demand for up-to-date location data has never been greater

## Organisations are using location data to make better decisions

Saving time and money, addressing the green agenda, and ultimately, saving lives...



Plan for electric vehicles and other green energy sources



Maintaining the nation's flood defences



Improving response times for emergency services

# Our Growth Engines

## Journey to more multi-tenancy SaaS based revenues

### Data Management

**Targeting:** Large, complex digital transformation opportunities

**E.g. National maps of for environmental planning and public services**

- Multi-million £ deals, multi-year, longer sales cycle, often services intensive
- Increasingly providing us with credibility in the market
- Targeted via Partners – we are the key enabler/ingredient
- Increasing interest with increased number of tenders and approx. 80% success rate

### Business Apps

**Targeting:** High value, sector specific business problems

**E.g. 1Water, 1Telecomm, Next Generation 9-1-1 (NG911) Traffic Management Plan Automation**

- Average license/deal size in excess of £100k ARR, shorter sales cycles and implementation services
- Where we have sector knowledge and/or repeatable rules e.g. NG911
- Targeted mainly direct
- **“Validation as a Service”** with zero services

# Environmental, Social and Governance (ESG)

## Environmental



- Electric car charging points in some of our office car park.
- Paris (France) and Vienna (US) offices are energy efficient “green” buildings
- Recycling initiatives across our offices
- Source recycled stationary and other office supplies
- Our website is climate neutral, with a fully traceable offsetting scheme
- Donations to various charities including MapAction, the Woodland Trust and Earth Day.
- We are certified to ISO 14001:2015 (UK)
- Established environmental committee to support our environmental objectives.

## Social



- Donations to charities including DEC in support of the Ukraine crisis, the Cambridge Rape Crisis Centre
- Mental health and wellbeing workshops and activities; Various ‘Get Active’ challenges
- We promote equality and diversity in the workplace
- Ongoing celebrations for International Women’s Day, Mental Health Awareness Week, World Food Day, Thanksgiving, Diwali and more.
- Flexible working for staff, including enhanced maternity and paternity leave; Menopause support for women
- Established social and community committees to facilitate various activities and events

## Governance



- Certified to Cyber Essentials Plus (UK)
- We are working towards ISO 27001:2013 certification (UK)
- ISO 9001:2015 certified (US/ UK)
- Adherence to the Code for Corporate Governance for Small and Mid-Sized Quoted Companies (QCA)
- We have an established governance committee to support our environmental objectives.



# Board of Directors

## Claire Milverton – Chief Executive Officer

Claire has been CEO of 1Spatial since January 2017 having previously been the CFO. Claire is passionate about leading and working collaboratively; making the best of her team's skills to create a great organisation and a positive culture - extending this approach to all other stakeholders including customers and partners. Having worked in finance, Claire is no stranger to issues in relation to poor quality data and recognises the importance of getting an excellent return on the data investment. She is a great believer in good data governance and building innovative solutions that can then capitalise on the high-quality data underpinning the solution. Claire has had a significant number of years in the technology sector from both her time working within 1Spatial and through her experience at PwC where she was a technology specialist. Claire is a qualified Chartered Accountant.

## Andrew Fabian – Chief Financial Officer

Andrew joined the Board as Interim Chief Financial Officer in June 2020 and transitioned into CFO in October 2020. Andrew was previously Group Finance Director of StatPro Group plc, a leading provider of cloud-based portfolio analysis software solutions, until its recent successful acquisition by Confluence Technologies, Inc. in 2019. Through his time at StatPro, Andrew experienced the transformation from an on-premise offering to a cloud platform, overseeing the expansion of the business both organically and through acquisition in the UK and internationally, and delivering a significant increase in shareholder value. Prior to joining StatPro, Andrew held senior financial roles at William Baird plc, De La Rue plc and Deloitte. Andrew is a Fellow of both the ICAEW and the Association of Corporate Treasurers. In 2012, Andrew was awarded a ranking in the 'Hot 20 FDs' in the TMT sector by BDO LLP and was a winner at the Finance Monthly CFO Awards in 2017.

## Andrew Roberts – Non-Executive Chairman

Andrew joined the Board in September 2016 and was Executive Chairman from 30 December 2016 until 31 January 2018 when he became Non-Executive Chairman. Andrew brings significant experience to 1Spatial from both a technology and equity capital markets perspective. Andrew led The Innovation Group plc from 2009 until its sale to Carlyle Group in 2016 for £500 million. Previously Chairman of Kewill plc, a leading international supply chain software business, Non-Executive Director and Chairman of Civica, a leading UK IT services business and Non-Executive Chairman of Vega Group plc until its sale in 2008 to Finmeccanica SPA for £61 million. Andrew started his career at ICL and then led the management team that turned-around private-equity owned Data Sciences (then a leading BPO business), which was sold to IBM in 1996.

## Francis Small – Non-Executive Director

Francis joined the Board in August 2017 as a Non-Executive Director. Francis brings significant experience from his financial services background, having been at Ernst & Young from 1979 to 2015 where he held key positions, including as London and then UK head of corporate finance, global vice chair and then managing partner of UK & Europe transaction advisory services, global leader of sovereign wealth funds (based in the Middle East) and ultimately senior partner for international clients. Francis graduated from Cambridge University with a degree in law, is a chartered accountant and a fellow of the ICAEW

## Peter Massey – Non-Executive Director

Peter joined the Board in July 2018 as a Non-Executive Director. Peter brings significant industry expertise and strategic insight to the Board in the key focus areas of Government, Utility and Transport which he has developed through his long career driving business growth within these industries. Peter has held a number of Senior Executive positions during his career including at Space Time Insight Inc., National Grid plc, Transco plc and British Gas plc.

In Peter's current roles as Business Development Director at On Device Solutions Limited and Founder and Managing Director at Upcurve Limited, he helps organisations enhance business performance and growth. Peter is a Chartered Engineer and graduated from the University of Salford with a BSc (Hons) in Natural Gas Engineering.

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