



Interim Results HY 2024

Claire Milverton – CEO
Stuart Ritchie – CFO



Agenda



Claire Milverton
CEO



Stuart Richie
CFO

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The 1Spatial Journey



1Spatial plc: Overview

Existing enterprise business
Provides expertise, reputation and financial resources

Leaders in location data management

- Market-leading software platform for **Location Master Data Management (LMDM)**
- Helping our customers to make critical decisions from **Location** data
- Over 1,000 customers and industry leading partners globally

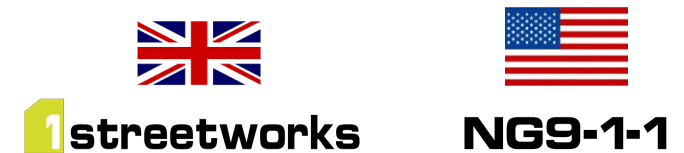


Growing recurring revenues and increasing geographical spread

H1 FY24
 Revenue splits



Two new high margin SaaS solutions



£400m+ ARR opportunity
\$350m+ ARR opportunity

- Pure SaaS: 80% - 90% gross margins
- 'Light' version of our solutions
- Available at a lower price point, via the cloud
- Considerably expanding our addressable market
- Approx. £5m investment to date

A successful H1 - Growing ARR & launch of SaaS solutions

Strong sales execution and contract delivery

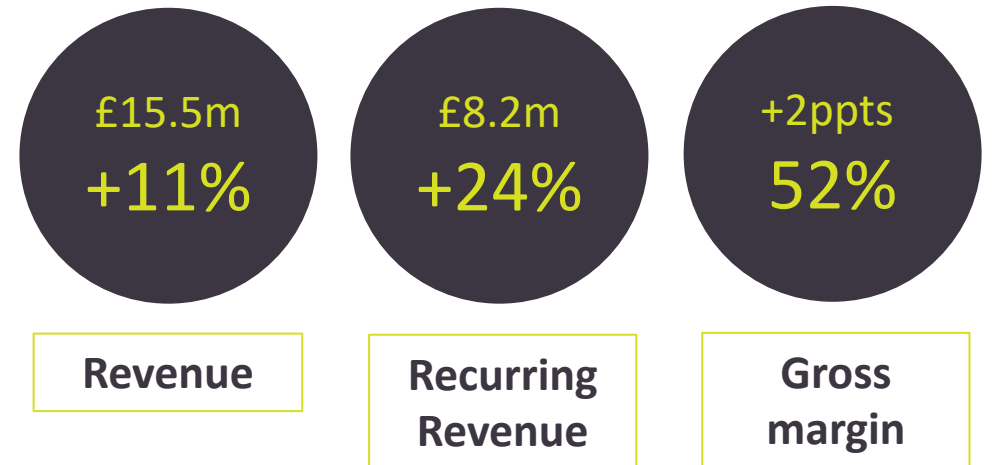
Enterprise business

- Good level of **new customer contracts** signed e.g. the State of Oregon, Yorkshire Water (UK) and Hunter Water (Aus) and first 1Integrate win in Australia
- **Delivered on the milestones of contracts** signed in previous years and **expanded** with many, e.g. Google, Ordnance Survey, CalTrans, major European Aerospace company
- **£1m** of annualised costs removed, primarily from Europe

SaaS solutions

- First **SaaS solutions successfully** launched and revenue generating
- 5 contracts in the US for NG9-1-1 and 5 paid trials in UK for 1Streetworks
- In final stages of contracting for **significant 1Streetworks licence**

Growing recurring revenue & margin expansion



Financial Review HY24



Financial Review – HY24



Stuart Ritchie
CFO

- Increased **investment in technology & sales execution** delivering returns
 - ARR is growing (10%)
 - Within that, Term license ARR growing the fastest (27%)
 - Gross margin improving (52% from 50%)
- Streamlined cost base will drive **operational leverage**
- High level of **renewals** due in H2 and **healthy pipeline** driving expected improvement in H2 cash performance
- Final stages of agreeing our first **1Streetworks annual licence** for a major utility
- **Confident in delivery of FY24 market forecasts**

HY24

Financial Highlights

Income statement

Summarised trading performance

- ▶ Significant increase in **recurring revenue** due to contract wins in UK and US. Recurring 53% (HY23: 47%) of Group revenues
- ▶ **Adjusted EBITDA*** margin **11%** (FY23: 14%)
Margin reflects investment in sales to support growth opportunity, near term inflationary increases and adverse FX movements of £0.3m. £1m of annualised costs removed in Europe which will be reflected in future periods
- ▶ **Operating profit of £0.1m excluding restructuring costs** compared to a profit of £0.4m in the prior year

Summarised P&L (£000)	H1 FY24	H1 FY23	Variance (%)
Recurring revenue	8,188	6,625	24%
Non-recurring revenue	7,349	7,403	(1%)
Revenue	15,537	14,028	11%
Recurring revenue %	53%	47%	6%
Gross Profit	8,041	6,950	16%
Gross Profit %	52%	50%	2%
Adjusted EBITDA*	1,686	2,017	(16%)
Adjusted EBITDA* %	11%	14%	(3%)
Less: depreciation and amortisation	(1,600)	(1,511)	(6%)
Less: share-based payment charge	(14)	(145)	90%
Less: restructuring costs	(390)	-	-
Operating (loss)/profit	(318)	361	-

HY24

Financial Highlights

Cash Flow

- ▶ **Cash generated from operations** of £0.7m (FY23: £1.3m) – reflecting planned investment in sales resource and inflationary increases
- ▶ Increased **investment in R&D and software** to **£2.6m** (FY23: £1.6m) driven by SaaS solutions (£0.6m) and developments with major partners (£0.4m) with pre-defined future opportunities
- ▶ **Exceptional costs** relate to group restructuring and are non-recurring
- ▶ **Banking facilities** in place - **£3m RCF**, secured to June 2025 providing sufficient headroom. £1.1m drawn at 31 July 2023 (31 July 2022: £nil) – planning to repay in Q4 FY24
- ▶ **Net cash** at 31 July 2023 of **£0.5m** (H1 FY23: £2.3m)

Free Cash Flow (£000)*	H1 FY24	H1 FY23
Cash generated from operations	683	1,343
Net interest paid	(138)	(75)
Net tax paid	(59)	(26)
Expenditure on software, product development and intellectual property capitalised	(2,565)	(1,563)
Purchase of property, plant and equipment	(35)	(104)
Lease payments	(384)	(454)
Free cash flow* excluding non-recurring items	(2,498)	(879)
Less: non-recurring items	(516)	-
Free cash flow*	(3,014)	(879)

*Free cash flow is defined as net increase/(decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue. But excludes lease liabilities.

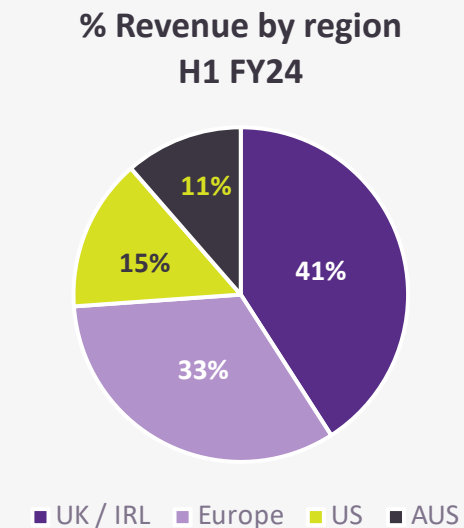
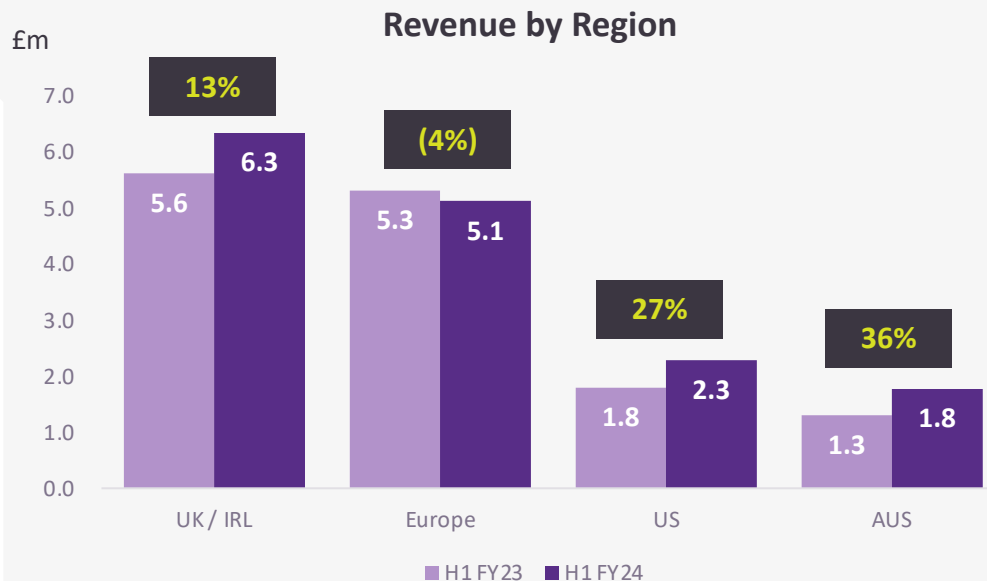
HY24

Financial Highlights

Regional Revenue

Highest revenue growth rates in US and Australia

- ▶ **Australia** revenue fastest **growth rate** of **+36%** including first sales of 1Integrate term licences
- ▶ Double-digit growth of **+27%** in **US**
- ▶ **Europe** revenue lower due to decrease in perpetual licence revenue compared to last year. H2 focus on closing larger term licence deals

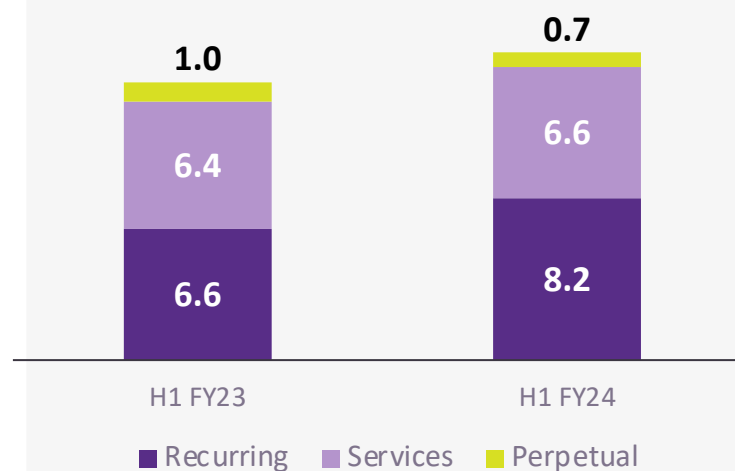


Positive impact from recurring revenue* growth

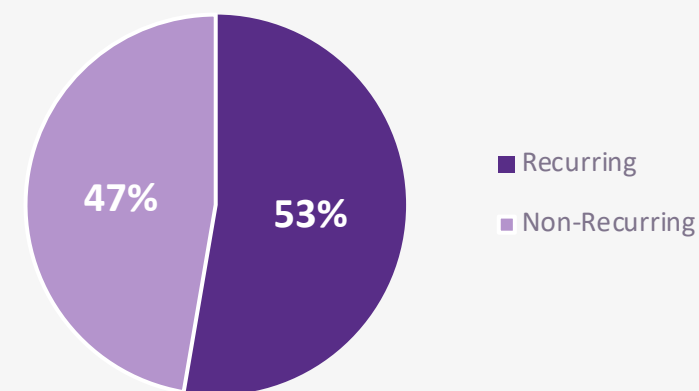
Focus on increased recurring revenue* growth resulting in improved EBITDA performance:

- Total revenue up 11% to £15.5m (£14.0m)
- Recurring revenue* up 24% to £8.2m (£6.6m)
- Recurring term licence revenue up over 100% to £3.4m (£1.7m)
- Recurring revenue* now 53% of total revenue (47%)

Revenue by type (£m)



Recurring Revenue*

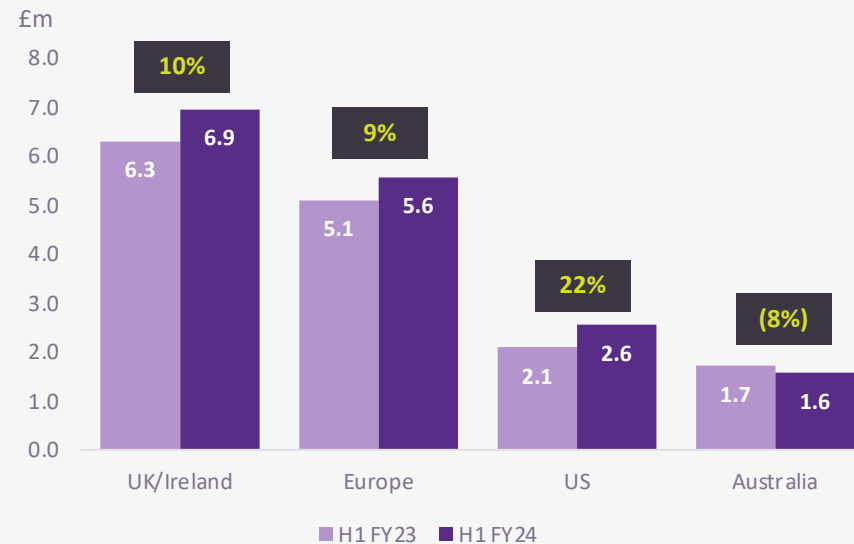


Continued growth in Annualised Recurring Revenue*

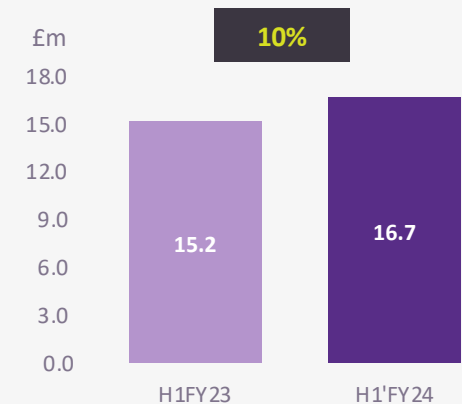
Double-digit ARR growth across all regions with a significant increase in US:

- ▶ Total ARR up 10% to £16.7m (£15.2m)
- ▶ Term licence ARR up 27% to £6.6m following focus on recurring licence growth
- ▶ US ARR up 22% to £2.6m (£2.1m)
- ▶ Maintained Renewal Rate of 94%

ARR Growth by Region



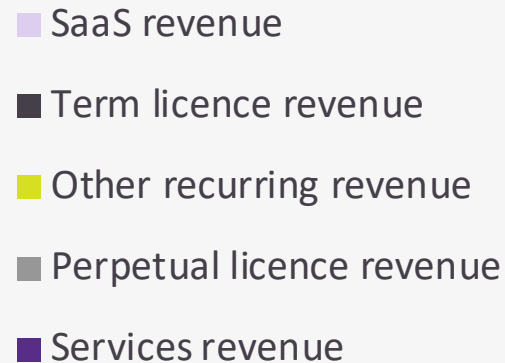
ARR Growth



* Annualised Recurring Revenue ("ARR") is the annualised value at the year-end of committed recurring contracts for licences and support and maintenance

Continued progress on the evolution of our business model

- ▶ Focus is on transitioning towards a full **SaaS cloud-based revenue model** with new customer deals signed across our territories
- ▶ 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



Areas of focus and opportunities



Multiple avenues for growth



LMDM

The Core - The heart of 1Spatial and our competitive advantage



1Streetworks

Near-term transformational growth opportunity in UK



NG9-1-1
SaaS

Considerably expanding our US opportunity

1 integrate 1 datagateway

Government

Utilities

Transport



Location data management

Our core & competitive advantage

The Opportunity

Known as market leaders in enterprise projects where location data is key

Our software automates the process of bringing together data from different sources and then **maintaining that data for the long term** for use in customers expert systems/digital twins/AI systems

Underpinning National Assets in projects such as NUAR and State of Michigan

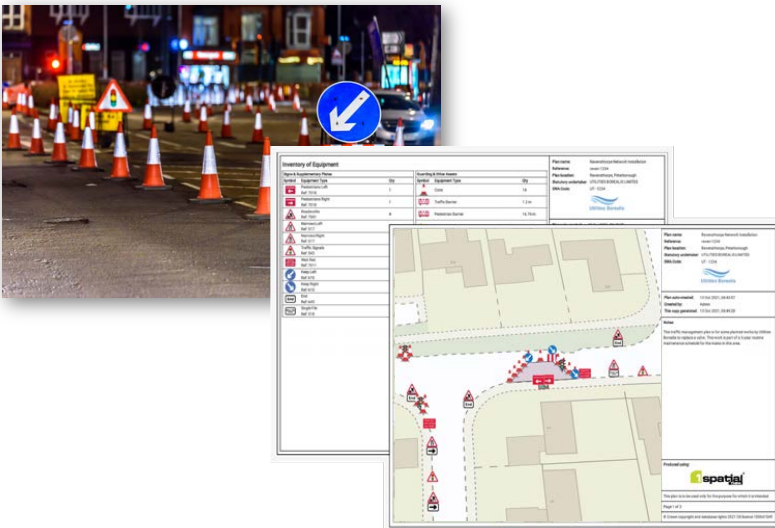
- All existing customers have significant expansion opportunities
- Targeting **10 - 15%** growth in UK & Europe
- Targeting **20 - 30%** growth in US at State level - each state \$1m ARR opportunity
- Importantly on an ongoing basis, provides us with the **credibility, insight and capital** to launch **additional SaaS solutions**



£400m+
ARR opportunity

SaaS solutions

Transformational opportunity



The Opportunity

First solution in the market to fully automate the production of traffic management plans – significantly reducing time and costs

Currently over 2.5m* roadworks a year on low-speed roads alone, estimated to increase to 4m in response to the **electrification of the UK**, to support drive to net zero, and the roll out of **new telecoms fibre**, giving addressable market of **over £400m ARR**

- Pure SaaS solutions - no Services, quick to access, one platform to maintain
- Gross margin **80%**
- Target **25% - 30% market share**
- **5 trials underway**, all well received and ongoing
- First **significant annual licence** in final contracting discussions



SaaS solutions

A well-qualified and growing pipeline

"It is easy to use and simple to uptake in the business" Trial No. 2

	Local Authorities	Utilities	Traffic Management companies	Maintenance companies
No. of Trials	1	3	1	-
Pipeline	11	7	5	9

- 5 trials under way with over 30 in early pipeline discussions
- Focus has been on **securing our first significant annual licence** –providing us with clear ROI that we can demonstrate to future customers
- Now **growing the pipeline** across each of the verticals
- Each deal has potential to be between **£100k to £3m ARR, with potential for expansion**

SaaS solutions

Transformational opportunity



NG9-1-1



\$350m+
ARR opportunity

The Opportunity

Pushing out our NG9-1-1 (Emergency Services) enterprise offering to the cloud – enabling counties and cities to cleanse their data, ensuring compliance with NENA standards and to ensure accuracy of location data for NG9-1-1 call routing

Addressable market of **over \$350m ARR** (23,000 cities and counties)

US\$500 million funding for Next Generation 911 projects

- Pure SaaS solutions - no Services, quick to access, one platform to maintain
- Gross margin of **80-90%**
- Target of **10-15% market share**
- 5 contracts secured within 4 months of product launch – rapid adoption
- Augmenting the offering with Esri integration – will drive adoption (to be released in Q4)

At an inflexion point



Innovative product suite opens up considerable new TAM
Underpinning compelling annual growth rates in the medium term

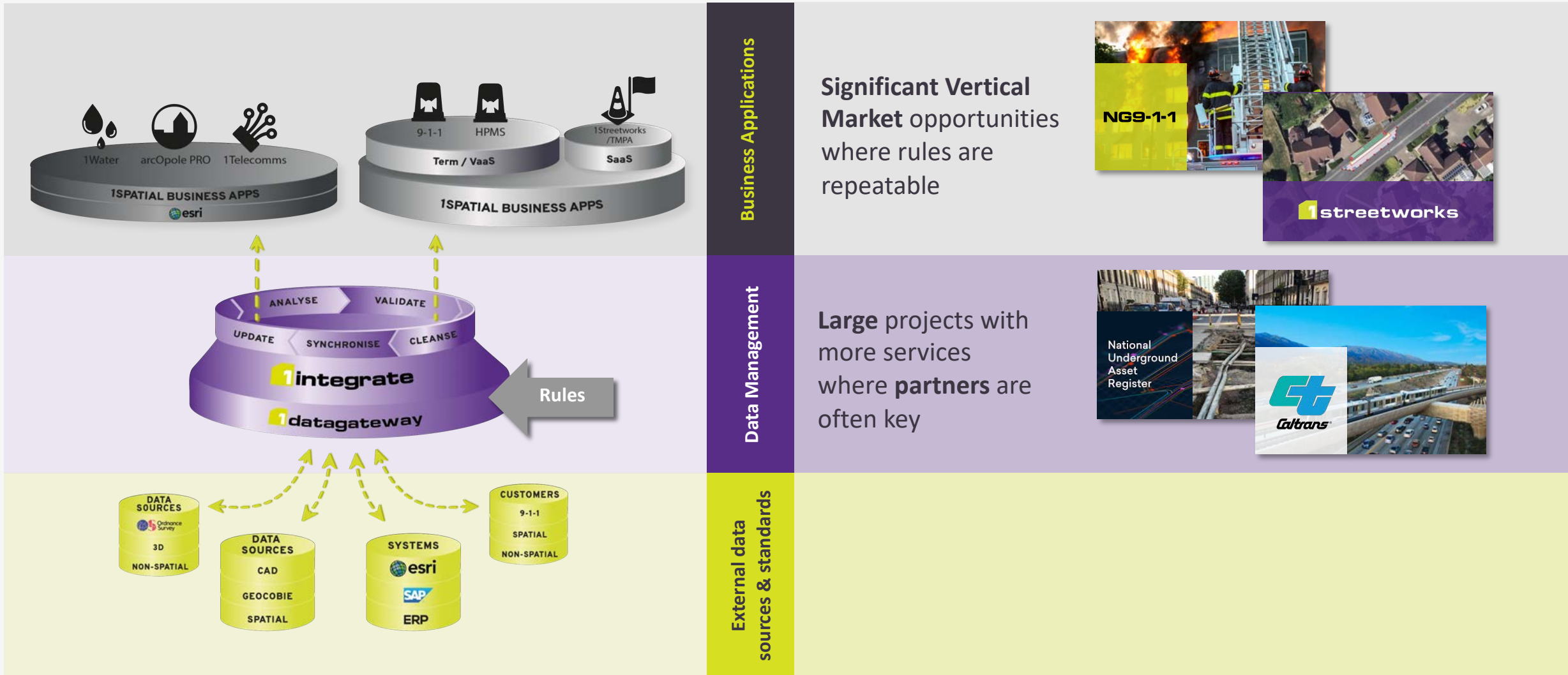
Q&A



Appendix



Our market-leading platform

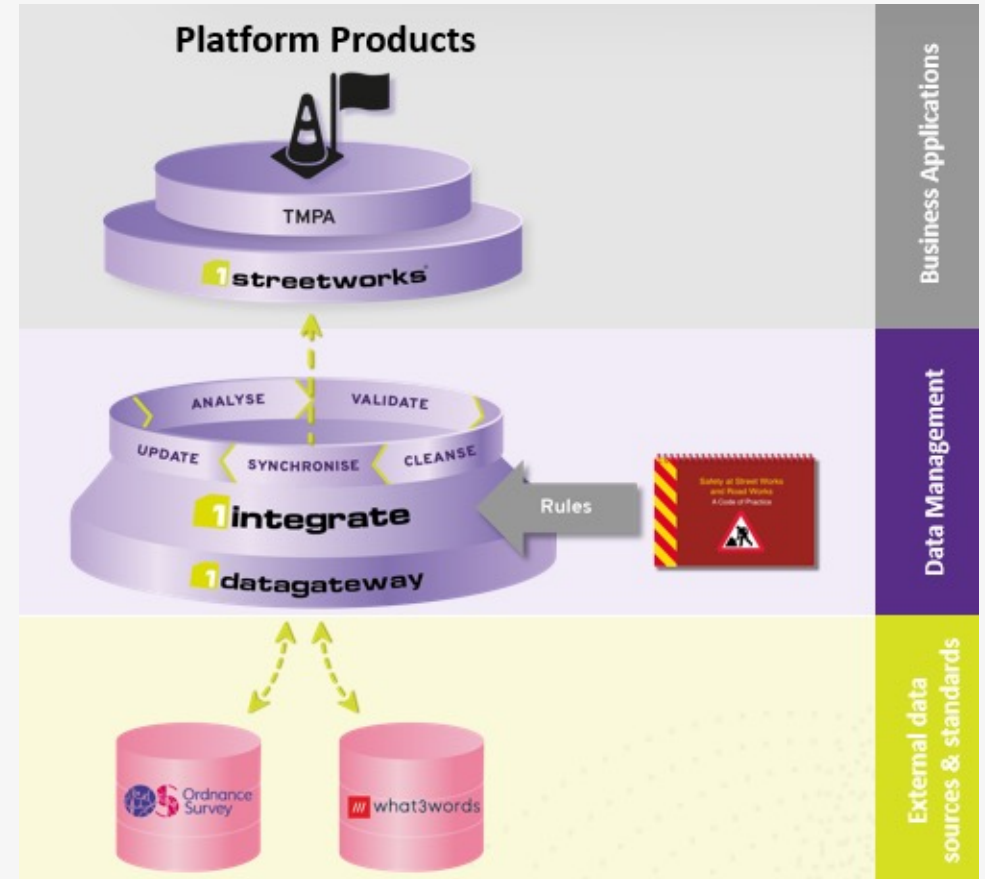


SaaS Solutions – transformational potential

1streetworks Traffic Management Plan Automation



Leveraging our rules engine, in the cloud





Innovation

Continue to leverage our core capability to drive more SaaS solutions



- Continue to invest in core business and our **world class platform** 1Integrate and 1Data Gateway including the incorporation of AI
- Identifying **new target markets** with large addressable markets for SaaS solutions
 - Already identified SaaS solutions: **1Streetworks** in Canada, **high speed roads** in the UK and other **rules-based data-cleansing apps**

Growth with partners



New partner engagement in the year

RIZING

Four-year Caltrans contract

CGI

Strategic Framework Five-year Home office contract

Atos

Horizons programme

“Working with 1Spatial to develop the National Underground Asset Register is a truly exciting and transformative project for the infrastructure sector.”

Guy Ledger, Digital Director, Atkins

Growth strategy underpinned by 1Team



Our People - the lifeblood of 1Spatial – delivering confidence in everything we do

Key focus on talent development, diversity and inclusion, employee experience and community impact



Newsweek's Top 100 Most Loved Workplace® (UK)- backed by Best Practice Institute (BPI) research and analysis

Key findings from our employee engagement survey:

- 82.3% are happy with their line manager relationship;
- 74.2% consider at least one colleague a friend;
- 84.2% feel respected and trusted by their line manager and peers;
- 70% agree that they are regularly updated with relevant 1Spatial news

ESG – Our strategy is based on 4 pillars:

Planet

People

Practices

Product

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

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.



Stuart Ritchie – Chief Financial Officer

Stuart joined the Board as Chief Financial Officer in December 2022. He is an experienced finance director with a strong background in publicly quoted international technology companies. Most recently Stuart was Group CFO at Fusion Global Limited, a provider of SaaS-based workflow software that generated £30m in annual revenue across its US, UK and continental European operations. His previous roles include Global Head of Accounting and external reporting at Zeal Network SE, a Frankfurt-listed eCommerce group. Stuart is a fellow of the Institute of Chartered Accountants, qualifying with EY.



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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