



17 July 2023

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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

Disposal of Anders + Kern and change of registered office address

SmartSpace Software Plc, (AIM:SMRT) the leading provider of 'Integrated Space Management Software' for smart buildings and commercial spaces, is pleased to announce that it has completed the sales of the freehold asset and the business of Anders + Kern U.K. Limited (A&K).

The Company will receive aggregate cash consideration of £1.38m and is now purely SaaS focussed with a strengthened working capital position that can be utilised to fund growth.

Terms of the sale

The sale was effected through an initial asset disposal of the Group's freehold building in Mildenhall to Oaktree Associated Holdings Limited, along with a subsequent disposal of the remaining business of A&K as a share sale to Aukett Swanke Group PLC (ASG).

The freehold building was unmortgaged at the time of the sale and was carried on the Group's balance sheet at an asset value of £0.66m as at 31 January 2023, with no associated revenues or profits. Gross disposal proceeds from the sale of the building totalled £0.86m in cash which was received on completion.

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 £0.52m, payable in cash following completion which occurred on Friday 14 July 2023. The consideration is subject to a working capital adjustment that is expected to be minimal with an absolute cap of the total consideration of £0.56m. A&K was the Group's distributor of smart workplace solutions employing 7 people. Its revenues for the year ended 31 January 2023 were £2.09m and the loss before tax in that period was £0.17m. The net assets disposed of to ASG are estimated to be £0.25m including £0.11m of cash. The sale and purchase agreement contains warranties and indemnities by the Company usual for a transaction of this nature.

As a result, A&K has become a wholly owned subsidiary of ASG, an AIM-quoted business providing Smart Buildings, Architectural and Design Services. The A&K team will be retained by ASG and continue to trade under the A&K brand targeting customers in the UK.

Total gross proceeds from the transactions will be received in cash and amount to £1.38m exclusive of costs of circa £0.1m and cash disposed of £0.11m. The funds will be used to strengthen the working capital of the Group.

As a result of this disposal the Group's headquarters and registered office have been relocated to 4 Fordham House Court, Fordham House Estate, Fordham, Cambridgeshire CB7 5LL.

Commenting on the transaction, Frank Beechinor, CEO of SmartSpace, said:

“Earlier this year we made it clear that, because of its focus on hardware sales in the UK market, A&K did not fit with the Group strategy of building an international SaaS software business. As a result, the decision was made to find a new home for the business.

We are delighted to have reached an agreement with Aukett Swanke, an AIM listed business. A&K will be a cornerstone in ASG’s strategy to build smart workplace technology solution business in the UK. SMRT will continue to work closely with A&K as they will continue to offer SMRT software products to their UK customers.

With hardware no longer part of the Group revenues we will generate gross margins more in keeping with those of a high growth SaaS business, and management will apply their energies solely on growing the software business. The funds from this transaction will be used to strengthen Group’s balance sheet allowing us to find opportunities to accelerate growth of our software business.

I would like to take this opportunity thank the team at A&K team for their contribution during their time with SMRT and to wish them well for their future as part of ASG.”

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About SmartSpace Software PLC

SmartSpace Software plc is a fast growing SaaS-based technology business, designing and building smart software solutions. The Company's software solutions help transform employee engagement with modules which include visitor management, desk management, meeting room management and analytics.

The operating brands of the business comprise of:

- SwipedOn – SaaS visitor management, desk booking (www.SwipedOn.com)
- Space Connect – SaaS meeting room and desk booking (www.spaceconnect.co)

For more information go to: www.smartspaceplc.com

About Aukett Swanke

Aukett Swanke Group has a strong foundation in architectural services and is on a transformative journey to become a London-listed provider of Smart Buildings and related services. ASG are uniquely positioned to ensure the technical systems that run modern premises are designed as an integral part of the structure, from the outset.