

23 April 2020

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" or the "Company" or the "Group")
Covid-19 & Trading update

SmartSpace Software plc, (AIM:SMRT) the leading provider of 'Integrated Space Management Software' for smart buildings, commercial spaces and hospitality, today updates the market on the likely impact of Covid-19 and the measures it has taken in response to the pandemic.

Covid-19 Response

The primary concern of the Board during this difficult time remains the health and safety of our employees, customers and stakeholders. Having considered the guidance set out by the Government, a range of measures have been put in place to protect them as well as mitigate the financial impact on the Group.

We have temporarily closed our offices in Luton, London, Bristol and Tauranga, New Zealand and, where possible, our staff are working from home.

To mitigate the financial impact of Covid-19, the Group has taken a number of steps across the business to reduce costs and preserve cash. These include a recruitment freeze, curtailment of all discretionary spend and the office closures referred to above. In addition, the Group has taken advantage of the Coronavirus Job Retention Scheme under which we have so far furloughed 11 staff.

SwipedOn may also be able take advantage of some of the funding initiatives from the New Zealand Government, which come in the form of one-off grants to help offset the impact of Covid-19.

Trading update

Our enterprise software division has a small number of large multi-national customers and has seen no significant impact on its activities so far. The focus for this year is built on completing the projects currently in progress, together with expansion from existing customers with a limited dependency on new customers. In a previous announcement we indicated that we would significantly reduce our headcount costs. This plan was executed just before the Covid-19 lockdown came into effect resulting in a significant reduction in fixed overheads in this part of our business.

At Space Connect, we announced a significant new revenue opportunity for the Group created through the launch of Evoko's next generation of meeting room panel. This product was showcased to Evoko's partners at the ISE show in February 2020. We have factored in a delay in the shipping of Naso into our planning due to the impact of Covid-19 on businesses.

At Anders & Kern, our supplier of specialist AV equipment, we have seen a material reduction in order intake as offices and other business premises have closed and social distancing measures mean order fulfilment and onsite implementations are not possible. As a result, we have closed our Mildenhall

premises four days per week and 11 out of 14 staff have been furloughed under the Coronavirus Job Retention Scheme.

Finally, at SwipedOn, new customer wins have slowed, but not stopped. Our customer churn has slightly increased as a result of the pandemic, but this has manifested itself in most of these customers pausing, rather than terminating contracts. We continue to enjoy a high degree of revenue visibility and, to date, the impact on Annual Recurring Revenue has been marginal. We have significantly reduced marketing expenditure and postponed any planned hiring of new staff to ensure the business is cash generative through the pandemic. We recently added visitor screening functionality in SwipedOn to help our customers manage Covid-19. SwipedOn will also have the ability to provide clients with comprehensive data on visitors, help them enforce social distancing and provide contactless check-in assisting companies to effectively manage their workplaces in a post-lockdown world.

Corporate update

The Company had cash of £1.9m as at 20 April 2020.

Guidance

There is unprecedented uncertainty around the impact of Covid-19 on the global economy. Whilst we enjoy a degree of revenue visibility it is not possible to assess the impact it will have on the Group's financial performance for the current financial year and as such, the Group is withdrawing its previous guidance for the year ending 31 January 2021.

Enquiries

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About SmartSpace Software Plc

SmartSpace Software plc is a SaaS-based technology business, designing and building smart software solutions. The Company's software solutions in workspace and hospitality help transform employee and customer engagement with modules which include desk management, meeting room management, wayfinding, car parking, visitor management, frictionless vending, ticketing, loyalty management and analytics.

For more information go to: www.smartspaceplc.com