

14 September 2023

This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Location Sciences Group PLC **("Location Sciences" or the "Company" or the "Group")**

Interim Results for the six months ended 30 June 2023

Location Sciences (AIM: LSAI), the leading location data insight and verification company, announces its interim results for the six months ended 30 June 2023.

CHAIRMAN'S REPORT FOR THE PERIOD ENDED 30 JUNE 2023

Introduction

The most significant development for Location Sciences during the period was the announcement in June this year that the Company had entered exclusive non-binding heads of terms regarding a potential acquisition of the entire issued share capital of Sorted Holdings Limited ("Sorted") for a nominal consideration of £1.00 (the "Proposed Acquisition"). The Location Sciences team is working hard to complete the proposed acquisition and expects this to occur during the final quarter of the year.

Sorted is a provider of delivery experience software which serves leading ecommerce retailers - from large, global enterprises to smaller, independent start-ups. The Sorted delivery platform has three core propositions:

- Ship - carriage management, carriage allocation and ecommerce checkout optimisation.
- Track - post-purchase parcel tracking and customer communications; and
- Return - refunds and exchanges management.

Contemporaneous with signing the heads of terms regarding the Proposed Acquisition, the Company also entered into a secured convertible bridge loan agreement with Sorted to lend it up to £2.6 million. As at 30 June 2023, £600,000 of this loan had been drawn down by Sorted.

Trading performance

Unaudited revenues for the six months ended 30 June 2023 were £33,765, compared to underlying revenues of £46,408 in H1 2022, representing a decrease of 27%.

Administration expenses were £150,716 in H1 2023 compared to £489,552 in H1 2022. The decrease of 69% in administration expenses is mainly due to the impact of fee shares to the non-executive directors not being issued in the period. Cash costs have been reduced during the period, with overhead reductions being implemented by the Board.

The EBITDA loss for the six months to 30 June 2023 was £126,948, representing a decrease of 65% on the EBITDA loss in the six months to 30 June 2022 of £362,809.

Loss before tax for the six months to 30 June 2023 was £232,528, representing a decrease of 53% on the loss before tax in the six months to 30 June 2022 of £492,353.

Outlook

The Board is excited with the potential that the acquisition of Sorted should provide to Location Sciences and will update the Company's shareholders in due course.

Simon Wilkinson
Chairman

LOCATION SCIENCES GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Revenue	4	33,765	145,430	110,856
Cost of sales		(9,997)	(18,686)	(29,358)
Gross profit		23,768	126,743	81,498
Grant income		-	-	-
Other income		-	-	-
Administrative expenses		(150,716)	(489,552)	(723,149)
Amortisation and depreciation		(108,391)	(130,524)	(259,335)
Exceptional administrative expenses		-	-	42,040
Operating loss	4	(235,339)	(493,333)	(858,946)
Finance income		2,801	980	8,368
Finance expense		-	-	-
Loss before tax		(232,538)	(492,353)	(850,578)
Taxation		-	-	-
Loss for the financial year from continuing operations		(232,538)	(492,353)	(850,578)
Discontinued Operations				
Loss for the year from discontinued operations		-	-	92,357
Loss for the financial year		(232,528)	(492,353)	(758,221)
Earnings per share				
Loss per share - basic and diluted		(0.01p)	(0.02p)	(0.029p)

The above results were derived from continuing operations.

LOCATION SCIENCES GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Loss for the year	(232,538)	(492,353)	(758,221)
Foreign currency translation losses	-	-	-
Total comprehensive income for the year attributable to owners of the company	(232,538)	(492,353)	(758,221)

LOCATION SCIENCES GROUP PLC

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

Note	30 June 2023 Unaudited £	30 June 2022 Unaudited £	31 December 2022 Audited £
Non-current assets			
Intangible assets	26,282	406,967	134,674
Property, plant and equipment	-	-	-
	<u>26,282</u>	<u>406,967</u>	<u>134,674</u>
Current assets			
Trade and other receivables	168,085	259,564	228,072
Bridge loan - Sorted drawdown	600,000	-	-
Current tax asset	-	113,871	-
Cash and cash equivalents	3,498,243	4,227,685	4,125,571
	<u>4,266,328</u>	<u>4,601,120</u>	<u>4,353,643</u>
Current liabilities			
Trade and other payables	(194,695)	(202,088)	(157,864)
	<u>(194,695)</u>	<u>(202,088)</u>	<u>(157,864)</u>
Net current assets	<u>4,097,915</u>	<u>4,399,032</u>	<u>4,195,778</u>
Net assets	<u>4,097,915</u>	<u>4,805,999</u>	<u>4,330,453</u>
Capital and reserves			
Called up share capital	5 16,340,507	16,340,507	16,340,507
Share premium reserve	20,088,118	20,088,118	20,088,118
Merger relief reserve	11,605,556	11,605,556	11,605,556
Capital reserve	209,791	209,791	209,791
Other reserves	(9,225,108)	(9,225,108)	(9,225,108)
Equity Reserve	1,135,319	1,135,319	1,135,319
Retained earnings	(36,056,268)	(35,348,184)	(35,823,730)
Total equity	<u>4,097,915</u>	<u>4,805,999</u>	<u>4,330,453</u>

LOCATION SCIENCES GROUP PLC
**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY FOR THE PERIOD ENDED 30 JUNE
2023 EQUITY ATTRIBUTABLE TO THE
PARENT COMPANY**

	Share capital £	Share premium £	Merger relief reserve £	Capital reserve £	Reverse acquisition reserve £	Eq resi
At 1 January 2022	16,298,007	20,034,993	11,605,556	209,791	(9,225,108)	1,135
Loss for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Issue of shares	42,500	53,125	-	-	-	-
Share based payments	-	-	-	-	-	-
At 30 June 2022	<u>16,340,507</u>	<u>20,088,118</u>	<u>11,605,556</u>	<u>209,791</u>	<u>(9,225,108)</u>	<u>1,135</u>
At 1 January 2022	16,298,007	20,034,993	11,605,556	209,791	(9,225,108)	1,135,571
Loss in year	-	-	-	-	(758,221)	(758,221)
Other Comprehensive Income	-	-	-	-	(758,221)	(758,221)
Issues of shares	42,500	53,125	-	-	-	95,625
Warrants issued	-	-	-	-	-	-
Share based payments	-	-	-	-	(185,522)	(185,522)
At 31 December 2022	<u>16,340,507</u>	<u>20,088,118</u>	<u>11,605,556</u>	<u>209,791</u>	<u>(9,225,108)</u>	<u>1,135,319</u>

At 1 January 2022 16,298,007 20,034,993 11,605,556 209,791 (9,225,108) 1,135,571

At 1 January 2023	16,340,507	20,088,118	11,605,556	209,791	(9,225,108)	1,135,319	(35,823,730)	4,330,453
Loss for the period	-	-	-	-	-	-	(232,538)	(232,528)
Other comprehensive income	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
At 30 June 2023	16,340,507	20,088,118	11,605,556	209,791	(9,225,108)	1,135,319	(36,056,258)	4,097,915

LOCATION SCIENCES GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

Note	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Cash flows from operating activities			
Loss for the year from continuing activities	(232,538)	(492,353)	(850,758)
Loss for the year from discontinued activities	-	-	92,537
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	108,391	130,524	259,335
Impairment charge	-	-	143,482
Foreign exchange (gains) / losses	-	-	-
Finance income	(2,801)	(980)	(8,368)
Finance costs	-	-	-
Share based payment transactions	-	24,156	(185,522)
Income tax expense	-	-	-
Up lift in fair value of directors' fees	-	10,625	10,625
Shares issued other than for cash	-	85,000	85,000
	(126,948)	(243,028)	(453,669)
Working capital adjustments			
Decrease in trade debtors	59,987	71,995	103,487
Bridging Loan drawdown	(600,000)	-	-
Increase in trade creditors	36,830	18,913	(25,310)
Cash used in operations	(503,183)	(152,120)	(375,492)
Income taxes received	-	-	113,871
Net cash used in operating activities	(630,131)	(152,120)	(261,622)
Cash flows from investing activities			
Interest received	2,801	980	8,368
Disposals of discontinued operations	-	-	-
Acquisitions of tangible assets	-	-	-
Acquisition of intangible assets	-	-	-
Net cash used in investing activities	2,801	980	8,368
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs	-	-	-
Net cash generated from financing activities	-	-	-
Net (decrease)/increase/ in cash and cash equivalents	(627,328)	(253,254)	(253,254)
Cash and cash equivalents at beginning of period	4,125,571	4,378,825	4,378,825
Cash and cash equivalents at end of period	3,498,243	4,227,685	4,125,571

Note	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Non-cash financing activities			
Share warrants exercised in period	-	-	-
Fees settled by share issues	-	-	-
Directors' fees settled by share issues	-	95,625	95,625

LOCATION SCIENCES GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1 General information

Location Sciences Group PLC and its subsidiary Location Sciences AI Limited (together the "Group") provide location verification services, utilising sophisticated machine learning and pattern recognition technologies. Verify detects location ad-fraud and checks the accuracy and quality of location signals used to improve the performance of digital advertising.

The Company is a public limited company which is quoted on the AIM market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom.

2 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies adopted are consistent with those of the financial statements for the year ended 31 December 2022, as described in those financial statements.

The figures for the six-month periods ended 30 June 2023 and 30 June 2022 have not been audited. The figures for the year ended 31 December 2022 have been extracted from, but do not constitute, the consolidated financial statements of Location Sciences Group PLC for that year. Those financial statements have been delivered to the Registrar of Companies and included an unqualified auditors' report and did not contain a statement under Section 498(2) or Section 498(3) Companies Act 2006.

3 Loss per share

	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Loss attributable to shareholders	(232,538)	(492,353)	(758,221)
	No.	No.	No.
Weighted average number of shares (basic)	2,647,587,398	2,611,934,620	2,629,956,603

The calculation of basic loss per share of 0.01p (June 2022: 0.02p; December 2022: 0.029p) is based on loss after taxation and the weighted average number of ordinary shares in issue during the period.

4 Segmental analysis

Operating segments are based on internal reports about components of the Company, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker ("CODM") for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

During the first half of 2023, the Group has operated through its trading company

During the first half of 2023, the Group has operated through its trading company, Location Sciences AI Limited. The business provides location verification services, utilising sophisticated machine learning and pattern recognition technologies. Verify detects location ad-fraud and checks the accuracy and quality of location signals used to improve the performance of digital advertising.

It should be noted that a segmental analysis of the Consolidated Statement of Financial Position is not part of routine management reporting and, consequently, no segmental analysis of assets is shown here.

An analysis of operating revenue is as follows:

	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited** £	Year ended 31 December 2022 Audited £
Location data and Insights*	-	-	-
Verify	33,765	145,430	110,856
	<u>33,765</u>	<u>145,430</u>	<u>110,856</u>

* disclosed within discontinued operations

** includes £99,022 of earn-out income from the sale of the Insights business during 2021

An analysis of EBITDA is as follows:

	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Location data and insights	-	-	-
Verify	126,948	362,809	641,651
	<u>126,948</u>	<u>362,809</u>	<u>641,651</u>

An analysis of loss before tax is as follows:

	Six months ended 30 June 2023 Unaudited £	Six months ended 30 June 2022 Unaudited £	Year ended 31 December 2022 Audited £
Location data and insights	-	-	-
Verify	(232,538)	(492,353)	(850,579)
	<u>(232,538)</u>	<u>(492,353)</u>	<u>(850,579)</u>

5 Share capital

	30 June 2023 Unaudited £	30 June 2022 Unaudited £	31 December 2022 Audited £
2,647,587,398 ordinary shares of 0.1p (June 2022 - 2,647,587 of 0.1p, December 2022 2,647,587,398 of 0.1p) each	2,647,587	2,647,587	2,647,587
1,040,712,398 deferred shares of 0.99p each	10,303,054	10,303,054	10,303,054
376,651,734 New Deferred shares of 0.9p each	3,389,866	3,389,866	3,389,866
	<u>16,340,507</u>	<u>16,340,507</u>	<u>16,340,507</u>

Share issue

No shares were issued in the period.

Share rights

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Deferred shares have attached to them no voting, dividend or capital distribution (including on

Preferred shares have attached to them no voting, dividend or capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Warrants in Issue

1) Promoter Warrants - non-transferable warrants to subscribe for up to 1,500,000,000 Ordinary Shares, exercisable at the 0.20p for five years from 25 May 2021, were issued to certain members of the Concert Party in consideration of those persons assembling and co-ordinating the Concert Party's investment in the Company in May 2021 and facilitating the appointment of Simon Wilkinson as Non-Executive Chairman.

Name	Number of Ordinary Shares subject to Promoter Warrants
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Richard Hughes	500,000,000
Mahmud Kamani	500,000,000
Simon Wilkinson	500,000,000

2) Cornerstone Investor Warrants - non-transferable warrants to subscribe for up to 250,000,000 Ordinary Shares, exercisable at 0.20p for five years from 25 May 2021, were issued to the Cornerstone Investors of the May 2021 placing.

Name	Number of Ordinary Shares subject to Cornerstone Investor Warrants
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Ben Turner	50,000,000
Donna Turner	75,000,000
James Pope	50,000,000
Maxine Pope	75,000,000

3) Broker Warrants - transferable warrants to subscribe for up to 100,000,000 Ordinary Shares, exercisable at the 0.20p for five years from 25 May 2021 were issued as shown below.

Name	Number of Ordinary Shares subject to Broker Warrants
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Turner Pope	58,750,000
Dr Nigel Burton	25,000,000
Mark Slade	10,000,000
David Rae	6,250,000

4) Director Warrants - non-transferable warrants to subscribe for, in aggregate, 120,000,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at 0.20p for five years from 25 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 0.30p for 20 consecutive Business Days, or on a change of control of the Company.

Name	Number of Ordinary Shares subject to Broker Warrants
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Mark Slade	30,000,000
David Rae	30,000,000
Simon Wilkinson	30,000,000
Dr Nigel Burton	30,000,000

6. Availability of half-year report

Copies of the half-year report are available on request from the Company's registered office at First Floor, St James House, St James Square, Cheltenham, Gloucestershire GL50 3PR and can also be viewed at:

<https://www.locationsciencesgroup.ai/investor-relations/reports-presentations/>

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