

Results.

Final results for year ended 30 June 2023

An exceptional year of growth, delivering revenue and profits ahead of expectations

Eagle Eye Solutions Group plc

Tim Mason, CEO and Lucy Sharman-Munday, CFO



Agenda

1. Eagle Eye's vision
2. FY23 highlights
3. Market opportunity
4. Financial review
5. Strategic update
6. Summary and outlook
7. Q&A



Our vision: To power
the personalised marketing
revolution globally



The Golden Rule: Treat people the way they want to be treated

That is the very heart of **personalisation**.

Every product we offer enables organisations to follow the golden rule, helping them **to earn the loyalty of their customers** through the power of personalisation, whilst we worry about the technology.



The Golden Rule in practice

Retail Systems
awards **2023**
WINNER



Technology Project of the year



An exceptional year: Delivering on our opportunity

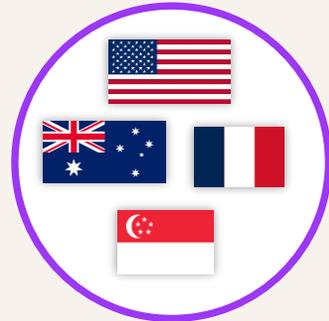
Revenue and profit ahead of Board's initial expectations

Strong financial performance



Revenue and adj. EBITDA up 36%, reflecting strength of SaaS business model and growing customer demand

Significant international revenue expansion



Driven by North America and APAC expansion, including first Singapore customer

Successful acquisition



Accelerated entry into France and enhanced Group's AI capabilities

Continued investment in innovation



Increasing our competitive strength and expanding our opportunity

Positive outlook for FY24 and beyond



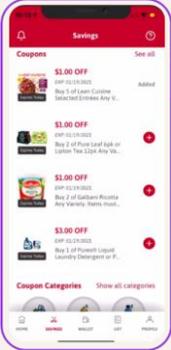
Significant long-term growth potential

Powering leading loyalty and customer engagement propositions globally

Use Cases

UNTIE NOTS
an eagleeye company

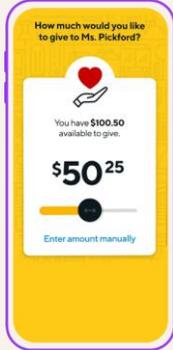
Supplier-Funded Loyalty



Personalised Loyalty at Scale



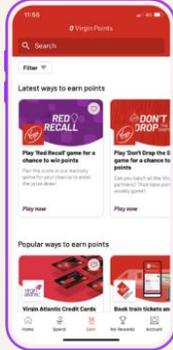
Personalised Charitable Donations



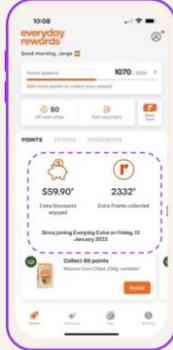
Cashback Loyalty



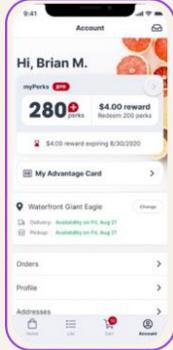
Loyalty Coalition



Subscription Service



Tiered Programme



Personalised Loyalty Challenges



New use cases live in FY23

Expanding market opportunity

Driven by growth in demand for loyalty and personalisation solutions

Eagle Eye Global Loyalty Survey

- **84%** of consumers felt **more personalised offers** would enable them to access **additional value** to help them save at the shelf
- Almost a third of global loyalty programme managers admitted that delivering personalised offers was one of their **biggest challenges**
- Use of **AI** continuing to spread across the marketing technology stack – to help retailers understand, reach and engage with customers in a **personalised** way
- Eagle Eye AIR is best-in-class **marketing execution platform** which can scale to the levels required to deliver AI-based personalisation

“Loyalty is a lifeline during the inflation crisis”

Mary Pilecki, Principal Analyst at Forrester

FORRESTER

“There’s a mega trend going on globally right now and it’s primarily enabled through apps and capabilities like Eagle Eye...”

Brad Banducci, CEO Woolworths Group



Doubling spend on personalised promotions

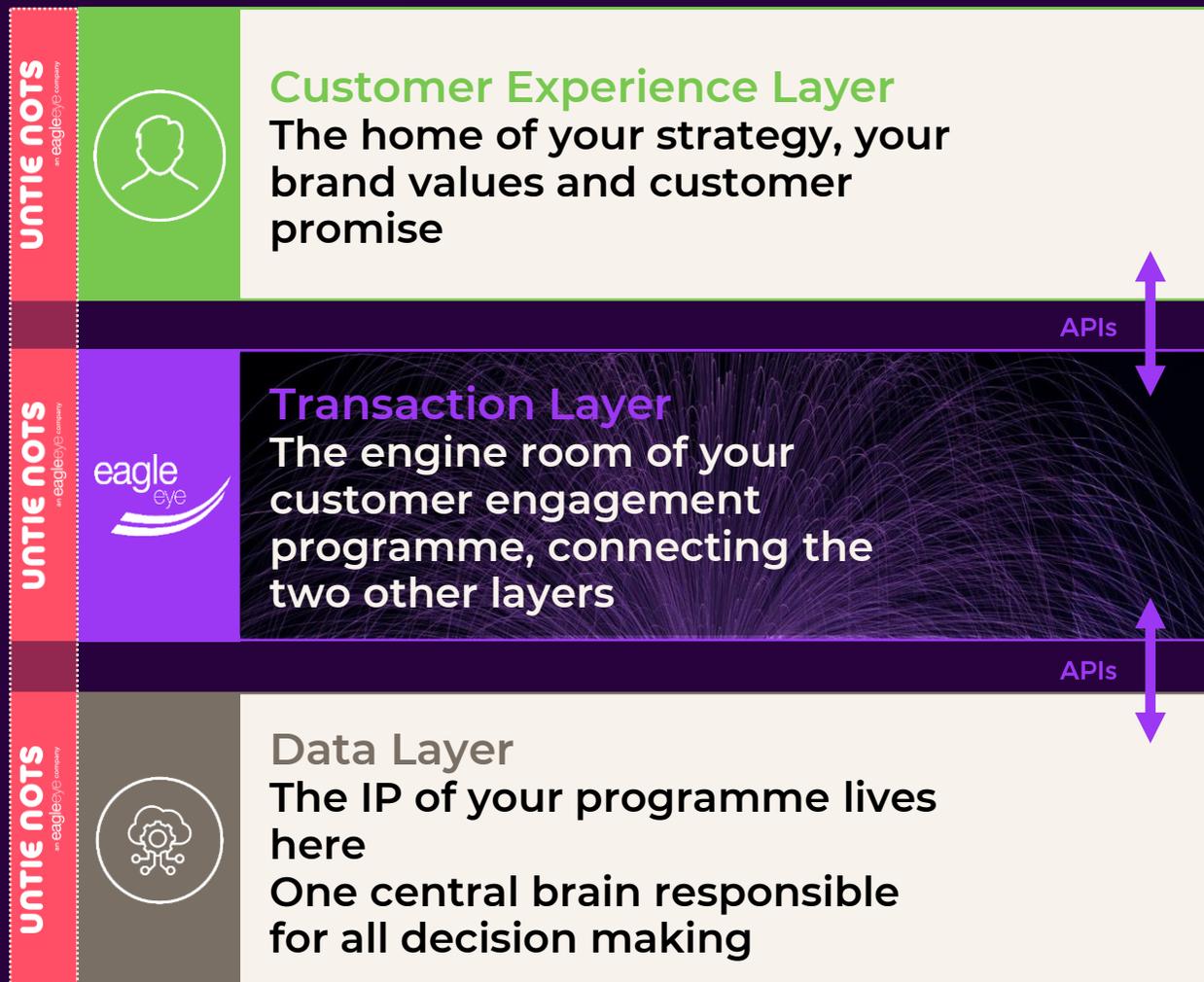


Extending our services

Integrating new capabilities through our acquisition of Untie Nots

- Through our acquisition of **Untie Nots**, we have extended out of the Transaction Layer, and now provide services in the Data Layer as well as the Customer Experience Layer
- This enables us to solve **more of the personalisation puzzle** for retailers, expanding our market opportunity
- Increasing our **addressable market**

AI-powered **Challenges** contributed c.5% of our revenue in FY23



Strategic focus

1. To **win** new customers, **transact** through our platform, **deepen** with additional products from our portfolio
2. To develop **new products** to provide further upsell opportunities across our customer base and strengthen our competitive positioning
3. To enter **new geographies**
4. To run the business **Better, Simpler, Cheaper**
5. To assess **complementary acquisition opportunities** as they arise



Financial Review



Strong growth across the board

Revenue, profitability & cash flow

	FY 2023	Growth Y/Y
Group Revenue	£43.1m	+36%
Revenue - organic	£40.9m	+29%
Recurring Revenue (subscription fees and transactions)	80%	+4ppts
Annual Recurring Revenue* (ARR)	£33.3m	+40%
Adjusted EBITDA**	£8.8m	+36%
Adjusted EBITDA margin	20.4%	-0.1ppts
Profit after tax	£1.2m	+114%
Closing net cash*** position	£9.3m	+156%

*Period End Annual Recurring Revenue is defined as period exit rate for recurring AIR subscription and transaction revenue plus any professional services contracted for more than 12 months hence and secured new wins, excluding any seasonal variations and lost contracts.

**EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit. 2023 EBITDA figure has also been adjusted to exclude costs associated with the acquisition of Untie Nots.

*** Net cash is defined as cash and cash equivalents less financial liabilities.

Fast growing subscription model

137%

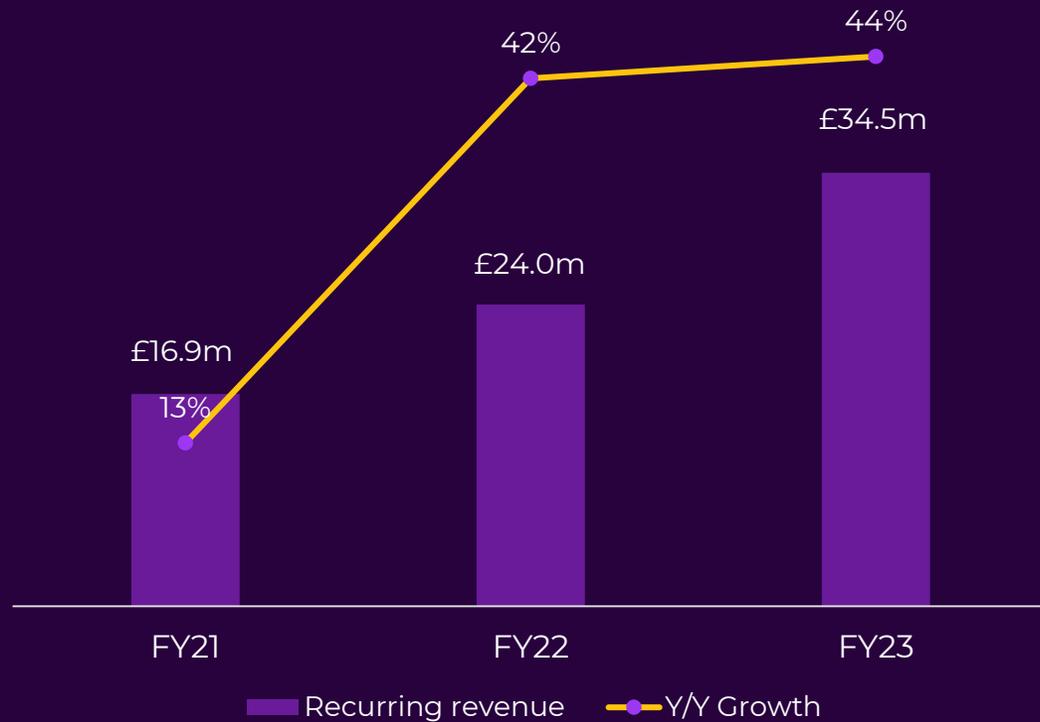
FY23 Net revenue retention rate*

27%

3 year Recurring revenue CAGR

0.2%

Churn**



*Net revenue retention rate is defined as the improvement in recurring AIR revenue excluding new wins in the last 12 months

**Long-term contract customer churn by value

Delivering on our customer strategy

Win, Transact and Deepen

Win

- Notable wins in UK, Canada, Australia, Singapore
- Initiatives to continue to grow win rate



Transact

- Volumes +98% 3.3bn (FY22: 1.7bn)
- Woolworths full-scale
- Annualisation and growth of US grocer
- Asda Rewards



Deepen

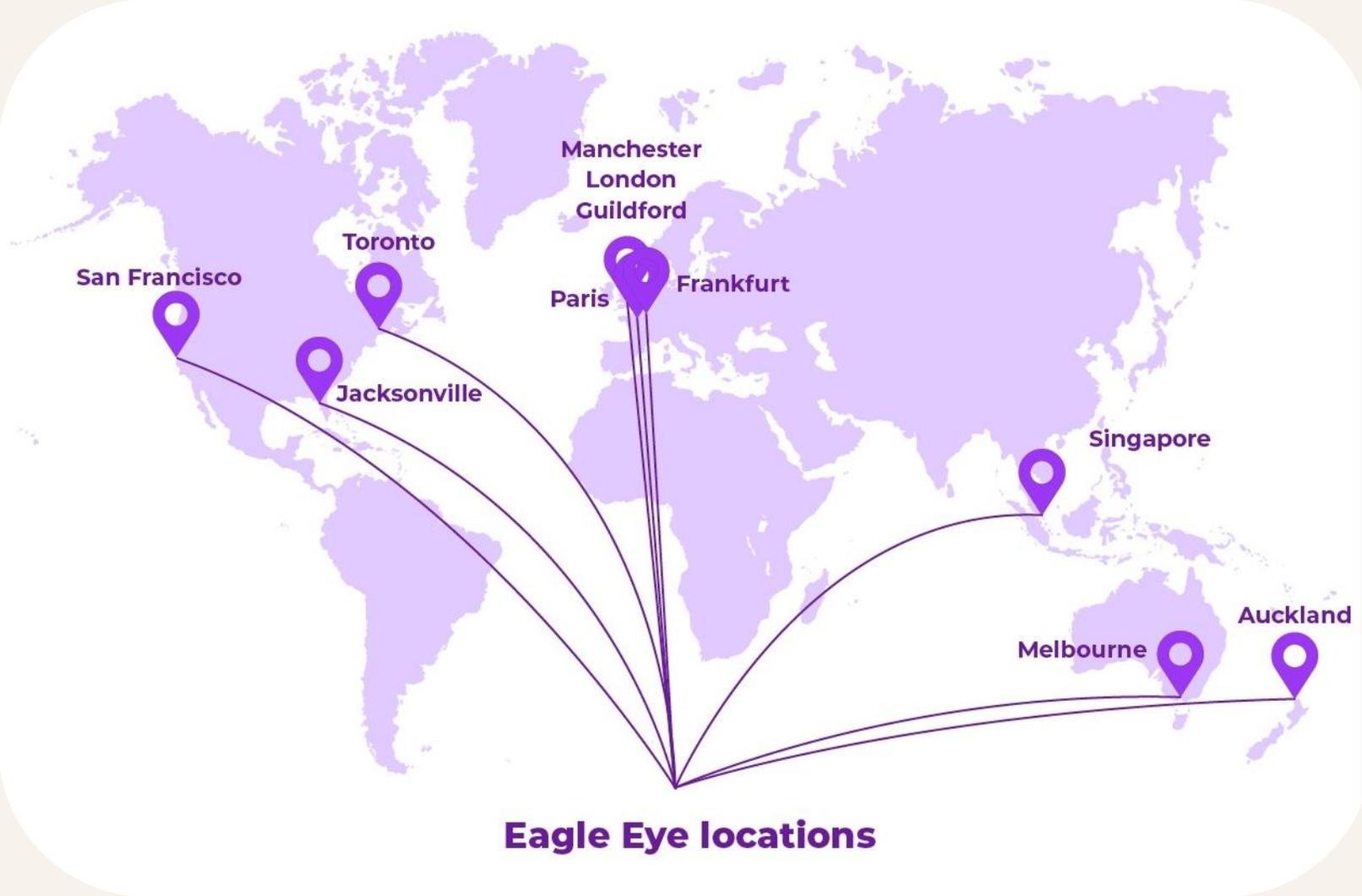
- NRR 137%
- Key initiatives with the John Lewis Partnership, Pret, Staples, Mitchells & Butlers



	FY 23	FY 22	% Change
One off implementation fees	£8.5m	£7.6m	+12%
Recurring revenue:			
Licence fees	£14.1m	£12.3m	+16%
Transaction fees	£15.7m	£9.6m	+63%
SMS fees	£2.4m	£2.2m	+12%
Eagle Eye Total	£40.9m	£31.7m	+29%
Untie Nots Total	£2.2m		N/A
Group Total	£43.1m	£31.7m	+36%

Strong international year-on-year revenue growth

From a broader global footprint



North America
+129%



APAC
+56%



EMEA
+7%

FY23 Income Statement

Delivering profitable growth

Revenue growth of **36%** year-on-year

95% Gross margin, +1ppt, reflecting impact of growth in higher margin AIR business

£32.2m net operating expenses, 39% higher

- **Staff costs** increase to £23.9m (63% of opex) (FY 22: £17.0m) reflecting increased headcount and associated budgeted annual pay awards and bonus
- **Infrastructure costs** grew by 23% to £8.1m due to investment in prior periods
- **Product costs** of £6.6m growth of 27%, representing 15% of revenue (FY22: £5.2m) 39% capitalised (FY22: 42%)

Adjusted EBITDA £8.8m, 20% margin (FY 22: £6.5m, 20% margin) – Untie Nots (UN) 4% margin

Reconciling costs between adjusted EBITDA and Loss before tax include **UN amortisation of £1.3m and £1.3m of one off UN acquisition costs.**

Profit after tax of £1.2m (FY 22: £0.6m) after £1.9m tax credit for R&D and recognition of deferred tax asset for losses c/f

£'000	FY 23	FY 22	VAR %
Revenue	43,074	31,667	36%
Cost of Sales	(2,091)	(2,037)	(3)%
Gross profit	40,983	29,630	38%
Gross margin %	95%	94%	
Operating costs	(37,760)	(28,098)	(34)%
Capitalised costs	5,444	4,944	10%
Other income	122		
Net operating costs	(32,194)	(23,154)	(39)%
Adj. EBITDA	8,789	6,476	36%
Amortisation, depreciation, SBP, interest, UN acquisition costs	(9,549)	(5,791)	(65)%
Profit/(loss) before tax	(760)	685	(211)%
Tax	1,948	(131)	
Profit	1,188	554	114%
EPS	4.25p	2.12p	100%

Net cash bridge

Increasing cash generation

Net cash grown from **£3.6m** to **£9.3m** - cash inflow of £5.7m

If costs of the Untie Nots acquisition are excluded underlying cash inflow was £7.0m (FY 22 £2.8m inflow).

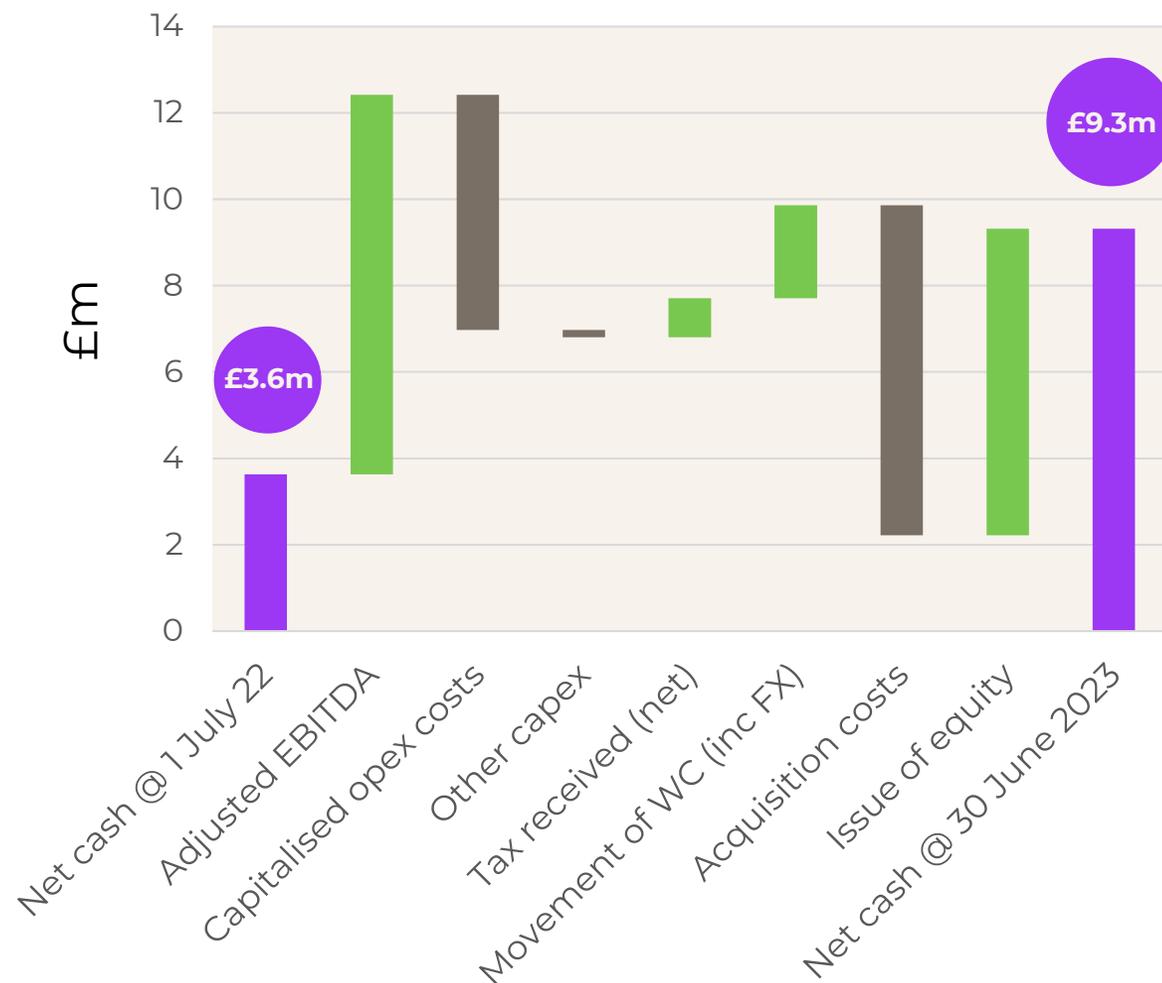
Operating cash inflow of £12.2m; 139% cash conversion ratio: adjusted EBITDA £8.8m, working cap inflow £2.6m, £0.9m net corporate tax receipts (primarily reflecting R&D credits in the UK and France)

£5.6m capex: £2.6m capital expenditure on AIR, IFRS 15 contract costs capitalised £2.8m, £0.2m other capex

Untie Nots

- **£7.1m net equity issue proceeds:** primarily in relation to the acquisition of Untie Nots
- **Netting with £7.6m** of acquisition costs, net of cash acquired (£1.2m)

HSBC £5m facility (+£2.5m accordion) in place to November 2024 - £1m drawn at year end



Innovation sits at our heart

Differentiating us and providing added value to our customers

Extending the digital marketing toolkit

- Applied hundreds of new rules and permutations to our cloud-based adjudication engine
- Enabling retailers to achieve levels of individual personalisation that has never been seen before
- New promotion types
- Extensions to existing product capabilities
- Packaged up new, enterprise ready direct-to-consumer APIs

Continuing to lead with personalisation, speed and scale

- Processing ever-increasing volumes at ever faster speeds

Delivering value faster

- Introduction of Eagle Eye Academy

On average per month we process...

2.5 bn offers

185 bn loyalty points

6.7 bn API calls

£6.6m
product
spend
+27%

Servicing
90,000
outlets up
+15% Y-o-Y

60
new
features

We have a high standard of ESG focused on materiality and making a difference

Everything we do is underpinned by our belief in following The Golden Rule

E

Environmental

- Virtual first
- Travel carbon offset
- Digitising paper

S

Social

- ERGs: Purple Women, Purple Pride
- Purple managers training, Purple Pathways
- 52 lives charity partnership

G

Governance

- QCA code
- Increased diversity and independence
- Charlotte Stranner - AC Chair & NED
- Anne de Kerckhove – Chair joins Oct 23



Strategic Update



Achieving our ambitions

What will move the dial?

1

Driving our win rate



2

Successful M&A blueprint



3

Launching our new offering, EagleAI



Driving our Win rate

Process, pipeline and partnerships

1



One Sales and Marketing organisation



Strategic partnership with Google



A growing pipeline across all key markets

Our approach to M&A and Untie Nots

A blueprint for further acquisitions



Industry track record



Platform / product / solution enhancement



Geographical expansion adjacent markets



Talented team



Win quicker



Cross sell / upsell capability

UNTIE NOTS
an eagleeye company



2

Our assessment so far

- No complexity introduced – oversight from and reporting to Tim & Lucy
- Sales and marketing bearing fruit – strong and growing pipeline from introductions both ways
- First ‘new’ customers achieving within months - Fair Price in Singapore, introduced by Eagle Eye
- AI capabilities are phenomenal and proven in the field
- Strong cultural alignment – generating great ideas and excitement
- A valuable addition to the Group

The advancement of AI

An enormous opportunity for the future scaling of Eagle Eye



Continue to be the leading enabler of advanced analytics and AI



Using AI to enhance our tech stack and development capabilities



Launching our own AI-powered offering for retailers globally – EagleAI

Next generation data science for promotions

The right balance of algorithms to drive business results



The People Pleaser
"Thank" Algorithm



The Chef
"Mix" Algorithm



The Coach
"Stretch" Algorithm



The Motivator
"Reward" Algorithm



The Influencer
"Activate" Algorithm

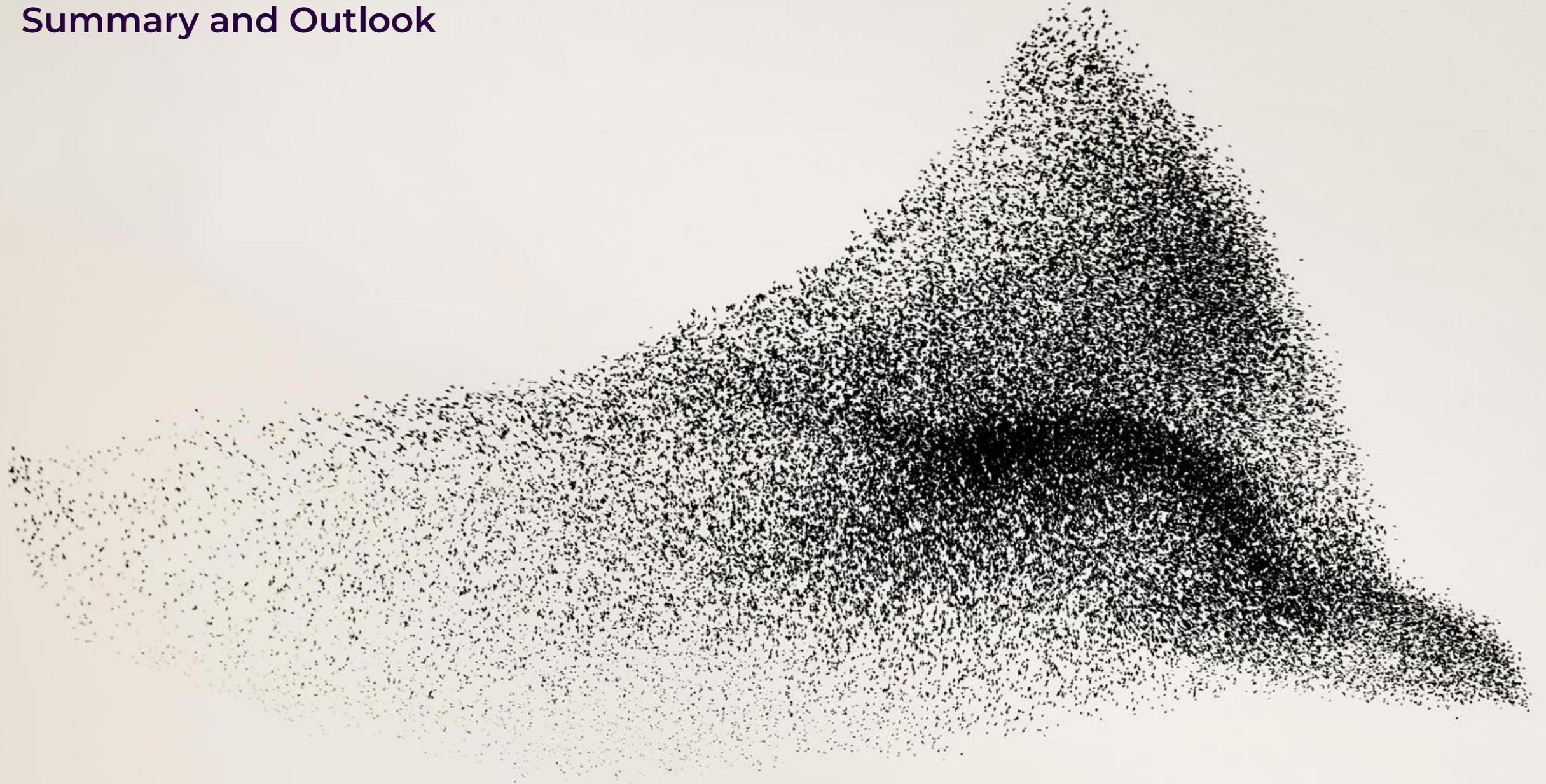


The Diviner
"Predict" Algorithm

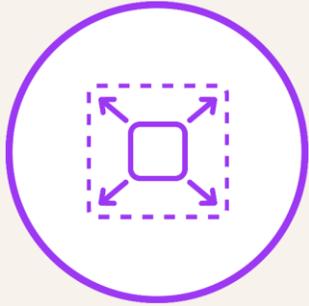


The Moderator
"Ceiling" Algorithm

Summary and Outlook



Positive outlook



Expanding market opportunity



Entered FY24 in a strong position



Acquisition of Untie Nots provides additional channel for growth



Trading in the current year to date is in line with Board expectations



The quality of our team, offering and business model, alongside an expanding market opportunity, provide us with confidence in the continued success and significant long-term growth potential of Eagle Eye.

Tim Mason, Eagle Eye CEO, September 2023

Q&A



Soar.

eagleeye.com @weareeagleeye

Our Board and Leadership Team

* PLC ^ Exec



Malcolm Wall *
Chairman



Sir Terry Leahy *
Non-Exec Director



Charlotte Stranner *
Non-Exec Director



Robert Senior *
Non-Exec Director



Anne de Kerckhove*
Non-Exec Director (joining Oct 2023)
Chair from close of AGM (Nov 2023)



Tim Mason *^
CEO



Steve Rothwell *^
CTO and Founder



Lucy Sharman-Munday *^
CFO



Al Henderson ^
CSO



David Aylmer ^
COO



Claire Essex-Crosby ^
CPO

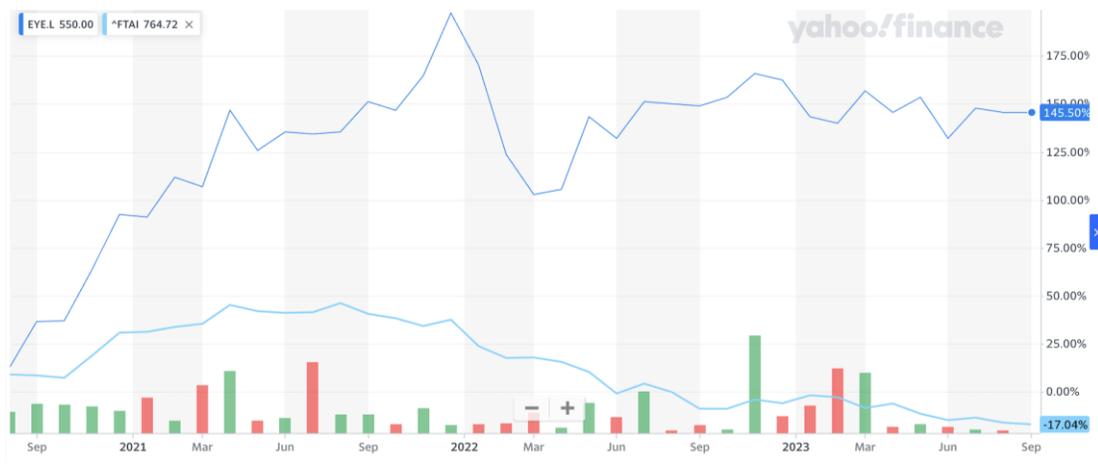


James Esson ^
Finance Director

Eagle Eye Group Plc

General Information

- Share Price 545p (at 31 August 23)
- Market AIM
- Ticker EYE.L
- Market cap £159.45m
- Ordinary shares in issue 29.3m
- Options outstanding 3.6m



Key Shareholders	Number of shares	%
Canaccord	5,197,556	17.78
Sir Terry Leahy*	2,457,006	8.41
William Currie*	2,334,560	7.99
Liontrust	2,093,015	7.16
Andrew Sutcliffe*	1,593,133	5.45
Julian Reiter	1,344,866	4.65
Steve Rothwell	1,355,913	4.64
Christopher Gorell Barnes	1,344,866	4.60
Chelverton Asset Management	1,309,650	4.48
BGF Investment Management	1,035,000	3.54

* Includes immediate family

Delivering a new, innovative loyalty proposition with Asda

Retail Systems
awards **2023**
WINNER



Technology Project of the year



Results

Strong, nationwide launch in Sept '22

Quickly developed a customer data asset, unlocking new revenue streams

Customer uptake and digital engagement way ahead of expectations

Personalised marketing to members proven to drive spend and frequency growth

Slick, real-time customer experience including instant rewards

5m

Actively engaged customers

£100m

In Cashpots

37%

of total sales linked to the loyalty programme within 9 months

ASDA

ASDA
Rewards
Pounds, not points

Balance sheet

£'000	FY 23	FY 22
Non-current assets	25,090	8,911
Trade and other receivables	11,847	10,571
Cash and cash equivalents	10,615	3,632
	47,552	23,114
Current liabilities (exc IFRS 15)	(13,672)	(11,260)
Financial liabilities (exc IFRS 15)	(1,299)	-
Non-current liabilities (exc IFRS 15)	(805)	(324)
IFRS 15 deferred income	(5,756)	(2,963)
Deferred and contingent UN consideration	(1,980)	-
	(23,512)	(14,547)
Net assets	24,040	8,567