



Interim Results for the 6 months ended 31 December 2019

*First customer wins in new geographies,
growth in revenue and positive adjusted
EBITDA*

Eagle Eye Solutions Group plc

eagleeye

Hello.

We are Eagle Eye.

Our mission is to transform marketing for a digital world by bridging online to offline

Eagle Eye enables companies to digitally connect to their customers through promotions, loyalty, apps, subscriptions and gift services

Our mantra is digitally enabled and data driven

Commercial in confidence



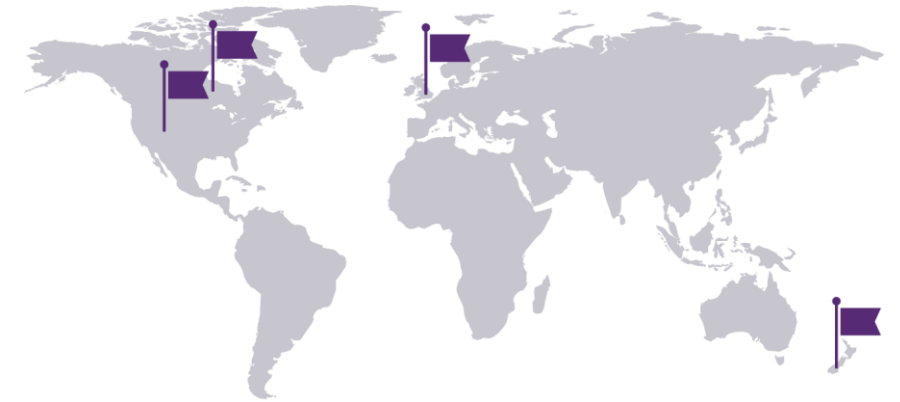
Executive Summary – “*our opportunity is significant*”

- **Strong trading period: 26% growth in revenue and move to positive adjusted EBTIDA***
- Expansion of the customer base, including **first US and NZ customers**
- **Significant volume growth** through the platform, driven by successful go-lives of Tier 1 customers
- **Continued product innovation**
- **Growing pipeline** of opportunities across multiple geographies
- Positive start to H2 20 with current trading **in line with Board’s expectations**
- **Monitoring the impact of COVID-19**, updating business continuity plans, well set up to facilitate remote working

*EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit

Commercial in confidence

Increasing addressable market through geographic expansion



Opportunity remains huge

- Industry mainly still analogue

Rapid growth in digital advertising spend

- Mobile is 33% of digital advertising market *
- Promotions market has not followed

Development of audience networks

- Evermore sophisticated online marketing

Bridging online to offline

- 90% of sales still completed instore



\$2bn,
CAGR 16.9%**

Global loyalty
management
market 2019
2019-2025



\$91bn by 2022,
CAGR 14%***

Global value
of digital
coupon
redemptions



\$1.2 trn,
CAGR 11%****

Global gift card
market 2019
Growth rate
2019-2029

Financial update

Key KPIs



26%

Revenue growth to £10.1m (H1 19: £8.0m)

- Delivering on our customer strategy
- AIR growth 28% (£9.6m)



73%

Recurring revenue (H1 19: 72%)



£1.3m

Adjusted EBITDA (H1 19: EBITDA loss of £0.3m)



0.3%

Churn (H1 19: 0.4%)

- Plus contract renewals



£2.2m

Net debt; cash burn of £0.9m (H1 19: outflow £2.1m)

- Better than management expectations
- Seasonally higher H1 cash consumption
- £2.8m available headroom



81%

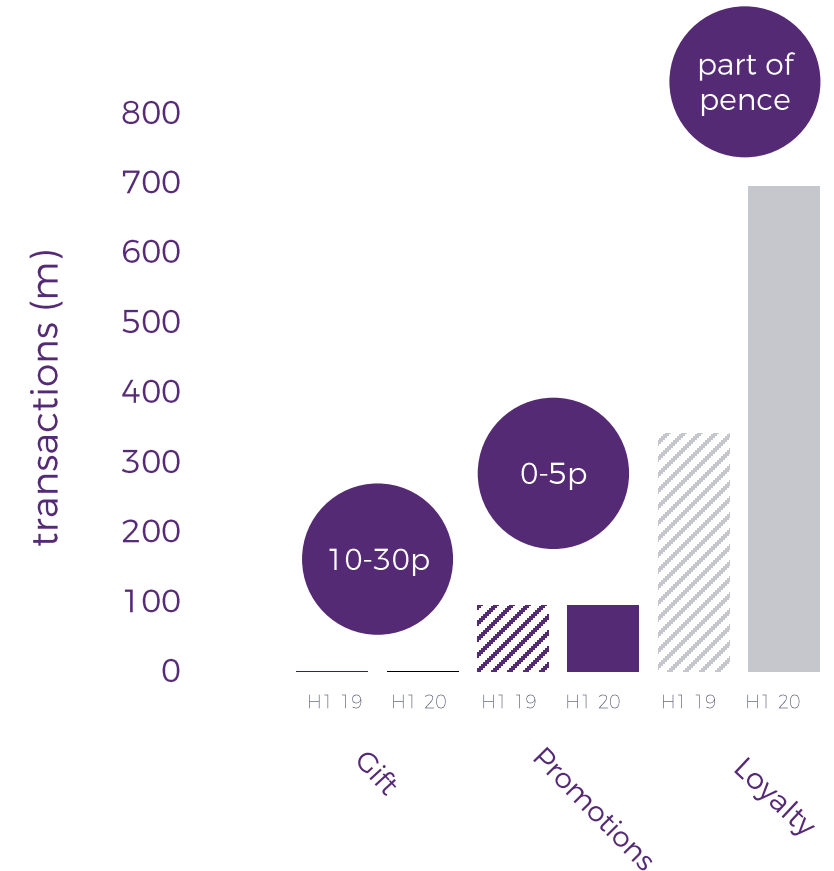
AIR redemption and interaction volumes increased to 791m (H1 19: 438m)

Revenue split by business model

	H1 20	H1 20 % of total	H1 19	H1 19 % of total
One off implementation fees	£2.8m	27%	£2.2m	28%
Recurring revenue:				
Licence fees	£3.8m	38%	£2.9m	36%
Transaction fees	£3.0m	30%	£2.3m	29%
SMS fees	£0.5m	5%	£0.5m	7%
	£10.1m	100%	£8.0m	100%

Interaction and redemption volumes

- **Overall AIR redemption and interaction volumes increased by 81% to 791m in H1 20** (H1 19: 438m)
- **Growth** driven by go-lives of Tier 1 customers
- **H2 20 volumes** expected to grow from full period effect of launching of existing contracts, deepening and new wins in all geographies



There is an intrinsic link between consumer value and price per transaction

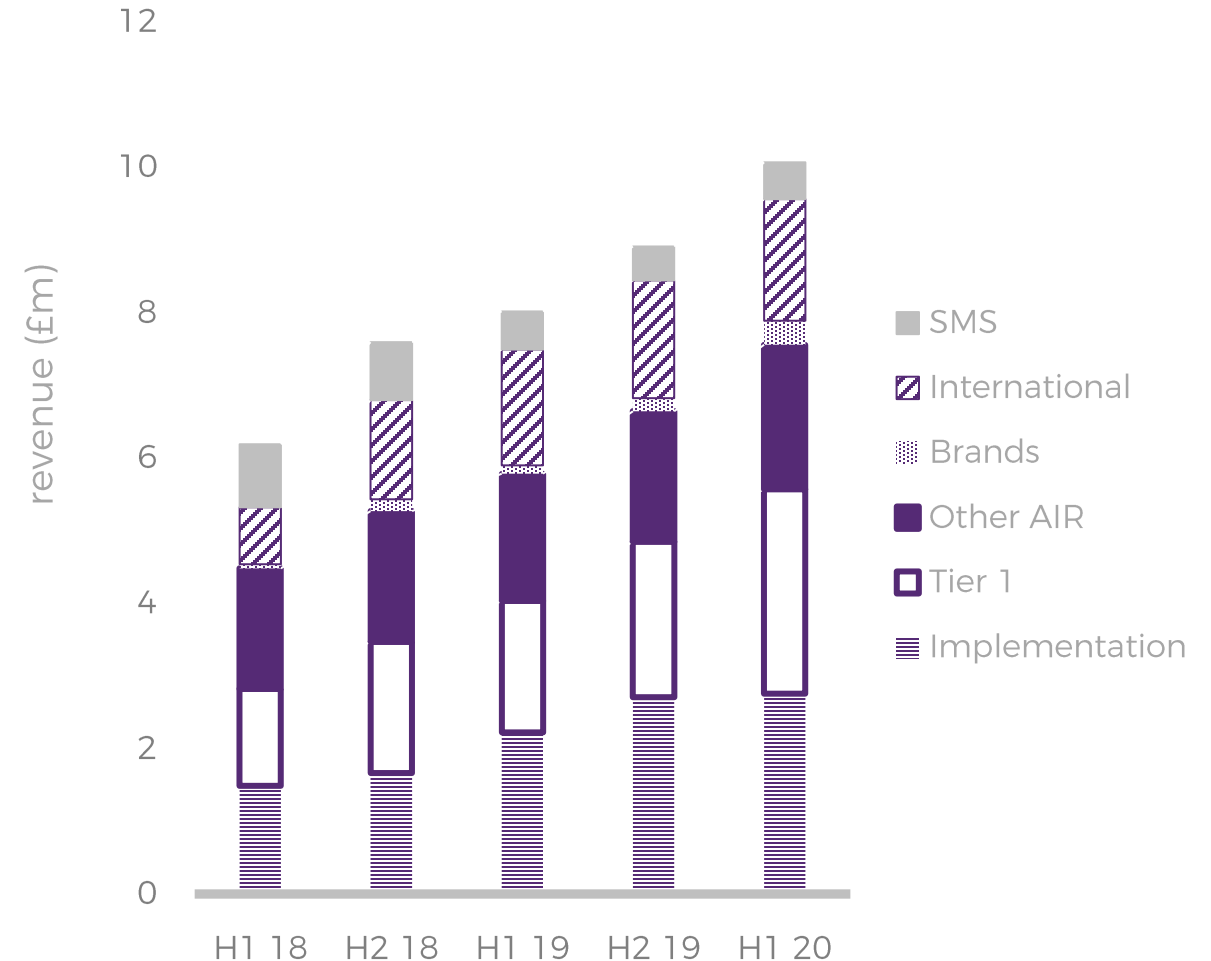
H1 FY20 - Income Statement

- **26% revenue growth**, delivering on our strategy
- **94% GM**, 1pp ahead of H1 19 AIR GM maintained at 97%
- **£8.2m net operating expenses**
 - £0.4m increase in staff costs reflecting higher number of employees, annual pay award and higher bonus accruals associated with significant H1 20 new wins
 - £0.2m increase in infrastructure costs reflecting increased volumes and new territories
 - £2.3m invested into product
- **Adjusted EBITDA profit £1.3m**
- **Reduction in loss, £0.6m (H1 19: loss £1.5m)**

£'000	H120	H1 19	VAR	VAR %
Revenue	10,072	8,020	2,053	26%
Cost of Sales	(636)	(577)	(60)	(10)%
Gross profit	9,436	7,443	1,993	27%
Operating costs	(9,608)	(8,934)	(674)	(8)%
Capitalised costs	1,452	1,197	255	8%
Net operating costs	(8,156)	(7,737)	(419)	(5)%
EBITDA	1,280	(294)	1,575	535%
Amortisation, depreciation, SBP, interest	(1,912)	(1,603)	(309)	(19)%
Tax	(11)	358	(369)	(103)%
Loss	(642)	(1,539)	897	58%
FTE	144	140	4	3%

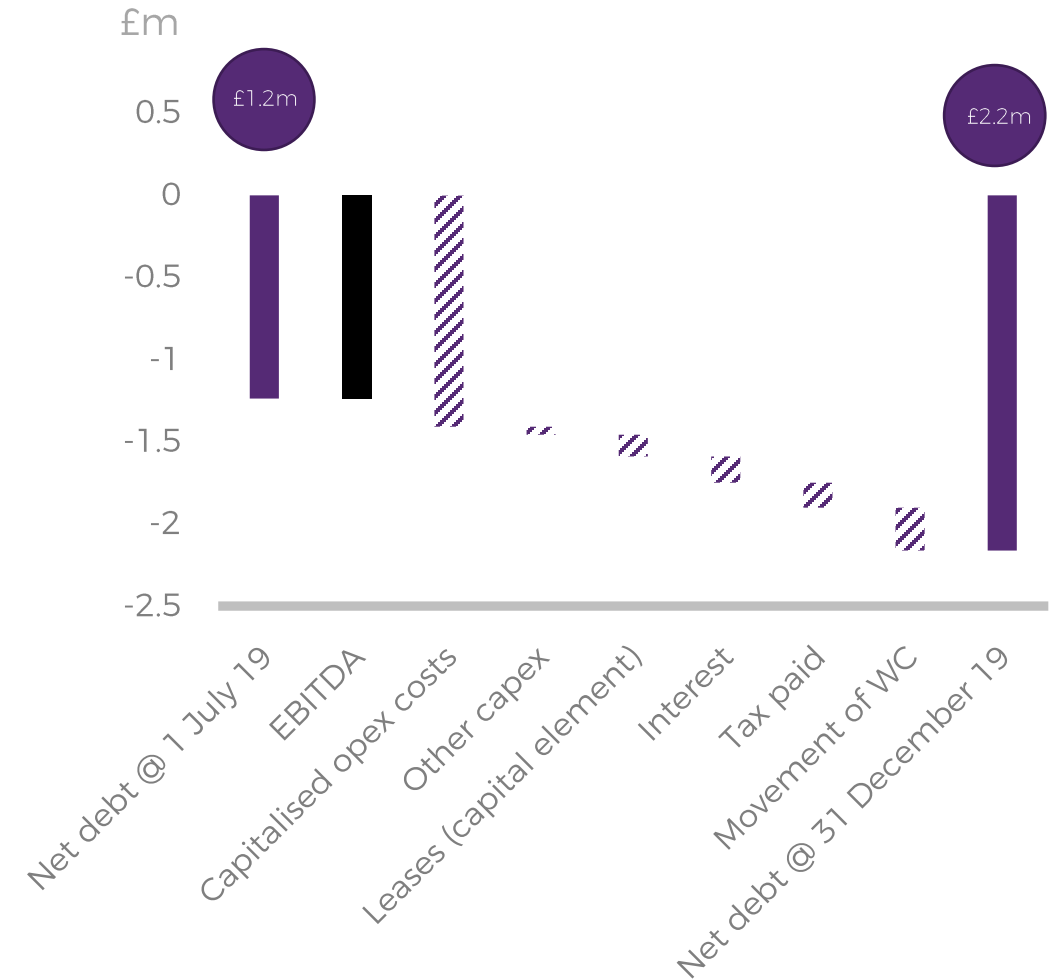
Half on Half analysis

- **73%** continued high percentage of subscription and transactional revenue (H2 19: 70%)
- **Implementation revenue value** represents key customers retaining professional services as well as new wins
- **31%** growth UK Tier 1 revenue - key contracts moving to next stage of their contract
- **11%** growth in transactional other AIR revenue - successful deepening and seasonal promotions



Net debt bridge

- **£0.9m** operating cash inflow - **EBITDA**
£1.3m, working cap outflow £0.3m, £0.2m overseas corporate tax payments
- **£1.6m**: £1.5m capital expenditure on AIR, IFRS 15 contract costs capitalised £0.1m
- **£2.2m** net debt at 31 December 19
- **£0.9m** cash burn; H1 19 £2.1m outflow
- **£5.0m Barclays facility** - £2.8m headroom, sufficient headroom remains to support existing growth plan



Strategic update

Strategic focus in the year

- 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**

Delivering on our customer strategy

Win

- Increased win rate, both in UK and new geographies
- Uplift in “win” revenue in the period
- **335 customers and brands** on the platform (H119: 316)

Transact

- **Increased platform volumes by 81%**
- **Branded drinks campaign revenue increased 192%** to £0.3m (H119: £0.1m)
- First Affiliate network partner added: Tradedoubler – over 180,000 publishers

Deepen

- Previous new wins moved to transactional phase, strong growth in transactional revenues
- Customer retention remained high, **churn reduced to 0.3%** (H119: 0.4%)

335

Customers and brands
on the platform

81%

Increase in platform
volumes

192%

Brand revenue
increase

0.3%

Low churn rate

Innovation to increase ease of use, breadth of capabilities and cross-industry applicability

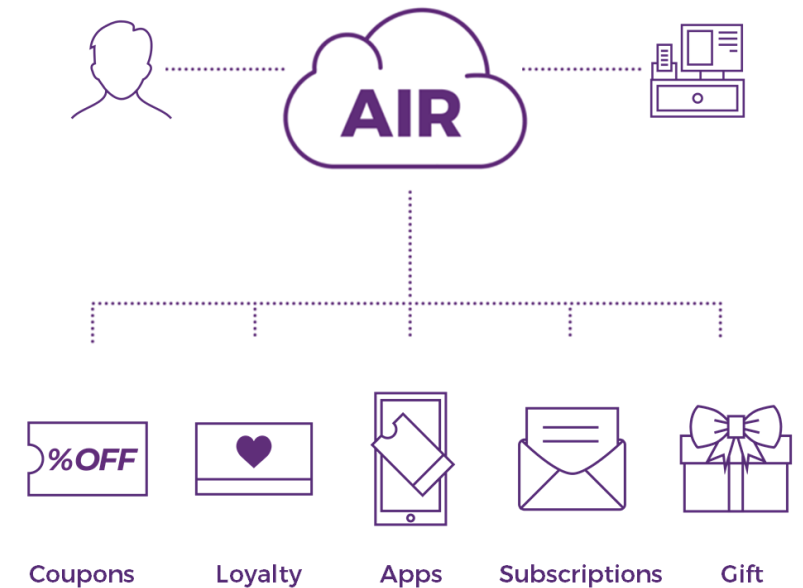
Increased usage of applications

- Digital Wallet: now used by 21 customers (end H119: 5)
- Eagle Eye App: registered users up 76% to over 4 million, extended capabilities to incorporate more of AIR, applicable to more verticals

Best in class platform on a global basis for personalised loyalty and promotions

Connected Campaigns - Simplified offering for retailers to offer brand campaigns

Expansion of loyalty functionality and capability to make more applicable to sectors outside of grocery



North America update

- We believe it will be the **largest digital promotions market in the world**
- Good progress with **News America Marketing** (partnership signed in March 2019)
- **Growing pipeline**
- **First US contract signed** with **Southeastern Grocers** (SEG), a top 20 US supermarket
 - **5 year contract** to deliver data driven personalised offers
- **Phased rolled out** – first phase expected to launch in the next 6 months

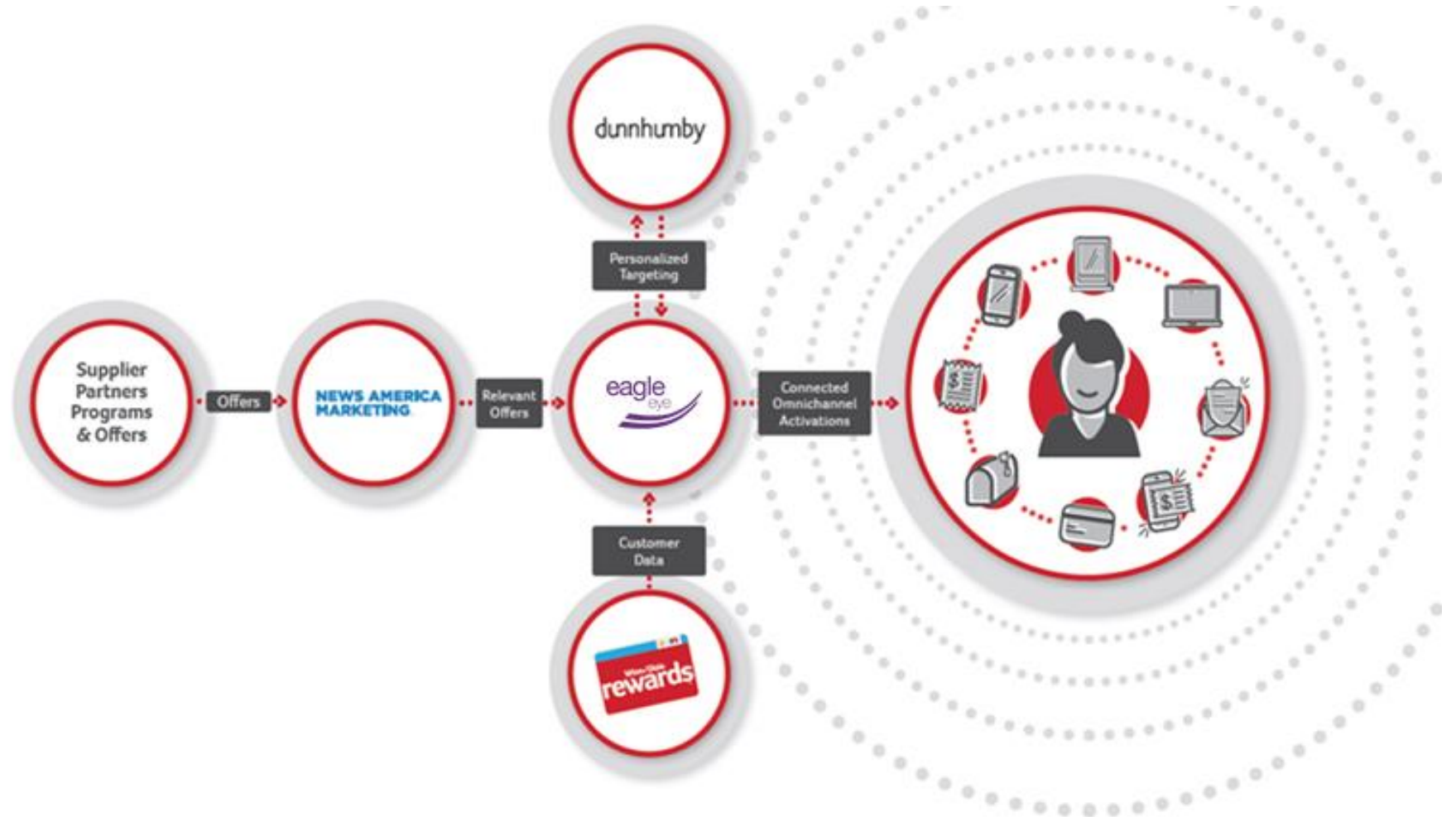


550
Stores

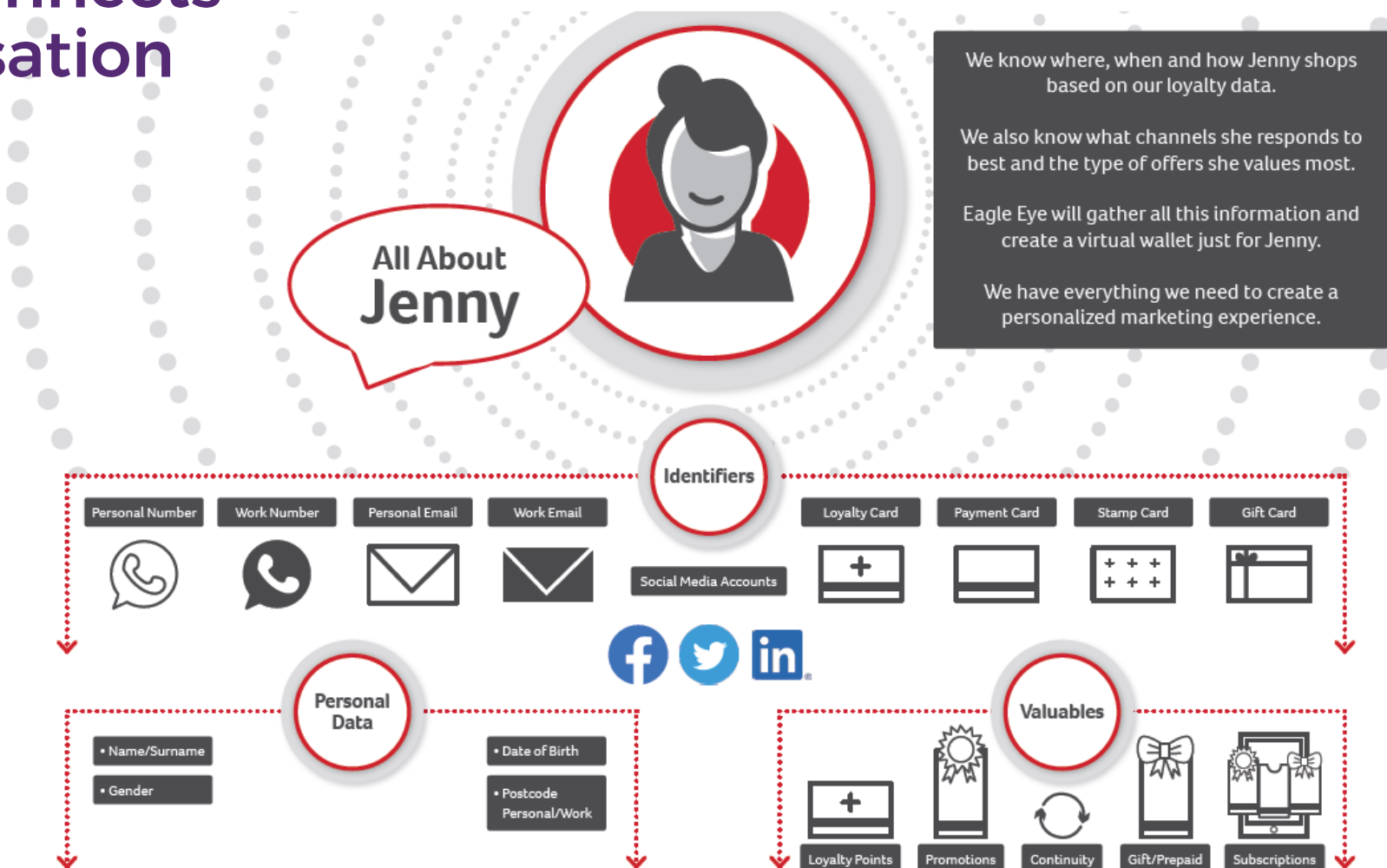
**Grocery, liquor and in-store
pharmacies**

7
**Southeastern
US States**

Powering 'SEG Connects' – to monetise data and media channels

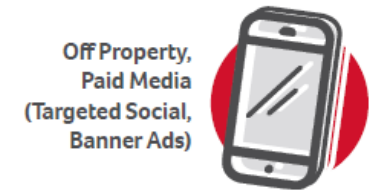
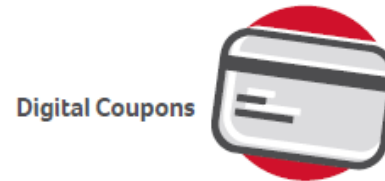
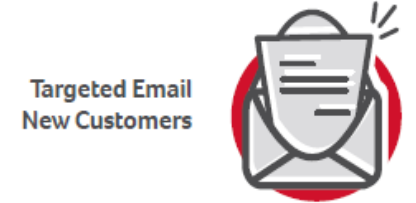
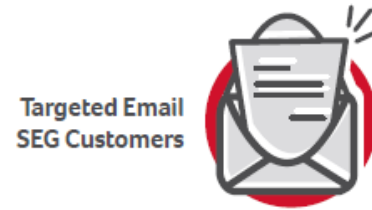


Eagle Eye Digital Wallet at the heart of 'SEG Connects' to enable personalisation



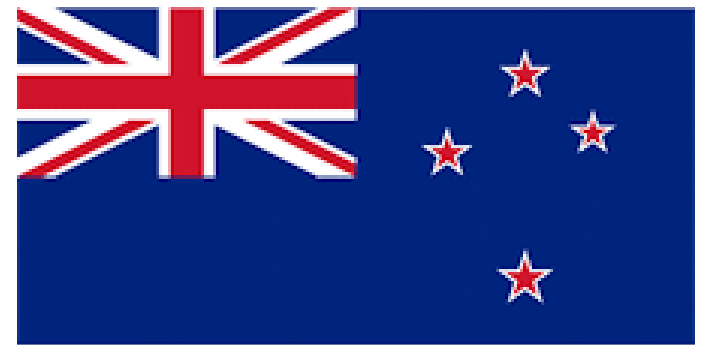
Creating new omnichannel opportunities for monetisation

- Creating a connected experience
- Phased rollout
- Increased and enhanced media channels
- Serving customers with the most relevant offers through the channels they respond to the most



Australia and New Zealand update

- **Strong ties** with the UK retail market
- **September 2019 secured 3 year contract:** a leading New Zealand retailer
 - Now moved to **pilot launch with employees**
 - Further roll out expected over the **next 12 months**
- Healthy **pipeline**



Better, Simpler, Cheaper

Investing in **innovation** and **growing the business** whilst looking for inherent productivity and efficiencies from scale - **material growth in EBITDA in the period**

Completion of successful Google Cloud migration in August 2019

- Access to GCP tools and technologies
- Upskilled the technical team with Google certification

Agile approach to the broader business

- More flexible and responsive to changing customer and market demands across multiple geographies
- Business split between functions 'spine' and 'flexible' workforce



Google Cloud

Outlook

Outlook – “Board looks to the long-term success with confidence”

Trading – positive start to second half and remains in line with Board expectations

EBITDA - building on efficiencies in H1 whilst releasing investment to support wins in new geographies

Funding - position is comfortable with sufficient headroom to support existing growth plan

Focus – successful implementation of new customer wins, continued expansion of existing customer relationships, secure additional contracts in core geographies and convert rapidly growing number of international opportunities

Long-term success – while we continue to monitor the evolving situation with COVID-19 closely, our growing recurring revenues, low levels of customer churn and expanding customer base give confidence

Eagle Eye investment case – summary

- Strong **market drivers**
- Proven powerful **technology**
- Extensive loyal **customer base**
- Growing **recurring revenues** and well managed **cost base**
- **Adjusted EBITDA profitability**
- **Sufficient funding** to support the existing growth strategy
- Experienced **management team and Board**
- **Our opportunity is significant**



Appendix

Balance Sheet

£'000	H1 20	H1 19	VAR	VAR %
Non-current assets	7,698	7,458	240	3%
Trade and other receivables	6,076	6,565	(489)	(7)%
Cash and cash equivalents	1,239	630	609	97%
	15,013	14,653	360	2%
Current liabilities	(6,749)	(7,071)	322	5%
Financial liabilities	(3,400)	(2,400)	(1,000)	(42)%
Non-current liabilities	(817)	(616)	(201)	(33)%
	(10,966)	(10,087)	(879)	(9)%
Net assets	4,047	4,566	(519)	(11)%

Cashflow

£'000	H1 20	H1 19	VAR	VAR %
EBITDA	1,280	(294)	1,574	535%
Movement in working capital	(259)	(266)	7	3%
Net tax payments	(153)	(1)	(152)	(15,300)%
Net operating cashflows	868	(561)	1,429	255%
Capital expenditure	(1,500)	(1,283)	(217)	(17)%
Lease payments	(156)	(156)	-	-%
Issue of equity less interest	(9)	(98)	89	91%
Facility drawdown	800	1,300	(500)	(38)%
Movement in cash (exc forex)	3	(798)	801	100%
Net debt at end of period	(2,161)	(1,770)	(391)	(22)%

Share register

Holder	Shares	%
Bill Currie	3,413,322	13.26%
Sir Terry Leahy	2,420,970	9.41%
Andrew Sutcliffe	2,032,158	7.90%
Cavendish Asset Management Limited	1,831,001	7.11%
Hargreave Hale Limited	1,679,667	6.53%
Christopher Gorell Barnes	1,531,866	5.95%
Steve Rothwell	1,511,672	5.87%
Julian Reiter	1,342,390	5.22%
Herald Investments	877,318	3.41%
Timothy Miller	872,975	3.39%
Edward Pippin	855,000	3.32%



Who we are

Our Board and Executive team



Malcolm Wall *

Chairman



Sir Terry Leahy *

Non-Executive Director



Bill Currie *

Non-Executive Director



Robert Senior*

Non-Executive Director



Tim Mason *^

CEO



Steve Rothwell *^

CTO and Founder



Lucy Sharman-Munday *^

CFO



Al Henderson^

CSO



David Aylmer ^

COO

Commercial in confidence

*** PLC ^ Management**

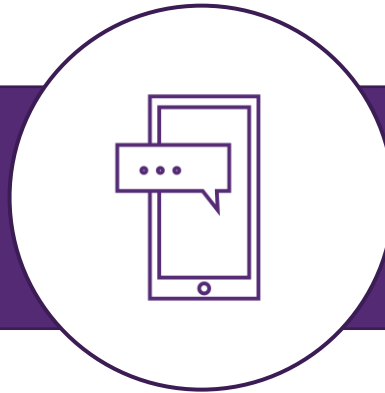
Supporting the end-to-end customer journey

Acquire



Reach new customers
via any channel

Interact



Develop relevant customer
relationships

Retain

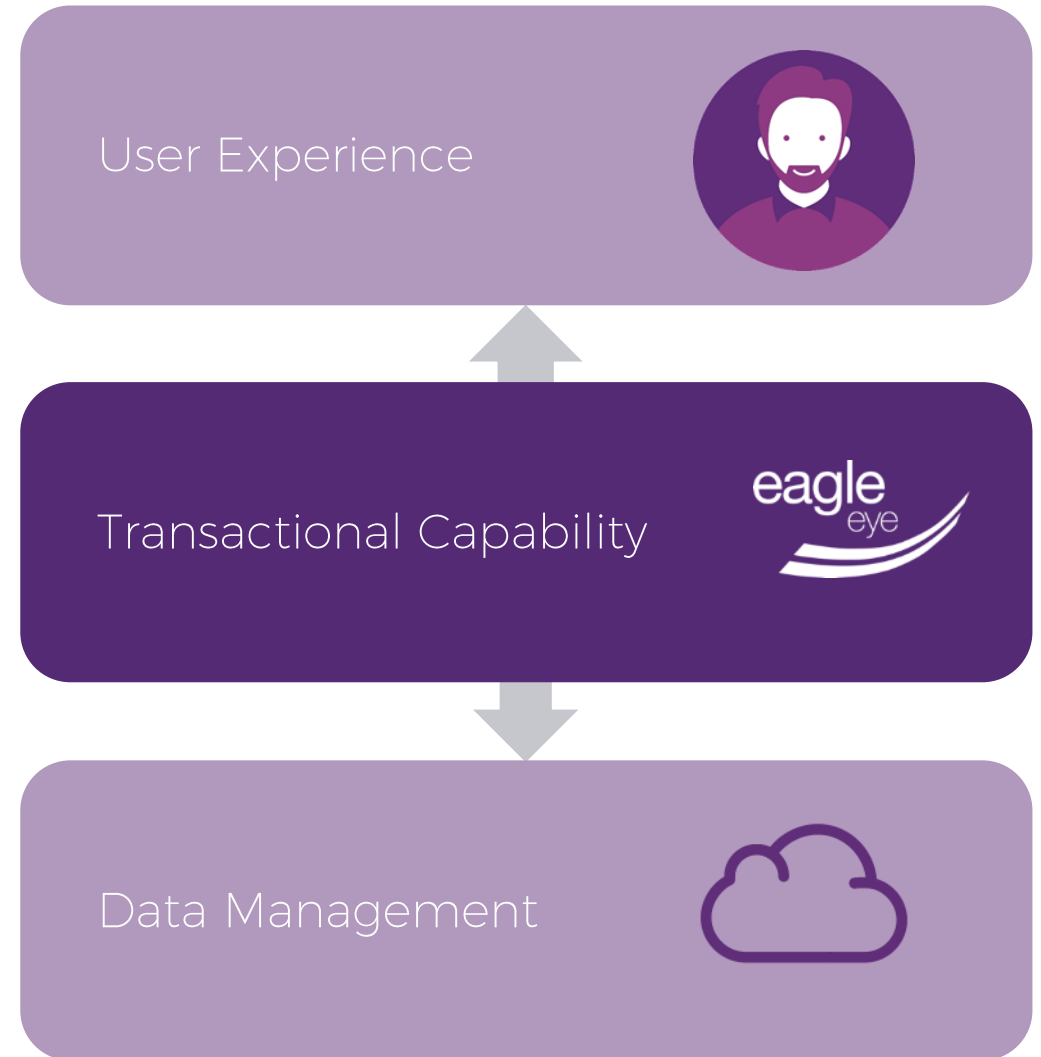


Build loyalty and
engender advocacy

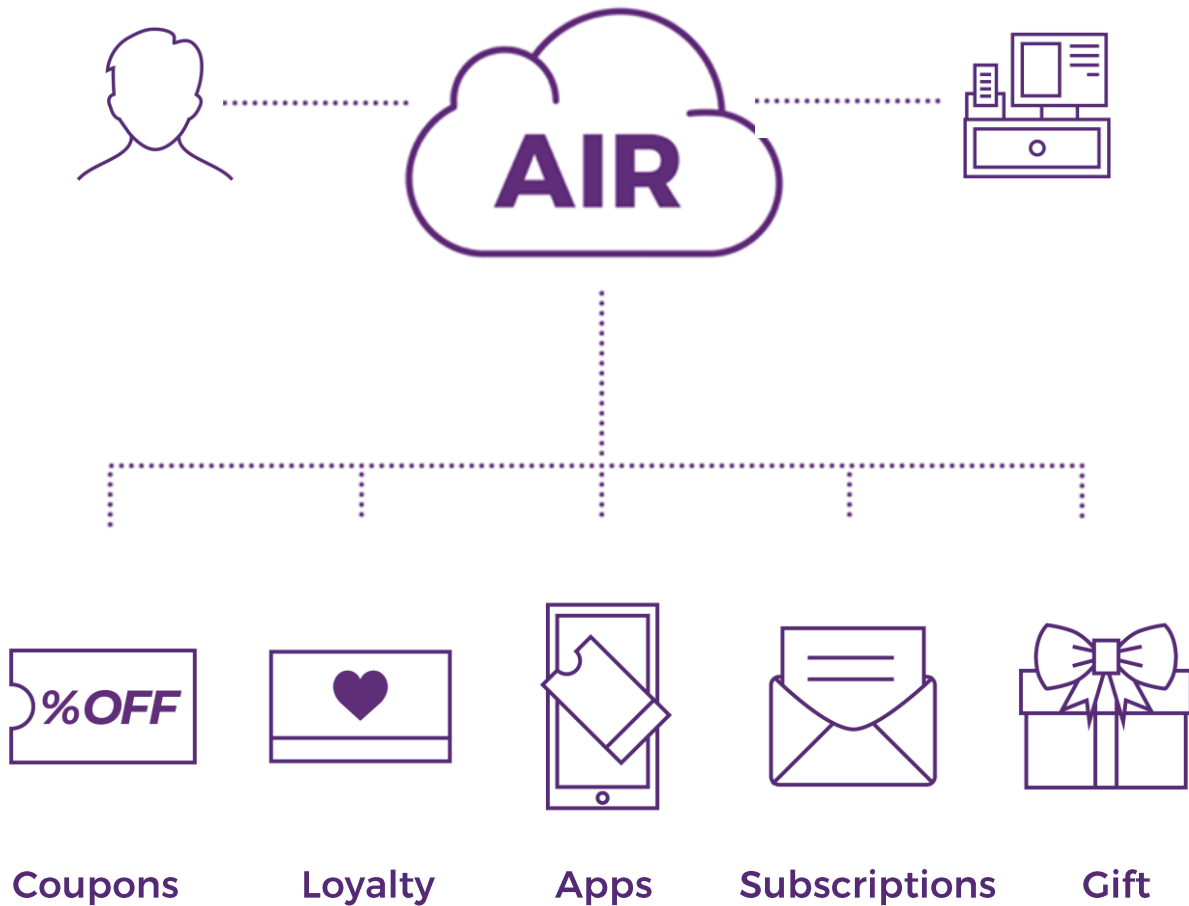
3 components for success

We believe there are three main components to success:

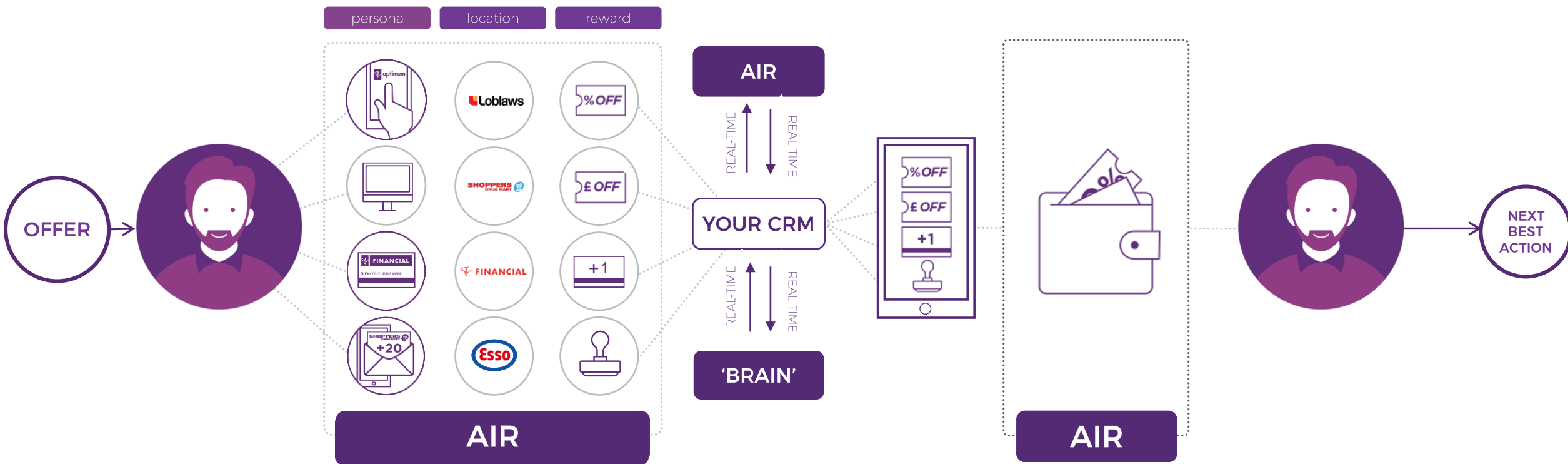
- ✓ Great UX – entice and engage the customer
- ✓ Transactional capability to drive data points on behaviour
- ✓ Manage data to drive segmentation and future transactions



One platform many products



- One customer view linking **online to offline**
- **Speed, scale and security**
- Easy to integrate via API to **POS**
- 100% customer base coverage **acquisition to retention**
- **Network capability** to reach new audiences



Illustrative contract lifecycle

- 1 Implementation periods based on complexity
- 2 Licence fees start at a reduced rate. Full rate from launch
- 3 Transaction growth with digital adoption and more use cases
- 4 On average customers adopt new services 1 year after launch
- 5 Opportunity - Brands to enhance any promotion or reward strategy

