



eagleeye

Final Results for the year ended 30 June 2020

*Successful international expansion,
significant growth in adjusted EBITDA and
revenue*

Eagle Eye Solutions Group plc

Tried, tested and proven

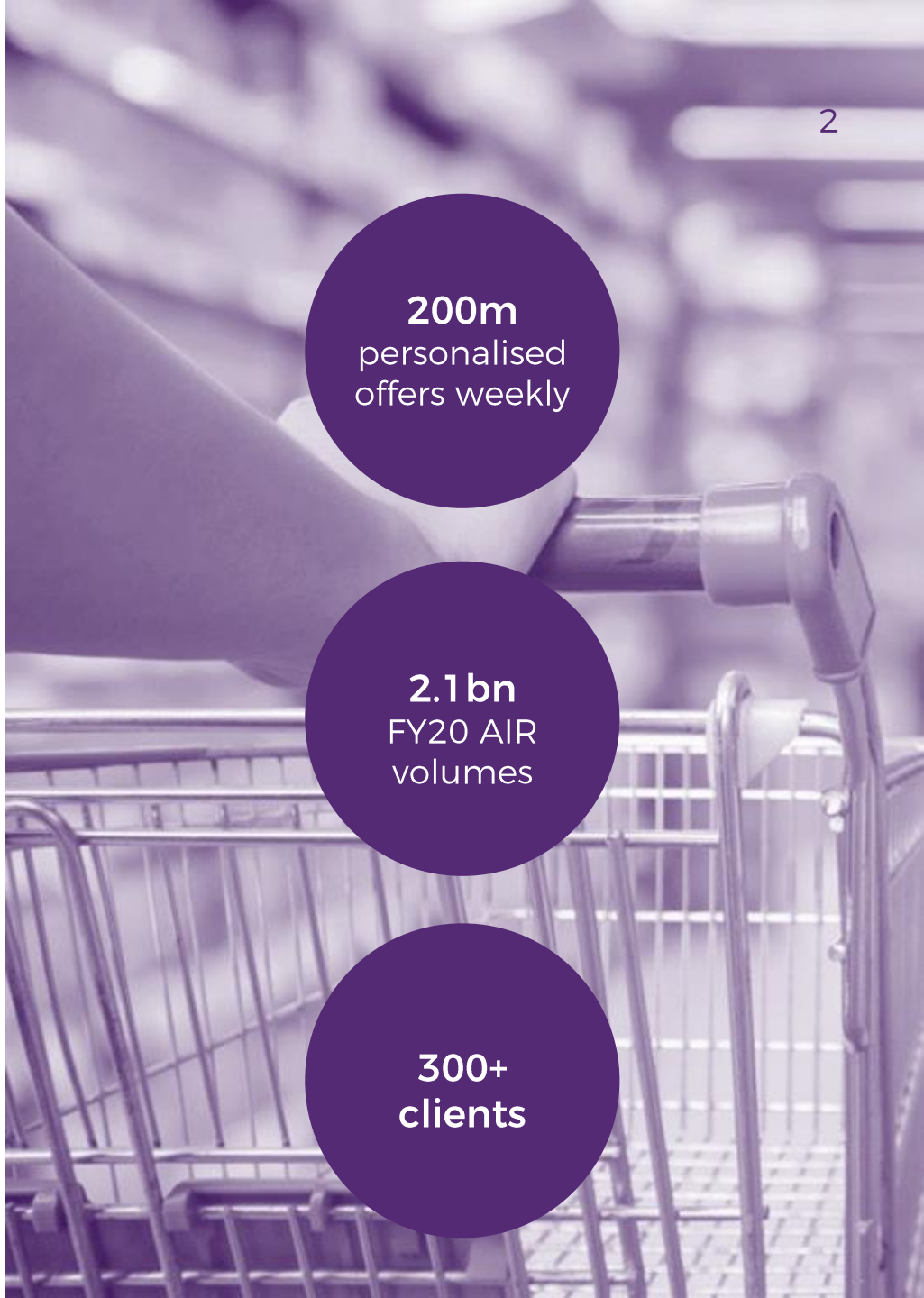
The best-in-class loyalty and promotions SaaS platform for leading omnichannel retailers globally



200m
personalised
offers weekly

2.1bn
FY20 AIR
volumes

300+
clients



What do the world's largest retailers need?



Executive Summary – “*excellent progress against our strategic objectives*”

- Strong trading period – delivering revenue and adj. EBITDA growth
- Resilience and agility during COVID-19
- Won and delivered for major clients: new territories include the US (largest global market) and New Zealand
- Powerful collaborations to target US market
- AIR volume growth of 140% to 2.1 bn
- Continued innovation and platform enhancements

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

21%
revenue
growth

73%
Recurring
revenue

£3.3m
Adj. EBITDA

COVID-19 resilience

Revenue impact of COVID-19

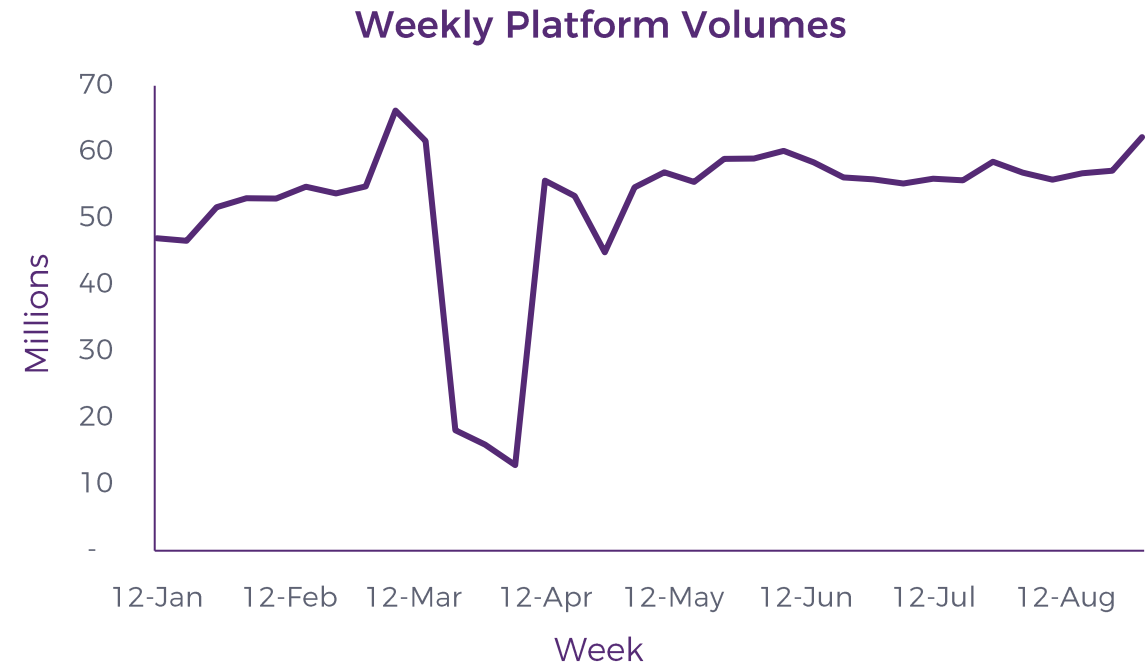
- Delivered H2 over H1 revenue growth
- Impact on **10% of Group revenue** prior to COVID-19: Drop off in Brand and non-grocery revenue,
- Revenue from grocery and digitally-engaged retailers **remained strong**
- Continued to deliver **significant projects**

Our Response

- Continuous **communication**
- **Our “Better, Simpler, Cheaper”** ethos enabled agility
- Swift response to manage **cash** effectively
- Rapid innovation to launch **new COVID solutions**
- **Excellent service levels** maintained as staff moved to remote working

Current Trading

- **Grocery and digitally-engaged retailers** trading as expected
- Revenue generated from **COVID solutions**
- **Partial recovery** in F&B and non-grocery
- Possible delay to **corporate decision making**



eagleeye

Group has emerged as a strengthened team

We continue to innovate to meet client needs

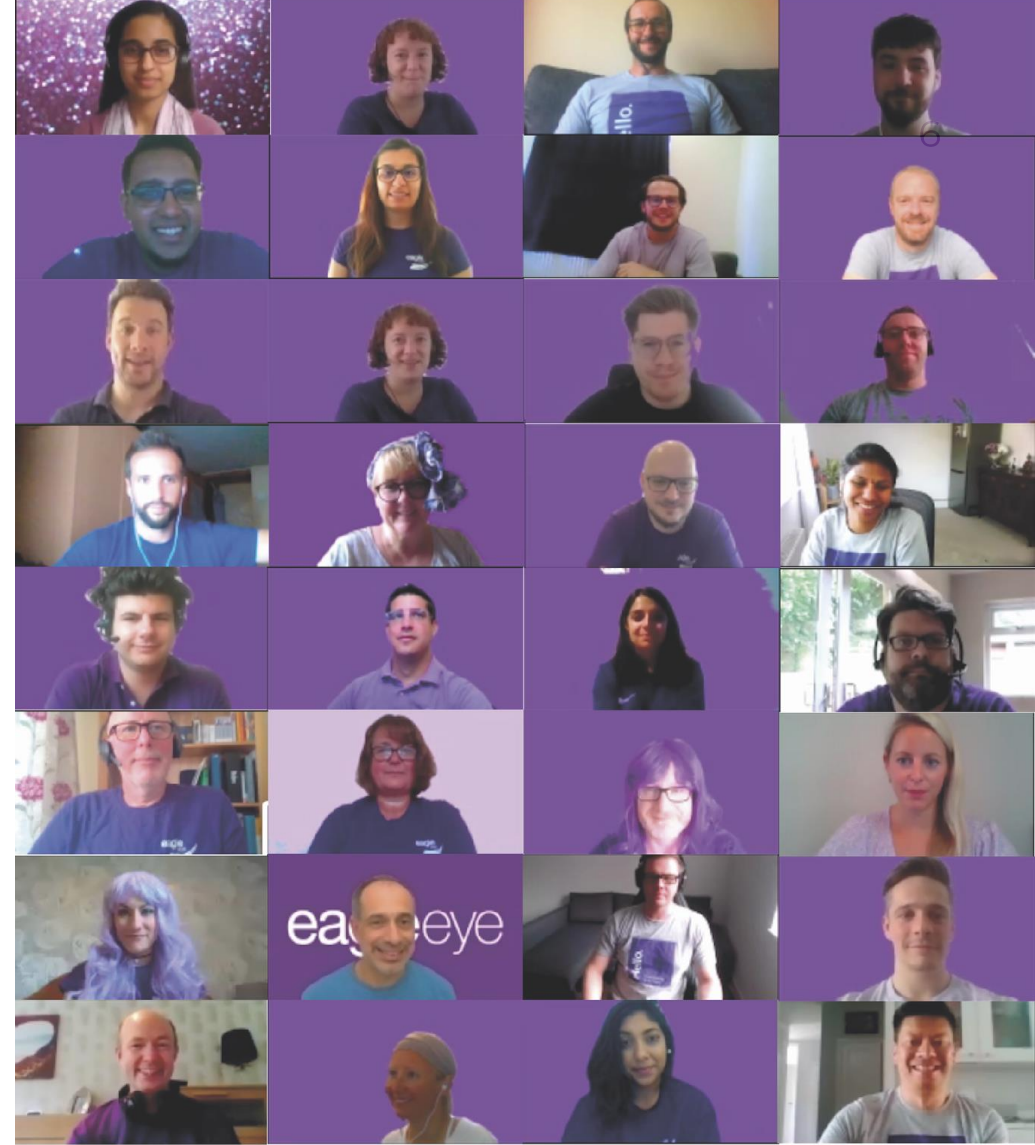
We have set the goal of being a great place to work

Passionately believe our values set us apart

We recognise and reward people for their “purple” behaviour

Increased communication through the year

Fostering a diverse and inclusive workplace and culture



Large global markets with inherent growth, converting to digital

Pandemic has accelerated the drive to digital - Global eCommerce sales **+28%** in June 2020*

Bricks and mortar retailers have struggled

An omnichannel strategy is key to building resilience and maximising recovery

Small increases in market share will be transformational



\$11.4bn
by 2025
23% CAGR

**Global loyalty
management
market**

Mordor Intelligence
January 2020



\$67bn
by 2023
31% Growth

**Global value of
mobile coupons
redeemed**

Juniper Research
July 2020



\$1.4trn
by 2030
13% CAGR

**Global gift card
market**

Persistence Market
Research
April 2020

*(ACI Worldwide Research)

Financial update

Key KPIs

21%

Revenue growth to £20.4m
(FY 19: £16.9m)

0.9%

Churn (FY 19: 0.8%)

73%

Recurring revenue (FY 19: 71%)

£1.5m

Net cash; cash inflow of £2.8m
(FY 19: outflow £1.6m)

£3.3m

Adjusted EBITDA (FY 19: £0.7m)

140%

AIR redemption and interaction volumes increased to 2.1 bn
(FY 19: 0.9bn)

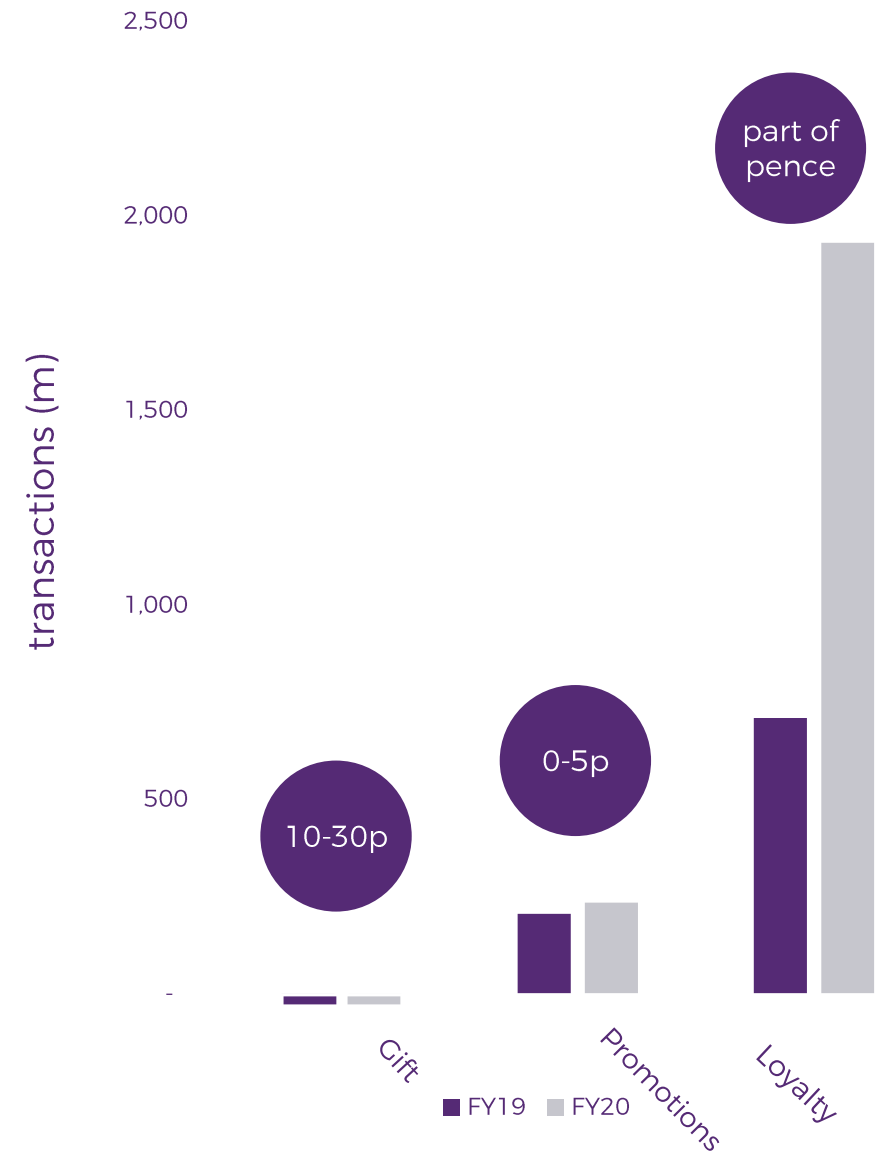
Revenue split by business model

25% growth in recurring revenue

	FY 20	FY 20 % of total	FY 19	FY 19 % of total
One off implementation fees	£5.5m	27%	£4.9m	29%
Recurring revenue:				
Licence fees	£7.7m	38%	£6.5m	38%
Transaction fees	£6.0m	29%	£4.5m	27%
SMS fees	£1.2m	6%	£1.0m	6%
	£20.4m		£16.9m	

Interaction and redemption volumes

- Overall AIR redemption and interaction volumes increased by 140% to 2.1bn in FY 20 (FY 19: 0.9bn)
- **Growth** driven predominantly by **loyalty transactions**
- **Go-lives of Tier 1 customers, launching existing contracts, deepening and new wins all geographies**
- There is an **intrinsic link** between consumer value and price per transaction



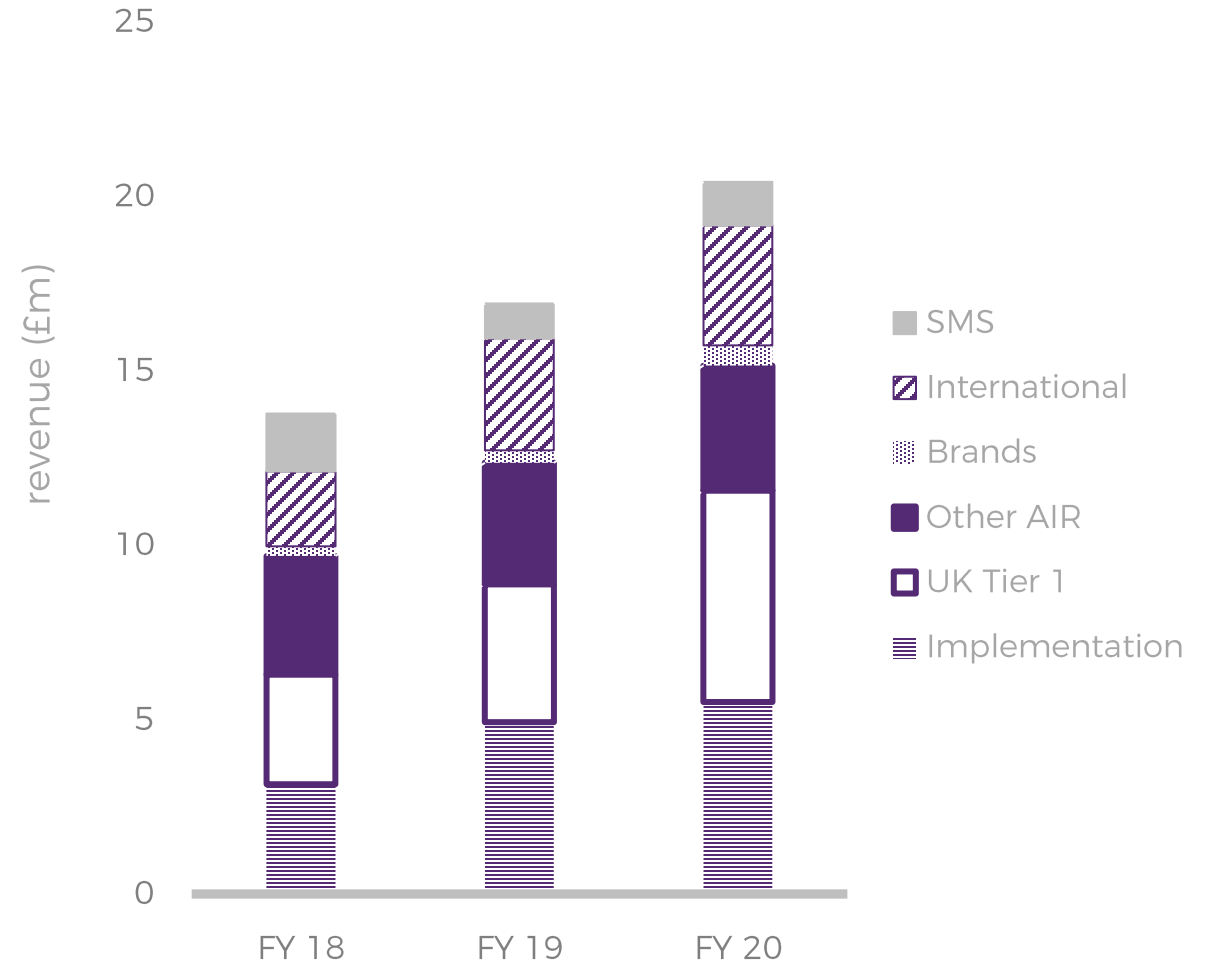
FY20 - Income Statement

- **21% revenue growth**, delivering on our strategy. Despite COVID-19 impact, **3% half on half growth**
- **94% GM**, 1ppt ahead of FY 19
 - AIR GM maintained at 97%
- **£15.8m net operating expenses, 5% growth**
 - £0.9m increase in staff costs
 - £0.3m increase in infrastructure costs; increased volumes and new territories, offset by savings from move to GCP
 - 15% reduction in marketing, travel and admin
 - £4.0m invested into product
- **Adjusted EBITDA profit £3.3m**
- **Reduction in loss, £0.5m (FY 19: loss £2.4m)** despite overseas tax charges
- **Slight increase in costs below EBITDA** due to higher amortisation and depreciation offset by lower IFRS 2 share based payment charge

£'000	FY 20	FY 19	VAR	VAR %
Revenue	20,421	16,929	3,492	21%
Cost of Sales	(1,318)	(1,171)	(147)	(13)%
Gross profit	19,103	15,758	3,345	21%
Operating costs	(18,639)	(17,639)	(1,000)	(6)%
Capitalised costs	2,814	2,595	219	8%
Net operating costs	(15,825)	(15,044)	(781)	(5)%
EBITDA	3,278	714	2,564	359%
Amortisation, depreciation, SBP, interest	(3,610)	(3,521)	(89)	(3)%
Tax	(122)	447	(569)	(127)%
Loss	(454)	(2,360)	1,906	81%
Average FTE	139	138	1	1%

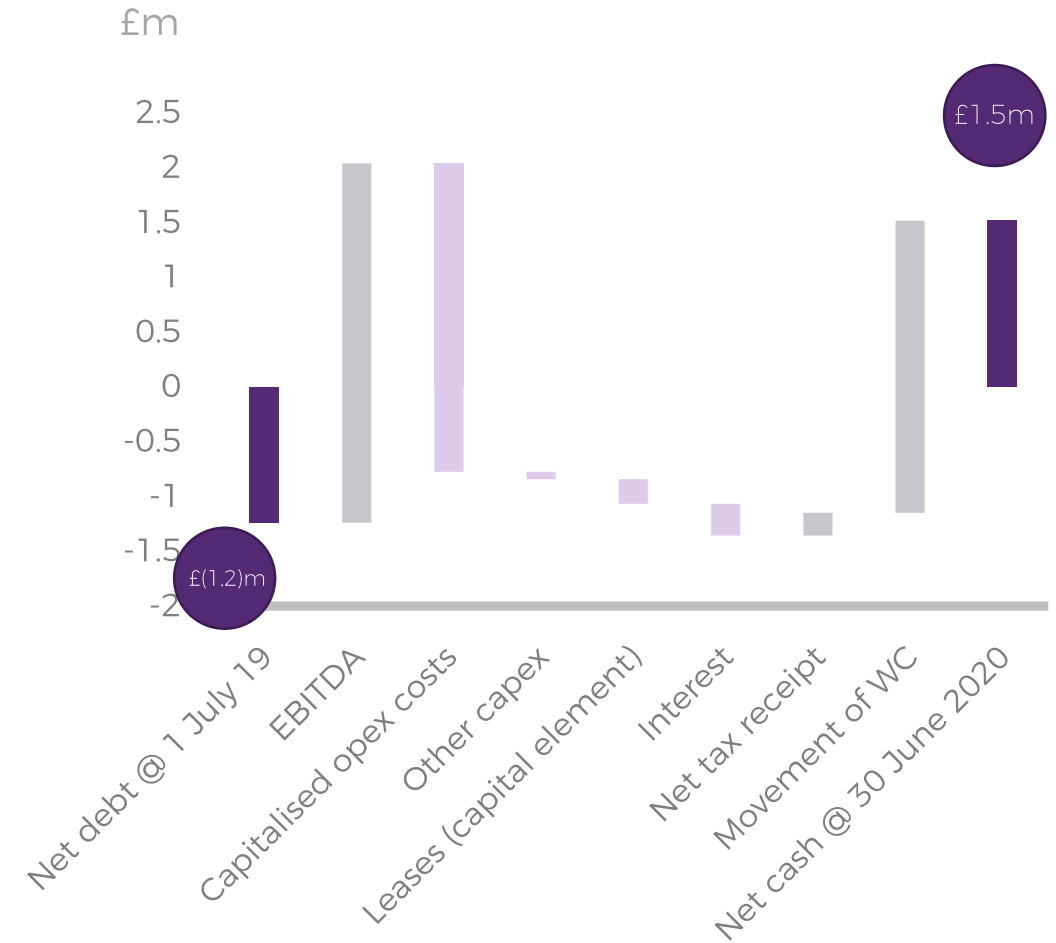
Year on Year analysis

- **73%** continued high percentage of subscription and transactional revenue (FY 19: 71%)
- **Implementation revenue value** represents key customers retaining professional services as well as new wins
- **Growth in all categories**
- **30%** growth UK Tier 1 & International revenue - key contracts moving to next stage of their contract plus wins



Net cash/(debt) bridge

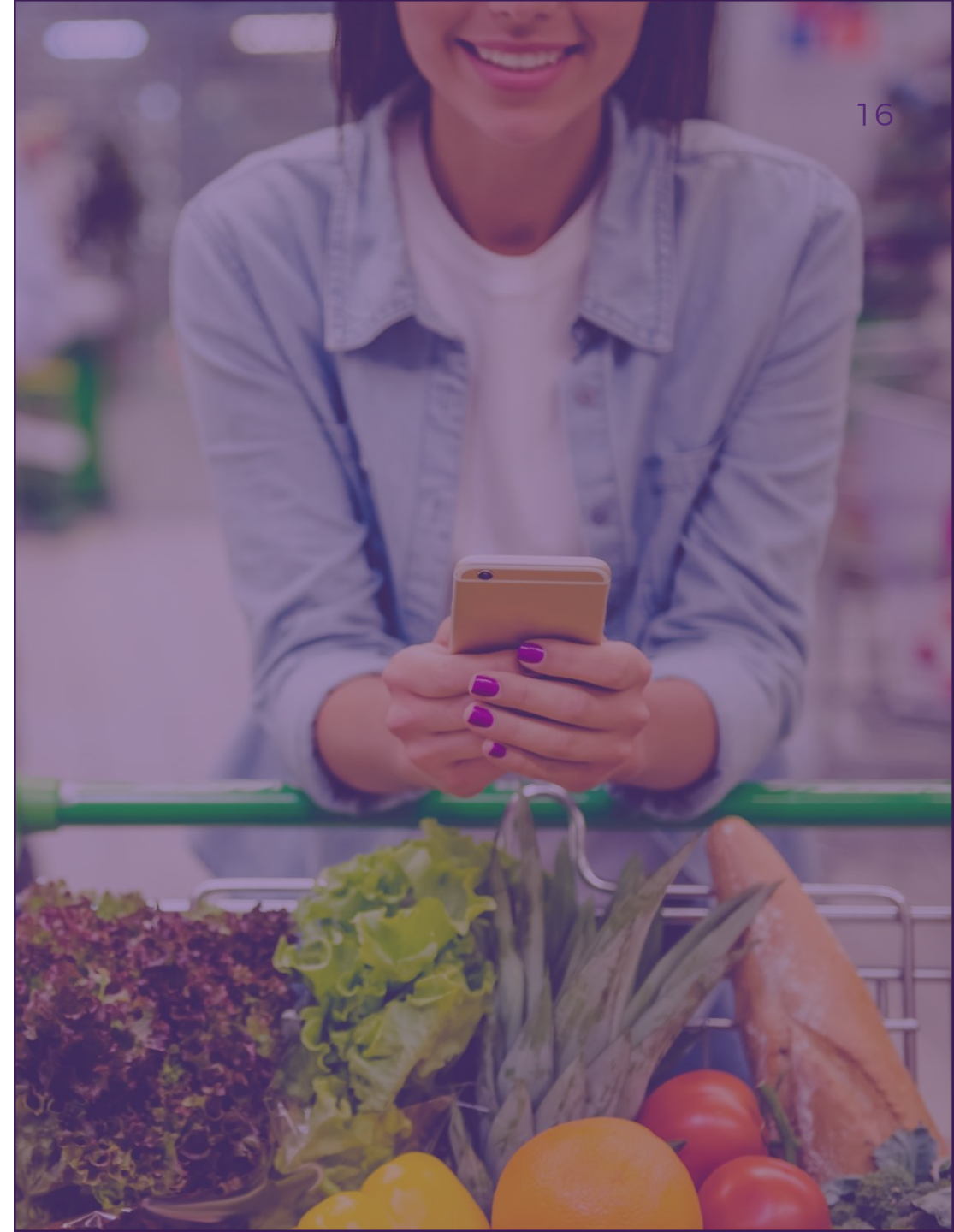
- **£2.8m** cash inflow with c.£2.0m COVID-19 benefit; (FY 19 £1.6m outflow)
- **Operating cash inflow of £6.1m: EBITDA £3.3m, working cap inflow £2.6m, £0.2m overseas corporate tax payments , £0.4m R&D tax receipt**
- **£2.8m capex:** £2.2m capital expenditure on AIR, IFRS 15 contract costs capitalised £0.5m
- **£1.5m** net cash at 30 June 2020
- **£5.0m Barclays facility** - sufficient headroom remains to support existing growth plan
- **Facility extended to September 21**



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 the UK and in new geographies
- Increased go live speed for **Southeastern Grocers** and **The Warehouse Group**

Transact

- Brand revenue impacted by COVID-19 but **+26% to £0.8m** (FY19: £0.7m)
- Added over 1,000 hospitality venues in Q4 to over 7,000 by the end of June 2020
- New Audience partners, including Tradedoubler

Deepen

- Increased use of platform by **Tier 1** customers
- Key multi-year contract renewals: **Sainsbury's, ASDA and JD Sports**



Tradedoubler

Sainsbury's



Innovation to support the world's largest retailers

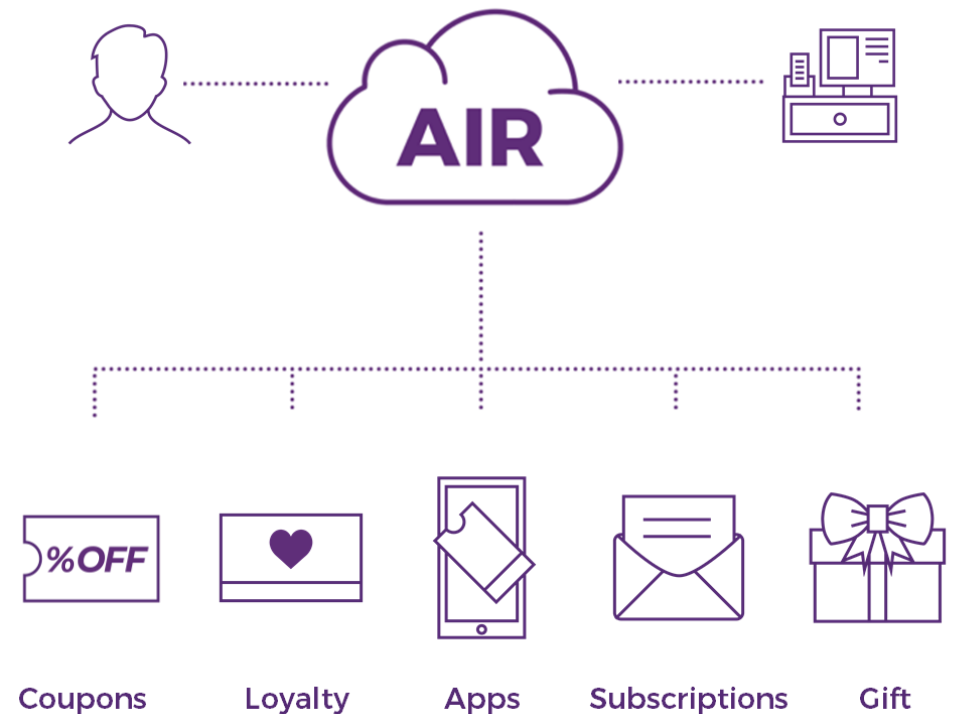
Better data – Analytics integration

Additional channels – Message at Till

Personalised loyalty – Reward bank for exchange of points

ESG – Loyalty points for charity donations

Coalition schemes – Integrating B2B partners



Launch of Text & Trace

Fancy a pint? You might need an app for that



Rory Cellan-Jones
Technology correspondent
@BBCRoryCJ

Marketing messages

The simplest approach I came across was from a company called Eagle Eye.

And it depended on QR codes, a method already adopted in New Zealand.

Chief sales officer Al Henderson tells me what my customer "journey" would look like."

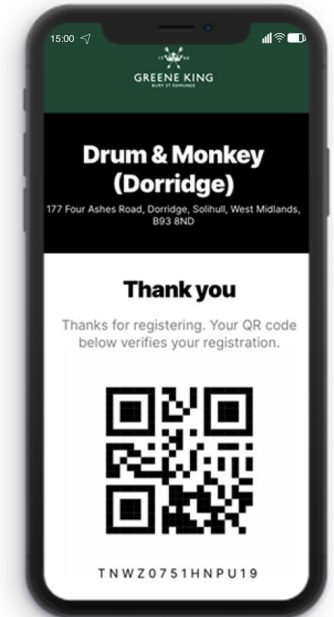
Rory Cellan-Jones, BBC



1

scan a QR code at the venue

text full name

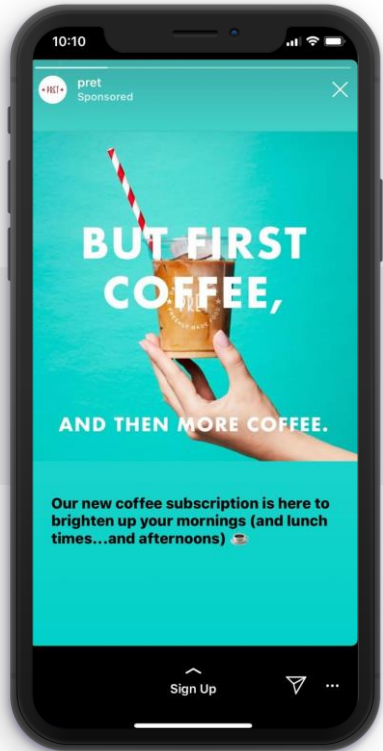


2

receive my own QR code via SMS

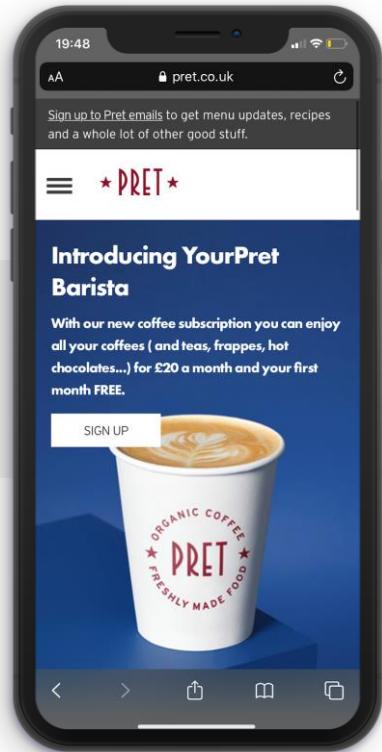
use it when I pay

YourPret Barista – Digital Coffee Subscription



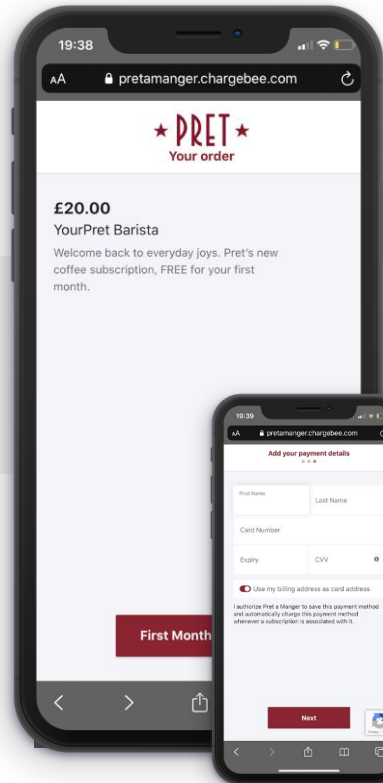
Pret A Manger advertising

Customer is targeted with Instagram Ad promoting subscription offer



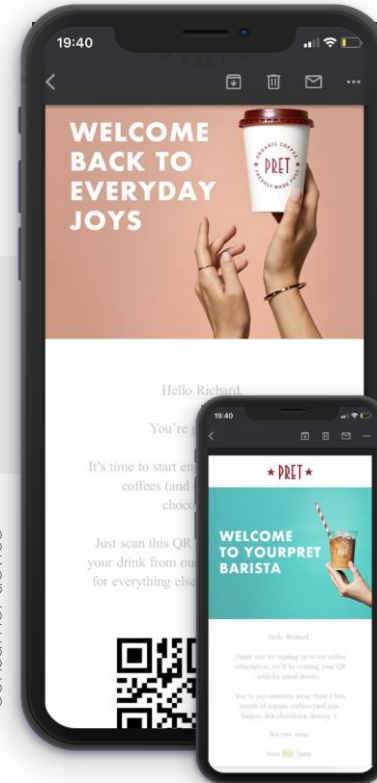
Consumer device

Social Ad links to Pret.com webpage with link to sign up to YourPret Barista



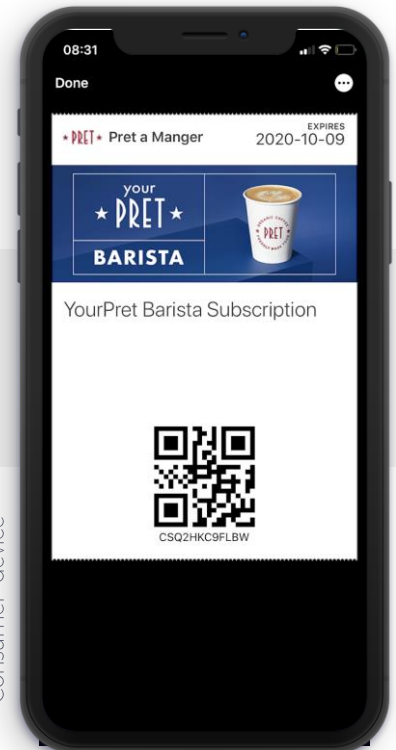
Consumer device

Customer enters personal and payment data to sign up to the coffee subscription



Consumer device

Digital wallet is created. Customer receives purchase summary and unique coupon to redeem their coffees against



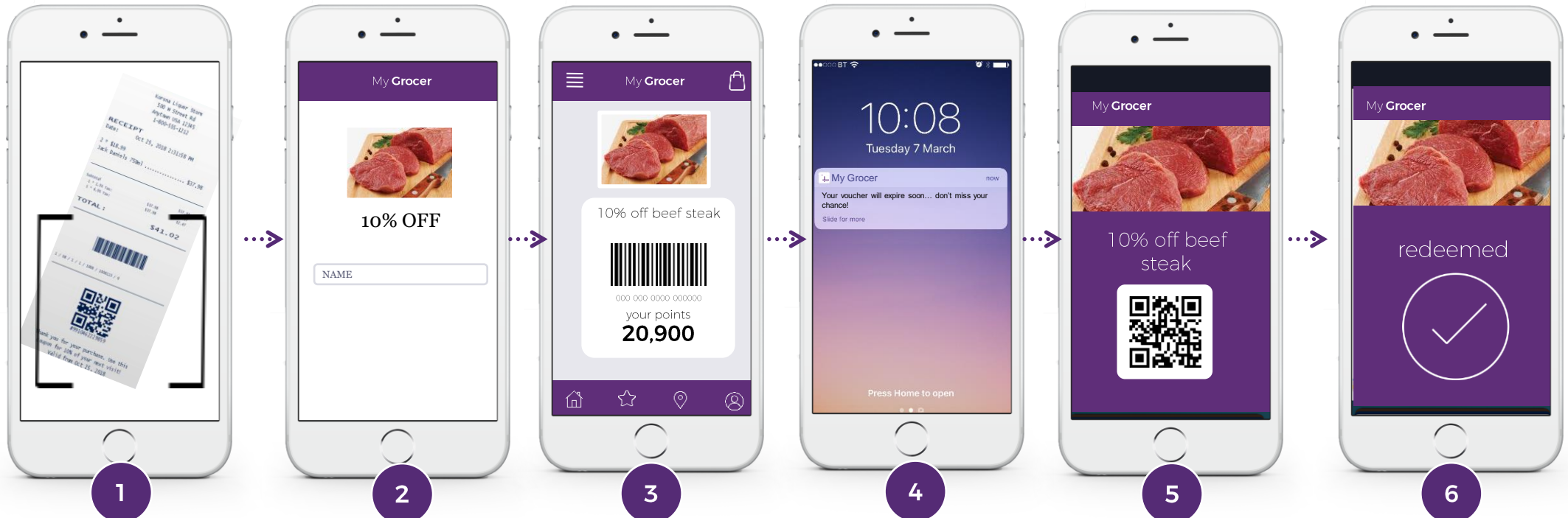
Consumer device

Digital coupon can be clipped to Apple or Android Wallet

Coupon at Till



following a customer transaction...



1 customer is given a QR code to scan on their receipt that takes them to the offer / sign up page

2 customer shares their details

3 offer is shared, and stored in consumer wallet

4 reminders notify that the coupon expires soon, or that the user is nearby a store location

5 scans at till

6 instant update back to the consumer

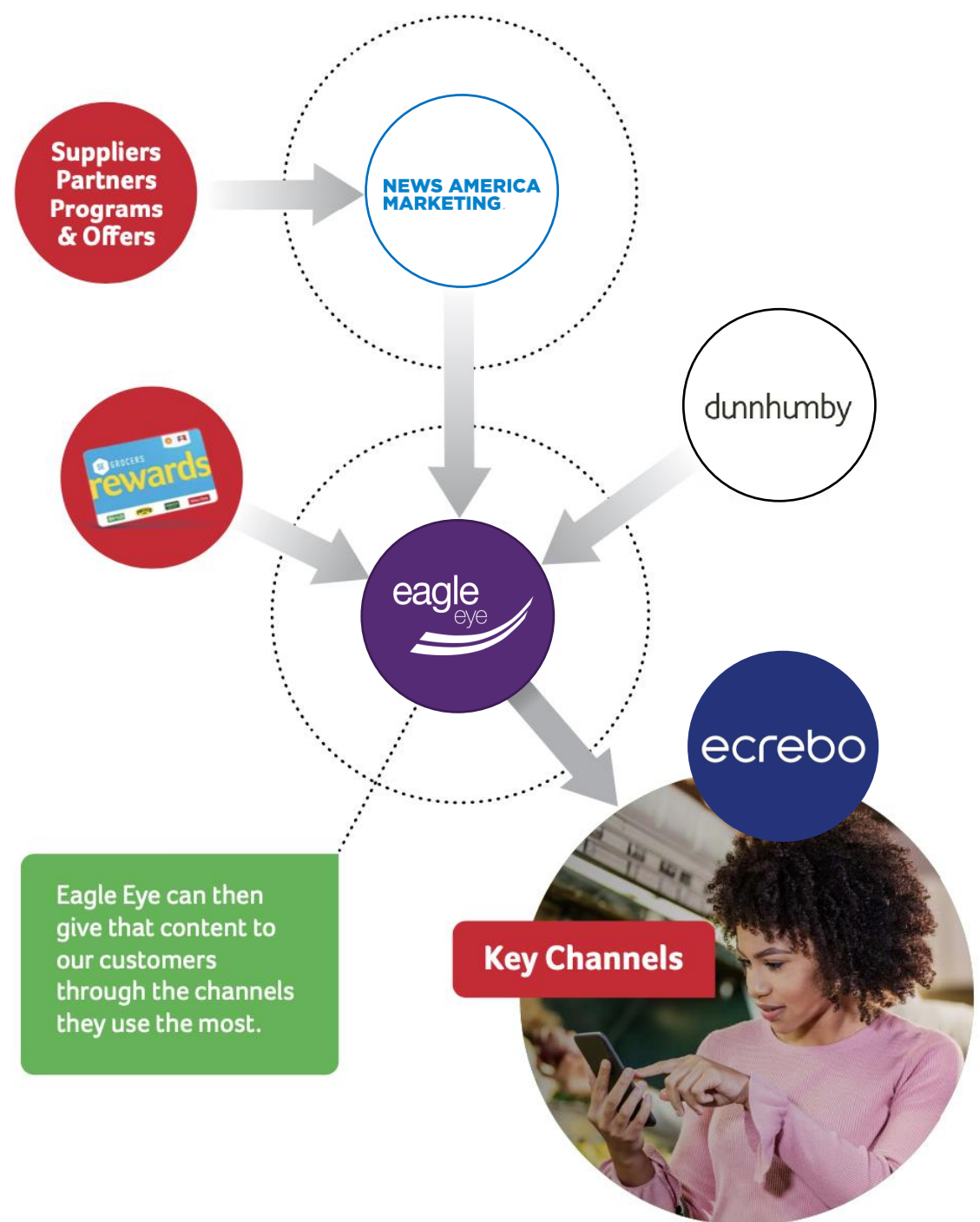
Powerful collaborations to target US market

Combining these relationships with **our own, direct marketing activities**, we believe provides us with the right mix to **capture more of what is the world's largest promotions and loyalty market**

News America Marketing - the premier marketing services company

dunnhumby - a global leader in customer data science

Ecrebo - receipt marketing technology provider



Better, Simpler, Cheaper

Agile methodology implemented across the business – facilitates faster decision making & swifter response to change

Business is now split between functions that form the core **'backbone'** and those that can be **flexibly allocated with wins**

GCP migration: 140% growth in transaction volumes through the platform, only resulting in a **6% increase in infrastructure costs to £4.4m** (FY 19: £4.1m).

Significant improvements to our AIR platform to ensure it is the most scalable and robust loyalty and promotions platform on the market

30%
Platform
speed
improvement

**200 times
faster**
offer allocation

**New PoS
integrations**

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Outlook

Outlook

Trading – positive start to the new year, in line with Board expectations

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

Focus – capitalise on accelerated digital transformation in the retail sector, as well as sustain the momentum we have gained in the US and Australasia

Investment - in our people, product development, sales and marketing, and in new geographies during the year ahead, whilst carefully managing the business and cost base

Growth – while cognisant COVID-19 may delay corporate decision-making and continue to impact on our leisure and non-grocery retail clients, we anticipate revenues from existing clients to grow during the year and have a focused strategy to capture more of the Tier 1 market

Pipeline – Growing global pipeline

Questions & Answers

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

* PLC ^ Management

Balance Sheet

£'000	FY 20	FY 19	VAR	VAR %
Non-current assets	7,727	7,580	147	2%
Trade and other receivables	4,840	3,988	852	21%
Cash and cash equivalents	1,519	1,363	156	11%
	14,086	12,931	1,155	9%
Current liabilities	(7,879)	(4,874)	(3,005)	(62)%
Financial liabilities	-	(2,600)	2,600	100%
Non-current liabilities	(1,783)	(1,137)	(646)	(57)%
	(9,662)	(8,611)	(1,051)	(12)%
Net assets	4,424	4,320	104	2%

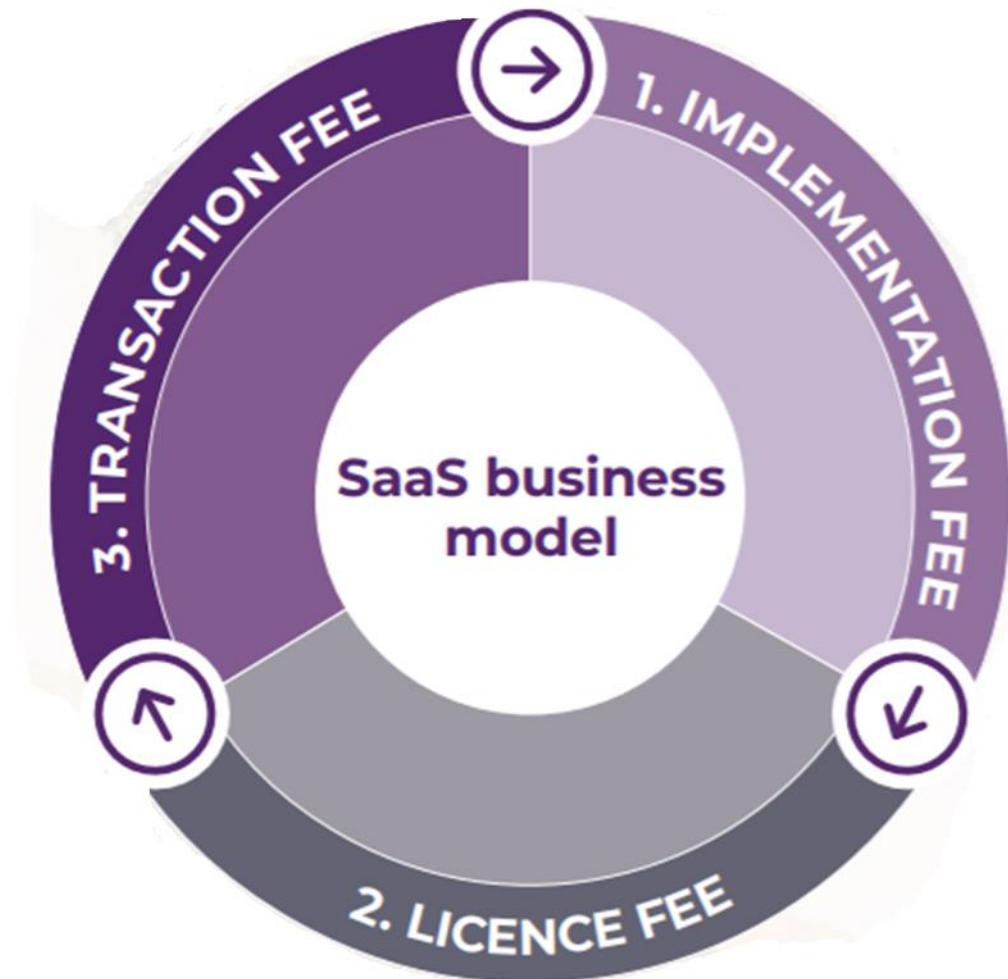
Cashflow

£'000	FY 20	FY 19	VAR	VAR %
EBITDA	3,278	714	2,564	359%
Movement in working capital	2,571	358	2,213	618%
Net tax receipts	209	497	(288)	(58)%
Net operating cashflows	6,059	1,569	4,490	286%
Capital expenditure	(2,883)	(2,707)	(176)	(7)%
Lease payments	(268)	(313)	45	14%
Issue of equity less interest	(54)	(209)	155	74%
Facility (repayment)/drawdown	(2,600)	1,500	(4,100)	(273)%
Movement in cash (exc forex)	254	(160)	414	259%
Net cash/(debt) at end of period	1,519	(1,237)	2,756	223%

Share register

Holder	Shares	%
Bill Currie	3,413,322	13.26%
Sir Terry Leahy	2,420,970	9.41%
Stonehage Fleming Investment Limited	2,063,001	8.02%
Andrew Sutcliffe	2,032,158	7.90%
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%
Timothy Miller	872,975	3.39%
Edward Pippin	855,000	3.32%

How we make money



1

One off implementation fee

2

Recurring licence fee for access to Eagle Eye AIR

3

Transaction fees:

per issuance X pence – linked to value and

per redemption 3-5 times issuance

or

interaction fees (earn and burn of points) for loyalty services replaces above

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

