



Final Results for year ended 30 June 2021

Growing profitability following record win performance, exiting the year with momentum

Eagle Eye Solutions Group plc

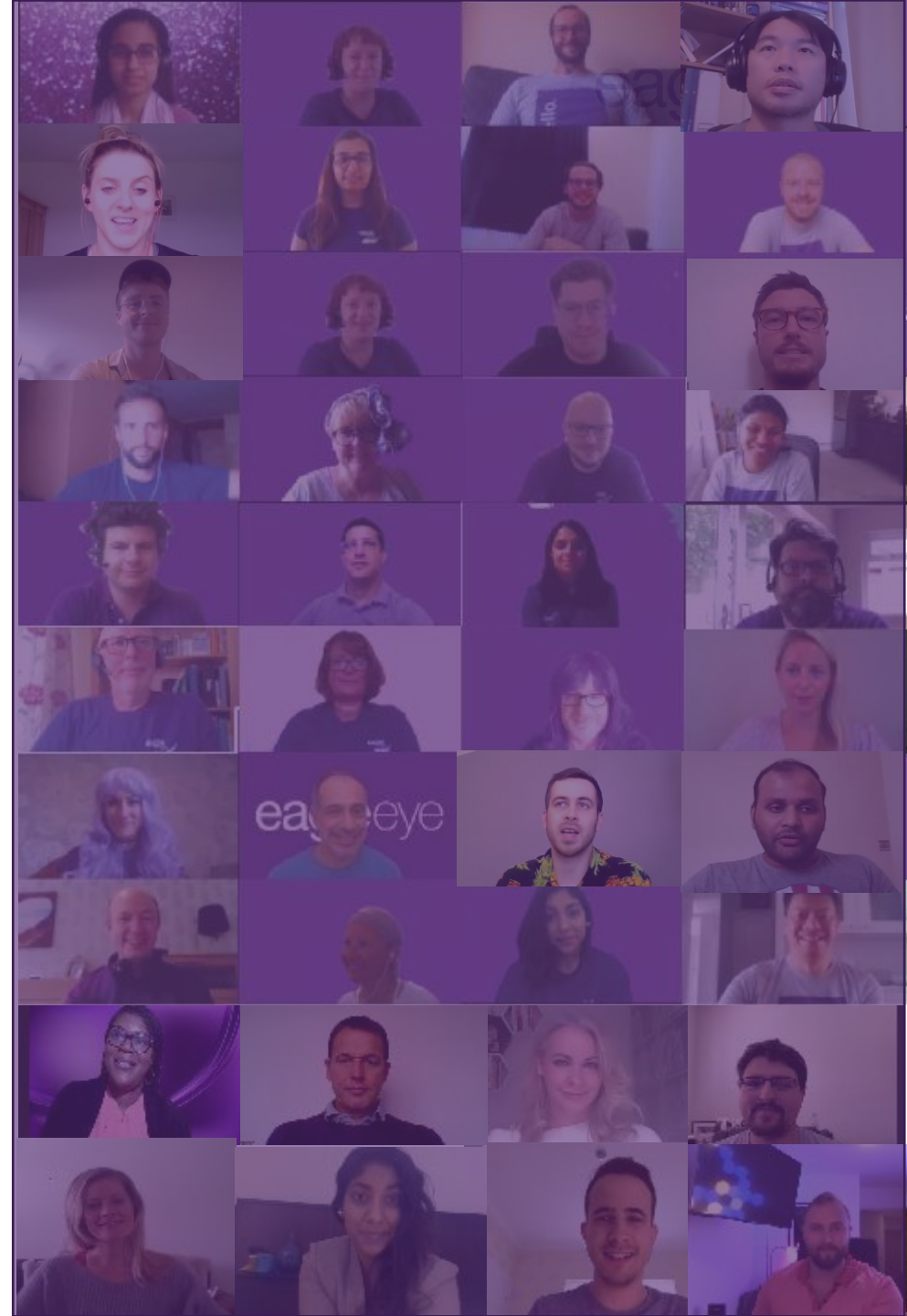
Hello.

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 leading to 1:1 marketing**



Summary of the year

Delivering exceptional consumer value for the world's most innovative retailers

- **Another strong trading performance** - Growing profitability following record win performance exiting the year with momentum
- **Enabling clients around the world to create value, through the AIR platform and our great people**
- **Successfully navigating COVID**
- **Personalised, digital marketing is coming to the fore, playing to our strengths**
- **Tier 1 customer base growth continues**



vermaat



12%
Revenue
growth

74%
Recurring
revenue

+29%
Adj. EBITDA*
growth

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

Market opportunity – acceleration of retail digital strategies

- **The shift to digital has continued at pace** with retailers developing their omnichannel capabilities to address rapidly changing consumer shopping behaviours.
- **Retailers have accelerated their digital engagement strategies**, to remain competitive, retain the loyalty of existing customers while seeking to win new ones.
- **They are looking for new ways** to harness the increased availability of customer data, machine learning and AI to power personalised connections and prosperous long-term relationships.

eagleeye

77% of consumers tried new shopping behaviours in the past year

28% Growth in worldwide retail ecommerce in 2020.

72% of retail professionals say COVID-19 has accelerated their company's digital transformation

1. Source: US consumer sentiment during the coronavirus crisis, McKinsey

2. Source: Global Ecommerce Update 2021 – January 2021, eMarketer)

3. Source: Using Retail Tech Innovation to Enhance the Customer Experience, June 2021, Euromonitor and NRF

Eagle Eye: The Retail Nervous System



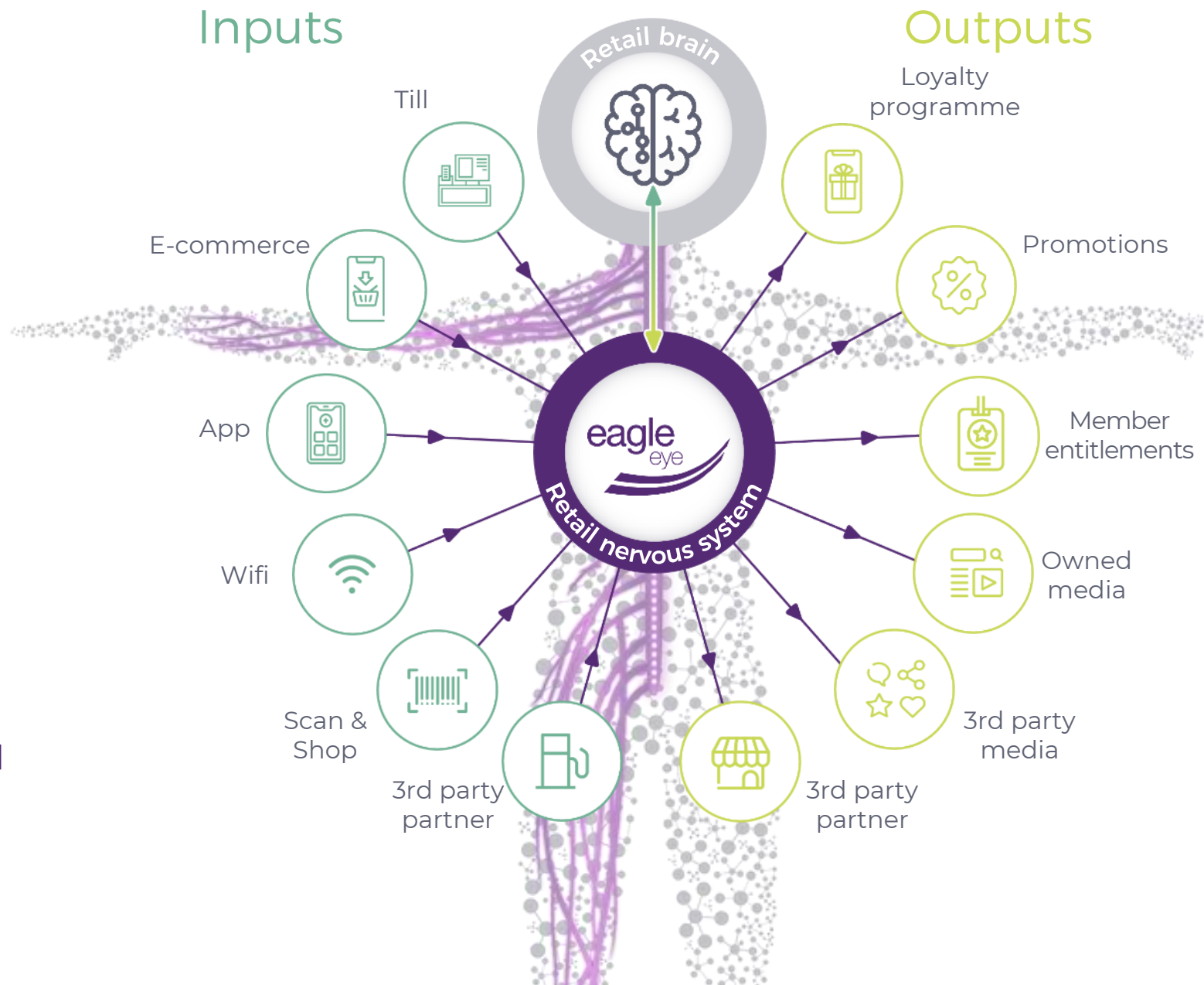
24/7, real time connection between the Brain and the Nervous System



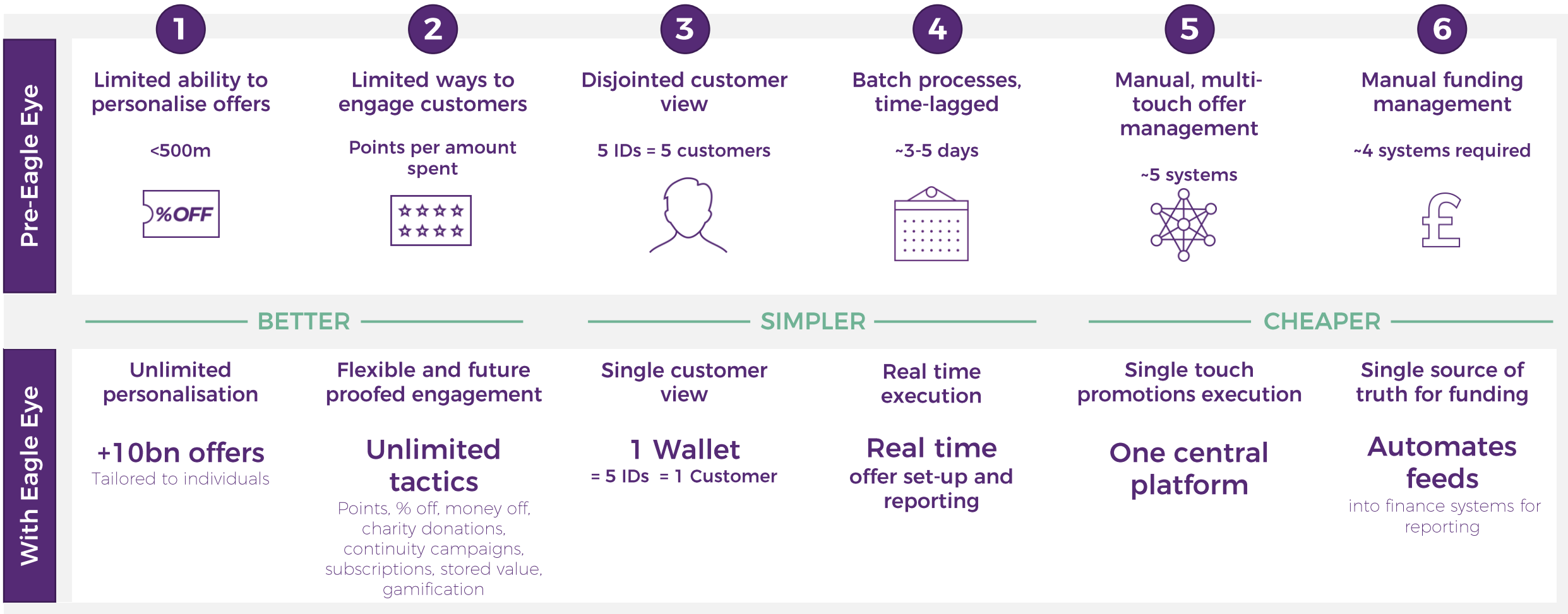
The Nervous System passes **data inputs** into the Brain from all **connected channels**



Personalised decisions are passed from the Brain to the Nervous System to be **executed**



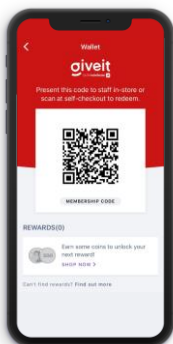
Eagle Eye AIR: The Transactional Layer



Our comprehensive digital toolkit for retail marketing

Providing retailers with the capability to personalise the end-to-end customer experience

Charity donations



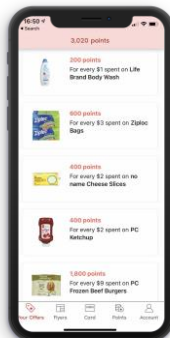
Coupon on receipt



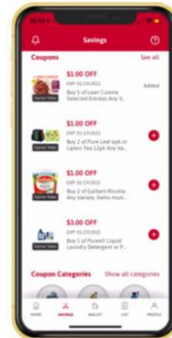
Coalition loyalty



Personalised lifecycle triggers



Personalised points & discounts



Digital loyalty tactics



Personalised continuity



Subscription perks



Financial Update

Key KPIs

12%

Revenue growth to £22.8m
(FY 20: £20.4m)

0.3%

Churn (FY 20: 0.9%)

74%

Recurring revenue (FY 20: 73%)

£0.8m

Net cash (FY 20: net cash £1.5m)

£4.2m

Adjusted EBITDA (FY 20: £3.3m)

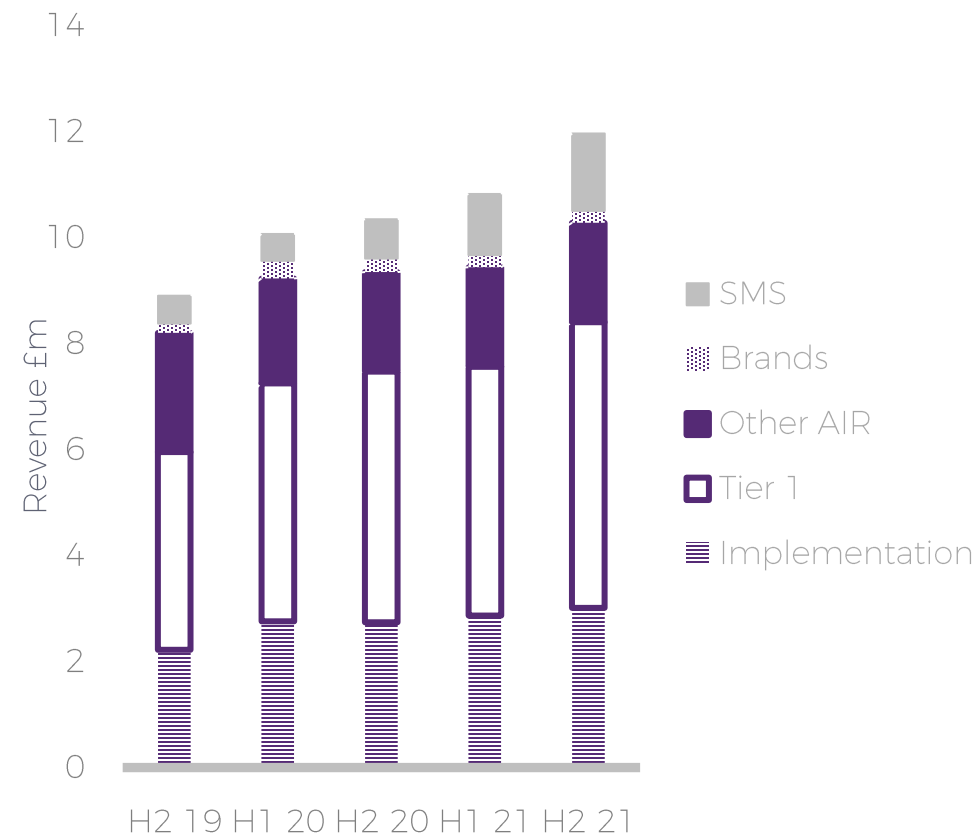
£0.1m

Profit before tax
(FY 20: £(0.3)m loss)

Revenue split by business model

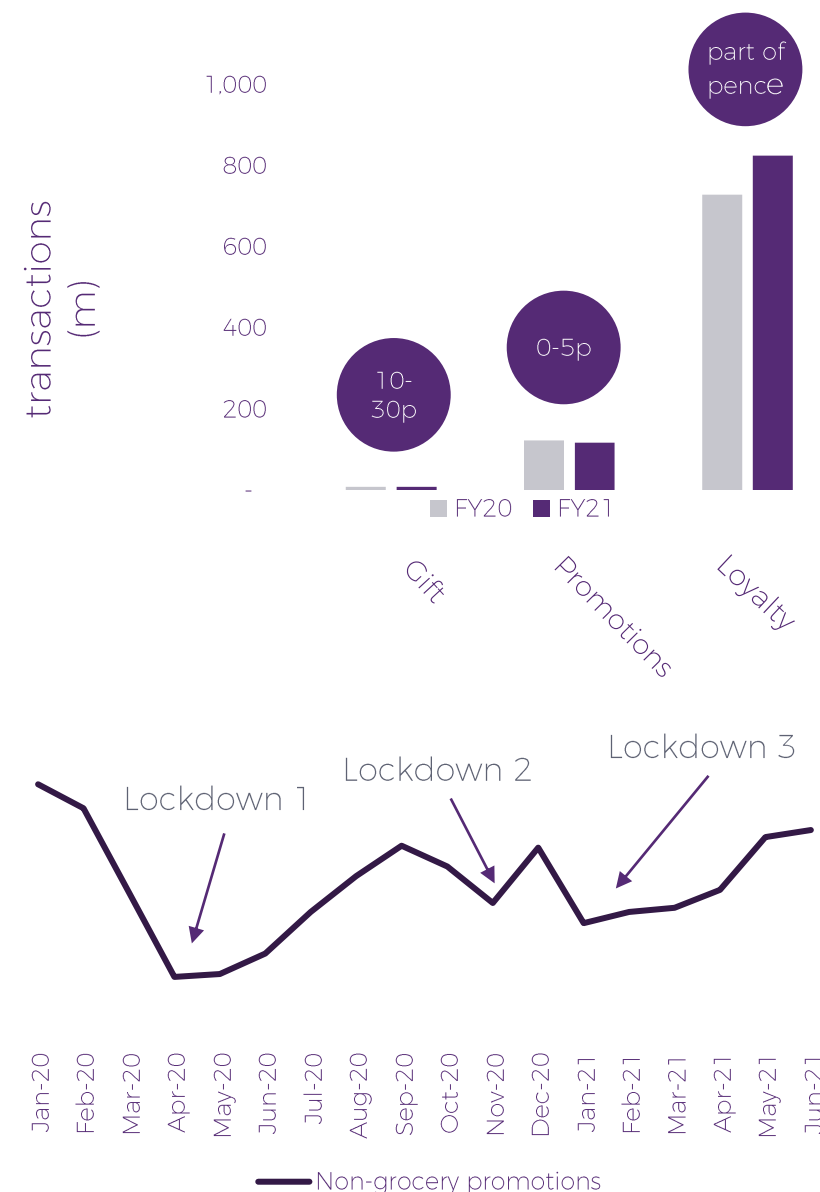
Growth against all revenue lines

	FY 21	FY 21 % of total	FY 20	FY 20 % of total
One off implementation fees	£5.9m	26%	£5.5m	27%
Recurring revenue:				
Licence fees	£7.9m	34%	£7.7m	38%
Transaction fees	£6.4m	28%	£6.0m	29%
SMS fees	£2.6m	12%	£1.3m	6%
	£22.8m		£20.4m	



Chargeable interaction and redemption volumes

- **Overall chargeable AIR redemption and interaction volumes grew by 11% to 952m in FY 21** (FY 20: 856m)
- **Growth in loyalty** delivered by annualisation of Sainsbury's and new international clients
- **Promotions reduction reflects Covid impact** on F&B and brand clients plus some reduction in supermarket promotions
- **Promotions recovery in Q4 21** 178% increase from Q4 20
- **Gift increases 25%** reflecting impact of Black Friday during pandemic and Q4 21 reopening



FY 21 - Income Statement

- Revenue growth of 12% year on year; **27% growth Q4 20 to Q4 21**
- **91% GM**, reflecting impact of growth in lower margin SMS business
- **£16.5m net operating expenses, 4% higher**
 - Net staff costs increase to £10.2m (representing 62% of total overheads) (FY 20: £9.4m) reflecting annual awards and bonus/commission due to wins
 - £0.1m (2%) increase in infrastructure costs despite 11% increase in transaction volumes
 - 13% reduction in discretionary/admin costs, primarily due to travel restrictions
 - £4.3m invested into product in line with FY 20
- **Adjusted EBITDA profit £4.2m** (FY 20: £3.3m)
- **Maiden profit before tax of £0.1m** (FY 20: loss of £0.3m)

£'000	FY 21	FY 20	VAR	VAR %
Revenue	22,800	20,421	2,379	12%
Cost of Sales	(2,134)	(1,318)	(816)	(62)%
Gross profit	20,666	19,103	1,563	8%
Operating costs	(19,277)	(18,639)	(638)	(3)%
Capitalised costs	2,826	2,814	12	0%
Net operating costs	(16,451)	(15,825)	(626)	(4)%
EBITDA	4,215	3,278	937	29%
Amortisation, depreciation, SBP, interest	(4,089)	(3,610)	(479)	13%
Profit/(loss) before tax	126	(332)	458	138%
Tax	(183)	(122)	(61)	(50)%
Loss	(57)	(454)	397	87%

Better, Simpler, Cheaper

Demonstrated by the growth in EBITDA margin

Developed a proven business model to allow us to grow EBITDA, whilst still investing in the business **when we win.**

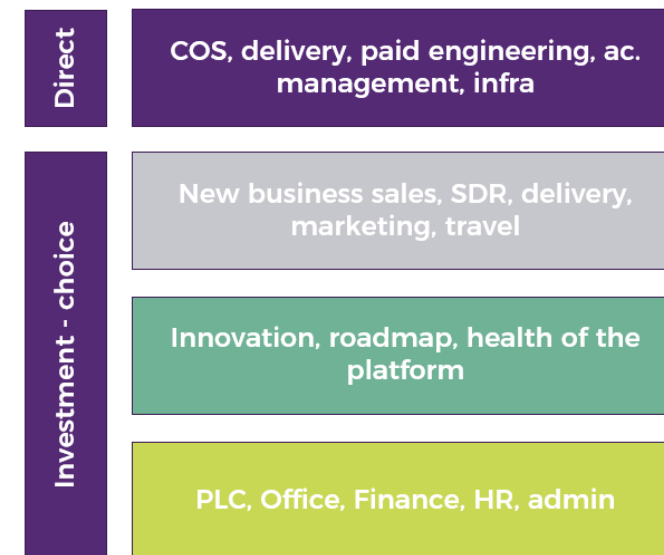
We have demonstrated that by running the business in this way **we can control our costs** during periods of **adversity and prosperity.**

Demonstrated **agility in our operational model** during the pandemic. Our new methodologies have enabled us to supplement our local teams by our global resource pool, **enabling us to open up these geographies in a cost-efficient and scalable manner.**

How do we invest

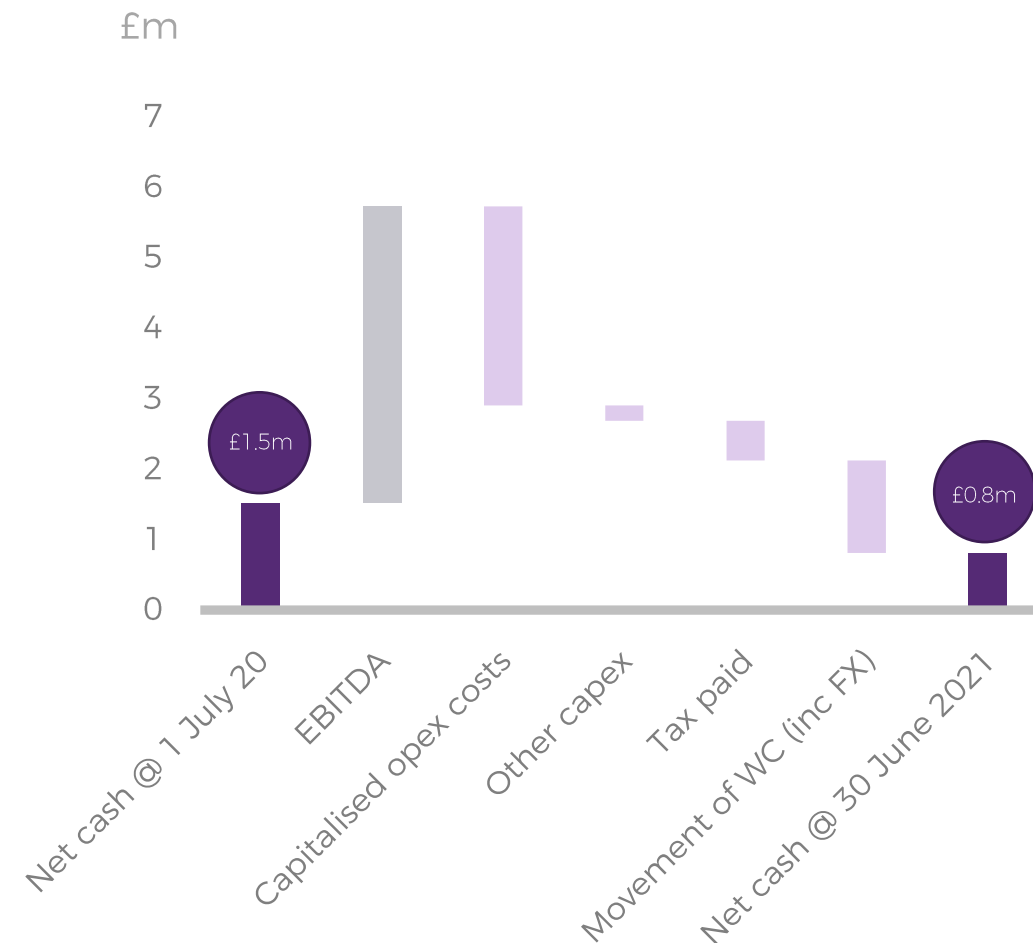
A £ of win...

	£'
Revenue	1.00
Direct costs	(0.50)
Direct margin	0.50
Direct %	50%
Sales & marketing	
Product	(0.45)
Spine	
Capitalised costs	0.15
EBITDA	0.20
EBITDA %	20%



Net cash/(debt) bridge

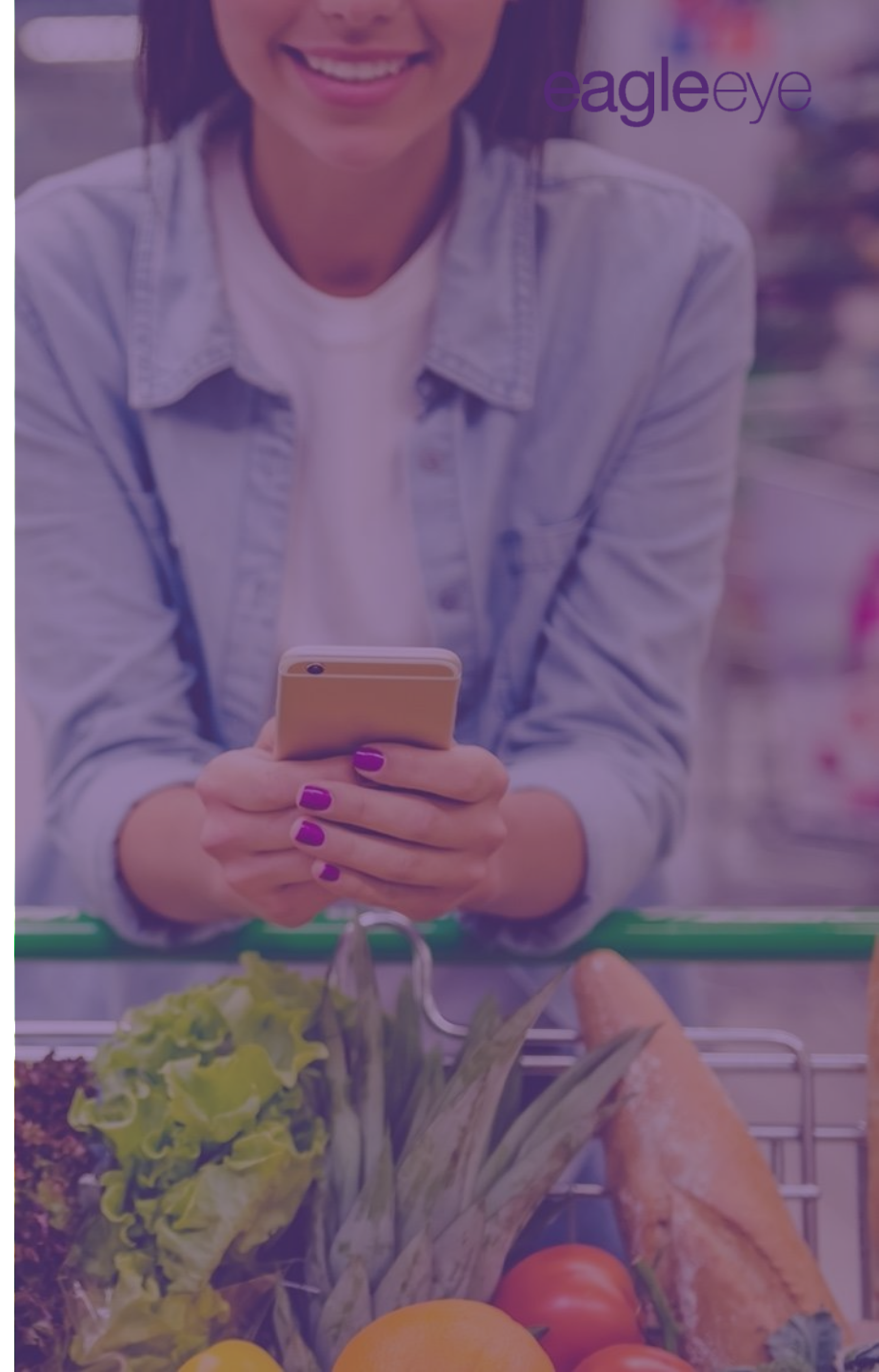
- **£0.9m normalised cash inflow** excluding c.£1.6m COVID-19 repayments; (FY 20 £0.8m inflow exc c.£2.0m COVID-19 deferrals)
- **Operating cash inflow of £2.4m:** EBITDA £4.2m, working cap outflow £1.2m, £0.6m overseas corporate tax payments
- **£3.0m capex:** £2.2m capital expenditure on AIR, IFRS 15 contract costs capitalised £0.7m
- **Headroom of £5.8m**
 - **£1.7m** gross cash at 30 June 2021
 - **£4.1m** available facility
- **Facility in place to November 2022** - sufficient headroom remains to support existing growth plan



Strategic Update

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**



Delivering on our customer strategy

Win

- Despite COVID-19 headwinds, continued growth of Tier 1 customer base in UK and international geographies – resulting in uplift in **“win” related revenue**
- UK wins include: **Liberty Retail Limited** and **Robinsons Brewery**.
- International wins include: **Woolworths Group** in Australia and New Zealand, **Staples US Retail** in North America & our first client in the food services sector, **Vermaat** in the Netherlands
- Continued expansion of **Pret a Manger’s ‘YourPret Barista’** programme

Transact

- Chargeable AIR redemption and interaction volumes **grew 11% to 952m**
- Increased number of SMS (**JD Sports**) & loyalty transactions (**SEG and Sainsbury’s**)
- Currently have over **7,100** hospitality venues on the AIR Platform

Deepen

- Continued low levels of customer churn at **0.3% (FY20: 0.9%)** , with good levels of renewals
- **Pipeline continues to grow** with customers having commenced transacting, including **Pret a Manger** and **Virgin Red**



Winning and deepening in North America

Secured our second US customer

- **Staples US Retail** signed in Dec 2020

Rollout of media channels with Southeastern Grocers

- Six media channels now live
- 200m personalised digital offers, coupons and recommendation variations each month
- Collaboration with dunnhumby providing customer data analysis

Supporting new innovations at Loblaw

- The **PC Health app** helps users develop healthy habits, and the ability to earn PC Optimum™ rewards
- **PC Money Account**, a new, no monthly fee account that lets customers earn PC Optimum points

International rollout of subscriptions for Pret a Manger starting in the US

Strengthening our presence in Australia and New Zealand

AIR Platform live with Australia's largest retailer

- 5 year agreement with **Woolworths Group** signed November 2020
- Went live 10 months after contract signing
- 1400 stores in Australia and New Zealand

Continued strong relationship with The Warehouse Group

- Successfully piloting an app-first loyalty programme within its largest retail banner, The Warehouse

Investing in the team as a platform to enter wider Asia Pacific region

Woolworths Group's Retail Ecosystem



People and Beliefs

Constantly striving to make Eagle Eye an exceptional place to work

We remain committed to our goal of being a great place to work and to create an environment where our people can flourish

- Committed to delivering value to clients by solving problems in our **“Purple way”** – securing customer loyalty
- Deliver **exceptional results**, measured via Professional Services Satisfaction Reports & Net Promoter Scores to monitor how we’re performing
- Introduction of Company Value Awards, Purple Awards & quarterly communications on financial & operational company performance to **promote our values**
- Partnered with **52 Lives**, a charity built around kindness



Innovation



Excellence



Kindness



Teamwork



Passion



Integrity

Environmental Social Governance (ESG)

Eagle Eye is committed to high standards of ESG

New structure for 2021 with a focus on materiality, building on the existing foundations in place

Building on our **strong Governance**

Framework:

- QCA code followed
- KPIs to assess and monitor key aspects of ESG



Big focus on the area of **Social:**

- Our goal is to make this a great place to work – **people are our greatest asset**
- People focused Committees: Values, Mental Health, Charity, Sports, Music
- New: ERG and Purple Women

Our **Environmental footprint is low:**

- Eliminate paper with our digital solution
- Key tech suppliers take Environmental targets seriously
- New working practices reduce travel but have a commitment to plant trees to offset our carbon footprint

Purple Women

Our purpose is 'To make Eagle Eye a great place for our Purple Women to work'

We have set our **4 areas** where we strive to make a difference:

1. Giving our women a **platform for a voice**
2. Supporting the **career journey from start to finish:** being at your **best**, helping **career progression**, whilst ensuring gender equality on pay etc
3. Support our women around **Family** (starting, raising and specifically not being held back by maternity)
4. Educate and make it easier around **Women related health issues:** Menopause, Endometriosis, PND, Dysmenorrhea and Illness etc



Outlook

Outlook

Entered FY22 with a considerably expanded underlying business, record sales pipeline and positive trajectory – trading in the current year is in line with Board expectations and the Board is confident in achieving a positive year of growth in FY22

Increasing market drivers – COVID-19 accelerated the digital engagement strategies of retailers around the world

Proven enterprise capabilities – we provide services to several of the world's leading grocers, we are uniquely strong in the U.K. food and beverage sector and we have added leading names in new sectors, such as Virgin Red and Pret

Strong new business pipeline – established a management structure in EMEA, North America and APAC where the regional heads and their teams are using our diverse and loyal existing client base as proof points to build a strengthened pipeline around the world

Loyal People – investment in our people and offering, in line with revenue growth, ensuring that we are an exceptional place to work

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

“We have entered the new financial year with a record pipeline and look to the future with confidence.”

Thanks.

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eagleeye.com
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