



Results for 6 months ended 31 December 2021

*Strong financial performance and record new
business pipeline*

Eagle Eye Solutions Group plc

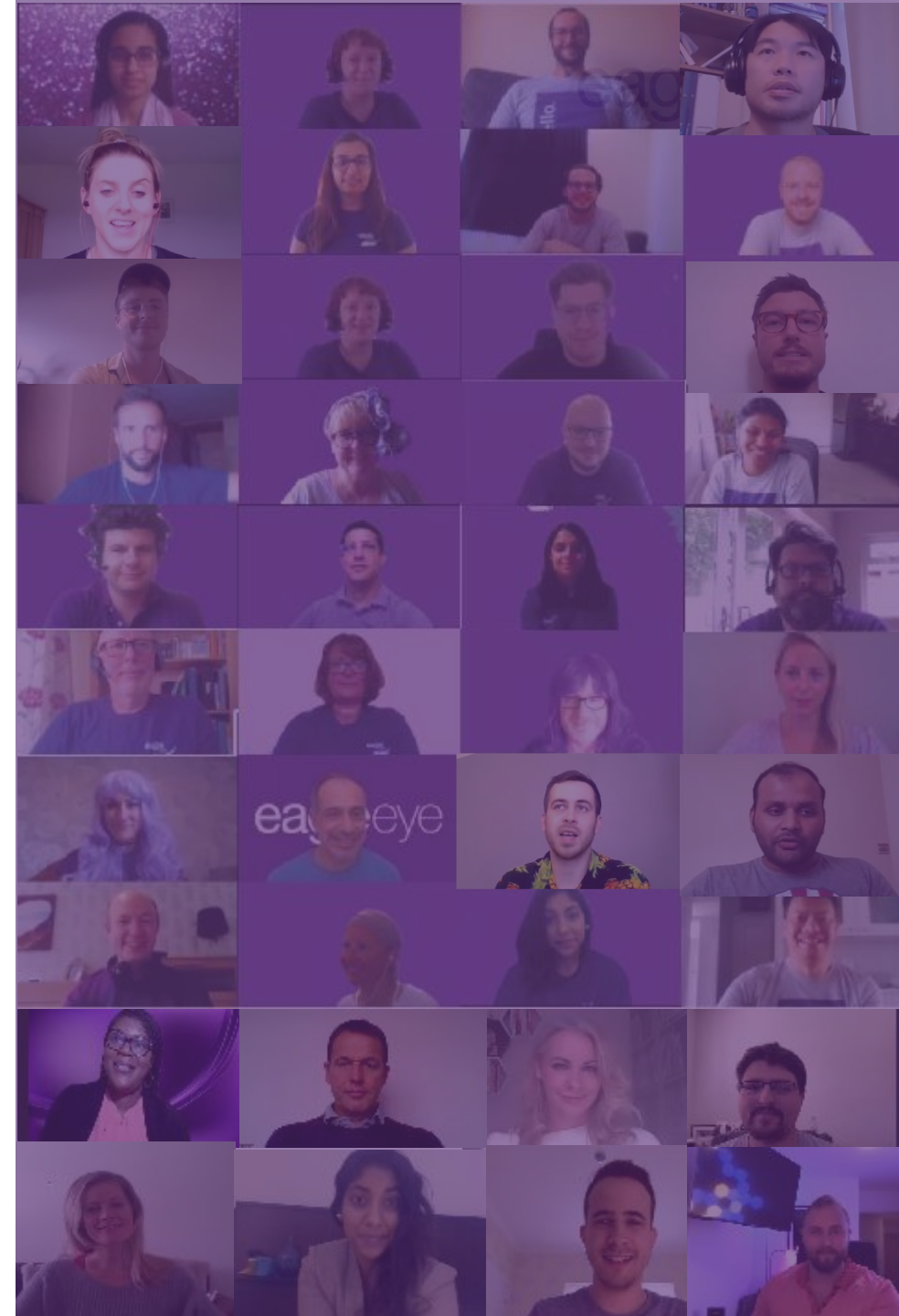
Hello.

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 Period

Strong performance demonstrates benefits of our quality SaaS business model

- **Continued strong trading performance** – driven by all areas of the customer strategy **Win, Transact & Deepen** across **all geographies**
- **Continued investment in people and operations** to support further growth
- **£6.8m of cash headroom** including new £5m facility agreed with SVB supports existing growth plan
- **Two further US wins announced post period**
- **New business pipeline** at record levels

40%
Revenue
growth

76%
Recurring
revenue

+50%
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
- **Personalisation brings rewards** redirecting just 25% of a retailers spending on mass promotion to personalised offers would increase their return on investment (ROI) by 200% ¹

33% of all coupon redemptions were digital in 2021, compared to 24% for free standing inserts – first time digital has exceeded paper

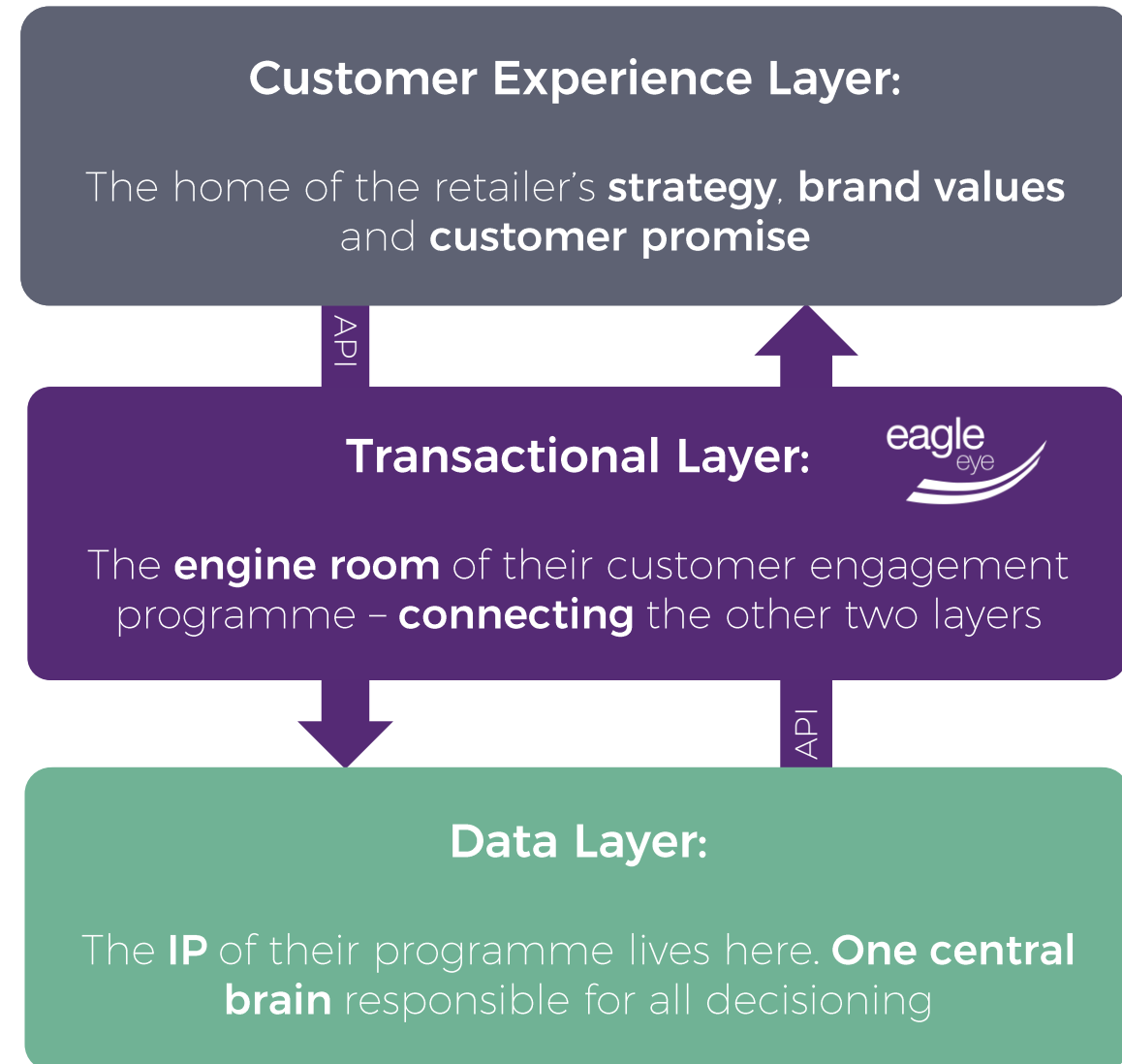
\$70bn annual revenue opportunity for US retailers alone from switching 25% of spend to personalised offers

1. Source: Boston Consulting Group

2. Source: [INMAR intelligence](#)

Core components of a digital engagement strategy

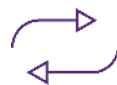
- **Great customer experience** to entice and engage the customer
- **Flexible and scalable transactional capability** both to receive data inputs on customer behaviour and execute data insights in real time
- **Eagle Eye is the leading player in the transaction layer**
- **Manage and analyse data** to drive future transactions



Eagle Eye: The Retail Nervous System



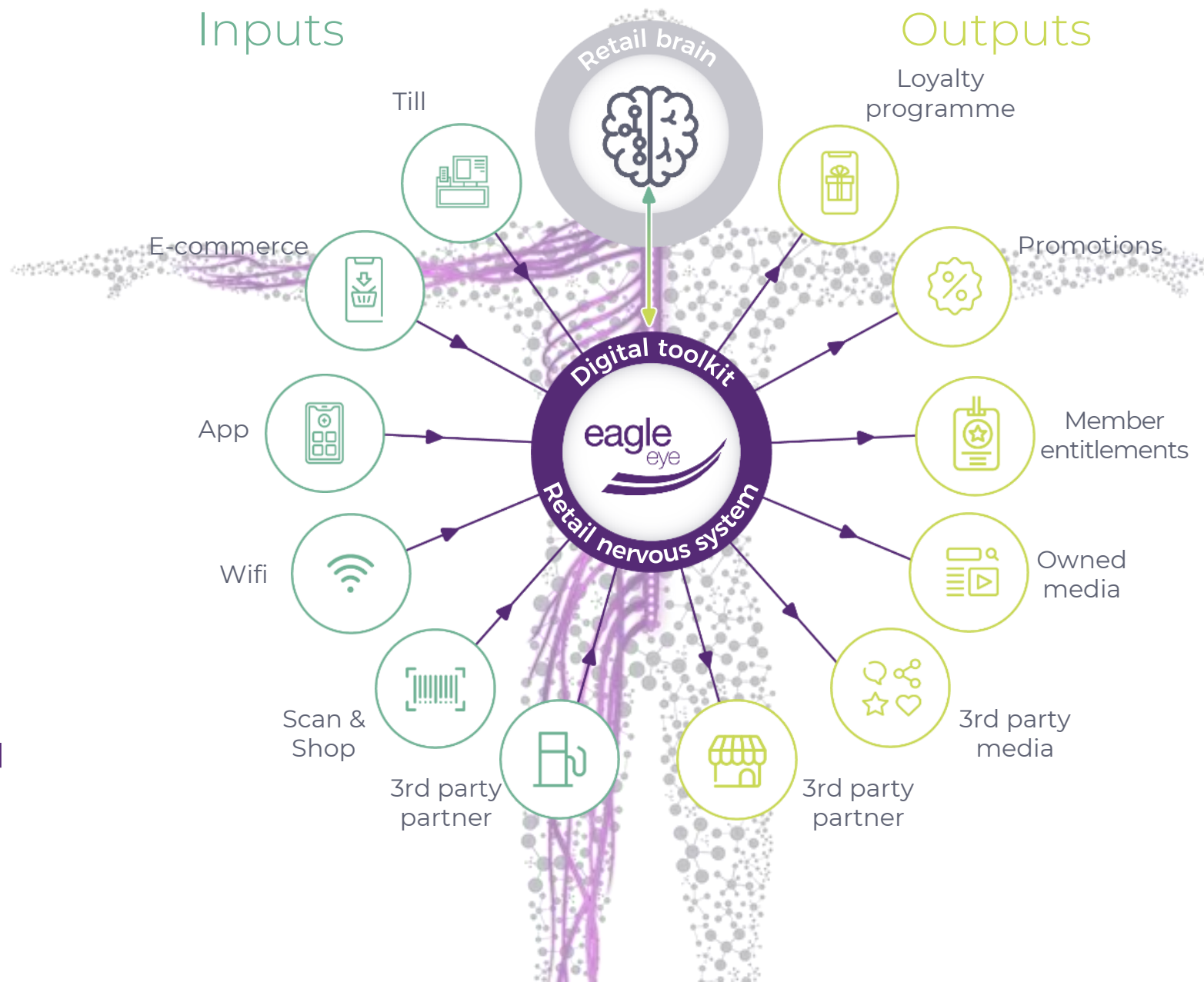
24/7, real time connection between the Brain and the Nervous System



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



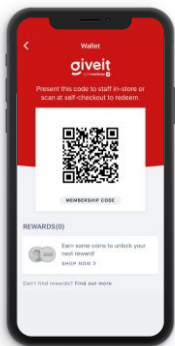
Personalised decisions are passed from the Brain to the Nervous System to be **executed via the digital toolkit**



Our comprehensive digital toolkit for retail marketing

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

Charity donations



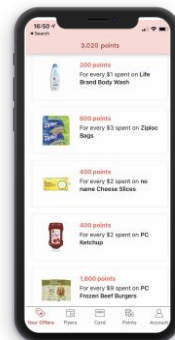
Coupon on receipt



Coalition loyalty



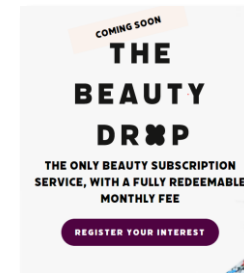
Personalised lifecycle triggers



Personalised continuity



Stored Value Subscriptions



Discounter Loyalty



Deepening Loyalty



Financial Update

Key KPIs – Delivering strong SaaS metrics

40%

Revenue growth to £15.1m
(H1 21: £10.8m)

0.04%

Churn
(H1 21: 0.2%)

76%

Recurring revenue
(H1 21: 73%)

£1.8m

Net cash
(H1 21: £0.1m)

£3.1_m

Adjusted EBITDA
(H1 21: £2.1m)

£0.6m

Profit/(loss) after tax
(H1 21: £(0.1)m)

£18.9_m

ARR, 45% growth
(H1 21: £13.0m)

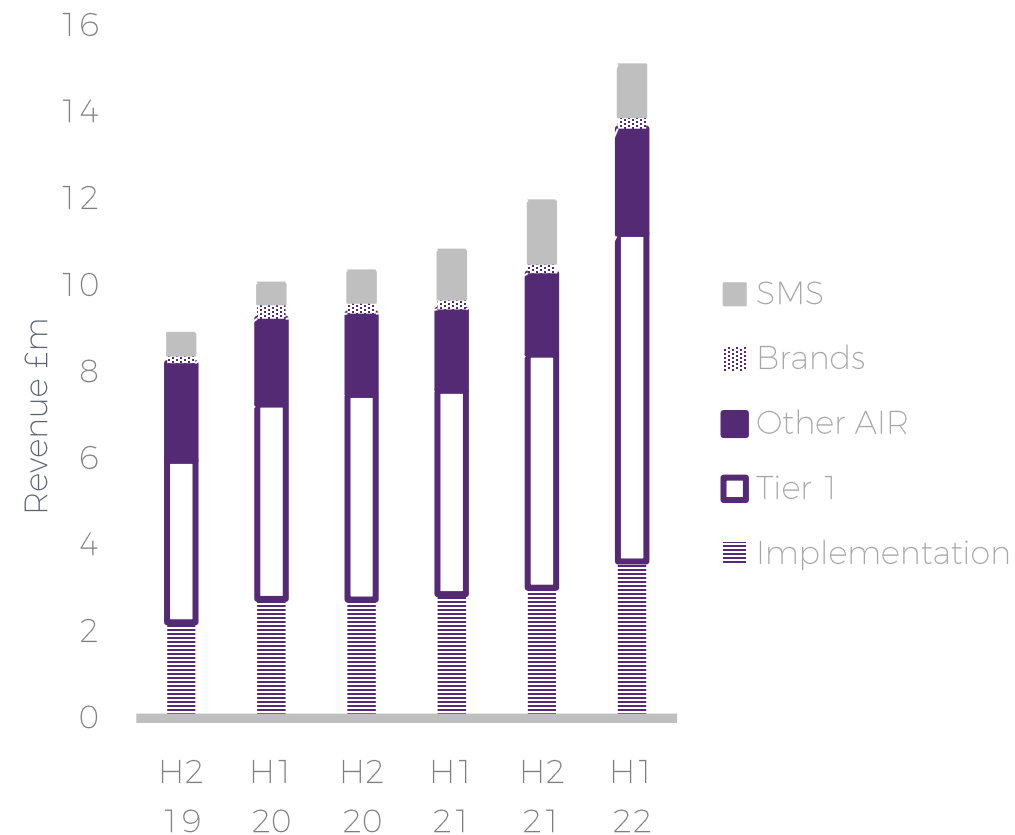
130%

Strong NRR
(H1 21: 108%)

Revenue split by business model

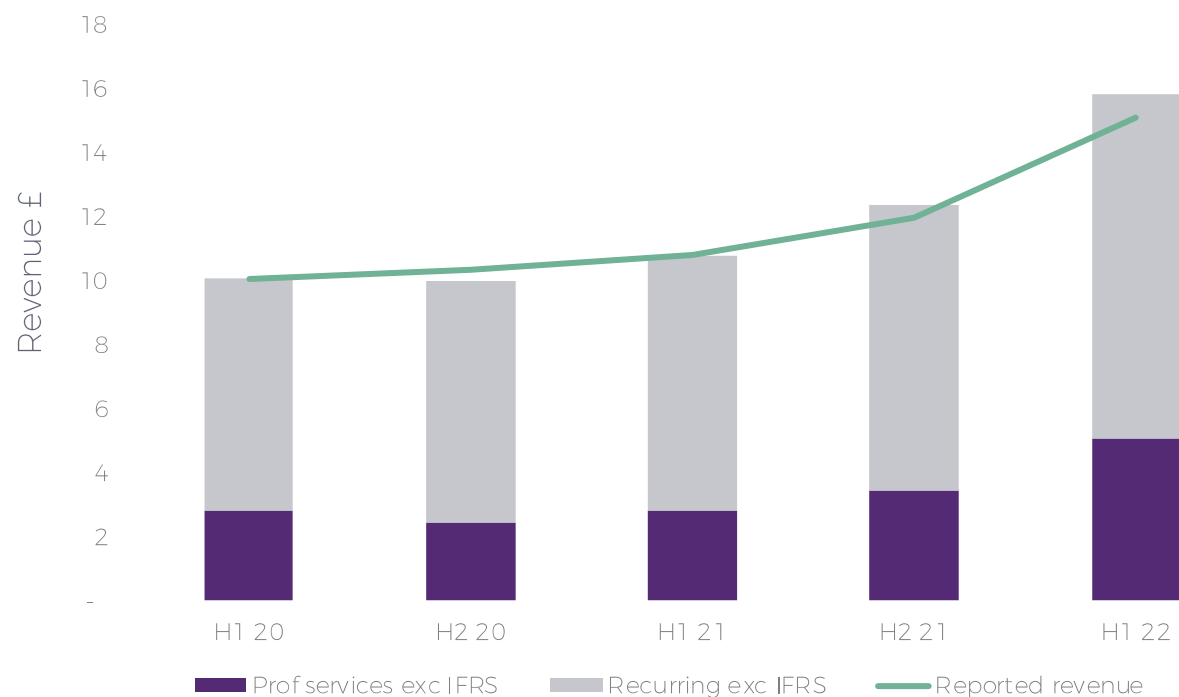
Growth in all areas of our customer strategy: Win, Transact, Deepen

	H1 22	H1 22 % of total	H1 21	H1 21 % of total
One off implementation/ professional service fees	£3.6m	24%	£2.9m	26%
Recurring revenue:				
Licence fees	£5.7m	38%	£3.8m	35%
Transaction fees	£4.6m	30%	£3.0m	28%
SMS fees	£1.2m	8%	£1.2m	11%
	£15.1m		£10.8m	



IFRS 15 revenue impact

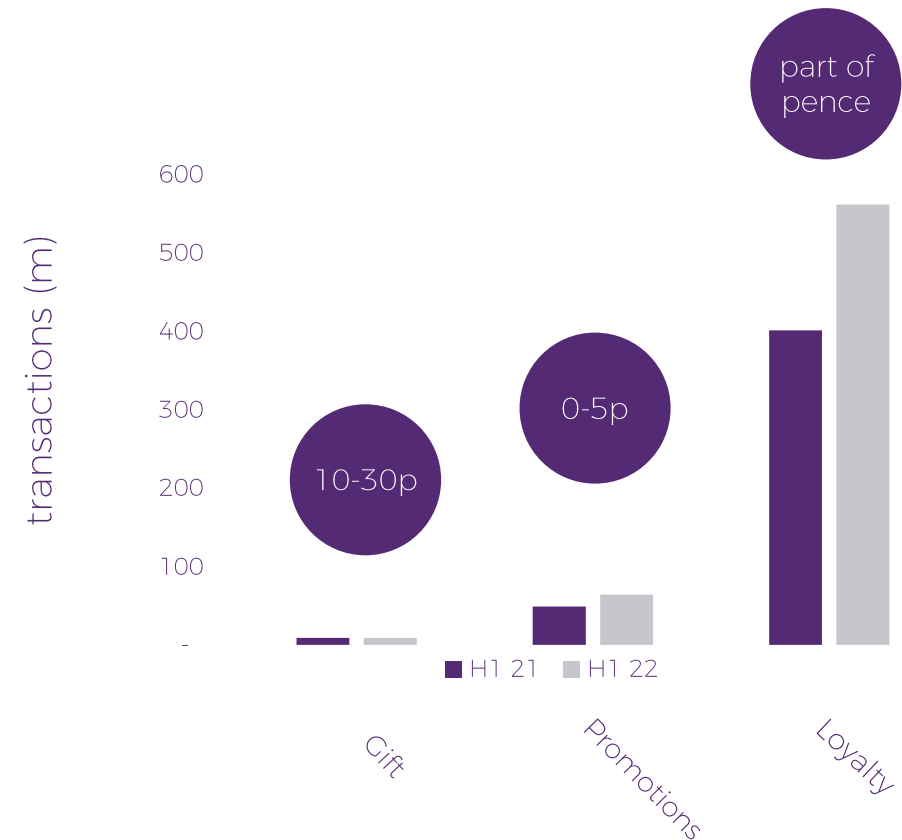
Deferring material revenue to future periods



- **IFRS treatment is having a material impact on H1 22 revenue** due to the significant level of Wins
- For some contracts **no revenue** is recognised for **professional services 'PS' until the new service is live** – this spreads revenue across the contract term rather than as incurred
- **Pre IFRS 15 PS revenue grew by 79% to £5.1m, post IFRS 15 PS revenue grew 26% - the main driver being Woolworths**
- The impact on **run-rate revenue is minimal**
- Overall revenue deferred into future periods **£1.8m** (H1 21: £0.6m) – of which £0.7m has been added in H1 22

Chargeable interaction and redemption volumes

- **Overall chargeable AIR redemption and interaction volumes increase by 40% to 635m in H1 22** (H1 21: 452m)
- **Growth in loyalty** delivered by **Woolworths** going live and **additional services** for Tier 1 clients
- **Promotions increase reflects Covid bounce back** on F&B and brand clients, with significant seasonal Black Friday and Christmas impact
- **Gift volumes increases 73%** reflecting impact of Black Friday and Christmas trading, with average gift increasing by 6% in value



H1 22 - Income Statement

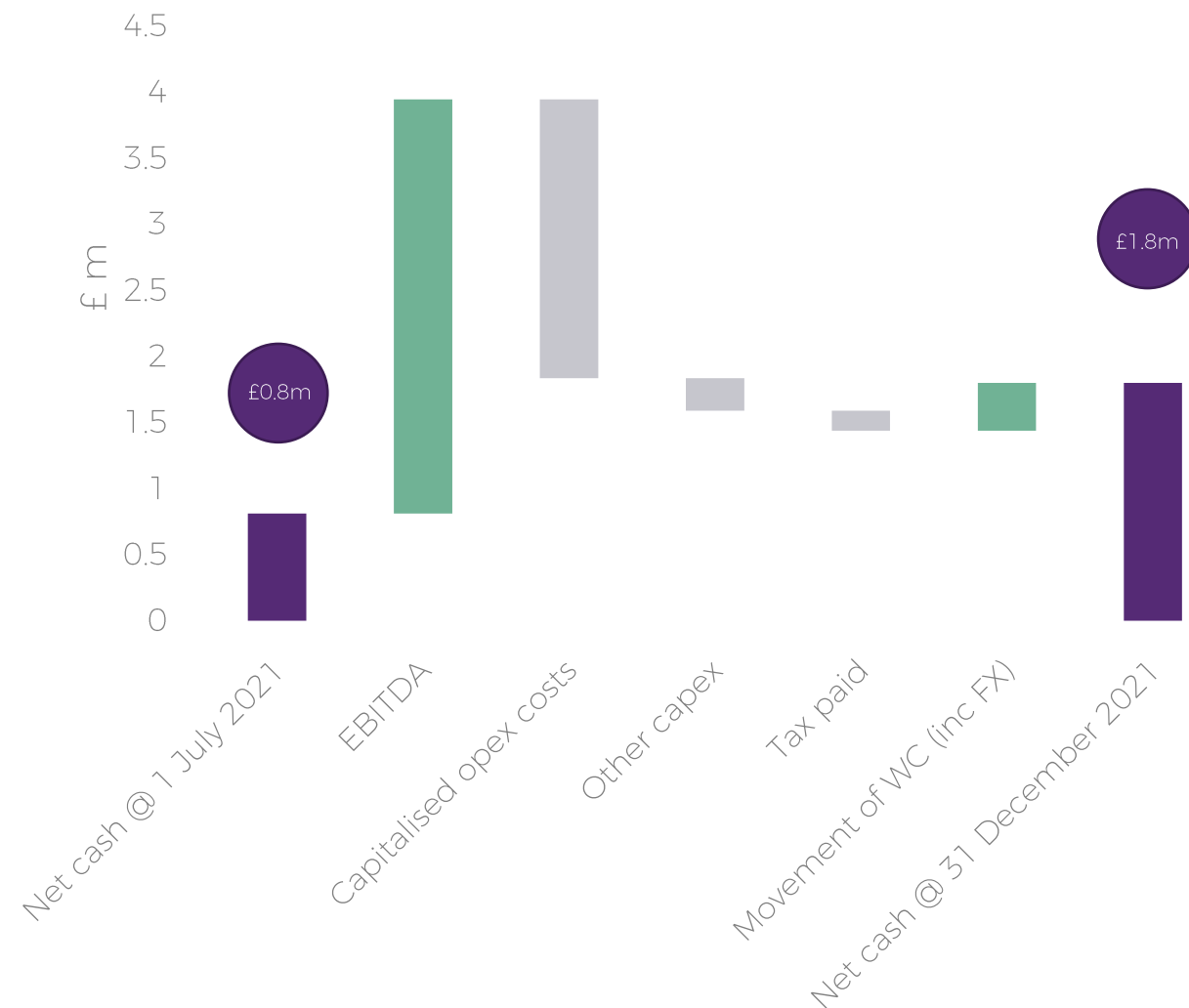
- **40% revenue growth** building on momentum from Q4 21
- **93% GM**, reflecting lessening impact of lower margin SMS business (H1 21: 91%)
- **£10.9m net operating expenses, 41% higher**
 - Net staff costs 34% increase to £6.4m (representing 59% of total overheads)
 - £2.9m IT infrastructure costs; 46% increase, investment for geographical expansion
 - Operating costs continue to be managed in line with Group's investment policy
 - £2.4m invested into product, 10% increase on H1 21
- **Adjusted EBITDA profit £3.1 m** (H1 21: £2.1m)
- **Higher amortisation** £1.8m (H1 21: £1.5m) reflecting investment in product and new customer wins (IFRS impact)
- **Maiden profit after tax of £0.6m** (H1 21: loss of £0.1m)

£'000	H1 22	H1 21	VAR	VAR %
Revenue	15,112	10,829	4,283	40%
Cost of Sales	(1,122)	(1,027)	(95)	(9)%
Gross profit	13,990	9,802	4,188	43%
Operating costs	(12,965)	(8,995)	(3,970)	(44)%
Capitalised costs	2,113	1,288	825	64%
Net operating costs	(10,852)	(7,707)	(3,145)	(41)%
EBITDA	3,138	2,095	1,043	50%
Amortisation, depreciation	(1,944)	(1,607)	(337)	(21)%
Adjusted EBIT	1,194	488	706	145%
SBP, interest	(616)	(291)	(325)	(112)%
Profit before tax	578	197	381	193%
Tax	19	(292)	311	107%
Profit/(loss)	597	(93)	690	742%
Average FTE	150	140	10	7%

Net cash bridge

Cash generation in H1

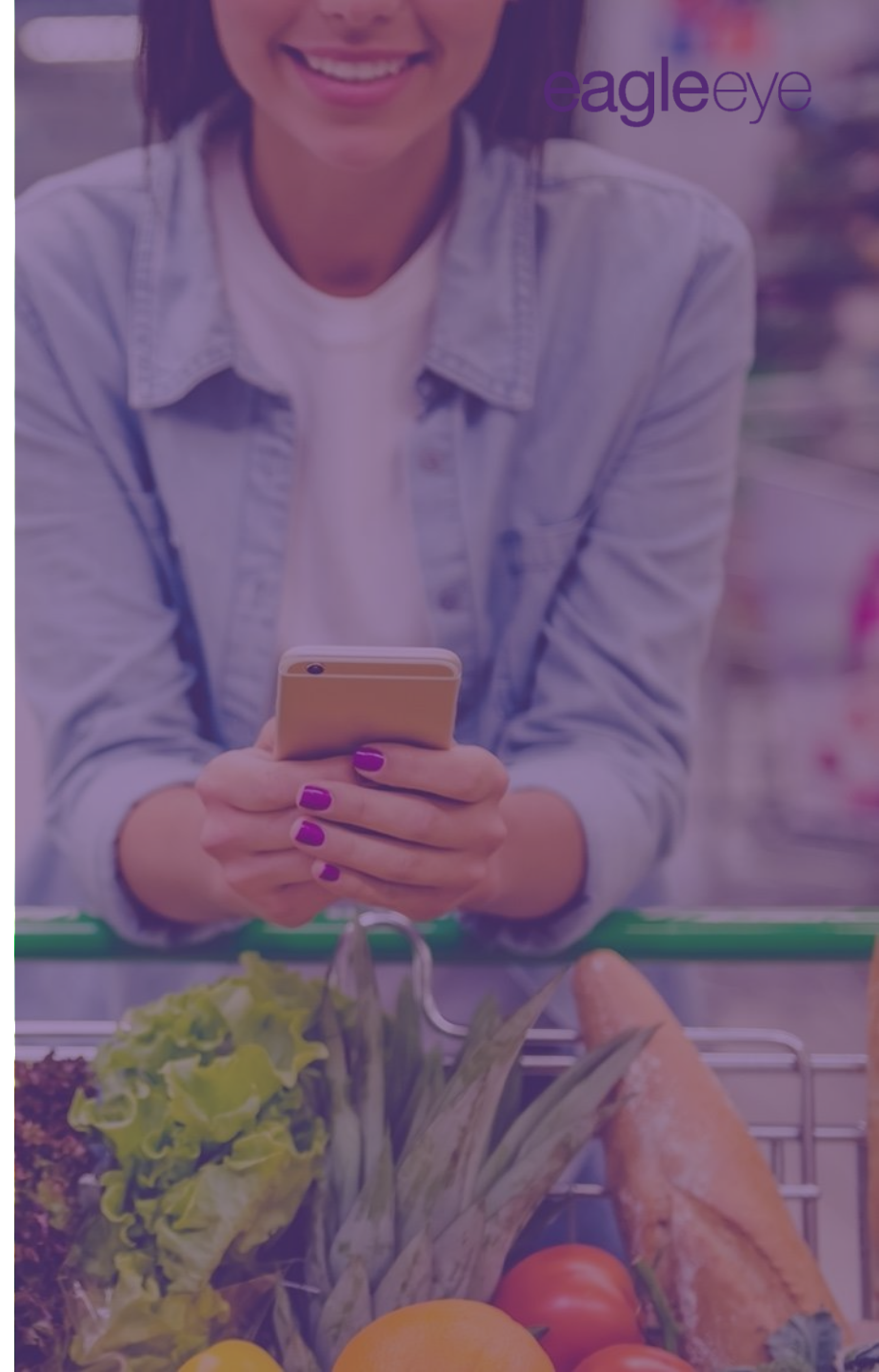
- **£1.0m** cash inflow (H1 21 £1.4m outflow)
- **Operating cash inflow of £3.4m:** EBITDA £3.1m, working cap inflow £0.5m, £0.2m net corporate tax payments – Covid deferrals all settled
- **£2.4m capex:** £1.1m capital expenditure on AIR, IFRS 15 contract costs capitalised £1.0m
- **Headroom of £6.8m**
 - **£1.8m** net cash at 31 December 2021
 - **£5.0m SVB facility – with £2.5m accordion means** sufficient headroom remains to support existing growth plan
- **Facility in place to November 2024**



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**

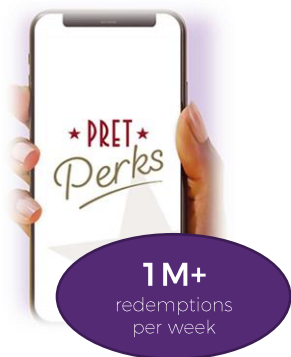


Delivering on all aspects of our customer strategy – Win, Transact, Deepen

Win	Transact
<p>Increased win rate in UK and international geographies – resulting in uplift in “win” related revenue</p> <p>Wins include Halfords Group plc and two new US customers post period end</p> <div data-bbox="428 906 1116 1153"> </div>	<p>Chargeable AIR redemption and interaction volumes grew 40% to 635m</p> <p>Increased loyalty transactions as previous wins next stage of deployment Woolworths, Staples, Southeastern Grocers and Virgin Red</p> <div data-bbox="1319 861 2000 1178"> </div>

Deepen - Powering unique solutions for our clients

Deepening with Eagle Eye AIR



The Brief: Develop a full-scale loyalty programme built upon the success of the existing coffee subscription, that integrates with existing tech stacks and across a number of customer touch points

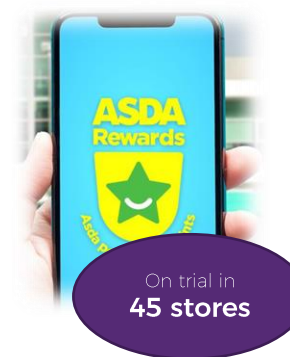
Pret Perks:



Customers earn a star when purchasing in-store or click & collect, subscribers also earn a star for each month they renew



After 10 stars, customers can redeem their reward in shops at the POS up to 30 days after earning them, rewards are personalised to their prior shopping patterns



“Reward customers with money for buying the products they love”



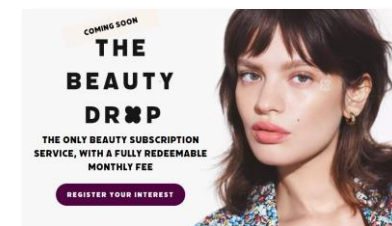
Build up a ‘cash pot’ when purchasing a ‘star product’ or completing an in-app ‘mission’



Earn special rewards for purchasing selected products across a range of brands



Redeem cash by creating a voucher with the money saved in the cash pot and use n-store



£20 a month, fully redeemable against future purchases



Receive 4 x Discovery Beauty Boxes per year, free delivery on all orders and access to Beauty community



Chargebee integration



Up and running in 8 weeks, sold out in 8 hours



Guaranteed customer spend and access to customer data beyond subscription

Significant progress in North America

Well placed to capture a significant opportunity

- US is the largest promotions market in the world – largely still paper-based
- Predominately driven by the consumer packaged goods manufacturers
- Go to market strategy both direct and via partners / collaborations

Existing relationships continue to grow

- Successes of **Southeastern Grocers** (won Dec '19) and **Staples** (won Dec '20) are increasing our profile
- 3 year renewal with **Loblaw**, including launch of redemption at **2,000 Esso™ stations**
- Successful roll out of subscriptions for **Pret A Manger**

Secured our third and fourth US customers in rapid succession

- **National** US grocer signed in Jan '22 – via our partner Neptune
- **Giant Eagle**, a regional food, fuel and pharmacy retailer and one of the 40 largest family operated companies in the US - Jan '22



dunnhumby

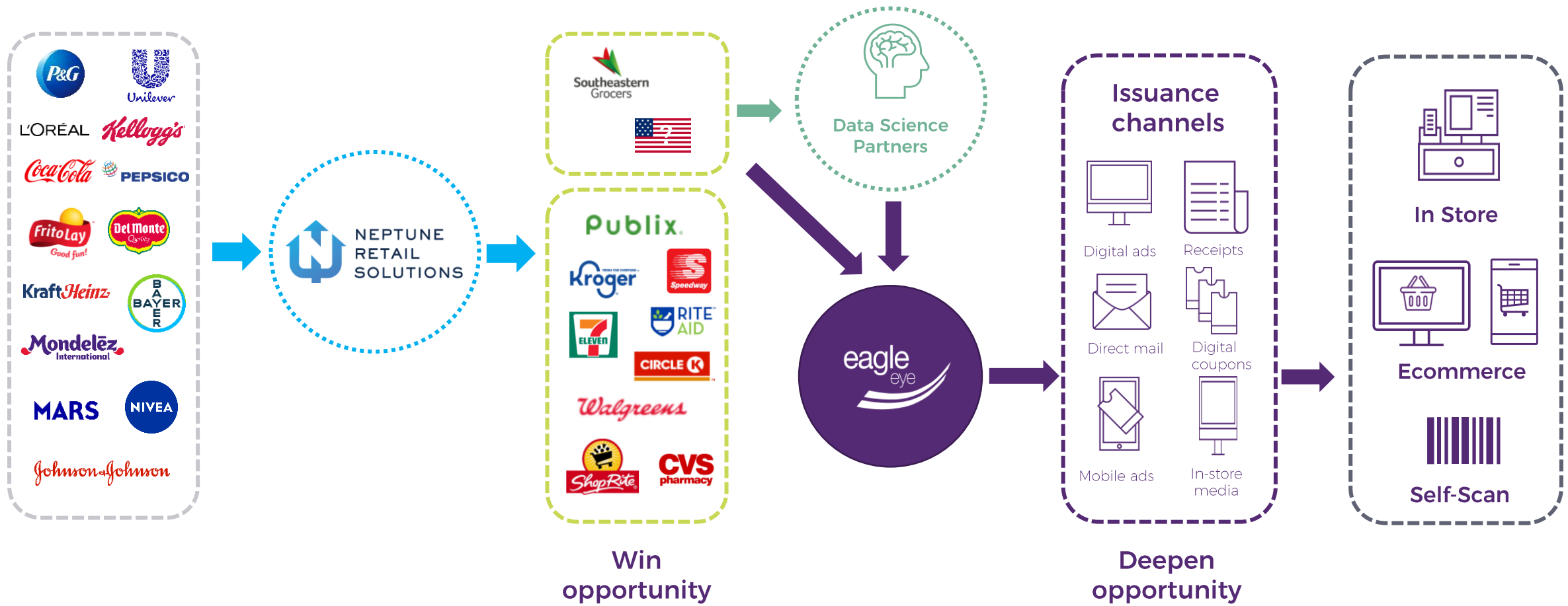


eagleeye

AIR touch points
across 3700 Stores

Growing pipeline
of opportunities,
direct and through
partners

Powerful partnership with Neptune Retail Solutions in a significant market



Committed to high standards of ESG

Focus on materiality, building on the existing foundations in place

Big focus on the area of **Social**: our goal is to make this a great place to work – **people are our greatest asset**

Building on our **strong Governance**

Framework:

- **QCA code** followed
- **16 KPIs** to assess and monitor key aspects of ESG including environmental consumption, gender pay gap, board independence
- Actions have been assigned after the initial assessment – **detail to be included in the Annual Report**



Our **Environmental footprint is low, our digital solution** eliminates paper

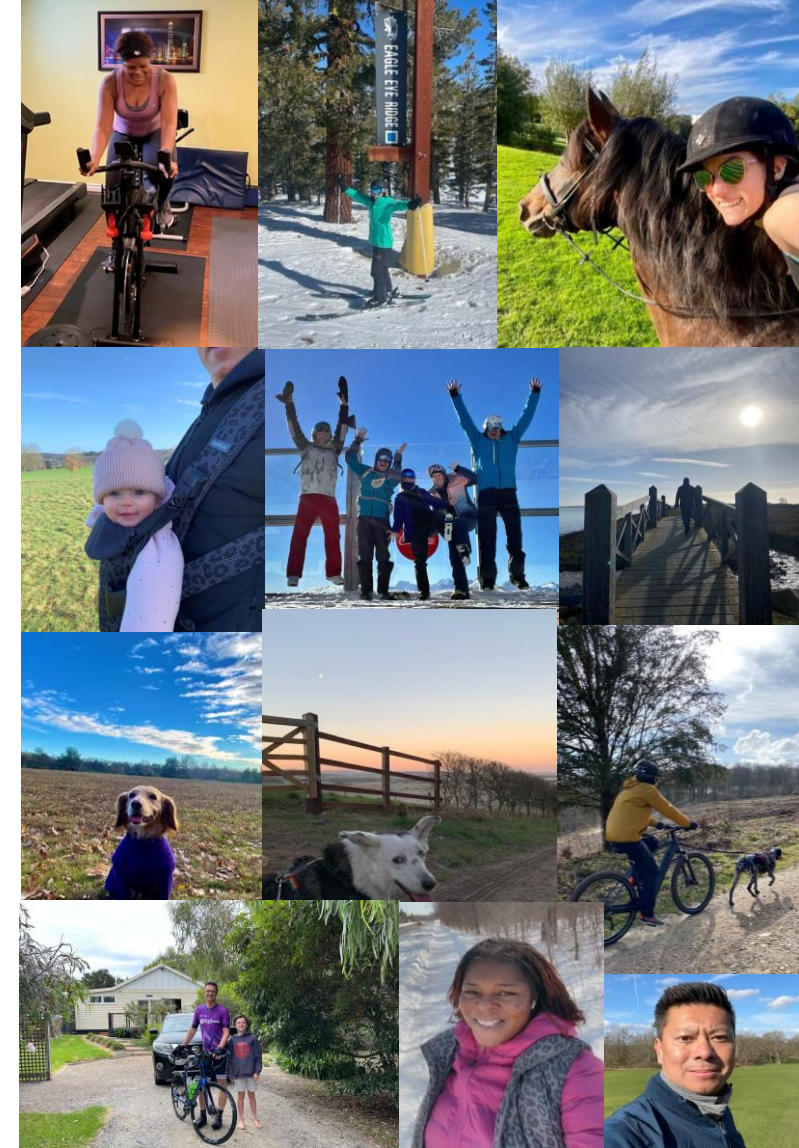
- **Key tech suppliers** take Environmental targets seriously
- We have positioned the business as **'Virtual First'** that reduces travel & cuts carbon emissions
- We have a commitment to plant trees to **offset our carbon footprint**

Enriching lives of our people

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

By...

- **Increased level of honest communication** with all staff: "Tea with Teams", daily Stand Ups, Sales & Operations meetings and quarterly cadence
- **Strengthened and empowered management team** to give more support to the employees: Weekly club to self-educate whilst driving the strategy of the business – **Purple Pathways** programme
- **Measuring employee satisfaction through quarterly NPS > +50**
- The **Launch of Purple Women** to make Eagle Eye a great place for Women to work
- New **family friendly** policies
- Supporting charities **partnering with 52 Lives** a charity built around 'Kindness'; the **Purple Places Challenge** launched as our key H1 initiative



Integrity



Excellence



Innovation



Passion



Teamwork



Kindness

Positive outlook

ARR of £18.9m and NRR of 130% give confidence in future growth

- **Personalised digital engagement** with consumers is more relevant than ever
- Entered the second half of the year in a **strong position**
- **Positive trading** in Q3, in line with the Board's expectations
- Growing revenue base from our **multi-year contracts** and successful record of expansion with customers
- **Partnership with Neptune** provides significant opportunity in the US
- **Record new business pipeline** in all regions

The Board is confident in another year of growth and the long-term success of Eagle Eye

Thanks.

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eagleeye.com
@weareagleeye